

LEG. FINANCE - BILLS 1985 - 1986 2170

CSSB 65 - CSSB 69 2170

CS SB 65 (Fin)

LETTER OF INTENT

SENATE FINANCE COMMITTEE

IT IS THE INTENT OF THE LEGISLATURE THAT WHEN THE URBAN NON-CONFORMING LOAN PROGRAM IS TRANSFERRED FROM THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS TO THE ALASKA HOUSING FINANCE CORPORATION THAT THE ALASKA HOUSING FINANCE CORPORATION ADOPT EMERGENCY REGULATIONS TO INCORPORATE THOSE DCRA LOAN CONDITIONS IN FORCE FOR RURAL PROGRAMS.

LOAN APPLICATIONS WHICH WERE IN PROCESS PRIOR TO THE 3:30 P.M., JANUARY 22, 1985, DEADLINE ARE QUALIFIED.

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No. CSRB 65 (LOANS)
Title: An Act relating to rural housing loans
Sponsor: Kerttula
Requestor: Senate C&RA Devries
Date of Request: 2/7/85

FISCAL DETAIL

Agency Affected: Dent. CRA
Program Category Affected: _____
Division of Housing Assistance
BRU, Program or Subprogram(s) affected: Housing Assistance

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS	0	0	0	0	0	0
800 MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Clark D. Poston Phone: 561-0900
Division: Housing Assistance Date: 2/11/85

Approved by Commissioner: Emil Notti Date: 2/12/85
Agency: Community & Regional Affairs

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/85

Offered: 5/10/85
Referred: Finance

7/10
Levy

Original sponsor: Kerttula

1 IN THE SENATE

BY THE HOUSE SPECIAL COMMITTEE
ON STATE LOANS

2 HOUSE CS FOR CS FOR SENATE BILL NO. 65 (Loans)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to housing programs; and providing
7 for an effective date."

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

9 * Section 1. AS 18.55.996(a) is amended to read:

10 (a) The following associations are given the authority specified
11 in (b) of this section:

12 (1) Arctic Slope Native Association (Barrow and Point Hope)

13 (2) Bering Straits Association (Seward Peninsula,
14 Unalakleet, St. Lawrence Island)

15 (3) Northwest Alaska Native Association [INUPIAT HOUSING
16 AUTHORITY] (Kotzebue)

17 (4) Association of Village Council Presidents (southwest
18 coast of Alaska including all villages in the Bethel area and all
19 villages on the Lower Yukon River and Lower Kuskokwim River)

20 (5) Tanana Chiefs Conference (Koyukuk, the middle and upper
21 Yukon River villages and the upper Kuskokwim and Tanana River vil-
22 lages).

23 (6) Cook Inlet Tribal Council (Kenai, Tyonek, Eklutna and
24 Seldovia)

25 (7) Bristol Bay Native Association (Dillingham, Upper
26 Alaska Peninsula)

27 (8) Aleut League (Aleutian Islands, Pribilof Islands and
28 that part of the Alaska Peninsula which is in the Aleut League)

29 (9) North Pacific Rim Native Corp. (Cordova, Tatitlek, Port

1 Graham, English Bay, Valdez, Seward, Eyak and Chenega)

2 (10) Tlingit-Haida Central Council or Alaska Native Brother-
3 hood (Southeastern Alaska including Metlakatla)

4 (11) Kodiak Area Native Association (all villages on and
5 around Kodiak Island)

6 (12) Copper River Native Association (Copper Center,
7 Glennallen, Chitina and Mentasta)

8 (13) Alaska Federation of Natives, Inc.

9 (14) Sitka Community Association (Baranof and Japonski
10 Island).

11 * Sec. 2. AS 18.56 is amended by adding a new section to read:

12 Sec. 18.56.106. NONCONFORMING HOUSING LOAN PROGRAM. (a) There
13 is established in the corporation the nonconforming housing loan
14 program to assist persons to purchase housing that does not conform to
15 minimum building standards under any state or federal program that
16 provides for housing purchases.

17 (b) The corporation shall adopt regulations under this section
18 that establish conditions and terms for nonconforming housing loans
19 including terms and conditions relating to owner and nonowner occu-
20 pancy, the number of loans that may be made to a single borrower, and
21 borrower eligibility requirements.

22 * Sec. 3. AS 44.47.560 is repealed and reenacted to read:

23 Sec. 44.47.560. DEFINITIONS. In AS 44.47.360 - 44.47.560,

24 (1) "director" means the director of the division of hous-
25 ing assistance;

26 (2) "division" means the division of housing assistance;

27 (3) "housing" means owner-occupied, single-family housing
28 and owner-occupied duplexes;

29 (4) "nonconforming housing" means housing that does not

1 conform to minimum building standards under any state or federal
2 program that provides loans for housing purchases;

3 (5) "rural" means

4 (A) a community in the second, third, or fourth judi-
5 cial district of the state with a population of 4,500 or less
6 that is not connected by road or rail to Anchorage or Fairbanks;
7 or

8 (B) a community in the first judicial district of the
9 state with a population of 4,500 or less;

10 (6) "rural housing" means housing whether or not it is
11 nonconforming housing that is located in a rural area of the state.

12 * Sec. 4. AS 44.47.385 and 44.47.460(d) are repealed.

13 * Sec. 5. This Act takes effect immediately in accordance with AS 01.-
14 10.070(c).

HOUSE JOURNAL

HOUSE FINANCE COMMITTEE

LETTER OF INTENT

FOR

HOUSE CS FOR CSSB65 (LOANS)

It is the intent of the House of Representatives that the Department of Community and Regional Affairs, Housing Assistance Division (DCRA-HAD), and the Alaska Housing Finance Corporation (AHFC) work together to provide nonconforming housing loans. Further, the House intends that the agencies make a joint recommendation to the legislature, at the beginning of the second session of the fourteenth legislature, that will insure all Alaskans have access to housing loans through AHFC or DCRA-HAD. In making this recommendation, the agencies shall consider the programmatic effects of the two loan programs as well as the practical problems of access to urban bands. In defining "rural" for the purposes of this legislation, it is not the intent of the legislature to make this specific definition apply to or set a precedent for other programs.

Finally, it is the intent of the House of Representatives that AHFC execute a memorandum of understanding with the Department of Natural Resources to provide housing loans to farmers who possess patents with agricultural covenants.



Al Adams, Chairman
House Finance Committee

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700

949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508
PHONE: (907) 563-1073

May 6, 1985

POSITION PAPER

RE: CSSB 65 (Finance)

SPONSORS: Senator Kerttula

The Department strongly supports the Committee Substitute for Senate Bill 65 (Finance), an Act relating to housing loan programs. The following provides a section-by-section analysis to substantiate our support.

Section 1

Section 1 brings the State statute back into accordance with the Federal government's formal recognition of Regional Native Housing Authorities for the purposes of funding. A 1984 amendment to AS 18.55.996, which was effective July 1, 1984, substituted "Inupiat Housing Authority" for "Alaska Native Association." During implementation of this amendment, the housing authority found that the federal agency, Housing and Urban Development (HUD), would not recognize the new name, as they had formally recognized NANA as the Regional Native Housing Authority. This provision in CSSB 65 (Finance) returns AS 18.55.996 to its form prior to 1984, and again allows conformity to the Federal regulations.

Section 2

Section 2 enables the transfer of the urban Nonconforming Housing Loan Program from the Housing Assistance Division of the Department of Community and Regional Affairs to the Alaska Housing Finance Corporation. Through the transfer, this provision would bring all urban housing loan programs under the jurisdiction and administration of the AHFC. The Department considers this consolidation of programs important for more efficient administration of housing loan programs, for both the Department and the AHFC.

