

LEG. FINANCE - BILLS 1979 - 1980 1107

HB 471 thru HB 484

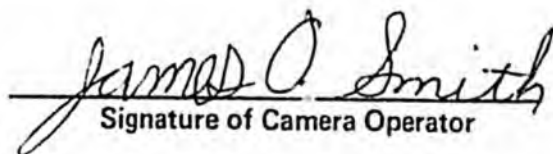
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Signature of Camera Operator


Date

STATE OF ALASKA
THE LEGISLATURE

POUCH V, STATE CAPITOL
JUNEAU, ALASKA 99811

HOUSE OF REPRESENTATIVES

TO FINANCE

REMARKS:

Please return HB 471 to edith Chief Clerk's Office. Need to make a change in referrals

Becky Fritz
4/11

FROM edith

DATE 4/20 /79

Introduced: 4/19/79
Referred: Finance

BY METCALFE, ANDERSON, BARNES,
BEIRNE, BETTISWORTH, CARNEY,
COTTEN, HAYES, HURLBERT, MARTIN,
MONTGOMERY AND ROGERS

1 IN THE HOUSE

2 HOUSE BILL NO. 471

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to resident hire tax credit; and
7 providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 43 is amended by adding a new chapter to read:

10 CHAPTER 27. RESIDENT HIRE TAX CREDIT.

11 Sec. 43.27.010. TAX CREDIT AUTHORIZED. An eligible extractive
12 business located in the state is entitled to a tax credit not to exceed
13 five per cent of the wages paid to employees of that business. The tax
14 credit may be applied to payment of any tax due to the state as a result
15 of the specific business for which the tax credit is granted. The com-
16 missioner of revenue shall annually determine the amount of tax credit
17 for which a business is eligible and shall notify the eligible business
18 of the amount of the tax credit before March 1 of the year following the
19 year in which the tax credit was earned. The unused portion of a tax
20 credit authorized by this chapter is forfeited on December 31 of the
21 year following the year in which the credit was earned. If a tax for
22 which credit is given under this chapter produces revenue shared by a
23 local government, the state shall pay to an affected local government
24 the amount of revenue it would receive had the tax credit not been
25 given.

26 Sec. 43.27.020. APPLICATION FOR CREDIT. Application for a tax
27 credit under this chapter shall be made in a manner prescribed by the
28 department.

29 Sec. 43.27.030. DETERMINATION OF CREDIT. (a) The amount of the

1 tax credit to which an eligible extractive business is entitled is
2 determined as follows:

3 (1) The maximum tax credit is determined by multiplying the
4 total wages paid to Alaska residents who work for the business in Alaska
5 in nonsupervisory positions by five per cent.

6 (2) For each one per cent in excess of 75 per cent and not
7 over 90 per cent of the total work force of the business which is com-
8 posed of Alaska residents who work for the business in Alaska in non-
9 supervisory positions, the business is entitled to six and two-thirds
10 per cent of the maximum tax credit.

11 (b) If an eligible extractive business operates both inside the
12 state and outside the state, the operations in the state shall be segre-
13 gated from the operations outside the state for purposes of determina-
14 tion of the tax credit.

15 Sec. 43.27.040. DEFINITIONS. In this chapter,

16 (1) "department" means the Department of Revenue;

17 (2) "eligible extractive business" means a business which
18 processes, severs, harvests, extracts or transports a natural resource
19 of the state and whose total work force in Alaska includes 75 per cent
20 or more Alaska residents in nonsupervisory positions;

21 (3) "nonsupervisory" means employees not employed in an
22 executive, administrative or professional capacity;

23 (4) "resident" means a person who maintains a place of resi-
24 dence in the state and shows by all attending circumstances that his
25 intent is to make Alaska his permanent residence.

26 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
27 070(c).

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5 - JUNEAU 99811

April 30, 1979

The Honorable Russ Meekins
Chairman, House Finance Committee
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. Meekins:

HOUSE BILL 464

House Bill 464, an Act relating to indexing of the State income tax, was introduced in the House on April 17, 1979 and was referred to the House Finance Committee.

For the consideration of the House Finance Committee, I am enclosing a copy of a Fiscal Note prepared by Mr. N. David Ziemer, Chief, Audit Services, Department of Revenue, concerning the proposed legislation.

Sincerely,



R. D. Stevenson
Special Assistant

Enclosure

cc: Thomas K. Williams, Commissioner
Department of Revenue

Gary L. Jenkins, Director
Audit Division
Department of Revenue

N. David Ziemer, Chief
Audit Services
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 464
 Title An Act relating to indexing of the state income tax
 Requested by House Finance Committee Date 4/26/79

II. FISCAL DETAIL

Agency Affected Revenue
 Program Category Affected Fiscal Services
 Budget Request Unit(s) Affected Audit Division

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		34.3	37.7	41.4	45.5	50.0
200 TRAVEL		1.0	1.1	1.2	1.3	1.4
300 CONTRACTUAL						
400 COMMODITIES		.5	.5	.6	.6	.7
500 EQUIPMENT		2.5				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		38.3	39.3	43.2	47.4	52.1

FUNDING (Thousands of Dollars)

GENERAL FUND		38.3	39.3	43.2	47.4	52.1
FEDERAL FUNDS						
OTHER (Specify)						

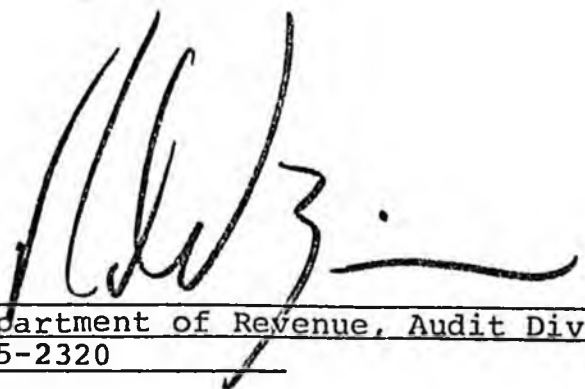
POSITIONS

FULL TIME		1	1	1	1	1
PART TIME		2	2	2	2	2
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached memorandum to R. D. Stevenson dated 4/26/79.

IV. DATE April 26, 1979

PREPARED BY 
 AGENCY Department of Revenue, Audit Division
 PHONE 465-2320

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

STATE
of ALASKA

MEMORANDUM

TO: R. D. Stevenson
Special Assistant
Department of Revenue

DATE: April 26, 1979

FILE NO:

TELEPHONE NO:

FROM: N. David Ziemer
Acting Director
Audit Division

SUBJECT: House Bill No. 464

This bill, which is identical to Senate Bill No. 266, provides for a method of indexing State income taxes by an inflation factor. The bill provides that the tax rates, standard deductions, personal exemptions and tax credits be adjusted annually by an inflation factor of either 110 percent or other amount as set by the Legislative Budget and Audit Committee. This bill will have a marked effect on both the revenue of the State and the operations of the Department of Revenue. Before discussing these effects, one technical clarification needs to be made.

Throughout, the bill calls for an inflation factor of either the amount set by the Budget and Audit Committee or 110 percent, and specifies that that factor should be applied to the rates, deductions and credits for the next tax year. Section 2 of the bill at AS 43.20.025(d) says, "If the Legislative Budget and Audit Committee has not determined an annual inflation factor before October 15 of a tax year, the annual inflation factor for that tax year is 110 percent". The word, "that" should be replaced with the words, the next. This will provide absolute clarity as to which years the bill is referring to.

We estimate, using the 110 percent inflation factor, that the loss of revenue will be approximately \$14,500,000 in the first year. This estimate is based on 1977 tax returns and is merely 10 percent of the total individual collections for that year. A more sophisticated estimate is being prepared by the Research section and should be available soon.

Analysis

While this bill seems like a simple, straightforward act, there are many ramifications due mainly to the complexity of individual income tax administration.

The Department of Revenue is opposed to this bill and finds fault with it for the following reasons:

1. Assuming the default inflation factor of 110 percent, the State Treasury would suffer a loss of approximately \$14,500,000. This estimate is based on the tax statistics for 1977. We are, however, aware that this loss would be offset to some unknown extent by the general growth in the total tax base caused by inflation of wages, etc.

2. The bill provides for the annual inflation rate to be applied to three different levels in the determination of final tax due:
 - A. The minimum deduction and the personal exemption deduction, both of which are deductions from adjusted gross income.
 - B. The tax rate brackets, used to determine tax from taxable income.
 - C. Tax credits, which are offsets to tax determined from rate schedules and are nonrefundable.

It should be noted that by allowing the annual inflation factor to be applied concurrently to all three levels, that the total effect will in all cases be a tax benefit greater than the inflation factor determined by the Legislative Budget and Audit Committee. If the goal of this legislation is to offset the effect of inflation, as measured by the rate they determine, then the total tax benefit should be equivalent to the annual inflation factor. In connection with this, two things should be noted concerning the application to tax credits. First, the bill references the "tax credits" allowed in AS 43.20.036 - 43.20.039. This reference encompasses three sections.

AS 43.20.036 is basically a prohibition section. It lists the federal credits which either are not allowed in the calculation of Alaska income tax due, or which are limited in application.

AS 43.20.038 defines the Residential Fuel Credit as five percent of residential fuel expenses paid during the tax year. There is no maximum ceiling on this credit. Because the credit is based on current dollars spent, if the cost of fuel inflates during the year, the credit will already reflect this rise. To further increase the credit by an artificially determined factor would be needless and redundant.

AS 43.20.039 defines the Residential Fuel Conservation Credit as ten percent of the qualifying expenses subject to a maximum of \$200 or \$100 if married filing separately. Except for the ceiling imposed, the same reasoning applied to AS 43.20.038 applies.

3. Under the current statute construction, the personal exemption deduction allowed in computing Alaska taxable income is tied to the federal personal exemption deduction. For example, when the federal deduction went to \$1,000 in 1979, the Alaska

deduction rose also. The minimum deduction allowed by AS 43.20.031(a)(4) is to be "equivalent in amount to the zero bracket amount defined in Sec. 63(d) of the Internal Revenue Code". If the provisions of this act are adopted in their entirety, it is obvious that from the first year on, neither the personal exemption deduction nor the minimum deduction is going to remotely resemble its federal counterpart. In the case of the minimum deduction, I believe this would call for rewriting AS 43.20.031(a)(4) to incorporate the inflation factor.

4. Since the ultimate result of this act will be to establish a unique tax rate schedule, personal exemption deduction, minimum deduction, and tax credit level for each succeeding tax year, a desirable uniformity is going to be lost. In a time when we are striving to make it possible for the average taxpayer to prepare his/her own return, we would make it more complicated to do so. Especially in the instance of amended returns, multiple year filings, and income averaging schedules, it will be increasingly more difficult for the average taxpayer to prepare his own return. This aspect of the act will undoubtedly have an adverse affect on our Taxpayer Assistance Program.
5. Approximately 28 percent of all filings are from part-year/nonresidents. Since the annual inflation factor reflects the inflation experience of Alaska, it would give a perhaps undue additional tax benefit to this segment of the population, since they presumably spend a healthy portion of their incomes in some other state.
6. Assuming the rate adopted on October 15 applies to the next tax year, the Department of Revenue will need to calculate a new withholding rate for the coming year, to be effective January 1 of the next tax year.
7. In the somewhat unlikely event that the economy takes a turnaround and the inflationary spiral reverses, we would face a rising tax situation (e.g. an inflation factor of .85).
8. In addition to the above comments, there are a couple of technical errors/oversights in the bill, noted below.
 1. In Section 2 of the bill, AS 43.20.025(b) as proposed, provides for adjustment by multiplication by the annual inflation factor for the previous taxable years so the application of the annual inflation factor will be cumulative. First, it should be made clear that this is not retroactive in the first year, i.e., the factor for the first year of application becomes the base. Secondly,

April 26, 1979

it should be pointed out that by multiplying by previous years' factors (e.g. 110% x 108% = 118.80%), the factor becomes compounded, not cumulative. If it were to be cumulative, the above example would result in a second-year factor of 118%.

2. In Section 2 of the bill, AS 43.20.025(d) should read as follows:

"(d) If the Legislative Budget and Audit Committee has not determined an annual inflation factor before October 15 of a tax year, the annual inflation factor for the taxable year beginning after December 31 of that year is 110 percent."