Section 3

Section 3 anticipates declining State revenues by including interest in the calculation for repayment on loans. We believe this provision will reduce the need for large general fund appropriations to the Housing Assistance Loan Fund in the future.

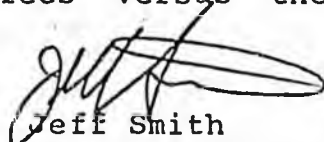
Section 4

Section 4 repeals the existing definitions for the purposes of rural housing loans, bringing the definitions back to their original form as enacted by the legislature in 1982. This section bases the criteria for "rural" on population figures and on inaccessibility by road or rail to Anchorage or Fairbanks. This definition does not differentiate between incorporated or unincorporated communities. It would also enable "suburbs" of non-rural communities to be included in the program, if there are population figures for the "suburb" alone, ie., Saxman, outside of Ketchikan, has a separate population of 343 people. Further, under Section 4, the term "community" could include as many people as 4,500 and as few as one. In this instance, isolated rural homes would be able to participate in the rural housing loan program.

Section 5

This section repeals AS 44.47.385 and AS 44.47.460(d). With the transfer of the nonconforming program to the AHFC, there is no longer a need for the regional allocations provided by AS 44.47.385 for the nonconforming program.

Under AS 44.47.460(d), the Housing Assistance Division of the Department of Community and Regional Affairs is obligated to pay a portion of the higher service fees for loans made for nonconforming housing. To date, the Division has never allowed homes to have the higher service fees, simply because money was never appropriated to HAD to supplement the fees. The Division has negotiated agreements with seller/servicers that provide for 1/2 percent service fees versus the AHFC 3/8 percent service fees.



Jeff Smith
Acting Commissioner

SECTIONAL ANALYSIS CS SB 65(FIN)

SECTION ²~~1~~. TRANSFERS THE URBAN NONCONFORMING HOUSING LOAN PROGRAM FROM THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS TO THE ALASKA HOUSING FINANCE CORPORATION AND GIVES THE CORPORATION THE AUTHORITY TO DEVELOP REGULATIONS TO IMPLEMENT THE PROGRAM.

SECTION ¹~~2~~. CLEAN UP LANGUAGE TO CHANGE THE NAME OF THE NORTHWEST INUPIAT HOUSING AUTHORITY BACK TO ORIGINAL NAME OF "NORTHWEST ALASKA NATIVE ASSOCIATION."

SECTION 3. PROVIDES FOR THE DEPOSIT OF INTEREST PAYMENTS BACK INTO THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS HOUSING ASSISTANCE LOAN FUND.

SECTION 4. CHANGES THE DEFINITION OF THE WORD "RURAL" BACK TO THE 1982 DEFINITION THEREBY ALLOWING THE NEW NONCONFORMING HOUSING LOAN PROGRAM UNDER AHFC TO SERVE ALL OTHER AREAS OF THE STATE.

SECTION 5. REPEALS AS 44.47.385 THAT PROVIDES FOR 20% ALLOCATION OF THE CURRENT HOUSING LOAN PROGRAM IN DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS TO URBAN AREAS OF THE STATE. THIS IS REPEALED IN LIEU OF THE NEW PROGRAM BEING CREATED UNDER AHFC.

REPEALS AS 44.47.460(D) THAT PROVIDES FOR THE DEPARTMENT TO ENTER INTO AGREEMENTS TO PAY FINANCIAL INSTITUTIONS HIGHER THAN A ONE PERCENT LOAN SERVICE AND ORIGINATION FEES IN RURAL COMMUNITIES.

SECTION 6. PROVIDES FOR AN IMMEDIATE EFFECTIVE DATE.

EFFECTS OF CSSB 65
ON RURAL/URBAN
DESIGNATIONS

The following lists communities affected by CSSB 65. This list assumes that the Department considers rural those communities with only parttime road maintenance.

Communities currently URBAN which will be RURAL under CSSB 65:

Alexander	Eyak	Skwentna
Beluga	Halibut Cove	Sunset
Chelatna Lodge	Kustatan	Susitna
China Poot Bay	Ladd	Tabona
Cordova	McDougall	Tatitlek
Ellamar	Port Crawford	Tyonek

Communities currently RURAL which will be URBAN under CSSB 65:

Anderson	Dempsey	Mentasta
Big Delta	Dot Lake	Nabesna
Black Rapids	Ferry	Nenana
Border City	Gakona	North Nenana
Broad Pass	Gardner Creek Camp	Northway Junction
Browne	George Lake Lodge	Paxson
Cantwell	Gulkana	Rex
Cathedral Rapids	Healy	Slana
Chena Hot Springs	Hufmans	Sourdough
Chitina	Julius	Sportsman Lodge
Christochina	Kenny Lake	Suslota
Clear	Lignite	Tetlin Junction
Colorago	Lower Tonzina	Tok
Delta Junction	McKinley Park	Usibelli

These changes take effect immediately upon enactment of CSSB 65.

Offered: 4/12/85
Referred: Rules

Original sponsor: Kerttula

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 CS FOR SENATE BILL NO. 65 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - FIRST SESSION
5 A BILL
6 For an Act entitled: "An Act relating to housing programs; and providing
7 for an effective date."
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 * Section 1. AS 18.55.996(a) is amended to read:
10 (a) The following associations are given the authority specified
11 in (b) of this section:
12 (1) Arctic Slope Native Association (Barrow and Point Hope)
13 (2) Bering Straits Association (Seward Peninsula,
14 Unalakleet, St. Lawrence Island)
15 (3) Northwest Alaska Native Association [INUPIAT HOUSING
16 AUTHORITY] (Kotzebue)
17 (4) Association of Village Council Presidents (southwest
18 coast of Alaska including all villages in the Bethel area and all
19 villages on the Lower Yukon River and Lower Kuskokwim River)
20 (5) Tanana Chiefs Conference (Koyukuk, the middle and upper
21 Yukon River villages and the upper Kuskokwim and Tanana River vil-
22 lages)
23 (6) Cook Inlet Tribal Council (Kenai, Tyonek, Eklutna and
24 Seldovia)
25 (7) Bristol Bay Native Association (Dillingham, Upper
26 Alaska Peninsula)
27 (8) Aleut League (Aleutian Islands, Pribilof Islands and
28 that part of the Alaska Peninsula which is in the Aleut League)
29 (9) North Pacific Rim Native Corp. (Cordova, Tatitlek, Port

1 Graham, English Bay, Valdez, Seward, Eyak and Chenega)

2 (10) Tlingit-Haida Central Council or Alaska Native Brother-
3 hood (Southeastern Alaska including Metlakatla)

4 (11) Kodiak Area Native Association (all villages on and
5 around Kodiak Island)

6 (12) Copper River Native Association (Copper Center,
7 Glennallen, Chitina and Mentasta)

8 (13) Alaska Federation of Natives, Inc.

9 (14) Sitka Community Association (Baranof and Japonski
10 Island).

11 * Sec. 2. AS 18.56 is amended by adding new section to read:

12 Sec. 18.56.106. NONCONFORMING HOUSING LOAN PROGRAM. (a) There
13 is established in the corporation the nonconforming housing loan
14 program to assist persons to purchase housing that does not conform to
15 minimum building standards under any state or federal program that
16 provides for housing purchases.

17 (b) The corporation shall adopt regulations under this section
18 that establish conditions and terms for nonconforming housing loans
19 including terms and conditions relating to owner and nonowner occu-
20 pancy, the number of loans that may be made to a single borrower, and
21 borrower eligibility requirements.

22 * Sec. 3. AS 44.47.380 is amended to read:

23 Sec. 44.47.380. HOUSING ASSISTANCE LOAN FUND. There is created
24 in the department, as a revolving loan fund, the housing assistance
25 loan fund consisting of money appropriated to it by the legislature
26 and repayments of principal and interest on loans made or purchased
27 from the assets of the fund. The director shall administer the hous-
28 ing assistance loan fund in accordance with AS 44.47.360 - 44.47.560
29 and shall use the money in the housing assistance loan fund to

1 originate, purchase, or participate in the purchase, or
2 (1) nonconforming and rural housing mortgage loans;
3 (2) loans made for building materials for nonconforming and
4 rural housing;
5 (3) loans made for renovations or improvements to noncon-
6 forming and rural housing;
7 (4) loans made for the construction of owner-occupied non-
8 conforming and rural housing other than loans to builders or contrac-
9 tors or loans that compensate an owner for the owner's labor or ser-
10 vices in constructing the owner's own housing.

11 * Sec. 4. AS 44.47.560 is repealed and reenacted to read:

12 Sec. 44.47.560. DEFINITIONS. In AS 44.47.360 - 44.47.560,

13 (1) "director" means the director of the division of hous-
14 ing assistance;

15 (2) "division" means the division of housing assistance;

16 (3) "housing" means owner-occupied, single-family housing
17 and owner-occupied duplexes;

18 (4) "nonconforming housing" means housing that does not
19 conform to minimum building standards under any state or federal
20 program that provides loans for housing purchases;

21 (5) "rural" means

22 (A) a community in the second, third, or fourth judi-
23 cial district of the state with a population of 4,500 or less
24 that is not connected by road or rail to Anchorage or Fairbanks;
25 or

26 (B) a community in the first judicial district of the
27 state with a population of 4,500 or less;

28 (6) "rural housing" means housing whether or not it is
29 nonconforming housing that is located in a rural area of the state.

1 * Sec. 5. AS 44.47.385 and 44.47.460(d) are repealed.

2 * Sec. 6. This Act takes effect immediately in accordance with AS 01.-

3 10.070(c).

Introduced: 1/18/85
Referred: Community & Regional Affairs
and Finance

1 IN THE SENATE

BY KERTTULA

2

SENATE BILL NO. 65

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to rural housing loans; and provid-
7 ing for an effective date."

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

9 * Section 1. AS 44.47.560 is amended to read:

10 Sec. 44.47.560. DEFINITIONS. In AS 44.47.360 - 44.47.560,

11 (1) "director" means the director of the division of hous-
12 ing assistance;

13 (2) "division" means the division of housing assistance;

14 (3) "housing" means owner-occupied, single-family housing
15 and owner-occupied duplexes;

16 (4) "nonconforming housing" means housing that does not
17 conform to minimum building standards under any state or federal
18 program that provides loans for housing purchases;

19 (5) "rural" means

20 (A) a community with a population of 4,500 or less in
21 the first or second judicial district of the state;

22 (B) a community with a population of 4,500 or less in
23 the third judicial district of the state that is

24 (i) not connected by road or rail to Anchorage,

25 or

26 (ii) more than 100 nautical miles from the con-
27 forming boundary of jurisdiction of the Municipality of
28 Anchorage; or

29 (C) a community with a population of 4,500 or less in

1 the fourth judicial district of the state that is more than 35
2 nautical miles from the conforming boundary of jurisdiction of
3 the City of Fairbanks;

4 (6) "rural housing" means housing, whether or not it is
5 nonconforming housing, that is located in a rural area of the state.

6 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
7 10.070(c).

COMMITTEE REPORT
SENATE

2/18/85

FURTHER:

Date _____

Mr. President

The Committee on FINANCE considered SB 68
repealing certain accounts, funds, and dedications of state revenue; efd.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
 new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Chairman

Chairman recommendation

COMMITTEE REPORT
SENATE

FURTHER:

FINANCE

1/21/85

Date 2/14/85

Mr. President

The Committee on JUDICIARY considered SB 68
repealing certain accounts, funds, and dedications of state revenue; efd.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

(James Farley No Rec)
Tim Keely No Rec
Bill " "
Bill Howard No Rec



Chairman

no rec.
Chairman recommendation

Introduced: 1/21/85
Referred: Judiciary and
Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 68

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act repealing certain accounts, funds, and dedi-
7 cations of state revenue; and providing for an effec-
8 tive date."

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

10 * Section 1. AS 43.40.010(e) is amended to read:

11 (e) Sixty percent of the proceeds [OF THE REVENUE] from the
12 taxes on aviation fuel, excluding the amount determined to have been
13 spent by the state in its collection, must [SHALL] be refunded to a
14 municipality owning and operating, or leasing and operating, an air-
15 port, in the proportion that the revenue was collected at the municipi-
16 pal airport. All other proceeds of the taxes on aviation fuel must
17 [SHALL] be paid into [A SPECIAL AVIATION FUEL TAX ACCOUNT IN] the
18 [STATE] general fund. [THE LEGISLATURE MAY APPROPRIATE FUNDS FROM
19 THIS ACCOUNT FOR AVIATION FACILITIES.]

20 * Sec. 2. AS 43.40.010(h) is amended to read:

21 (h) Except as provided in (e) of this section, all motor fuel
22 tax receipts, must [SHALL] be paid into the general fund [AND DISTRI-
23 BUTED TO THE PROPER ACCOUNTS IN THE GENERAL FUND]. Valid motor fuel
24 tax refund claims must [SHALL] be paid from [THE HIGHWAY FUEL TAX
25 ACCOUNT IN] the general fund.

26 * Sec. 3. AS 43.40.030 is amended to read:

27 Sec. 43.40.030. REFUND FOR NONHIGHWAY USE. (a) A [EXCEPT AS
28 SPECIFIED IN AS 43.40.010(j), A] person who uses motor fuel to operate
29 an internal combustion engine is entitled to a refund of six cents a

1 gallon if

2 (1) the tax on the motor fuel has been paid;

3 (2) the motor fuel is not aviation fuel, or motor fuel used
4 in or on watercraft; and

5 (3) the internal combustion engine is not used in or in
6 conjunction with a motor vehicle licensed to be operated on public
7 ways.

8 * Sec. 4. AS 43.40.070 is amended to read:

9 Sec. 43.40.070. REFUND WARRANTS. Upon approval of a refund
10 claim by the department, a warrant must [SHALL] be drawn on [THE
11 HIGHWAY FUEL TAX ACCOUNT IN] the general fund in favor of the appli-
12 cant in the amount of the claim.

13 * Sec. 5. AS 37.05.157, 37.05.158; AS 37.07.062(c)(4); AS 37.20.040;
14 AS 43.05.210; AS 43.40.010(f), 43.40.010(g), 43.40.010(i), and 43.40.010(j)
15 are repealed.

16 * Sec. 6. This Act takes effect July 1, 1985.
17
18
19
20
21
22
23
24
25
26
27
28
29



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 21, 1985

The Honorable Don Bennett
President of the Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator Bennett:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that repeals certain accounts, funds, and dedications of state revenue, and makes amendments to delete language that might look too much like a dedication of certain revenue.

Sections 1 -- 4 of the bill make amendments to the motor fuel tax statutes (AS 43.40), which remove provisions that appear to segregate or dedicate for special purposes tax revenue earned from the sale of motor fuel. Certain statutes repealed in sec. 5 also relate to the amendments made by secs. 1 -- 4 of the bill. The repeal of AS 44.40.-010(f), (g), (i), and (j) in sec. 5 is consistent with the policy set out in art. IX, sec. 7 of the Alaska Constitution, which prohibits the earmarking of state tax revenue.