Recommendations:

The goal of compensating taxpayers for inflation is admirable and, in fact, an increasing necessity. However, it could be accomplished much more easily. Let each legislative session adopt a new set of tax tables to be effective on January 1 of the following year. These could be adopted from Budget and Audit Committee recommendations and could compensate only for inflation rather than overcompensation as in the proposed bill. This would have the additional advantage of preserving unto the Legislature its previously sacred duty of setting tax rates.

Budget Impact

Forms costs and preparation would not be significantly impacted as long as the lead time specified in the bill was preserved. We would, however, anticipate that enough confusion about constantly changing rates, deductions and credits would exist to seriously impact our taxpayer assistance function. We expect that due to the added confusion caused by changing tax rates and deductions, our assistance requests will increase 25 to 30 percent over this year. This estimate is based on knowledge of the kinds of questions most frequently asked and the vast number of requests we received last year during the "zero bracket confusion". We estimate that one full time and two five month seasonal Tax Examiner positions will be required. These, together with requisite equipment commodities and travel funds, will cost \$38,300 the first year. See the attached Fiscal Note for details.

Introduced: 4/17/79
Referred: Finance

BY ANDERSON, BARNES, COTTEN,
FREEMAN, HALFORD, HAUGEN, HAYES,
MCKINNON, MARTIN, MUNSON,
OSTERBACK, ROGERS, SCHAEFFER,
ZHAROFF AND GARDINER

1 IN THE HOUSE

2 HOUSE BILL NO. 464

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to indexing of the state income tax;
7 and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 24.20.201(a) is amended by adding a new paragraph to
10 read:

11 (8) determine, before October 15 of each year, an annual
12 inflation factor for the taxable year beginning after December 31 of that
13 year for use by the Department of Revenue in making the adjustments to
14 the Alaska net income tax required under AS 43.20.025. In making this
15 determination the committee shall use those statistics which in its
16 judgment best reflect the magnitude of inflation in Alaska, including
17 but not limited to the monthly consumer price index prepared by the
18 Bureau of Labor Statistics, United States Department of Labor and the
19 commodity indexes prepared by Dow Jones and Company and published in the
20 Wall Street Journal.

21 * Sec. 2. AS 43.20 is amended by adding a new section to read:

22 Sec. 43.20.025. INCOME TAX INDEXING. (a) For each tax year the
23 department shall multiply the annual inflation factor determined by the
24 Legislative Budget and Audit Committee under AS 24.20.201(a)(8) for that
25 year, by the

26 (1) tax rate brackets set out in AS 43.20.011(a) - (c);

27 (2) the minimum deduction (AS 43.20.031(a)(4));

28 (3) the personal exemption; and

29 (4) the tax credits allowed in AS 43.20.036 - 43.20.039.

1 (b) The calculation made under (a) of this section shall be
2 adjusted by multiplication by the annual inflation factor for the pre-
3 vious taxable years so that the application of the annual inflation
4 factor will be cumulative.

5 (c) The resulting dollar amounts rounded to the nearest one dollar
6 are the tax rate brackets, minimum deduction, credits and personal
7 exemption for the next tax year and shall be incorporated into the
8 income tax forms and instructions of the department.

9 (d) If the Legislative Budget and Audit Committee has not
10 determined an annual inflation factor before October 15 of a tax year,
11 the annual inflation factor for that tax year is 110 per cent.

12 * Sec. 3. AS 43.20.025 enacted by sec. 2 of this Act applies to all tax
13 years beginning after December 31, 1978.

14 * Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-
15 070(c).

BY HAYES, BARNES, BEIRNE, BETTISWORTH,
BRANSON, CARNEY, ELIASON, FREEMAN,
FULLER, HALFORD, HAUGEN, HURLBERT,
MCKINNON, MALONE, MARTIN, METCALFE,
MILES, MILLER, MONTGOMERY, MOSS,
O'CONNELL, PHILLIPS, RANDOLPH AND
ROGERS

1 IN THE HOUSE

2 HOUSE BILL NO. 477

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state fiscal procedures; and pro-
7 viding for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. INTENT. It is the intent of the legislature in establishing
10 the budget and appropriations reserve account in this Act to provide a mech-
11 anism to eventually allow the state to prepare its annual budget based upon
12 revenues that have actually been received during the previous fiscal year
13 rather than basing it upon estimated revenues to be received during the
14 succeeding fiscal year. By placing a portion of the state's annual receipts
15 into the budget and appropriations reserve account for each of the next seven
16 years, it is intended that the amount in the budget and appropriations
17 reserve account will be sufficient to cover all of the state's operating and
18 capital expenses for fiscal year 1987, thus allowing a transitional period in
19 which the receipts deposited in the general fund during fiscal year 1987 will
20 be available to meet the state's operating and capital expenses for fiscal
21 year 1988.

22 * Sec. 2. AS 37.05 is amended by adding a new section to read:

23 Sec. 37.05.156. BUDGET AND APPROPRIATIONS RESERVE ACCOUNT. (a)

24 There is created as a special account within the general fund the budget
25 and appropriations reserve account.

26 (b) The legislature shall appropriate money from the general fund
27 to the budget and appropriations reserve account as provided in (c) of
28 this section. Amounts appropriated to the budget and appropriations
29 reserve account shall be treated as surplus of the general fund and

1 shall be invested in accordance with AS 37.10.070. Income from invest-
2 ment of the budget and appropriations reserve account shall be deposited
3 in the general fund.

4 (c) Beginning with the Second Session of the Eleventh Legislature
5 and continuing through the Second Session of the Fourteenth Legislature,
6 the legislature shall annually appropriate from the general fund to the
7 budget and appropriations reserve account an amount equal to 15 per cent
8 of the average gross receipts of the general fund, as determined in
9 accordance with this subsection. Each appropriation shall include a
10 provision stating that the amount appropriated to the budget and appro-
11 priations reserve account lapses into the general fund on July 1, 1986,
12 notwithstanding AS 37.25.010. For the purposes of this subsection,
13 "average gross receipts of the general fund" is determined by dividing
14 the total amount of money deposited in the general fund and in special
15 accounts within the general fund (other than the budget and appropria-
16 tions reserve account) from all sources during the four fiscal years
17 immediately preceding the current fiscal year by four.

18 * Sec. 3. AS 37.07.020(a) is amended to read:

19 (a) The governor shall prepare and submit to the legislature
20 before the fourth legislative day a budget for the succeeding fiscal
21 year which shall cover all estimated receipts, including all grants,
22 loans, and money received from the federal government, and all proposed
23 expenditures of the state government. The budget shall be accompanied
24 by a general appropriation bill to authorize the proposed expenditures,
25 and a bill or bills covering recommendations in the budget for new or
26 additional revenues. After July 1, 1986, the budget shall also be
27 accompanied by a statement of all receipts, including all grants, loans
28 and money received from the federal government, deposited in the general
29 fund during the previous fiscal year.

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* Sec. 4. AS 37.07.020(c) is amended to read:

(c) Before July 1, 1985, proposed [PROPOSED] expenditures may not exceed estimated revenues for the succeeding fiscal year. Between July 1, 1985 and July 1, 1986, proposed expenditures may not exceed estimated revenues for the succeeding fiscal year excluding the amount lapsed into the general fund from the budget and appropriations reserve account under AS 37.05.156(c). Between July 1, 1986 and July 1, 1987, proposed expenditures may not exceed the amount lapsed into the general fund from the budget and appropriations reserve account under AS 37.05.-156(c). For fiscal years beginning after June 30, 1987, proposed expenditures may not exceed the amount of revenues deposited in the general fund in the preceding fiscal year. The expenditures proposed in the six-year capital improvements program and financial plan shall not exceed the estimated revenues and bond authorizations passed and proposed.

* Sec. 5. This Act takes effect July 1, 1979.

Introduced: 4/25/79
Referred: Finance

BY HAYES, BARNES, BEIRNE, BETTISWORTH,
BRANSON, CARNEY, ELIASON, FREEMAN,
FULLER, HALFORD, HAUBEN, HURLBERT,
MCKINNON, MALONE, MARTIN, METCALFE,
MILES, MILLER, MONTGOMERY, MOSS,
O'CONNELL, PHILLIPS, RANDOLPH AND
ROGERS

1 IN THE HOUSE

2 HOUSE BILL NO. 477

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state fiscal procedures; and pro-
7 viding for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. INTENT. It is the intent of the legislature in establishing
10 the budget and appropriations reserve account in this Act to provide a mech-
11 anism to eventually allow the state to prepare its annual budget based upon
12 revenues that have actually been received during the previous fiscal year
13 rather than basing it upon estimated revenues to be received during the
14 succeeding fiscal year. By placing a portion of the state's annual receipts
15 into the budget and appropriations reserve account for each of the next seven
16 years, it is intended that the amount in the budget and appropriations
17 reserve account will be sufficient to cover all of the state's operating and
18 capital expenses for fiscal year 1987, thus allowing a transitional period in
19 which the receipts deposited in the general fund during fiscal year 1987 will
20 be available to meet the state's operating and capital expenses for fiscal
21 year 1988.

22 * Sec. 2. AS 37.05 is amended by adding a new section to read:

23 Sec. 37.05.156. BUDGET AND APPROPRIATIONS RESERVE ACCOUNT. (a)

24 There is created as a special account within the general fund the budget
25 and appropriations reserve account.

26 (b) The legislature shall appropriate money from the general fund
27 to the budget and appropriations reserve account as provided in (c) of
28 this section. Amounts appropriated to the budget and appropriations
29 reserve account shall be treated as surplus of the general fund and

COMMITTEE COPY

1 shall be invested in accordance with AS 37.10.070. Income from invest-
2 ment of the budget and appropriations reserve account shall be deposited
3 in the general fund.

4 (c) Beginning with the Second Session of the Eleventh Legislature
5 and continuing through the Second Session of the Fourteenth Legislature,
6 the legislature shall annually appropriate from the general fund to the
7 budget and appropriations reserve account an amount equal to 15 per cent
8 of the average gross receipts of the general fund, as determined in
9 accordance with this subsection. Each appropriation shall include a
10 provision stating that the amount appropriated to the budget and appro-
11 priations reserve account lapses into the general fund on July 1, 1986,
12 notwithstanding AS 37.25.010. For the purposes of this subsection,
13 "average gross receipts of the general fund" is determined by dividing
14 the total amount of money deposited in the general fund and in special
15 accounts within the general fund (other than the budget and appropria-
16 tions reserve account) from all sources during the four fiscal years
17 immediately preceding the current fiscal year by four.

18 * Sec. 3. AS 37.07.020(a) is amended to read:

19 (a) The governor shall prepare and submit to the legislature
20 before the fourth legislative day a budget for the succeeding fiscal
21 year which shall cover all estimated receipts, including all grants,
22 loans, and money received from the federal government, and all proposed
23 expenditures of the state government. The budget shall be accompanied
24 by a general appropriation bill to authorize the proposed expenditures,
25 and a bill or bills covering recommendations in the budget for new or
26 additional revenues. After July 1, 1986, the budget shall also be
27 accompanied by a statement of all receipts, including all grants, loans
28 and money received from the federal government, deposited in the general
29 fund during the previous fiscal year.

1 * Sec. 4. AS 37.07.020(c) is amended to read:

2 (c) Before July 1, 1985, proposed [PROPOSED] expenditures may not
3 exceed estimated revenues for the succeeding fiscal year. Between
4 July 1, 1985 and July 1, 1986, proposed expenditures may not exceed
5 estimated revenues for the succeeding fiscal year excluding the amount
6 lapsed into the general fund from the budget and appropriations reserve
7 account under AS 37.05.156(c). Between July 1, 1986 and July 1, 1987,
8 proposed expenditures may not exceed the amount lapsed into the general
9 fund from the budget and appropriations reserve account under AS 37.05.-
10 156(c). For fiscal years beginning after June 30, 1987, proposed expen-
11 ditures may not exceed the amount of revenues deposited in the general
12 fund in the preceding fiscal year. The expenditures proposed in the
13 six-year capital improvements program and financial plan shall not
14 exceed the estimated revenues and bond authorizations passed and
15 proposed.

16 * Sec. 5. This Act takes effect July 1, 1979.
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ALASKA STATE LEGISLATURE

ELEVENTH Legislature FIRST Session

HOUSE BILL NO. 477

By HAYES, BARNES, BEIRNE,
BETTISWORTH, BRANSON, CARNEY,
ELIASON, FREEMAN, FULLER, HALFORD,
HAUGEN, HURLBERT, MCKINNON,
MALONE, MARTIN, METCALFE, MILES,
MILLER, MONTGOMERY, MOSS, O'CONNELL,
PHILLIPS, RANDOLPH AND ROGERS

"An Act relating to state fiscal procedures; and providing for an effective date."