Section 5 of the bill repeals statutes that appear to create dedicated funds in a manner that is not consistent with the limitations imposed by the Alaska Constitution. Repealed in sec. 5 are: (1) the reserve for capital outlay account (AS 37.05.157); (2) the reserve for energy facilities development account (AS 37.05.158); and (3) a reference to AS 37.05.157 (reserve for capital outlay) in AS 37.07.062 dealing with the capital budget. The accounts and the funds are inactive because it has been determined that they violate the dedicated fund prohibition contained in art. IX, sec. 7 of the Alaska Constitution. On the advice of the attorney general, no deposits were ever made to these accounts, and none has an outstanding balance.

Also, in sec. 5 of the bill, the dedication of revenue to the Alaska Native fund (AS 37.20.040) is repealed because the fund is no longer needed to implement the Alaska

2668

Native Claims Settlement Act. AS 43.05.210 is repealed because the dedication, for specific uses, of a part of the revenue received under 36 U.S.C. sec. 191 (the Federal Mineral Leasing Act) is no longer required by federal law.

Under some circumstances, the dedication of state revenue might be appropriate. However, I believe that a dedication, if made at all, should be effected by amending the Alaska Constitution.

Sincerely,



Bill Sheffield
Governor

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date _____

REQUEST

Bill/Resolution No: 68
 Title: Repealing certain accounts, funds, and dedications of revenue
 Sponsor: Governor
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Department of Revenue
 Program Category Affected: _____
 BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page for analysis.

Prepared By: Milt Barker *MB*
 Division: Treasury

Phone: 465-2350
 Date: October 22, 1984

Approved by Commissioner: _____
 Agency: Department of Revenue

Date: _____

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

ALASKA STATE LEGISLATURE

14TH Legislature FIRST Session

SENATE BILL NO. 68

By THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

"An Act repealing certain accounts, funds, and dedications of state revenue; and providing for an effective date."

Introduced in the Senate 1/21 85

HISTORY IN THE SENATE

19	85	Read first time and referred to Committee on
1	21	Judiciary and Finance
2	18	Reported back with recommendation that <i>Judiciary to Finance. 5 no rek</i>
		<i>File</i>
		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
		Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

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 Speaker
	Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19	Received from House
	To enrolling
	Reported correctly enrolled
	Sent to Governor
 by Governor
	Filed with Lt. Governor
	Chapter No.

Introduced: 1/21/85
Referred: Judiciary and
Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2

SENATE BILL NO. 68

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act repealing certain accounts, funds, and ded-
7 cations of state revenue; and providing for an effec-
8 tive date."

9

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

10

* Section 1. AS 43.40.010(e) is amended to read:

11

(e) Sixty percent of the proceeds [OF THE REVENUE] from the
12 taxes on aviation fuel, excluding the amount determined to have been
13 spent by the state in its collection, must [SHALL] be refunded to a
14 municipality owning and operating, or leasing and operating, an air-
15 port, in the proportion that the revenue was collected at the munici-
16 pal airport. All other proceeds of the taxes on aviation fuel must
17 [SHALL] be paid into [A SPECIAL AVIATION FUEL TAX ACCOUNT IN] the
18 [STATE] general fund. [THE LEGISLATURE MAY APPROPRIATE FUNDS FROM
19 THIS ACCOUNT FOR AVIATION FACILITIES]

20

* Sec. 2. AS 43.40.010(h) is amended to read:

21

(h) Except as provided in (e) of this section, all motor fuel
22 tax receipts, must [SHALL] be paid into the general fund [AND DISTRI-
23 BUTED TO THE PROPER ACCOUNTS IN THE GENERAL FUND]. Valid motor fuel
24 tax refund claims must [SHALL] be paid from [THE HIGHWAY FUEL TAX
25 ACCOUNT IN] the general fund.

26

* Sec. 3. AS 43.40.030 is amended to read:

27

Sec. 43.40.030. REFUND FOR NONHIGHWAY USE. (a) A [EXCEPT AS

28

SPECIFIED IN AS 43.40.010(j), A] person who uses motor fuel to operate

29

an internal combustion engine is entitled to a refund of six cents a

1 gallon if

2 (1) the tax on the motor fuel has been paid;

3 (2) the motor fuel is not aviation fuel, or motor fuel used
4 in or on watercraft; and

5 (3) the internal combustion engine is not used in or in
6 conjunction with a motor vehicle licensed to be operated on public
7 ways.

8 * Sec. 4. AS 43.40.070 is amended to read:

9 Sec. 43.40.070. REFUND WARRANTS. Upon approval of a refund
10 claim by the department, a warrant must [SHALL] be drawn on [THE
11 HIGHWAY FUEL TAX ACCOUNT IN] the general fund in favor of the appli-
12 cant in the amount of the claim.

13 * Sec. 5. AS 37.05.157, 37.05.158; AS 37.07.062(c)(4); AS 37.20.040;
14 AS 43.05.210; AS 43.40.010(f), 43.40.010(g), 43.40.010(i), and 43.40.010(j)
15 are repealed.

16 * Sec. 6. This Act takes effect July 1, 1985.



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 21, 1985

The Honorable Don Bennett
President of the Senate
Alaska State Legislature
Fouch V
Juneau, AK 99811

Dear Senator Bennett:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that repeals certain accounts, funds, and dedications of state revenue, and makes amendments to delete language that might look too much like a dedication of certain revenue.

Sections 1 -- 4 of the bill make amendments to the motor fuel tax statutes (AS 43.40), which remove provisions that appear to segregate or dedicate for special purposes tax revenue earned from the sale of motor fuel. Certain statutes repealed in sec. 5 also relate to the amendments made by secs. 1 -- 4 of the bill. The repeal of AS 44.40.-010(f), (g), (i), and (j) in sec. 5 is consistent with the policy set out in art. IX, sec. 7 of the Alaska Constitution, which prohibits the earmarking of state tax revenue.

Section 5 of the bill repeals statutes that appear to create dedicated funds in a manner that is not consistent with the limitations imposed by the Alaska Constitution. Repealed in sec. 5 are: (1) the reserve for capital outlay account (AS 37.05.157); (2) the reserve for energy facilities development account (AS 37.05.158); and (3) a reference to AS 37.05.157 (reserve for capital outlay) in AS 37.07.062 dealing with the capital budget. The accounts and the funds are inactive because it has been determined that they violate the dedicated fund prohibition contained in art. IX, sec. 7 of the Alaska Constitution. On the advice of the attorney general, no deposits were ever made to these accounts, and none has an outstanding balance.

Also, in sec. 5 of the bill, the dedication of revenue to the Alaska Native fund (AS 37.20.040) is repealed because the fund is no longer needed to implement the Alaska

2668

Native Claims Settlement Act. AS 43.05.210 is repealed because the dedication, for specific uses, of a part of the revenue received under 36 U.S.C. sec. 191 (the Federal Mineral Leasing Act) is no longer required by federal law.

Under some circumstances, the dedication of state revenue might be appropriate. However, I believe that a dedication, if made at all, should be effected by amending the Alaska Constitution.