State fiscal procedures

Introduced in the House 4-25, 1979

HISTORY IN THE HOUSE

19 79
April 25

Read first time and referred to Committee on Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Concurred in Senate amendment thus adopting:
VOTE

Failed to concur in Senate amendment; asked Senate to recede
VOTE

Senate receded from amendment
VOTE

Senate failed to recede from amendment
VOTE

CC appointed by House

CC appointed by Senate

CC adopted by House
VOTE

CC adopted by Senate
VOTE

To enrolling
Reported correctly enrolled
Sent to Governor
..... by Governor

Filed with Lt. Governor

Chapter No.

Introduced: 4/26/79
Referred: Finance

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 HOUSE BILL NO. 481

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act continuing the existence of the Alaska Trans-
7 portation Commission and amending the laws relating to
8 its responsibilities; and providing for an effective
9 date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 * Section 1. AS 44.66.010(2) is amended to read:

12 (2) Alaska Transportation Commission (AS 42.07.011) --

13 June 30, 1981 [1979];

14 * Sec. 2. AS 02.05 is amended by adding a new section to read:

15 Sec. 02.05.035. EXEMPT AIR CARRIERS. This chapter applies to all
16 air carriers unless specifically exempted by this section. This chap-
17 ter, except when specifically otherwise provided, does not apply to

18 (1) the operation of rotary-wing aircraft (helicopters) by an
19 air carrier;

20 (2) the operation of unscheduled, single-engine, fixed-wing
21 aircraft with a certified gross takeoff weight of 5,500 pounds or less
22 by an air carrier.

23 * Sec. 3. AS 39.25.120 is amended by adding a new paragraph to read:

24 (12) the director, deputy director, and staff legal counsel of
25 the Alaska Transportation Commission.

26 * Sec. 4. AS 42.07.101 is repealed and re-enacted to read:

27 Sec. 42.07.101. EMPLOYMENT OF COMMISSION PERSONNEL. (a) The
28 commission may employ an executive director who shall have had at least
29 five years of experience in public transportation management or

1 regulation, law, accounting, or an allied field. The executive director
2 may be a member of the commission. The commission may employ engineers,
3 hearing officers, staff legal counsel, experts, clerks, accountants, and
4 other agents and assistants it considers necessary. The executive
5 director, if not a member of the commission, his deputy and staff legal
6 counsel to the commission are in the partially exempt service under
7 AS 39.25.120. All other employees and agents of the commission are in
8 the classified service under AS 39.25.100. The salary of an executive
9 director who is a member of the commission may not exceed that of a
10 superior court judge.

11 (b) In addition to its staff of regular employees, the commission
12 may contract for and engage the services of consultants and experts the
13 commission considers necessary.

14 * Sec. 5. AS 42.07.121 is amended to read:

15 Sec. 42.07.121. GENERAL POWERS AND DUTIES. The Alaska Transporta-
16 tion Commission shall supervise and regulate transportation in the state
17 as provided in this chapter and in AS 02.05 and AS 42.10 [, AS 42.15,
18 AS 42.25], and may do all things, whether specifically designated in
19 this chapter or in AS 02.05 or AS 42.10 [, AS 42.15, AS 42.25], or in
20 addition thereto, which are necessary or convenient in the exercise of
21 this power and jurisdiction.

22 * Sec. 6. AS 42.07 is amended by adding a new section to read:

23 Sec. 42.07.126. EXEMPT TRANSPORTATION CARRIERS. The jurisdiction
24 of the commission does not extend to the regulation of carriers by bus
25 or to the regulation of ferry transportation.

26 * Sec. 7. AS 42.07.131 is amended to read:

27 Sec. 42.07.131. AUTHORITY LIMITED BY FEDERAL LAW. The provisions
28 of this chapter and AS 02.05 and AS 42.10 [AND AS 42.15] apply to trans-
29 portation carriers engaged in foreign commerce and interstate commerce

1 to the extent permitted by the constitution and laws of the United
2 States.

3 * Sec. 8. AS 42.07 is amended by adding a new section to read:

4 Sec. 42.07.136. INSURANCE OR DEPOSIT OF SECURITY ON EXEMPT
5 CARRIERS. The commission shall require carriers exempted under
6 AS 02.05.035, AS 42.07.126, and AS 42.10.020 to procure and maintain
7 bodily injury and property damage liability insurance from a company
8 licensed to write insurance in the state or deposit security for the
9 limits of liability and upon the terms and conditions the commission
10 determines necessary for the reasonable protection of the public against
11 damage and injury for which the carrier may be liable by reason of its
12 operation. Evidence of the required insurance shall be filed with the
13 commission.

14 * Sec. 9. AS 42.10.020 is amended by adding a new paragraph to read:

15 (5) motor vehicles operated as tow trucks.

16 * Sec. 10. AS 42.10.090(2) is amended to read:

17 (2) require every private carrier and every exempt carrier
18 except as provided in AS 42.10.020(4) and (5) to file information re-
19 quired by the commission to carry out this chapter, and supervise and
20 regulate each private carrier in all other matters affecting its rela-
21 tionship with the shipping and the general public.

22 * Sec. 11. AS 42.15 and AS 42.25 are repealed.

23 * Sec. 12. AS 02.05.035(2), as added by sec. 2 of this Act, takes effect
24 July 1, 1980. The remainder of this Act takes effect July 1, 1979.

25
26
27
28
29

(11)

COMMITTEE REPORT HOUSE

FURTHER:

April 26, 1979

Date: _____

Mr. Speaker:

The Committee on FINANCE has had HB 481

"An Act continuing the existence of the Alaska Transportation Commission and amending the laws relating to its responsibilities; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

7175
Bradley

Introduced: 4/26/79
Referred: Finance

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 HOUSE BILL NO. 481

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act continuing the existence of the Alaska Trans-
7 portation Commission and amending the laws relating to
8 its responsibilities; and providing for an effective
9 date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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13 June 30, 1981 [1979];

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19 air carrier;

20 (2) the operation of unscheduled, single-engine, fixed-wing
21 aircraft with a certified gross takeoff weight of 5,500 pounds or less
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24 (12) the director, deputy director, and staff legal counsel of
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27 Sec. 42.07.101. EMPLOYMENT OF COMMISSION PERSONNEL. (a) The
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29 five years of experience in public transportation management or

1 regulation, law, accounting, or an allied field. The executive director
2 may be a member of the commission. The commission may employ engineers,
3 hearing officers, staff legal counsel, experts, clerks, accountants, and
4 other agents and assistants it considers necessary. The executive
5 director, if not a member of the commission, his deputy and staff legal
6 counsel to the commission are in the partially exempt service under
7 AS 39.25.120. All other employees and agents of the commission are in
8 the classified service under AS 39.25.100. The salary of an executive
9 director who is a member of the commission may not exceed that of a
10 superior court judge.

11 (b) In addition to its staff of regular employees, the commission
12 may contract for and engage the services of consultants and experts the
13 commission considers necessary.

14 * Sec. 5. AS 42.07.121 is amended to read:

15 Sec. 42.07.121. GENERAL POWERS AND DUTIES. The Alaska Transporta-
16 tion Commission shall supervise and regulate transportation in the state
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18 AS 42.25], and may do all things, whether specifically designated in
19 this chapter or in AS 02.05 or AS 42.10 [, AS 42.15, AS 42.25], or in
20 addition thereto, which are necessary or convenient in the exercise of
21 this power and jurisdiction.

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23 Sec. 42.07.126. EXEMPT TRANSPORTATION CARRIERS. The jurisdiction
24 of the commission does not extend to the regulation of carriers by bus
25 or to the regulation of ferry transportation.

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27 Sec. 42.07.131. AUTHORITY LIMITED BY FEDERAL LAW. The provisions
28 of this chapter and AS 02.05 and AS 42.10 [AND AS 42.15] apply to trans-
29 portation carriers engaged in foreign commerce and interstate commerce

1 to the extent permitted by the constitution and laws of the United
2 States.

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4 Sec. 42.07.136. INSURANCE OR DEPOSIT OF SECURITY ON EXEMPT
5 CARRIERS. The commission shall require carriers exempted under
6 AS 02.05.035, AS 42.07.126, and AS 42.10.020 to procure and maintain
7 bodily injury and property damage liability insurance from a company
8 licensed to write insurance in the state or deposit security for the
9 limits of liability and upon the terms and conditions the commission
10 determines necessary for the reasonable protection of the public against
11 damage and injury for which the carrier may be liable by reason of its
12 operation. Evidence of the required insurance shall be filed with the
13 commission.

14 * Sec. 9. AS 42.10.020 is amended by adding a new paragraph to read:

15 (5) motor vehicles operated as tow trucks.

16 * Sec. 10. AS 42.10.090(2) is amended to read:

17 (2) require every private carrier and every exempt carrier
18 except as provided in AS 42.10.020(4) and (5) to file information re-
19 quired by the commission to carry out this chapter, and supervise and
20 regulate each private carrier in all other matters affecting its rela-
21 tionship with the shipping and the general public.

22 * Sec. 11. AS 42.15 and AS 42.25 are repealed.

23 * Sec. 12. AS 02.05.035(2), as added by sec. 2 of this Act, takes effect
24 July 1, 1980. The remainder of this Act takes effect July 1, 1979.

ALASKA STATE LEGISLATURE

ELEVENTH Legislature FIRST Session

HOUSE BILL NO. 481

By THE COMMERCE COMMITTEE

"An Act continuing the existence of the Alaska Transportation Commission and amending the laws relating to its responsibilities; and providing for an effective date."

Alaska Transportation Commission

Introduced in the House 4-26, 1979

HISTORY IN THE HOUSE

1979

April 26

Read first time and referred to Committee on

Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Concurred in Senate amendment thus adopting:
VOTE

Failed to concur in Senate amendment; asked Senate to recede
VOTE

Senate receded from amendment
VOTE

Senate failed to recede from amendment
VOTE

CC appointed by House

CC appointed by Senate

CC adopted by House
VOTE

CC adopted by Senate
VOTE

To enrolling
Reported correctly enrolled
Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No.



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O Smith
Signature of Camera Operator

3/20/90
Date

COMMITTEE REPORT

HOUSE

FURTHER:

April 27, 1979

Date: _____

Mr. Speaker:

The Committee on FINANCE has had HB 484

"An Act terminating the existence of the Alcoholic Beverage Control Board, reassigning its responsibilities to the Department of Commerce and Economic Development, amending laws relating to the department's responsibilities; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

7008
Bradley

Introduced: 4/27/79
Referred: Finance

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 HOUSE BILL NO. 484

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act terminating the existence of the Alcoholic
7 Beverage Control Board, reassigning its responsibili-
8 ties to the Department of Commerce and Economic Devel-
9 opment, amending laws relating to the department's
10 responsibilities, and providing for an effective date."

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

12 * Section 1. AS 04.05.010 is amended to read:

13 Sec. 04.05.010. DIVISION OF ALCOHOLIC BEVERAGE CONTROL [CREATION
14 OF BOARD AND OFFICE OF DIRECTOR]. (a) There is established a division
15 of alcoholic beverage control [AN ALCOHOLIC BEVERAGE CONTROL BOARD]
16 within the Department of Commerce and Economic Development [CONSISTING
17 OF FIVE MEMBERS APPOINTED FOR OVERLAPPING THREE-YEAR TERMS]. The depart-
18 ment [BOARD] is vested with the duties, powers, and responsibilities
19 involved in the control of alcoholic beverages, including the promulga-
20 tion of [RULES AND] regulations. The commissioner shall hear [AND THE
21 HEARING OF] appeals from the action of officers and employees charges
22 with enforcing the alcoholic beverage control laws [, RULES,] and regula-
23 tions. [THE GOVERNOR SHALL APPOINT THE BOARD SUBJECT TO CONFIRMATION BY
24 THE LEGISLATURE. NO MEMBER OF THE BOARD MAY HOLD ANY OTHER STATE OR
25 FEDERAL OFFICE, EITHER ELECTIVE OR APPOINTIVE. TWO MEMBERS OF THE BOARD
26 SHALL BE ACTIVELY ENGAGED IN THE ALCOHOLIC BEVERAGE INDUSTRY, EXCEPT
27 THAT NO MEMBER MAY BE AN OFFICER, AGENT, OR EMPLOYEE OF A WHOLESALE
28 ALCOHOLIC BEVERAGE ENTERPRISE. NO THREE MEMBERS OF THE BOARD MAY BE
29 ENGAGED IN THE SAME BUSINESS, OCCUPATION OR PROFESSION. THREE MEMBERS

1 CONSTITUTE A QUORUM FOR THE CONDUCT OF BUSINESS. THE BOARD SHALL MEET
2 AT LEAST ONCE EACH YEAR IN EACH OF THE FOUR JUDICIAL DISTRICTS TO STUDY,
3 RECONSIDER AND MODIFY EXISTING AGENCY RULES AND REGULATIONS IN THE LIGHT
4 OF CURRENT LOCAL PROBLEMS.]