Sincerely,



Bill Sheffield
Governor

COMMITTEE REPORT
SENATE

FURTHER:

FINANCE

1/21/85

Date 2/14/85

Mr. President

The Committee on JUDICIARY considered SB 68
repealing certain accounts, funds, and dedications of state revenue; efd.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

James Farber No Rec
Tim Kelly No Rec
2 " "
Rick Halford No Rec

Chairman

no rec.
Chairman recommendation

031
SB 68

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date _____

REQUEST

Bill/Resolution No: _____
Title: Repealing certain accounts,
funds, and dedications of revenue
Sponsor: Governor
Requestor: _____
Date of Request: _____

FISCAL DETAIL

Agency Affected: Department of Revenue
Program Category Affected: _____
BRU, Program of Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<u>OPERATING</u>						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
<u>TOTAL OPERATING</u>	-	-	-	-	-	-
<u>CAPITAL</u>	-	-	-	-	-	-
<u>REVENUE</u>	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<u>TOTAL</u>	-	-	-	-	-	-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page for analysis.

Prepared By: Milt Barker MB
Division: Treasury

Phone: 465-2350
Date: October 22, 1984

Approved by Commissioner: _____
Agency: Department of Revenue

Date: _____

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

HOUSE
COMMITTEE REPORT

(11)

Date referred: 5/8/86

FURTHER REFERRALS:

DATE: 5-10-86

The FINANCE Committee has considered CSSB 69 (Jud) am

"An Act relating to relating to licensing and regulation of the sale and distribution of alcoholic beverages; and providing for an effective date."

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with HCS CSSB 69 (FIN) same title
- new title

and recommends no recommendation

further referral to the _____ Committee

- and attaches:
- letter of intent
 - first fiscal note
 - new fiscal note
 - zero fiscal note \emptyset

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

Albert J. Edwards - No Rec.

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

Albert J. Edwards
Chairman

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HCS-CSSB-69 (FIN)
 Title: Issuance, renewal, continuation, and transfer of liquor licenses.

Sponsor: House Judiciary Comm. (original)
 Requestor: House Judiciary Comm
 Date of Request: April 21, 1986

FISCAL DETAIL

Agency Affected: Department of Revenue
 BRU: Alcoholic Beverage Control Board

Components: _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE	---	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

General fund revenues realized from increase to wholesale license fees at lines 26-28, page 2.

Prepared by: Patrick L. Sharrock, Director Phone: 277-8638
 Division: Alcoholic Beverage Control Board Date: April 23, 1986

Approved by Commissioner: Mary A. Nordale Date: 4/24/86
 Agency: Department of Revenue

- Distribution (by Agency preparing fiscal note):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)

Original sponsor: Rules/Governor

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 69 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to licensing and regulation of the
7 sale and distribution of alcoholic beverages; and
8 providing for an effective date."

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

10 * Section 1. AS 04.06.020 is amended to read:

11 Sec. 04.06.020. APPOINTMENT AND QUALIFICATIONS. The board
12 consists of five members appointed by the governor and confirmed by a
13 majority of the members of the legislature in joint session. A member
14 of the board may not hold any other state or federal office, either
15 elective or appointive. Two members of the board shall be persons
16 actively engaged in the alcoholic beverage industry, except that no
17 member may hold a wholesale license or be an officer, agent, or em-
18 ployee of a wholesale alcoholic beverage enterprise. One member shall
19 have experience in the field of alcohol abuse treatment or prevention.
20 Two members shall be public members. No three members of the board
21 may be engaged in or retired from the same business, occupation, or
22 profession.

23 * Sec. 2. AS 04.11.090(b) is amended to read:

24 (b) The biennial [ANNUAL] beverage dispensary license fee is
25 \$2,500 [\$1,250].

26 * Sec. 3. AS 04.11.100(d) is amended to read:

27 (d) The biennial [ANNUAL] fee for a restaurant or eating place
28 license is \$600 [\$300].

29 * Sec. 4. AS 04.11.110(c) is amended to read:

1 (c) The biennial [ANNUAL] club license fee is \$1,200 [\$600].

2 * Sec. 5. AS 04.11.120(c) is amended to read:

3 (c) The biennial [ANNUAL] bottling works license fee is \$500
4 [\$250].

5 * Sec. 6. AS 04.11.130(d) is amended to read:

6 (d) The biennial [ANNUAL] brewery license fee is \$1,000 [\$500].

7 * Sec. 7. AS 04.11.140(d) is amended to read:

8 (d) The biennial [ANNUAL] winery license fee is \$500 [\$250].

9 * Sec. 8. AS 04.11.150(b) is amended to read:

10 (b) The biennial [ANNUAL] package store license fee is \$1,500
11 [\$750].

12 * Sec. 9. AS 04.11.160(a) is amended to read:

13 (a) A general wholesale license authorizes the holder to sell
14 alcoholic beverages in the original package, and wine in bulk, in
15 quantities of not less than five gallons. A holder of a general
16 wholesale license may not sell to a person not licensed under this
17 title, except as provided in AS 04.21.040. A holder of a general
18 wholesale license may not sell alcoholic beverages unless any stamps
19 required to be affixed to the package by state or federal law are
20 intact on the package. A wholesaler shall [MUST] obtain a general
21 wholesale license for each distributing point. The biennial [ANNUAL]
22 general wholesale license fee is \$2,000 [\$1,000 FOR THE FIRST \$100,000
23 OF BUSINESS TRANSACTED], payable at the time of making an original
24 application or an application for renewal. In addition, the following
25 annual fees shall be paid by a holder of a general wholesale license

<u>Total</u> Business Transacted During <u>Calendar</u> Year	<u>Annual</u> Fee
over \$100,000 and not over \$150,000	\$ 500
over \$150,000 and not over \$200,000	\$ 1,000
over \$200,000 and not over \$250,000	\$ 1,500

1	over \$250,000 and not over \$300,000	\$ 2,000
2	over \$300,000 and not over \$350,000	\$ 2,500
3	over \$350,000 and not over \$400,000	\$ 3,000
4	over \$400,000 and not over \$500,000	\$ 4,000
5	over \$500,000 and not over \$600,000	\$ 5,000
6	over \$600,000 and not over \$700,000	\$ 6,000
7	over \$700,000 and not over \$800,000	\$ 7,000
8	over \$800,000 and not over \$1,000,000	\$ 9,000
9	over \$1,000,000	\$10,000

10 * Sec. 10. AS 04.11.160(b) is amended to read:

11 (b) A wholesale malt beverage and wine license authorizes the
12 holder to sell malt beverages and wine in the original packages in
13 quantities of not less than five wine gallons. The holder of a whole-
14 sale malt beverage and wine license may not sell to a person not
15 licensed under this title except as provided in AS 04.21.040. The
16 biennial [ANNUAL] wholesale malt beverage and wine license fee is \$400
17 [\$200 FOR THE FIRST \$20,000 OF BUSINESS TRANSACTED DURING A YEAR],
18 payable at the time of making an original application or application
19 for renewal. In addition, the following annual fees shall be paid by
20 a holder of a wholesale malt beverage and wine license:

21	<u>Total</u> Business Transacted During <u>Calendar</u> Year	<u>Annual</u> Fee
22	over \$20,000 and not over \$50,000	\$ 300
23	over \$50,000 and not over \$100,000	\$ 1,000
24	over \$100,000 and not over \$150,000	\$ 1,500
25	over \$150,000 and not over \$200,000	\$ 2,000
26	over \$200,000 and not over \$400,000	\$ 4,000
27	over \$400,000 and not over \$600,000	\$ 6,000
28	over \$600,000 and not over \$800,000	\$ 8,000
29	over \$800,000	\$10,000

1 * Sec. 11. AS 04.11.160(d) is amended to read:

2 (d) No later than rebruary 28 of each year [FOLLOWING THE YEAR
3 FOR WHICH A LICENSE HAS BEEN ISSUED UNDER THIS SECTION], the licensee
4 shall file with the board an affidavit showing the total business
5 transacted during the preceding calendar year under the [HIS] license
6 and the location of the licensed premises at which the business was
7 transacted. At the time of filing the affidavit, the licensee shall
8 pay the additional annual [LICENSE] fees accrued under (a) and (b) of
9 this section during the preceding calendar year.