5 (b) The commissioner [GOVERNOR] shall appoint a director [, SUB-
6 JECT TO CONFIRMATION BY THE LEGISLATURE, WHO IS THE EXECUTIVE OFFICER OF
7 THE BOARD]. The director shall enforce this title and the [RULES AND]
8 regulations of the department under the supervision of the commissioner.
9 The director [PROMULGATED BY THE BOARD. THE DIRECTOR IS NOT A MEMBER OF
10 THE BOARD BUT MAY CAST A TIE-BREAKING VOTE. HE] shall issue all
11 licenses provided for under this title.

12 * Sec. 2. AS 04.05.020 is amended to read:

13 Sec. 04.05.020. REGULATIONS. The department [BOARD] shall adopt
14 [PRESCRIBE RULES AND] regulations consistent with this title governing
15 the manufacture, barter, sale, and possession of intoxicating liquors in
16 the state and shall prescribe application fees.

17 * Sec. 3. AS 04.05.030 is amended to read:

18 Sec. 04.05.030. POWERS, AUTHORITY AND CONTROL. (a) The depart-
19 ment shall [BOARD MAY] control the manufacture, barter, sale and posses-
20 sion of intoxicating liquors in the state, and may adopt necessary
21 [RULES AND] regulations to assure the proper administration of state
22 liquor laws [REGULATIONS] in a manner that will protect the public
23 health, safety and welfare.

24 (b) The department [BOARD] shall review all applications made
25 under this title for licenses and shall issue, reissue, revoke, transfer
26 or suspend all licenses coming within the purview of this title. The
27 licenses shall be issued, reissued, revoked, transferred or suspended as
28 the department [BOARD] considers in the best interests of the public.
29 When a license is denied, the denial shall be made in writing with the

1 reason for the denial set out [FORTH].

2 (c) The department [BOARD] may hold public hearings on applica-
3 tions for licenses when any applications are protested, and require an
4 applicant to answer any pertinent questions.

5 (d) The department [BOARD] may appoint agents, assistants, clerks
6 and stenographic employees as it considers necessary in giving effect to
7 this title.

8 (e) The department [BOARD] may adopt [PROMULGATE] necessary [RULES
9 AND] regulations to effectuate the purpose of this title. These [RULES
10 AND] regulations shall have the effect of law.

11 (f) The Administrative Procedure Act (AS 44.62) governs all pro-
12 ceedings under this title.

13 * Sec. 4. AS 04.05.040 is amended to read:

14 Sec. 04.05.040. SCOPE OF REGULATIONS. The power of the department
15 [BOARD] to adopt [RULES AND] regulations specifically includes, but is
16 not limited to, the following matters:

17 (1) regulating the employment, conduct and duties of the
18 employees of the division of alcoholic beverage control [BOARD];

19 (2) prescribing the forms of application, reports and other
20 forms, and the terms and conditions in permits and licenses issued;

21 (3) prescribing the fees to be paid for permits and licenses
22 issued for which no fees are prescribed by statute, and prescribing the
23 fees for anything done or permitted to be done under the regulations;

24 [(4) PROVIDING FOR REGULAR AND SPECIAL MEETINGS OF THE BOARD
25 AS MAY BE NECESSARY OR PROPER;]

26 (5) providing for the delegation to the director of routine
27 administrative functions and powers, including the issuance, transfer
28 and renewal of licenses and permits where there is no contest or pro-
29 test;

1 (6) prescribing the manner of giving and serving notice
2 required by law or regulation where it is not provided for by statute;

3 (7) prescribing the conditions, accommodations, qualifica-
4 tions, and inspections of each type or kind of license, licensee, or
5 licensed premises;

6 (8) providing for the making of returns and reports by whole-
7 salers of wine, beer and liquor;

8 (9) providing for the giving of fidelity bonds by any or all
9 of the employees of the division [BOARD], the state to pay the premiums
10 for the bonds;

11 (10) providing for the issuance, renewal, reissuance, revoca-
12 tion and suspension of licenses and permits;

13 (11) prohibiting possession of alcoholic beverages by minors;

14 (12) prescribing reports from licensee corporations, including
15 reports of stock ownership, transfers and changes of officers and
16 directors.

17 * Sec. 5. AS 04.05.070 is amended to read:

18 Sec. 04.05.070. VIOLATION OF REGULATIONS OF THE DEPARTMENT
19 [BOARD]. A person, firm, or corporation, who violates a [RULE OR]
20 regulation adopted [PRESCRIBED] by the department [BOARD] governing the
21 manufacture, sale, barter, and possession of intoxicating liquors in the
22 state, or the qualifications of those engaging in the manufacture, sale,
23 barter, and possession of intoxicating liquors in the state, or the
24 payment of license fees and excise taxes, is guilty of a misdemeanor,
25 and upon conviction is punishable as provided in AS 04.15.100.

26 * Sec. 6. AS 04.10.030 is amended to read:

27 Sec. 04.10.030. ISSUANCE OF LICENSES. The licenses described in
28 AS 04.10.040 - 04.10.140 shall be issued by the director [UPON DIRECTION
29 OF THE BOARD].

1 * Sec. 7. AS 04.10.040(a) is amended to read:

2 (a) The holder of a beverage dispensary license may sell for cash
3 or serve on the premises beer, wine and hard liquors for consumption on
4 the premises only. The beverage dispensary license fee is \$500 in all
5 unincorporated communities and incorporated cities having a population
6 not exceeding 1,500 persons and \$1,000 in all unincorporated communities
7 and incorporated cities having a population in excess of 1,500 persons.
8 The population shall be determined at the time of filing the applica-
9 tion. Each applicant for a beverage dispensary license shall file with
10 the application a cash bond or a surety bond executed by a surety
11 company approved by the department [BOARD]. The condition of the bond
12 or undertaking shall be that the applicant or applicants are the sole
13 owners of the business to be licensed, and that no other person is
14 financially interested directly or indirectly, and that the applicant or
15 applicants will conduct the business in accordance with the applicable
16 laws pertaining to intoxicating liquor in the state. The bond shall be
17 in the penal sum of \$2,500. Upon revocation of the license, the bond
18 may be forfeited and the amount deposited into the general fund of the
19 state.

20 * Sec. 8. AS 04.10.070 is amended to read:

21 Sec. 04.10.070. CLUB LICENSE. A club license gives to clubs,
22 fraternal organizations, and patriotic organizations, that have a state
23 or national charter, and that have been so incorporated and active for a
24 period of two years or more, the right to sell intoxicating liquors to
25 members and their families only in their club rooms. The club license
26 fee is \$400, except that where any club has certified to the department
27 [BOARD] that the gross sales of intoxicating liquor for the preceding
28 year were less than \$5,000 the club license fee is \$200. For purposes
29 of this section the term "member" as it applies to patriotic organiza-

1 tions includes military personnel on active duty in uniform upon special
2 occasions.

3 * Sec. 9. AS 04.10.190(c) is amended to read:

4 (c) If it appears to the department [BOARD] that any of the state-
5 ments required in the application are untrue at the time of application
6 for the license, the application may be denied.

7 * Sec. 10. AS 04.10.190(d) is amended to read:

8 (d) If it appears to the department [BOARD] after the granting
9 of the license that any of the statements required to be made in the
10 application are untrue, the department [BOARD] may enter an order revok-
11 ing the license. In that event, license money deposited by the applicant
12 is forfeited to the state. Peace officers shall investigate and report
13 to the department [BOARD] any violations of the provisions of this
14 title.

15 * Sec. 11. AS 04.10.200 is amended to read:

16 Sec. 04.10.200. PUBLIC NOTICE. The department [BOARD] shall
17 provide by regulation for adequate notice to inform the public and the
18 local governing body of a proposed issuance of a new license or transfer
19 of an existing license. The notice shall be bilingual when necessary.
20 Notice shall be given by posting at the location of the premises, at the
21 nearest post office, and at one other conspicuous location in the area
22 for a period of at least 10 days a true copy of the application and by
23 public service announcements provided to newspapers and radio and tele-
24 vision stations at least 30 days before filing the application. Paid
25 notice by a new applicant may be required by the department [BOARD]
26 under this section.

27 * Sec. 12. AS 04.10.240 is amended to read:

28 Sec. 04.10.240. TRANSFER OF LICENSE. No license issued under this
29 title may be transferred except after first securing the consent of the

1 department [BOARD]. No license may be transferred out of the election
2 district for the house of representatives within which it was granted,
3 except within an organized borough or a unified municipality established
4 under AS 29.68.240 - 29.68.440. No license may be transferred if the
5 transfer would result in exceeding a population limitation set out in
6 AS 04.10.210. Licenses already issued on April 25, 1960, shall be
7 renewed irrespective of such a limitation, unless the application is
8 denied for reason other than that contained in this section.

9 * Sec. 13. AS 04.10.260(a) is amended to read:

10 (a) The department [BOARD] may, in its discretion, approve the
11 issuance or transfer of a license without regard to the quota provisions
12 of AS 04.10.210 - 04.10.290 when it appears that the issuance or trans-
13 fer will encourage the construction or improvement of a hotel, motel,
14 resort or similar business related to the tourist trade having a minimum
15 accommodation of 10 rooms and a dining facility. The dining facility
16 requirement may be waived if the majority of rooms have kitchen facili-
17 ties.

18 * Sec. 14. AS 04.10.270 is amended to read:

19 Sec. 04.10.270. [HEARING ON] PROTEST OF LOCAL GOVERNING BODY. An
20 application for a transfer, renewal or new license coming from within a
21 municipality shall be transmitted directly to the department [BOARD] and
22 need not bear a recommendation of the governing body of the municipal-
23 ity. Upon deciding to approve an application the department [BOARD]
24 shall transmit written notice of its intent to approve the transfer,
25 renewal or new license requested to the city governing body, if the
26 application is for premises within an incorporated city, or to the
27 borough assembly, if the application is for premises within the area of
28 an organized borough outside the boundaries of an incorporated city. If
29 the local governing body wishes to protest approval, it shall furnish

1 the department [BOARD] with a notice of protest within 30 days of
2 receipt of the [BOARD] notice of intent by the department to approve the
3 application. Upon receipt of a protest by the local governing body, the
4 department [BOARD] may not take final action on the application until it
5 has provided an opportunity for a hearing on the protest in accordance
6 with the requirements of AS 04.10.272 [THE ADMINISTRATIVE PROCEDURE ACT
7 (AS 44.62)].

8 * Sec. 15. AS 04.10 is amended by adding new sections to read:

9 Sec. 04.10.272. HEARING ON PROTEST. On the protest of the local
10 governing body under AS 04.10.270, the department may not approve the
11 application unless the director, after he has provided the local govern-
12 ing body with the opportunity for a hearing, finds that the protest of
13 the local governing body is arbitrary, capricious or clearly unreason-
14 able.

15 Sec. 04.10.274. APPEAL. The decision of the director may be
16 appealed to the commissioner.

17 * Sec. 16. AS 04.10.280 is amended to read:

18 Sec. 04.10.280. [HEARING ON APPLICATION;] REFUND OF FEES. [AT THE
19 TIME SET FOR THE HEARING, THE BOARD SHALL CONSIDER THE APPLICATION AND
20 ANY PROTESTS THAT MAY BE FILED AGAINST IT, AND SHALL HEAR THE APPLICANT
21 OR OTHERS APPEARING IN CONNECTION WITH THE MATTER, AND GIVE JUDGMENT
22 UPON THE APPLICATION.] If the application is rejected, the department
23 [BOARD] shall refund the application fee less the sum of \$25. No
24 license fee may be refunded after the license has been issued.

25 * Sec. 17. AS 04.10.300(a) is amended to read:

26 (a) An adult resident in an area outside a municipality who
27 desires to protest the issuance, reissuance, renewal or transfer of a
28 license for an establishment that is outside a municipality and within
29 two miles of his permanent place of abode or within the established

1 village in which his permanent place of abode is located shall serve
2 upon the applicant and the department [BOARD] a written statement of the
3 reasons for his protest. Upon the receipt of the protest, the depart-
4 ment [BOARD] may give notice and hold a hearing in the area in which the
5 protestant resides, at which all persons interested may be heard.