10 * Sec. 12. AS 04.11.170(c) is amended to read:

11 (c) The biennial [ANNUAL] distillery license fee is \$1,000
12 [\$500].

13 * Sec. 13. AS 04.11.180(b) is amended to read:

14 (b) The biennial [ANNUAL] fee for a common carrier dispensary
15 license is \$700 [\$350] for each vehicle, boat, aircraft, or railroad
16 buffet car in which alcoholic beverages are served.

17 * Sec. 14. AS 04.11.210(b) is amerded to read:

18 (b) The biennial [ANNUAL] fee for a recreational site license is
19 \$800 [\$400].

20 * Sec. 15. AS 04.11.220(d) is amended to read:

21 (d) The biennial [ANNUAL] fee for a pub license is \$800 [\$400].

22 * Sec. 16. AS 04.11.240(b) is amended to read:

23 (b) An application for a special events permit [MUST BE RECEIVED
24 IN THE MAIN OFFICE OF THE BOARD AT LEAST 10 DAYS BEFORE THE DATE FOR
25 WHICH THE PERMIT IS REQUESTED. THE APPLICATION] must be signed by
26 both the president and secretary of the organization applying for the
27 permit. A sworn affidavit showing the length of time the organization
28 has been in existence must accompany the application, together with a
29 certified copy of the resolution of the board of directors authorizing

1 the application. The written approval of the law enforcement agency
2 having jurisdiction over the designated premises of the occasion for
3 which the permit is sought must also be obtained and accompany the
4 application.

5 * Sec. 17. AS 04.11.250(a) is amended to read:

6 (a) A conditional contractor's permit authorizes the holder to
7 sell beer or wine for consumption only on designated premises for two
8 years [ONE YEAR] from the date of issuance of the permit at construc-
9 tion sites that [WHICH] are located outside a city and inside the
10 boundaries of a military or naval reservation.

11 * Sec. 18. AS 04.11.250(b) is amended to read:

12 (b) An applicant for a conditional contractor's permit shall
13 [MUST] obtain and file with the board written permission from the
14 commanding officer of the military or naval reservation and the prime
15 contractor of the remotely situated project for the conduct of the
16 activities authorized by the permit. A conditional contractor's
17 permit may be renewed biennially [ANNUALLY] upon reapplication for a
18 permit and may be revoked or suspended at the discretion of the com-
19 manding officer or the prime contractor.

20 * Sec. 19. AS 04.11.250(d) is amended to read:

21 (d) The biennial [ANNUAL] conditional contractor's permit fee is
22 \$1,200 [\$600].

23 * Sec. 20. AS 04.11.260(c) is amended to read:

24 (c) An applicant for a new license or permit shall [MUST]
25 include with the [HIS] application

26 (1) proof satisfactory to the director that all notices
27 [NOTICE] required by AS 04.11.310 have [HAS] been timely given;

28 (2) any petitions required to be secured under AS 04.11.460
29 before a license may be issued;

1 (3) proof satisfactory to the director [EVIDENCE] of any
2 approval by public authorities required to be obtained under AS 04.-
3 11.090(e), 04.11.220(c), 04.11.230(b), 04.11.240(b), or 04.11.250(b),
4 before a new license or permit may be issued.

5 * Sec. 21. AS 04.11.270(a) is amended to read:

6 (a) Each application for renewal of a license or renewal of a
7 conditional contractor's permit must [SHALL] include [:]

8 (1) the information required for a new license or permit
9 under AS 04.11.260(a), (b), and (c)(1), and, for a pub license, proof
10 that renewal has been approved by the governing body of the college or
11 university as required under AS 04.11.220 [AS 04.11.260 EXCEPT THAT
12 PROOF OF NOTICE UNDER AS 04.11.310 IS NOT REQUIRED]; and

13 (2) a list of all convictions of the applicant or its
14 directors, officers, or principals of violations of this title, a
15 regulation adopted under this title, or an ordinance adopted under
16 AS 04.21.010, which occurred in the preceding license period [YEAR].

17 * Sec. 22. AS 04.11.270(b) is repealed and reenacted to read:

18 (b) A license shall be renewed as follows:

19 (1) on or before December 1 of each year, the director
20 shall mail a renewal application to each licensee whose license,
21 unless renewed, will expire on the following January 31; the applica-
22 tion shall be mailed to the licensee at the licensed premises or at a
23 mailing address furnished in writing by the licensee;

24 (2) the licensee shall submit the completed renewal applica-
25 tion and the biennial license fee to the director on or before
26 January 31 of the renewal year; proof, satisfactory to the director,
27 that all notices required by AS 04.11.310 have been timely given, must
28 be submitted with the application;

29 (3) a renewal application filed after January 31 of the

1 renewal year is delinquent and must be accompanied by a \$400 penalty
2 fee;

3 (4) if January 31 falls on a weekend or a state holiday,
4 the deadline is extended to the first business day following
5 January 31.

6 * Sec. 23. AS 04.11.270 is amended by adding a new subsection to read:

7 (c) The board may not accept an application for renewal after
8 March 31 of the renewal year.

9 * Sec. 24. AS 04.11.280 is amended to read:

10 Sec. 04.11.280. APPLICATION FOR TRANSFER OF A LICENSE TO ANOTHER
11 PERSON. (a) An application for transfer of a license to another
12 person must [SHALL] contain the same information about the transferee
13 as is required of an applicant for a new license under AS 04.11.260
14 and must [SHALL] include other information required by the board. The
15 application must also be accompanied by proof, satisfactory to the
16 director, that the notices required by AS 04.11.310 have been timely
17 given.

18 (b) An application for the transfer of a license to another
19 person must [SHALL] be accompanied by a statement, under oath, execut-
20 ed by the transferor, listing all debts of the business and all taxes
21 due by the business. [THE BOARD SHALL PROMPTLY INFORM EACH LISTED
22 CREDITOR OF THE APPLICATION AND THE AMOUNT SHOWN AS OWED TO THAT
23 CREDITOR.]

24 * Sec. 25. AS 04.11.290 is amended to read:

25 Sec. 04.11.290. APPLICATION FOR RELOCATION OF LICENSE [TRANSFER
26 OF LICENSE LOCATION]. An application for relocation [A TRANSFER] of a
27 license must [TO A NEW LOCATION SHALL] contain the information re-
28 quired by the board, and must [SHALL] be accompanied by proof, satis-
29 factory to the director, that the notices [NOTICE] required in

1 AS 04.11.310 have [HAS] been timely given, and must be accompanied by
2 any petitions required [TO BE SECURED] under AS 04.11.460 [BEFORE A
3 LICENSE MAY BE TRANSFERRED].

4 * Sec. 26. AS 04.11.310 is repealed and reenacted to read:

5 Sec. 04.11.310. NOTICE OF APPLICATION. (a) An applicant for
6 the issuance, relocation, or transfer of ownership of a license shall
7 give public notice of the application as provided in this subsection.
8 The public notice process shall be completed not more than 30 days
9 before a copy of the application is provided to the local governing
10 body under (b)(1) of this section or, if there is no local governing
11 body, at least 30 but not more than 60 days before the application is
12 filed with the board. The applicant shall

13 (1) post a copy of the completed application for 10 consec-
14 utive days at the location of the proposed premises and at any addi-
15 tional locations designated by the board; and

16 (2) publish notice of the application once each week for
17 three consecutive weeks in a newspaper or by radio; the board may
18 designate the form and content of the notice and the languages in
19 which it must be given.