6 * Sec. 18. AS 04.10.300(b) is amended to read:

7 (b) If the protest is made in writing to the department [BOARD] by
8 at least 35 per cent of the adult residents having a permanent place of
9 abode within the established village where the licensed premises is
10 situated or is to be situated and within two miles of the established
11 village, a special election conducted by the Department of Community and
12 Regional Affairs held within the village is mandatory. If at the elec-
13 tion the majority of the adult residents having a permanent place of
14 abode within the established village and within two miles of the estab-
15 lished village object to issuance, renewal or transfer, the department
16 [BOARD] may not issue, renew or transfer any licenses in, or within two
17 miles of, the established village.

18 * Sec. 19. AS 04.10.300(c) is amended to read:

19 (c) If the licensed premises is situated or is to be situated
20 outside a municipality or established village and at the hearing the
21 majority of the adult residents having a permanent place of abode within
22 two miles of the premises but outside the municipality or established
23 village object to issuance, renewal or transfer, the department [BOARD]
24 may, if in its opinion the public interest will be served by the refusal
25 or if other grounds for refusal exist by law, refuse to issue or trans-
26 fer the license.

27 * Sec. 20. AS 04.10.310 is amended to read:

28 Sec. 04.10.310. PUBLIC APPROVAL FOR LICENSES IN REMOTE AREAS. No
29 license for the sale of intoxicating liquor may be issued in any area

1 [,] which is 50 miles or more from the incorporated boundaries of a
2 municipality, unless a petition containing the signatures of two-thirds
3 of the bona fide residents, 19 years of age or over, residing within a
4 radius of five miles of the nearest United States post office station,
5 is filed with the department [BOARD] asking that a license be issued
6 within the area. If there are two or more United States post office
7 stations within the vicinity of the place where intoxicating liquor is
8 to be sold, the nearest station to such place constitutes the point of
9 beginning. A petition is not necessary for a reissuance of any license
10 granted under this section. If no post office station exists within a
11 radius of five miles of the place where intoxicating liquor is to be
12 sold, then AS 04.10.440 applies.

13 * Sec. 21. AS 04.10.330 is amended to read:

14 Sec. 04.10.330. APPLICATION FOR TRANSFER OF LICENSES. (a) No
15 license may be transferred by the licensee to any other person except
16 with the written consent of the department [BOARD]. Consent for the
17 transfer of a license may be given upon written application for the
18 transfer [THEREFOR].

19 (b) Application for the transfer of ownership of an existing
20 license shall be accompanied by a statement, under oath, executed by the
21 transferor in which he lists all debts and the amounts which he owes to
22 a creditor of the business and taxes due. The board shall promptly
23 inform each creditor of the application and of the amount owed that
24 creditor. The department [BOARD] shall not approve the application for
25 transfer unless all of the debts and taxes due to the state and any
26 municipality are paid, or the transferor gives security for the payment
27 of them satisfactory to the state or a municipality before [CREDITOR OR
28 TAXING AUTHORITY PRIOR TO] approval of the application.

29 * Sec. 22. AS 04.10.340 is amended to read:

1 Sec. 04.10.340. PROVISIONAL LICENSE. The director shall issue a
2 provisional license upon the payment of the minimum fees for the li-
3 censes mentioned in AS 04.10.110. Not later than February 15 of each
4 year following that for which a license has been issued to a licensee,
5 the licensee shall file with the department [BOARD] an affidavit showing
6 the amount of business done during the preceding year under his license
7 and the location and establishment from which the business was done.
8 The licensee shall pay to the department [BOARD] the license fees accrued
9 during the preceding year at the time of filing the affidavit. Unless
10 the affidavit is filed and fee paid, any license outstanding in the name
11 of the applicant which has been issued under the laws in effect at the
12 time of passage of this chapter shall be immediately cancelled by order
13 of the department [BOARD]. The failure to file the affidavit or the
14 cancellation of an existing license does not relieve any licensee from
15 paying the prescribed fees.

16 * Sec. 23. AS 04.10.350(c)(4)(B) and (C) are amended to read:

17 (B) upon proof satisfactory to the department [BOARD] of
18 good cause for the failure to file and pay; and

19 (C) in accordance with [RULES OR] regulations adopted
20 [PROMULGATED] by the department [BOARD]; the fee for filing an
21 application for reinstatement shall, in addition to the annual fee,
22 include the penalty fee provided in (3) of this subsection, no part
23 of which is returnable to the applicant.

24 * Sec. 24. AS 04.10.360 is amended to read:

25 Sec. 04.10.360. TRANSFER OF LICENSE. A license may be transferred
26 to a new location to be operated by a qualified transferee subject to
27 the limitation contained in AS 04.10.240 - 04.10.250. An application
28 for a transfer of a license to a new location shall contain the informa-
29 tion required by the department [BOARD] and shall be accompanied by

1 proof of posting of application as required in AS 04.10.200. The trans-
2 feree of a license shall have the qualifications required under this
3 title for a new license. No license may be issued, reissued or trans-
4 ferred, unless the application for the license contains all the infor-
5 mation required by this title, nor shall an application be granted which
6 contains any false statements of material fact.

7 * Sec. 25. AS 04.10.370 is amended to read:

8 Sec. 04.10.370. DEATH OF LICENSEE. If a person operating a busi-
9 ness as sole licensee under a license authorized by this title dies, the
10 executor or administrator of his estate shall, within 90 days of the
11 death of the licensee or before December 31 of the year for which the
12 license was issued, whichever date first occurs, make application to the
13 department [BOARD] for transfer of the license. If no application is
14 made within that time the license is forfeited and void. The executor
15 or administrator may continue to operate the business until the transfer
16 is approved or until the license is forfeited. The department [BOARD]
17 may extend the time on petition of the executor or administrator.
18 During the period that the licensed premises or a business license
19 [HEREUNDER] is subject to the control of the executor or administrator,
20 he is personally responsible for the conduct of the business or licensed
21 premises.

22 * Sec. 26. AS 04.10.380 is amended to read:

23 Sec. 04.10.380. REVIEW OF DEPARTMENT [BOARD] ACTION. An action
24 relating to the administrative duties imposed by this title is subject
25 to review by the department [BOARD] at the instance of an aggrieved
26 party. An action or decision by the department [BOARD] relating to the
27 issuance, reissuance, suspension or revocation of a license under this
28 title is subject to review.

29 * Sec. 27. AS 04.10.420 is amended to read:

1 Sec. 04.10.420. ADDITIONAL FEES. Any application fee prescribed
2 by the department [BOARD] as provided in AS 04.05.020 is in addition to
3 any other fee charged under this title and shall be deposited in the
4 general fund.

5 * Sec. 28. AS 04.10.430(a) is amended to read:

6 (a) Whenever 35 per cent of the total number of voters at the last
7 general municipal election held in an incorporated city petition the
8 city council to do so the city council shall place upon a separate
9 ballot at the next municipal election the following question: "For the
10 sale of intoxicating liquors....." (yes or no). The
11 regular election officers shall canvass the ballots and report the
12 results to the city clerk, who shall publish the results. If, upon
13 receipt of the certificate of election, the city clerk finds that a
14 majority of the voters are against the sale of intoxicating liquor in
15 the incorporated city, notice thereof shall be forwarded to the depart-
16 ment [BOARD] and applications for licenses within the city shall there-
17 after be denied and no further licenses shall be issued in the city for
18 a period of one year, nor may the department [BOARD] issue a new beverage
19 dispensary or retail license for premises located within five miles of
20 the city. If a majority of the voters at a subsequent election conducted
21 for the purpose and in accordance with these provisions favor the sale
22 of intoxicating liquor in the city, the department [BOARD] shall, upon
23 application, issue the number and type and license to the same or other
24 premises within the city as were in existence on the date of last elec-
25 tion, at which a majority of the voters prohibited the sale of intoxi-
26 cating liquor. Priority shall be given those applicants who were
27 licensees and whose licenses were not reissued by reason of the last
28 election conducted under the provisions of this title. The department
29 [BOARD] shall issue the license notwithstanding any resulting restric-

1 tions which arose subsequent to the prohibiting election.

2 * Sec. 29. AS 04.10.430(c) is amended to read:

3 (c) If the petition for a local option election is for a community
4 liquor license under AS 04.10.139, the department [BOARD] is precluded
5 from issuing additional new licenses of any other type within the bound-
6 aries of the city opting for the community liquor license. This section
7 does not affect the provisions of AS 04.10.260, or liquor licenses
8 issued before September 10, 1972.

9 * Sec. 30. AS 04.10.440 is amended to read:

10 Sec. 04.10.440. CONSENT OF RESIDENTS OUTSIDE INCORPORATED CITIES.
11 No new license for the sale of intoxicating liquor may be issued under
12 this title in areas outside incorporated cities unless a petition con-
13 taining signatures of a majority of the bona fide residents residing
14 within one mile of the place where intoxicating liquor is to be sold,
15 and over the age of 19 years, is filed with the department [BOARD]
16 asking that a license be issued within the [SAID] area. The department
17 [BOARD] may not require the petition for a reissuance of the license.

18 * Sec. 31. AS 04.15.020(d) is amended to read:

19 (d) Presence of minors on premises. It is unlawful for a person
20 under the age of 19 years to enter or remain upon licensed premises
21 unless he is accompanied by his parent, guardian or spouse who has
22 attained the age of 19 years. A person under the age of 19 years may
23 enter and remain upon licensed premises which are also recognized as a
24 restaurant for the purpose of dining or dancing if accompanied by his
25 parent, guardian, or spouse who has attained the age of 19 years, or by
26 the parent or guardian of any other minor also present, or by any other
27 adult with the consent of the minor's parent or guardian. The depart-
28 ment [ALCOHOLIC BEVERAGE CONTROL BOARD], with the approval of the city
29 council if the premises are within the city or with the approval of the

1 borough assembly if the premises are outside the city but within a
2 borough, shall designate which premises are restaurants for the purposes
3 of this section. Licensed premises are premises holding licenses under
4 AS 04.10.020(a) - 04.10.020(d). The department [ALCOHOLIC BEVERAGE
5 CONTROL BOARD] shall adopt [PROMULGATE] regulations for the designation
6 of restaurants and the continuation or withdrawal of the designation.
7 No establishment may be designated as a restaurant for purposes of
8 dining without the consent of the licensee.

9 * Sec. 32. AS 04.15.020(e) is amended to read:

10 (e) Churches and schools. The department [BOARD] shall not issue
11 a beverage dispensary license or package liquor store license for the
12 sale of intoxicating liquor in any building in which the public entrance
13 is within 200 feet of a school ground or church building measured by the
14 shortest pedestrian route from the outer boundaries of the school ground
15 or public entrance of a church building in which religious services are
16 conducted, within or outside any municipality. A license may be re-
17 issued or transferred from one licensee to another, for the sale of
18 intoxicating liquor in a building in which that sale was authorized by
19 law on April 25, 1960. When a license for the sale of intoxicating
20 liquor in a building within 200 feet of a school ground or church build-
21 ing in which religious services are conducted is forfeited, lapses or is
22 transferred to other premises, no license for the sale of intoxicating
23 liquor at the prior licensed location shall thereafter be issued.
24 However, the location may be relicensed in the event of the removal of
25 either cause of the restriction.

26 * Sec. 33. AS 04.15.020(f) is amended to read:

27 (f) Premises to be accessible for inspection. The premises of
28 licensees under this title shall be easily accessible for inspection by
29 peace officers charged with the enforcement of the provisions of this

1 title, including [MEMBERS OF THE BOARD AND] the director or his agent,
2 during all regular hours of the transaction of business upon the pre-
3 mises.

4 * Sec. 34. AS 04.15.020(g) is amended to read:

5 (g) The governing body of a political subdivision of the state may
6 provide by ordinance that the provisions of (c) of this section do not
7 apply in the political subdivision when elections are being held. The
8 department [ALCOHOLIC BEVERAGE CONTROL BOARD] shall adopt regulations
9 governing the sale of intoxicating liquor on election days in the un-
10 organized areas of the state.

11 * Sec. 35. AS 04.15.035(a)(1) is amended to read:

12 (1) the premises to be used for storage are inspected and
13 approved by the department [BOARD] before their use;

14 * Sec. 36. AS 04.15.050 is amended to read:

15 Sec. 04.15.050. SEIZURE AND SALE OF SHIPMENTS TO UNLICENSED PER-
16 SONS. Any intoxicating liquor shipped into the state for sale other
17 than to licensees is contraband and subject to confiscation by the state
18 and any intoxicating liquor seized shall be sold under the order of the
19 department [BOARD] and the proceeds [THEREOF] deposited [WITH THE
20 DEPARTMENT OF REVENUE AND COVERED] into the general fund. However, this
21 section does not apply to sacramental wine, alcohol or liquor used for
22 industrial, pharmaceutical or medical purposes or other liquor used for
23 filling the prescription of a physician.

24 * Sec. 37. AS 04.15.060(d) is amended to read:

25 (d) A licensee or his employee who questions, or has reason to
26 question, whether a person entering upon licensed premises, or ordering,
27 purchasing, attempting to purchase or otherwise procuring or attempting
28 to procure the serving or delivery of intoxicating liquor, has attained
29 the age of 19 years, shall require that person to sign a statement that

1 he is over the age of 19 years. This statement shall be made upon a
2 form prepared by and furnished to the licensee by the department [BOARD].
3 If a licensee, or his employee, in good faith, secures the signed state-
4 ment he is not subject to criminal prosecution for violation of the
5 provisions of [SUBSECTIONS] (b) and (c) of this section.

6 * Sec. 38. AS 04.15.100(b) is amended to read:

7 (b) Upon conviction of a licensee for a violation under (a) of
8 this section, or for violation of a municipal ordinance adopted by a
9 municipality in conformity with AS 04.15.070, the judge having jurisdic-
10 tion shall send a notification of conviction together with a certified
11 copy of the record of conviction to the department [BOARD]. The depart-
12 ment [BOARD] may [, UPON THE DIRECTION OF A MAJORITY OF ITS MEMBERS,
13 THEREUPON] suspend the license as [HEREINAFTER] provided in this section
14 for the first and second violations and upon a third violation may
15 revoke the license and declare the bond forfeited. For the purpose of
16 this section, the terms "second violation" and "third violation" include
17 only those violations which occur within five years of the first viola-
18 tion, but are not limited to repeated violations of the same statutory
19 provision or municipal ordinance.

20 (1) First violation. The license of the premises involved
21 may be suspended for not less than 10 nor more than 45 days;

22 (2) Second violation. The license of the premises involved
23 may be suspended for a period of not less than 30 days nor more than 90
24 days.

25 * Sec. 39. AS 44.25.020(4) is repealed and re-enacted to read:

26 (4) administer the provisions of AS 04 relating to alcoholic
27 beverage control.

28 * Sec. 40. AS 04.05.050 and 04.05.060 are repealed.

29 * Sec. 41. AS 04.10.210, 04.10.240 and 04.10.260 are repealed.

1 * Sec. 42. AS 04.05.010(a) is amended to read:

2 (a) There is established an Alcoholic Beverage Control Board with-
3 in the Department of Commerce and Economic Development [REVENUE] con-
4 sisting of five members appointed for overlapping three-year terms. The
5 board is vested with the duties, powers, and responsibilities involved
6 in the control of alcoholic beverages, including the promulgation of
7 rules and regulations and the hearing of appeals from the action of
8 officers and employees charged with enforcing the alcoholic beverage
9 control laws, rules, and regulations. The governor shall appoint the
10 board subject to confirmation by the legislature. No member of the
11 board may hold any other state or federal office, either elective or
12 appointive. Two members of the board shall be actively engaged in the
13 alcoholic beverage industry, except that no member may be an officer,
14 agent, or employee of a wholesale alcoholic beverage enterprise. No
15 three members of the board may be engaged in the same business, occupa-
16 tion or profession. Three members constitute a quorum for the conduct
17 of business. The board shall meet at least once each year in each of
18 the four judicial districts to study, reconsider and modify existing
19 agency rules and regulations in the light of current local problems.

20 * Sec. 43. Notwithstanding the provisions of AS 44.66.010(b), the Alco-
21 holic Beverage Control Board shall continue in existence until June 30, 1980,
22 and after that date the Department of Commerce and Economic Development
23 shall have jurisdiction over the control of alcoholic beverages in this state
24 under the provisions of AS 04. During the period until June 30, 1980, the
25 members of the board shall facilitate the orderly transfer of the functions
26 and responsibilities of the board to the department. Nothing in this Act or
27 in AS 44.66 limits the authority of the board under AS 04 before June 30,
28 1980.

29 * Sec. 44. Sections 1 - 40 of this Act take effect July 1, 1980. Section

1 41 of this Act takes effect July 1, 1983. Sections 42 and 43 of this Act
2 take effect June 30, 1979.

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ALASKA STATE LEGISLATURE

ELEVENTH Legislature FIRST Session

HOUSE BILL NO. 484

By THE COMMERCE COMMITTEE.

"An Act terminating the existence of the Alcoholic Beverage Control Board, reassigning its responsibilities to the Department of Commerce and Economic Development, amending laws relating to the department's responsibilities; and providing for an effective date."

Alcoholic Beverage Control Board

Introduced in the House 4-27....., 19..79

HISTORY IN THE HOUSE

19 79	Read first time and referred to Committee on Finance																												
April 27	Reported back with recommendation that																												
	Read second time and																												
	Read third time and																												
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HISTORY IN THE SENATE

19	Read first time and referred to Committee on																												
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SECRETARY OF THE SENATE																													

HISTORY IN THE HOUSE

19	Received from Senate
	Concurred in Senate amendment thus adopting: VOTE
	Failed to concur in Senate amendment; asked Senate to recede VOTE
	Senate receded from amendment VOTE
	Senate failed to recede from amendment VOTE
	CC appointed by House
	CC appointed by Senate
	CC adopted by House VOTE
	CC adopted by Senate VOTE
	To enrolling Reported correctly enrolled Sent to Governor by Governor
	Filed with Lt. Governor
	Chapter No.

Introduced: 4/27/79
Referred: Finance

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 HOUSE BILL NO. 484

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act terminating the existence of the Alcoholic
7 Beverage Control Board, reassigning its responsibili-
8 ties to the Department of Commerce and Economic Devel-
9 opment, amending laws relating to the department's
10 responsibilities; and providing for an effective date."

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

12 * Section 1. AS 04.05.010 is amended to read:

13 Sec. 04.05.010. DIVISION OF ALCOHOLIC BEVERAGE CONTROL [CREATION
14 OF BOARD AND OFFICE OF DIRECTOR]. (a) There is established a division
15 of alcoholic beverage control [AN ALCOHOLIC BEVERAGE CONTROL BOARD]
16 within the Department of Commerce and Economic Development [CONSISTING
17 OF FIVE MEMBERS APPOINTED FOR OVERLAPPING THREE-YEAR TERMS]. The depart-
18 ment [BOARD] is vested with the duties, powers, and responsibilities
19 involved in the control of alcoholic beverages, including the promulga-
20 tion of [RULES AND] regulations. The commissioner shall hear [AND THE
21 HEARING OF] appeals from the action of officers and employees charges
22 with enforcing the alcoholic beverage control laws [, RULES,] and regula-
23 tions. [THE GOVERNOR SHALL APPOINT THE BOARD SUBJECT TO CONFIRMATION BY
24 THE LEGISLATURE. NO MEMBER OF THE BOARD MAY HOLD ANY OTHER STATE OR
25 FEDERAL OFFICE, EITHER ELECTIVE OR APPOINTIVE. TWO MEMBERS OF THE BOARD
26 SHALL BE ACTIVELY ENGAGED IN THE ALCOHOLIC BEVERAGE INDUSTRY, EXCEPT
27 THAT NO MEMBER MAY BE AN OFFICER, AGENT, OR EMPLOYE OF A WHOLESALE
28 ALCOHOLIC BEVERAGE ENTERPRISE. NO THREE MEMBERS OF THE BOARD MAY BE
29 ENGAGED IN THE SAME BUSINESS, OCCUPATION OR PROFESSION. THREE MEMBERS

1 CONSTITUTE A QUORUM FOR THE CONDUCT OF BUSINESS. THE BOARD SHALL MEET
2 AT LEAST ONCE EACH YEAR IN EACH OF THE FOUR JUDICIAL DISTRICTS TO STUDY,
3 RECONSIDER AND MODIFY EXISTING AGENCY RULES AND REGULATIONS IN THE LIGHT
4 OF CURRENT LOCAL PROBLEMS.]

5 (b) The commissioner [GOVERNOR] shall appoint a director [, SUB-
6 JECT TO CONFIRMATION BY THE LEGISLATURE, WHO IS THE EXECUTIVE OFFICER OF
7 THE BOARD]. The director shall enforce this title and the [RULES AND]
8 regulations of the department under the supervision of the commissioner.
9 The director [PROMULGATED BY THE BOARD. THE DIRECTOR IS NOT A MEMBER OF
10 THE BOARD BUT MAY CAST A TIE-BREAKING VOTE. HE] shall issue all
11 licenses provided for under this title.

12 * Sec. 2. AS 04.05.020 is amended to read:

13 Sec. 04.05.020. REGULATIONS. The department [BOARD] shall adopt
14 [PREScribe RULES AND] regulations consistent with this title governing
15 the manufacture, barter, sale, and possession of intoxicating liquors in
16 the state and shall prescribe application fees.

17 * Sec. 3. AS 04.05.030 is amended to read:

18 Sec. 04.05.030. POWERS, AUTHORITY AND CONTROL. (a) The depart-
19 ment shall [BOARD MAY] control the manufacture, barter, sale and posses-
20 sion of intoxicating liquors in the state, and may adopt necessary
21 [RULES AND] regulations to assure the proper administration of state
22 liquor laws [REGULATIONS] in a manner that will protect the public
23 health, safety and welfare.

24 (b) The department [BOARD] shall review all applications made
25 under this title for licenses and shall issue, reissue, revoke, transfer
26 or suspend all licenses coming within the purview of this title. The
27 licenses shall be issued, reissued, revoked, transferred or suspended as
28 the department [BOARD] considers in the best interests of the public.
29 When a license is denied, the denial shall be made in writing with the

1 reason for the denial set out [FORTH].

2 (c) The department [BOARD] may hold public hearings on applica-
3 tions for licenses when any applications are protested, and require an
4 applicant to answer any pertinent questions.

5 (d) The department [BOARD] may appoint agents, assistants, clerks
6 and stenographic employees as it considers necessary in giving effect to
7 this title.

8 (e) The department [BOARD] may adopt [PROMULGATE] necessary [RULES
9 AND] regulations to effectuate the purpose of this title. These [RULES
10 AND] regulations shall have the effect of law.

11 (f) The Administrative Procedure Act (AS 44.62) governs all pro-
12 ceedings under this title.

13 * Sec. 4. AS 04.05.040 is amended to read:

14 Sec. 04.05.040. SCOPE OF REGULATIONS. The power of the department
15 [BOARD] to adopt [RULES AND] regulations specifically includes, but is
16 not limited to, the following matters:

17 (1) regulating the employment, conduct and duties of the
18 employees of the division of alcoholic beverage control [BOARD];

19 (2) prescribing the forms of application, reports and other
20 forms, and the terms and conditions in permits and licenses issued;

21 (3) prescribing the fees to be paid for permits and licenses
22 issued for which no fees are prescribed by statute, and prescribing the
23 fees for anything done or permitted to be done under the regulations;

24 [(4) PROVIDING FOR REGULAR AND SPECIAL MEETINGS OF THE BOARD
25 AS MAY BE NECESSARY OR PROPER;]

26 (5) providing for the delegation to the director of routine
27 administrative functions and powers, including the issuance, transfer
28 and renewal of licenses and permits where there is no contest or pro-
29 test;

1 (6) prescribing the manner of giving and serving notice
2 required by law or regulation where it is not provided for by statute;

3 (7) prescribing the conditions, accommodations, qualifica-
4 tions, and inspections of each type or kind of license, licensee, or
5 licensed premises;

6 (8) providing for the making of returns and reports by whole-
7 salers of wine, beer and liquor;

8 (9) providing for the giving of fidelity bonds by any or all
9 of the employees of the division [BOARD], the state to pay the premiums
10 for the bonds;

11 (10) providing for the issuance, renewal, reissuance, revoca-
12 tion and suspension of licenses and permits;

13 (11) prohibiting possession of alcoholic beverages by minors;

14 (12) prescribing reports from licensee corporations, including
15 reports of stock ownership, transfers and changes of officers and
16 directors.