20 (b) An applicant shall serve the following notices of an appli-
21 cation at least 30 days, but not more than 60 days, before the appli-
22 cation is filed with the board:

23 (1) if the application is for the issuance, renewal, relo-
24 cation, or transfer of ownership of a license for premises or proposed
25 premises located within an established village, an incorporated city,
26 an organized borough, or a unified municipality, the applicant shall
27 serve a copy of the completed application on the appropriate officer
28 of the local governing body;

29 (2) if the application is for the issuance, renewal,

1 relocation, or transfer of ownership of a license for premises or
2 proposed premises located within or within one-half mile of an area of
3 a municipality that is under the jurisdiction of a community council
4 established by municipal charter or ordinance to advise the municipal
5 governing body, the applicant shall serve a copy of the completed
6 application on all community councils that have jurisdiction over an
7 area within one-half mile of the premises or proposed premises; and

8 (3) if the application is for the transfer of ownership of
9 a license, the applicant shall serve written notice of the proposed
10 transfer, on a form prescribed by the board, on all creditors of the
11 licensed business, including all taxing authorities and creditors
12 whose claims are disputed by the transferor; the notice must state

13 (A) that a transfer of the license is proposed;

14 (B) the name and business address of the transferor;

15 (C) all names and business addresses used by the
16 transferor for the licensed business in the preceding three
17 years;

18 (D) an explanation of how, when, and to what extent
19 creditors' claims will be paid by the transferor or transferee;

20 (E) that any creditor whose claim is not satisfied may
21 seek to prevent the transfer by filing written notice of the
22 unsatisfied claim with the board within 30 days after the notice
23 was served; and

24 (F) other information required by the board.

25 (c) Service under (b) of this section may be accomplished by
26 either personally delivering the notice or by mailing the notice. The
27 date of service by mail is the date the notice is postmarked.

28 * Sec. 27. AS 04.11.330(a) is amended to read:

29 (a) An application requesting renewal of a license shall be

1 denied if

2 (1) the board finds, after review of all relevant informa-
3 tion, that renewal of the license would not be in the best interests
4 of the public;

5 (2) the license has been revoked for any cause;

6 (3) the applicant has not operated the licensed premises
7 for at least 60 [30] eight-hour days during each of the two preceding
8 12-month periods [THE IMMEDIATELY PRECEDING CALENDAR YEAR], unless the
9 board determines that the licensed premises are under construction or
10 cannot reasonably be operated through no fault of the applicant;

11 (4) the board finds that issuance of an existing license
12 under AS 04.11.400(g) has not encouraged tourist trade;

13 (5) the requirements of AS 04.11.420 - 04.11.450 relating
14 to zoning, ownership of the license, and financing of the licensee
15 have not been met;

16 (6) renewal of the license would violate the restrictions
17 pertaining to the particular license under this title;

18 (7) renewal of the license is prohibited under this title
19 as a result of an election conducted in accordance with AS 04.11.502;

20 (8) the application has not been completed in accordance
21 with AS 04.11.270;

22 (9) the license was issued under AS 04.11.400(j), and the
23 board finds that the public convenience does not require renewal.

24 * Sec. 28. AS 04.11.330(a) is amended by adding a new paragraph to
25 read:

26 (10) the application contains false statements of material
27 fact.

28 * Sec. 29. AS 04.11.330(d) is amended to read:

29 (d) Notwithstanding (a) (3) of this section, a recreational site

1 license issued under AS 04.11.210 may be renewed if the license was
2 exercised at least once during each of the two [THE IMMEDIATELY]
3 preceding calendar years [YEAR].

4 * Sec. 30. AS 04.11.360 is amended to read:

5 Sec. 04.11.360. DENIAL OF TRANSFER OF A LICENSE TO ANOTHER
6 PERSON. An application requesting approval of a transfer of a license
7 to another person under this title shall be denied if

8 (1) the board finds, after review of all relevant informa-
9 tion, that transfer of a license to another person would not be in the
10 best interests of the public;

11 (2) the application has not been completed in accordance
12 with AS 04.11.280;

13 (3) the application contains false statements of material
14 fact;

15 (4) the transferor has not paid all [DEBTS OR] taxes aris-
16 ing from the conduct of the business licensed under this title, or has
17 not paid a debt, arising from the conduct of the licensed business,
18 that is owed to a creditor who filed written notice of the unsatisfied
19 debt with the board within the time stated in the notice served under
20 AS 04.11.310(b)(3)(E), unless

21 (A) the transferor or transferee [HE] gives security
22 for the payment of the debt [DEBTS] or taxes satisfactory to the
23 creditor or taxing authority; or

24 (B) the transfer is in accordance with [PURSUANT TO] a
25 promise given as collateral by the transferor to the transferee
26 in the course of an earlier transfer of the license and under the
27 [WHICH] promise the transferor is obliged to transfer the license
28 back to the transferee in the event of default in payment for
29 property conveyed as part of the earlier transfer of the license;

1 (5) transfer of the license to another person would result
2 in violation of the provisions of this title relating to identity of
3 licensees and financing of licensees;

4 (6) transfer of the license to another person would violate
5 the restrictions pertaining to the particular license under this
6 title;

7 (7) transfer of the license to another person is prohibited
8 under the provisions of this title as a result of an election conduct-
9 ed in accordance with AS 04.11.502;

10 (8) the prospective transferee does not have the qualifica-
11 tions required under this title of an original applicant;

12 (9) the licensed premises are located in a municipality,
13 the type of license sought to be transferred is a beverage dispensary
14 or package store license, and that type of license is already in
15 effect in the municipality under a community liquor license, unless
16 the transfer is to become effective after the community liquor license
17 is no longer effective, whether as the result of a local option elec-
18 tion or otherwise;

19 (10) the authority sought is authority to operate a beverage
20 dispensary or package store under a community liquor license for
21 premises to be located in a municipality where the authority sought is
22 already held by a private licensee under a beverage dispensary or
23 package store license, unless the transfer is to become effective
24 after the privately held license is no longer effective, whether as
25 the result of a local option election or otherwise [;

26 (11) THE LICENSE WAS ISSUED UNDER AS 04.11.400(j)].

27 * Sec. 31. AS 04.11.400(a) is amended to read:

28 (a) Except as provided in (g), (h), (i), [AND] (j), and (k) of
29 this section, a new license may not be issued and the board may

1 prohibit relocation of an existing license

2 (1) outside an established village, incorporated city,
3 unified municipality, or organized borough if after the issuance or
4 relocation there would be more than one restaurant or eating place
5 license for each 1,500 population or fraction of 1,500 population or
6 more than one license of each other type, including licenses that
7 [WHICH] have been issued under (g) or (h) of this section, for each
8 3,000 population or fraction of 3,000 population in a radius of five
9 miles of the licensed premises or location of premises sought to be
10 licensed, excluding the populations of established villages, incor-
11 porated cities, unified municipalities, and organized boroughs that
12 are wholly or partly included within the radius;

13 (2) inside an established village, incorporated city, or uni-
14 fied municipality if after the issuance or relocation there would be
15 inside the established village, incorporated city, or unified munici-
16 pality more than one restaurant or eating place license for each 1,500
17 population or fraction of 1,500 population or more than one license of
18 each other type, including licenses that [WHICH] have been issued
19 under (g) or (h) of this section, for each 3,000 population or frac-
20 tion of 3,000 population inside the established village, incorporated
21 city, or unified municipality;

22 (3) inside an organized borough but outside an established
23 village or incorporated city located within the borough, if after the
24 issuance or relocation there would be inside the borough, but outside
25 the established villages and incorporated cities located within the
26 borough, more than one restaurant or eating place license for each
27 1,500 population or fraction of 1,500 population or more than one
28 license of each other type, including licenses that have been issued
29 under (g) or (h) of this section, for each 3,000 population or

1 fraction of 3,000 population inside the borough, excluding the popu-
2 lation of those established villages that have conducted an election
3 on a question set out in AS 04.11.490, 04.11.496, or 04.11.500, and
4 excluding the population of incorporated cities located within the
5 organized borough.