17 * Sec. 5. AS 04.05.070 is amended to read:

18 Sec. 04.05.070. VIOLATION OF REGULATIONS OF THE DEPARTMENT
19 [BOARD]. A person, firm, or corporation, who violates a [RULE OR]
20 regulation adopted [PRESCRIBED] by the department [BOARD] governing the
21 manufacture, sale, barter, and possession of intoxicating liquors in the
22 state, or the qualifications of those engaging in the manufacture, sale,
23 barter, and possession of intoxicating liquors in the state, or the
24 payment of license fees and excise taxes, is guilty of a misdemeanor,
25 and upon conviction is punishable as provided in AS 04.15.100.

26 * Sec. 6. AS 04.10.030 is amended to read:

27 Sec. 04.10.030. ISSUANCE OF LICENSES. The licenses described in
28 AS 04.10.040 - 04.10.140 shall be issued by the director [UPON DIRECTION
29 OF THE BOARD].

1 * Sec. 7. AS 04.10.040(a) is amended to read:

2 (a) The holder of a beverage dispensary license may sell for cash
3 or serve on the premises beer, wine and hard liquors for consumption on
4 the premises only. The beverage dispensary license fee is \$500 in all
5 unincorporated communities and incorporated cities having a population
6 not exceeding 1,500 persons and \$1,000 in all unincorporated communities
7 and incorporated cities having a population in excess of 1,500 persons.
8 The population shall be determined at the time of filing the applica-
9 tion. Each applicant for a beverage dispensary license shall file with
10 the application a cash bond or a surety bond executed by a surety
11 company approved by the department [BOARD]. The condition of the bond
12 or undertaking shall be that the applicant or applicants are the sole
13 owners of the business to be licensed, and that no other person is
14 financially interested directly or indirectly, and that the applicant or
15 applicants will conduct the business in accordance with the applicable
16 laws pertaining to intoxicating liquor in the state. The bond shall be
17 in the penal sum of \$2,500. Upon revocation of the license, the bond
18 may be forfeited and the amount deposited into the general fund of the
19 state.

20 * Sec. 8. AS 04.10.070 is amended to read:

21 Sec. 04.10.070. CLUB LICENSE. A club license gives to clubs,
22 fraternal organizations, and patriotic organizations, that have a state
23 or national charter, and that have been so incorporated and active for a
24 period of two years or more, the right to sell intoxicating liquors to
25 members and their families only in their club rooms. The club license
26 fee is \$400, except that where any club has certified to the department
27 [BOARD] that the gross sales of intoxicating liquor for the preceding
28 year were less than \$5,000 the club license fee is \$200. For purposes
29 of this section the term "member" as it applies to patriotic organiza-

1 tions includes military personnel on active duty in uniform upon special
2 occasions.

3 * Sec. 9. AS 04.10.190(c) is amended to read:

4 (c) If it appears to the department [BOARD] that any of the state-
5 ments required in the application are untrue at the time of application
6 for the license, the application may be denied.

7 * Sec. 10. AS 04.10.190(d) is amended to read:

8 (d) If it appears to the department [BOARD] after the granting
9 of the license that any of the statements required to be made in the
10 application are untrue, the department [BOARD] may enter an order revok-
11 ing the license. In that event, license money deposited by the applicant
12 is forfeited to the state. Peace officers shall investigate and report
13 to the department [BOARD] any violations of the provisions of this
14 title.

15 * Sec. 11. AS 04.10.200 is amended to read:

16 Sec. 04.10.200. PUBLIC NOTICE. The department [BOARD] shall
17 provide by regulation for adequate notice to inform the public and the
18 local governing body of a proposed issuance of a new license or transfer
19 of an existing license. The notice shall be bilingual when necessary.
20 Notice shall be given by posting at the location of the premises, at the
21 nearest post office, and at one other conspicuous location in the area
22 for a period of at least 10 days a true copy of the application and by
23 public service announcements provided to newspapers and radio and tele-
24 vision stations at least 30 days before filing the application. Paid
25 notice by a new applicant may be required by the department [BOARD]
26 under this section.

27 * Sec. 12. AS 04.10.240 is amended to read:

28 Sec. 04.10.240. TRANSFER OF LICENSE. No license issued under this
29 title may be transferred except after first securing the consent of the

1 department [BOARD]. No license may be transferred out of the election
2 district for the house of representatives within which it was granted,
3 except within an organized borough or a unified municipality established
4 under AS 29.68.240 - 29.68.440. No license may be transferred if the
5 transfer would result in exceeding a population limitation set out in
6 AS 04.10.210. Licenses already issued on April 25, 1960, shall be
7 renewed irrespective of such a limitation, unless the application is
8 denied for reason other than that contained in this section.

9 * Sec. 13. AS 04.10.260(a) is amended to read:

10 (a) The department [BOARD] may, in its discretion, approve the
11 issuance or transfer of a license without regard to the quota provisions
12 of AS 04.10.210 - 04.10.290 when it appears that the issuance or trans-
13 fer will encourage the construction or improvement of a hotel, motel,
14 resort or similar business related to the tourist trade having a minimum
15 accommodation of 10 rooms and a dining facility. The dining facility
16 requirement may be waived if the majority of rooms have kitchen facili-
17 ties.

18 * Sec. 14. AS 04.10.270 is amended to read:

19 Sec. 04.10.270. [HEARING ON] PROTEST OF LOCAL GOVERNING BODY. An
20 application for a transfer, renewal or new license coming from within a
21 municipality shall be transmitted directly to the department [BOARD] and
22 need not bear a recommendation of the governing body of the municipal-
23 ity. Upon deciding to approve an application the department [BOARD]
24 shall transmit written notice of its intent to approve the transfer,
25 renewal or new license requested to the city governing body, if the
26 application is for premises within an incorporated city, or to the
27 borough assembly, if the application is for premises within the area of
28 an organized borough outside the boundaries of an incorporated city. If
29 the local governing body wishes to protest approval, it shall furnish

1 the department [BOARD] with a notice of protest within 30 days of
2 receipt of the [BOARD] notice of intent by the department to approve the
3 application. Upon receipt of a protest by the local governing body, the
4 department [BOARD] may not take final action on the application until it
5 has provided an opportunity for a hearing on the protest in accordance
6 with the requirements of AS 04.10.272 [THE ADMINISTRATIVE PROCEDURE ACT
7 (AS 44.62)].

8 * Sec. 15. AS 04.10 is amended by adding new sections to read:

9 Sec. 04.10.272. HEARING ON PROTEST. On the protest of the local
10 governing body under AS 04.10.270, the department may not approve the
11 application unless the director, after he has provided the local govern-
12 ing body with the opportunity for a hearing, finds that the protest of
13 the local governing body is arbitrary, capricious or clearly unreason-
14 able.

15 Sec. 04.10.274. APPEAL. The decision of the director may be
16 appealed to the commissioner.

17 * Sec. 16. AS 04.10.280 is amended to read:

18 Sec. 04.10.280. [HEARING ON APPLICATION;] REFUND OF FEES. [AT THE
19 TIME SET FOR THE HEARING, THE BOARD SHALL CONSIDER THE APPLICATION AND
20 ANY PROTESTS THAT MAY BE FILED AGAINST IT, AND SHALL HEAR THE APPLICANT
21 OR OTHERS APPEARING IN CONNECTION WITH THE MATTER, AND GIVE JUDGMENT
22 UPON THE APPLICATION.] If the application is rejected, the department
23 [BOARD] shall refund the application fee less the sum of \$25. No
24 license fee may be refunded after the license has been issued,

25 * Sec. 17. AS 04.10.300(a) is amended to read:

26 (a) An adult resident in an area outside a municipality who
27 desires to protest the issuance, reissuance, renewal or transfer of a
28 license for an establishment that is outside a municipality and within
29 two miles of his permanent place of abode or within the established

1 village in which his permanent place of abode is located shall serve
2 upon the applicant and the department [BOARD] a written statement of the
3 reasons for his protest. Upon the receipt of the protest, the depart-
4 ment [BOARD] may give notice and hold a hearing in the area in which the
5 protestant resides, at which all persons interested may be heard.

6 * Sec. 18. AS 04.10.300(b) is amended to read:

7 (b) If the protest is made in writing to the department [BOARD] by
8 at least 35 per cent of the adult residents having a permanent place of
9 abode within the established village where the licensed premises is
10 situated or is to be situated and within two miles of the established
11 village, a special election conducted by the Department of Community and
12 Regional Affairs held within the village is mandatory. If at the elec-
13 tion the majority of the adult residents having a permanent place of
14 abode within the established village and within two miles of the estab-
15 lished village object to issuance, renewal or transfer, the department
16 [BOARD] may not issue, renew or transfer any licenses in, or within two
17 miles of, the established village.

18 * Sec. 19. AS 04.10.300(c) is amended to read:

19 (c) If the licensed premises is situated or is to be situated
20 outside a municipality or established village and at the hearing the
21 majority of the adult residents having a permanent place of abode within
22 two miles of the premises but outside the municipality or established
23 village object to issuance, renewal or transfer, the department [BOARD]
24 may, if in its opinion the public interest will be served by the refusal
25 or if other grounds for refusal exist by law, refuse to issue or trans-
26 fer the license.

27 * Sec. 20. AS 04.10.310 is amended to read:

28 Sec. 04.10.310. PUBLIC APPROVAL FOR LICENSES IN REMOTE AREAS. No
29 license for the sale of intoxicating liquor may be issued in any area

1 [,] which is 50 miles or more from the incorporated boundaries of a
2 municipality, unless a petition containing the signatures of two-thirds
3 of the bona fide residents, 19 years of age or over, residing within a
4 radius of five miles of the nearest United States post office station,
5 is filed with the department [BOARD] asking that a license be issued
6 within the area. If there are two or more United States post office
7 stations within the vicinity of the place where intoxicating liquor is
8 to be sold, the nearest station to such place constitutes the point of
9 beginning. A petition is not necessary for a reissuance of any license
10 granted under this section. If no post office station exists within a
11 radius of five miles of the place where intoxicating liquor is to be
12 sold, then AS 04.10.440 applies.

13 * Sec. 21. AS 04.10.330 is amended to read:

14 Sec. 04.10.330. APPLICATION FOR TRANSFER OF LICENSES. (a) No
15 license may be transferred by the licensee to any other person except
16 with the written consent of the department [BOARD]. Consent for the
17 transfer of a license may be given upon written application for the
18 transfer [THEREFOR].

19 (b) Application for the transfer of ownership of an existing
20 license shall be accompanied by a statement, under oath, executed by the
21 transferor in which he lists all debts and the amounts which he owes to
22 a creditor of the business and taxes due. The board shall promptly
23 inform each creditor of the application and of the amount owed that
24 creditor. The department [BOARD] shall not approve the application for
25 transfer unless all of the debts and taxes due to the state and any
26 municipality are paid, or the transferor gives security for the payment
27 of them satisfactory to the state or a municipality before [CREDITOR OR
28 TAXING AUTHORITY PRIOR TO] approval of the application.

29 * Sec. 22. AS 04.10.340 is amended to read:

1 Sec. 04.10.340. PROVISIONAL LICENSE. The director shall issue a
2 provisional license upon the payment of the minimum fees for the li-
3 censes mentioned in AS 04.10.110. Not later than February 15 of each
4 year following that for which a license has been issued to a licensee,
5 the licensee shall file with the department [BOARD] an affidavit showing
6 the amount of business done during the preceding year under his license
7 and the location and establishment from which the business was done.
8 The licensee shall pay to the department [BOARD] the license fees accrued
9 during the preceding year at the time of filing the affidavit. Unless
10 the affidavit is filed and fee paid, any license outstanding in the name
11 of the applicant which has been issued under the laws in effect at the
12 time of passage of this chapter shall be immediately cancelled by order
13 of the department [BOARD]. The failure to file the affidavit or the
14 cancellation of an existing license does not relieve any licensee from
15 paying the prescribed fees.

16 * Sec. 23. AS 04.10.350(c)(4)(B) and (C) are amended to read:

17 (B) upon proof satisfactory to the department [BOARD] of
18 good cause for the failure to file and pay; and

19 (C) in accordance with [RULES OR] regulations adopted
20 [PROMULGATED] by the department [BOARD]; the fee for filing an
21 application for reinstatement shall, in addition to the annual fee,
22 include the penalty fee provided in (3) of this subsection, no part
23 of which is returnable to the applicant.

24 * Sec. 24. AS 04.10.360 is amended to read:

25 Sec. 04.10.360. TRANSFER OF LICENSE. A license may be transferred
26 to a new location to be operated by a qualified transferee subject to
27 the limitation contained in AS 04.10.240 - 04.10.250. An application
28 for a transfer of a license to a new location shall contain the informa-
29 tion required by the department [BOARD] and shall be accompanied by

1 proof of posting of application as required in AS 04.10.200. The trans-
2 feree of a license shall have the qualifications required under this
3 title for a new license. No license may be issued, reissued or trans-
4 ferred, unless the application for the license contains all the infor-
5 mation required by this title, nor shall an application be granted which
6 contains any false statements of material fact.

7 * Sec. 25. AS 04.10.370 is amended to read:

8 Sec. 04.10.370. DEATH OF LICENSEE. If a person operating a busi-
9 ness as sole licensee under a license authorized by this title dies, the
10 executor or administrator of his estate shall, within 90 days of the
11 death of the licensee or before December 31 of the year for which the
12 license was issued, whichever date first occurs, make application to the
13 department [BOARD] for transfer of the license. If no application is
14 made within that time the license is forfeited and void. The executor
15 or administrator may continue to operate the business until the transfer
16 is approved or until the license is forfeited. The department [BOARD]
17 may extend the time on petition of the executor or administrator.
18 During the period that the licensed premises or a business license
19 [HEREUNDER] is subject to the control of the executor or administrator,
20 he is personally responsible for the conduct of the business or licensed
21 premises.

22 * Sec. 26. AS 04.10.380 is amended to read:

23 Sec. 04.10.380. REVIEW OF DEPARTMENT [BOARD] ACTION. An action
24 relating to the administrative duties imposed by this title is subject
25 to review by the department [BOARD] at the instance of an aggrieved
26 party. An action or decision by the department [BOARD] relating to the
27 issuance, reissuance, suspension or revocation of a license under this
28 title is subject to review.

29 * Sec. 27. AS 04.10.420 is amended to read:

1 Sec. 04.10.420. ADDITIONAL FEES. Any application fee prescribed
2 by the department [BOARD] as provided in AS 04.05.020 is in addition to
3 any other fee charged under this title and shall be deposited in the
4 general fund.

5 * Sec. 28. AS 04.10.430(a) is amended to read:

6 (a) Whenever 35 per cent of the total number of voters at the last
7 general municipal election held in an incorporated city petition the
8 city council to do so the city council shall place upon a separate
9 ballot at the next municipal election the following question: "For the
10 sale of intoxicating liquors....." (yes or no). The
11 regular election officers shall canvass the ballots and report the
12 results to the city clerk, who shall publish the results. If, upon
13 receipt of the certificate of election, the city clerk finds that a
14 majority of the voters are against the sale of intoxicating liquor in
15 the incorporated city, notice thereof shall be forwarded to the depart-
16 ment [BOARD] and applications for licenses within the city shall there-
17 after be denied and no further licenses shall be issued in the city for
18 a period of one year, nor may the department [BOARD] issue a new beverage
19 dispensary or retail license for premises located within five miles of
20 the city. If a majority of the voters at a subsequent election conducted
21 for the purpose and in accordance with these provisions favor the sale
22 of intoxicating liquor in the city, the department [BOARD] shall, upon
23 application, issue the number and type and license to the same or other
24 premises within the city as were in existence on the date of last elec-
25 tion, at which a majority of the voters prohibited the sale of intoxi-
26 cating liquor. Priority shall be given those applicants who were
27 licensees and whose licenses were not reissued by reason of the last
28 election conducted under the provisions of this title. The department
29 [BOARD] shall issue the license notwithstanding any resulting restric-

1 tions which arose subsequent to the prohibiting election.

2 * Sec. 29. AS 04.10.430(c) is amended to read:

3 (c) If the petition for a local option election is for a community
4 liquor license under AS 04.10.139, the department [BOARD] is precluded
5 from issuing additional new licenses of any other type within the bound-
6 aries of the city opting for the community liquor license. This section
7 does not affect the provisions of AS 04.10.260, or liquor licenses
8 issued before September 10, 1972.

9 * Sec. 30. AS 04.10.440 is amended to read:

10 Sec. 04.10.440. CONSENT OF RESIDENTS OUTSIDE INCORPORATED CITIES.
11 No new license for the sale of intoxicating liquor may be issued under
12 this title in areas outside incorporated cities unless a petition con-
13 taining signatures of a majority of the bona fide residents residing
14 within one mile of the place where intoxicating liquor is to be sold,
15 and over the age of 19 years, is filed with the department [BOARD]
16 asking that a license be issued within the [SAID] area. The department
17 [BOARD] may not require the petition for a reissuance of the license.

18 * Sec. 31. AS 04.15.020(d) is amended to read:

19 (d) Presence of minors on premises. It is unlawful for a person
20 under the age of 19 years to enter or remain upon licensed premises
21 unless he is accompanied by his parent, guardian or spouse who has
22 attained the age of 19 years. A person under the age of 19 years may
23 enter and remain upon licensed premises which are also recognized as a
24 restaurant for the purpose of dining or dancing if accompanied by his
25 parent, guardian, or spouse who has attained the age of 19 years, or by
26 the parent or guardian of any other minor also present, or by any other
27 adult with the consent of the minor's parent or guardian. The depart-
28 ment [ALCOHOLIC BEVERAGE CONTROL BOARD], with the approval of the city
29 council if the premises are within the city or with the approval of the

1 borough assembly if the premises are outside the city but within a
2 borough, shall designate which premises are restaurants for the purposes
3 of this section. Licensed premises are premises holding licenses under
4 AS 04.10.020(a) - 04.10.020(d). The department [ALCOHOLIC BEVERAGE
5 CONTROL BOARD] shall adopt [PROMULGATE] regulations for the designation
6 of restaurants and the continuation or withdrawal of the designation.
7 No establishment may be designated as a restaurant for purposes of
8 dining without the consent of the licensee.

9 * Sec. 32. AS 04.15.020(e) is amended to read:

10 (e) Churches and schools. The department [BOARD] shall not issue
11 a beverage dispensary license or package liquor store license for the
12 sale of intoxicating liquor in any building in which the public entrance
13 is within 200 feet of a school ground or church building measured by the
14 shortest pedestrian route from the outer boundaries of the school ground
15 or public entrance of a church building in which religious services are
16 conducted, within or outside any municipality. A license may be re-
17 issued or transferred from one licensee to another, for the sale of
18 intoxicating liquor in a building in which that sale was authorized by
19 law on April 25, 1960. When a license for the sale of intoxicating
20 liquor in a building within 200 feet of a school ground or church build-
21 ing in which religious services are conducted is forfeited, lapses or is
22 transferred to other premises, no license for the sale of intoxicating
23 liquor at the prior licensed location shall thereafter be issued.
24 However, the location may be relicensed in the event of the removal of
25 either cause of the restriction.

26 * Sec. 33. AS 04.15.020(f) is amended to read:

27 (f) Premises to be accessible for inspection. The premises of
28 licensees under this title shall be easily accessible for inspection by
29 peace officers charged with the enforcement of the provisions of this

1 title, including [MEMBERS OF THE BOARD AND] the director or his agent,
2 during all regular hours of the transaction of business upon the pre-
3 mises.

4 * Sec. 34. AS 04.15.020(g) is amended to read:

5 (g) The governing body of a political subdivision of the state may
6 provide by ordinance that the provisions of (c) of this section do not
7 apply in the political subdivision when elections are being held. The
8 department [ALCOHOLIC BEVERAGE CONTROL BOARD] shall adopt regulations
9 governing the sale of intoxicating liquor on election days in the un-
10 organized areas of the state.

11 * Sec. 35. AS 04.15.035(a)(1) is amended to read:

12 (1) the premises to be used for storage are inspected and
13 approved by the department [BOARD] before their use;

14 * Sec. 36. AS 04.15.050 is amended to read:

15 Sec. 04.15.050. SEIZURE AND SALE OF SHIPMENTS TO UNLICENSED PER-
16 SONS. Any intoxicating liquor shipped into the state for sale other
17 than to licensees is contraband and subject to confiscation by the state
18 and any intoxicating liquor seized shall be sold under the order of the
19 department [BOARD] and the proceeds [THEREOF] deposited [WITH THE
20 DEPARTMENT OF REVENUE AND COVERED] into the general fund. However, this
21 section does not apply to sacramental wine, alcohol or liquor used for
22 industrial, pharmaceutical or medical purposes or other liquor used for
23 filling the prescription of a physician.

24 * Sec. 37. AS 04.15.060(d) is amended to read:

25 (d) A licensee or his employee who questions, or has reason to
26 question, whether a person entering upon licensed premises, or ordering,
27 purchasing, attempting to purchase or otherwise procuring or attempting
28 to procure the serving or delivery of intoxicating liquor, has attained
29 the age of 19 years, shall require that person to sign a statement that

1 he is over the age of 19 years. This statement shall be made upon a
2 form prepared by and furnished to the licensee by the department [BOARD].
3 If a licensee, or his employee, in good faith, secures the signed state-
4 ment he is not subject to criminal prosecution for violation of the
5 provisions of [SUBSECTIONS] (b) and (c) of this section.

6 * Sec. 38. AS 04.15.100(b) is amended to read:

7 (b) Upon conviction of a licensee for a violation under (a) of
8 this section, or for violation of a municipal ordinance adopted by a
9 municipality in conformity with AS 04.15.070, the judge having jurisdic-
10 tion shall send a notification of conviction together with a certified
11 copy of the record of conviction to the department [BOARD]. The depart-
12 ment [BOARD] may [, UPON THE DIRECTION OF A MAJORITY OF ITS MEMBERS,
13 THEREUPON] suspend the license as [HEREINAFTER] provided in this section
14 for the first and second violations and upon a third violation may
15 revoke the license and declare the bond forfeited. For the purpose of
16 this section, the terms "second violation" and "third violation" include
17 only those violations which occur within five years of the first viola-
18 tion, but are not limited to repeated violations of the same statutory
19 provision or municipal ordinance.

20 (1) First violation. The license of the premises involved
21 may be suspended for not less than 10 nor more than 45 days;

22 (2) Second violation. The license of the premises involved
23 may be suspended for a period of not less than 30 days nor more than 90
24 days.

25 * Sec. 39. AS 44.25.020(4) is repealed and re-enacted to read:

26 (4) administer the provisions of AS 04 relating to alcoholic
27 beverage control.

28 * Sec. 40. AS 04.05.050 and 04.05.060 are repealed.

29 * Sec. 41. AS 04.10.210, 04.10.240 and 04.10.260 are repealed.

1 * Sec. 42. AS 04.05.010(a) is amended to read:

2 (a) There is established an Alcoholic Beverage Control Board with-
3 in the Department of Commerce and Economic Development [REVENUE] con-
4 sisting of five members appointed for overlapping three-year terms. The
5 board is vested with the duties, powers, and responsibilities involved
6 in the control of alcoholic beverages, including the promulgation of
7 rules and regulations and the hearing of appeals from the action of
8 officers and employees charged with enforcing the alcoholic beverage
9 control laws, rules, and regulations. The governor shall appoint the
10 board subject to confirmation by the legislature. No member of the
11 board may hold any other state or federal office, either elective or
12 appointive. Two members of the board shall be actively engaged in the
13 alcoholic beverage industry, except that no member may be an officer,
14 agent, or employee of a wholesale alcoholic beverage enterprise. No
15 three members of the board may be engaged in the same business, occupa-
16 tion or profession. Three members constitute a quorum for the conduct
17 of business. The board shall meet at least once each year in each of
18 the four judicial districts to study, reconsider and modify existing
19 agency rules and regulations in the light of current local problems.

20 * Sec. 43. Notwithstanding the provisions of AS 44.66.010(b), the Alco-
21 holic Beverage Control Board shall continue in existence until June 30, 1980,
22 and after that date the Department of Commerce and Economic Development
23 shall have jurisdiction over the control of alcoholic beverages in this state
24 under the provisions of AS 04. During the period until June 30, 1980, the
25 members of the board shall facilitate the orderly transfer of the functions
26 and responsibilities of the board to the department. Nothing in this Act or
27 in AS 44.66 limits the authority of the board under AS 04 before June 30,
28 1980.

29 * Sec. 44. Sections 1 - 40 of this Act take effect July 1, 1980. Section

1 41 of this Act takes effect July 1, 1983. Sections 42 and 43 of this Act
2 take effect June 30, 1979.

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