6 * Sec. 32. AS 04.11.400 is amended by adding a new subsection to read:

7 (k) The board may approve the issuance or relocation of a club
8 license without regard to (a) of this section if the issuance or
9 relocation of the license has the approval of the local governing body
10 of the established village, incorporated city, unified municipality,
11 or organized borough where the licensed premises will be located.

12 * Sec. 33. AS 04.11.480 is amended to read:

13 Sec. 04.11.480. PROTEST. (a) If a local governing body wishes
14 to protest the issuance, renewal, relocation, [TRANSFER OF LOCATION]
15 or transfer to another person of a license, it shall furnish the board
16 and the applicant with a protest and the reasons for the protest
17 within 30 days after [OF] receipt from the applicant [BOARD] of notice
18 of [FILING OF] the application. The board shall consider a protest
19 and testimony received at a hearing conducted under AS 04.11.510(b)(2)
20 or (b)(4) when it considers the application, and the protest and the
21 record of the hearing conducted under AS 04.11.510(b)(2) or (b)(4)
22 shall be retained as part of the board's permanent record of its
23 review of the application. If an application is protested, the board
24 may not approve the application unless the board finds that the pro-
25 test is arbitrary, capricious, and unreasonable.

26 (b) If the permanent residents residing outside of but within
27 two miles of an incorporated city or an established village wish to
28 protest the issuance, renewal, relocation, or transfer of a license
29 within the city or village, they shall file with the board a petition

1 requesting a public hearing that meets [MEETING] the requirements of
2 AS 04.11.510(b)(3) [REQUESTING A PUBLIC HEARING] within 30 days after
3 [OF] the [POSTING OF] notice required under AS 04.11.310 is posted,
4 or, if the application is for renewal of a license, by January [DECEM-
5 BER] 31 of the renewal year [APPLICATION IS MADE FOR RENEWAL OF A
6 LICENSE]. The board shall consider testimony received at a hearing
7 conducted under AS 04.11.510(b)(3) when it considers the application,
8 and the record of a hearing conducted under AS .11.510(b)(3) shall
9 be retained as part of the board's permanent record of its review of
10 the application.

11 * Sec. 34. AS 04.11.480 is amended by adding a new subsection to read:

12 (c) A local governing body may protest the continuation of a
13 license between biennial renewals of the license, by furnishing the
14 board and the licensee with a protest and the reasons for the protest
15 during January of the nonrenewal year. The license shall be revoked
16 unless the board finds the protest is arbitrary, capricious, and
17 unreasonable.

18 * Sec. 35. AS 04.11.490(c) is amended to read:

19 (c) If a majority of the voters vote "no" on the question set
20 out in (a) of this section or vote "yes" on a question set out in
21 AS 04.11.492 or 04.11.500 in an election conducted in accordance with
22 AS 04.11.502 after an election in which the voters voted "yes" on the
23 question set out in (a) of this section, the board shall be notified
24 immediately after certification of the results of the election.
25 Thereafter, the prohibitions imposed under (b) of this section on the
26 issuance, renewal, or transfer of licenses between holders and lo-
27 cation as a result of the earlier election are removed except insofar
28 as those prohibitions are imposed in accordance with the results of
29 the subsequent election and under AS 04.11.504(b) and AS 04.11.510(d).

1 * Sec. 36. AS 04.11.492(c) is amended to read:

2 (c) If a majority of the voters vote "no" on the question set
3 out in (a) of this section or vote "yes" on a question set out in
4 AS 04.11.490, 04.11.496, or 04.11.500 in an election conducted in
5 accordance with AS 04.11.502 after an election in which the voters
6 voted "yes" on the question set out in (a) of this section, the board
7 shall be notified immediately after a certification of the results of
8 the election. The prohibitions imposed under (b) of this section on
9 the issuance, renewal, or transfer of licenses between holders and
10 locations as a result of the earlier election are removed 90 days
11 after the results of the election are certified except insofar as
12 those prohibitions are imposed in accordance with the results of the
13 subsequent election and under AS 04.11.504(b) and AS 04.11.510(d).

14 * Sec. 37. AS 04.11.496(c) is amended to read:

15 (c) If a majority of the voters vote "no" on the question set
16 out in (a) of this section or vote "yes" on the questions set out in
17 AS 04.11.492 or 04.11.500 in an election conducted in accordance with
18 AS 04.11.502 after an election in which the voters voted "yes" on the
19 question set out in (a) of this section, the prohibition on the impor-
20 tation of alcohol beverages and the prohibition on the issuance,
21 renewal, or transfers of licenses between holders and locations,
22 imposed as a result of the earlier election in which the voters voted
23 "yes" on the question set out in (a) of this section are removed
24 effective on the first day of the month following certification of the
25 results of the election except as those prohibitions continue to be
26 imposed in accordance with the results of the subsequent election and
27 under AS 04.11.504(b) and AS 04.11.510(d).

28 * Sec. 38. AS 04.11.500(c) is amended to read:

29 (c) If the majority of the voters vote "no" on the question set

1 out in (a) of this section or vote "yes" on the questions set out in
2 AS 04.11.490, 04.11.492, or 04.11.496 [, OR THIS SECTION IF DIFFERENT
3 TYPES OF LICENSES ARE LISTED ON THE BALLOT] in an election conducted
4 in accordance with AS 04.11.502 after an election in which the voters
5 voted "yes" on the question set out in (a) of this section, the board
6 shall be notified immediately after certification of the results of
7 the election. Licenses in effect in the municipality and [,] in the
8 unincorporated area outside of but within five miles of the boundaries
9 of the municipality or established village which were excepted from
10 the prohibition on sale in accordance with the results of the earlier
11 election are void 90 days after the results of the election are cer-
12 tified. Thereafter the board may not issue, renew, or transfer be-
13 tween holders or locations a license for licensed premises located
14 within the boundaries of the municipality, [OR] within the perimeter
15 of an established village, or in an unincorporated area within five
16 miles of the boundaries of the municipality, except a license which
17 may be issued to a municipality or to one of the types of licenses
18 listed on the ballot as a result of a majority of the voters voting
19 "yes" on the question set out in AS 04.11.492 or this section, respec-
20 tively. A license which will expire during the 90 days after the
21 results of a local option election under this section are certified
22 may be extended, until it is void under this subsection, by payment of
23 a prorated portion of the annual license fee.

24 * Sec. 39. AS 04.11.502(b) is amended to read:

25 (b) The lieutenant governor, whenever 35 percent of the regis-
26 tered voters residing within an established village petition the
27 lieutenant governor to do so, shall place upon a separate ballot at a
28 special election that question or combination of questions set out in
29 AS 04.11.490, 04.11.496, and [-] 04.11.500 which constitutes the

1 subject of the petition. The lieutenant governor shall conduct the
2 election in the general manner prescribed by the Alaska Election Code
3 (AS 15.05.010 - AS 15.60.020).

4 * Sec. 40. AS 04.11.506(b) is amended to read:

5 (b) If a majority of the voters vote "yes" on a question set out
6 in AS 04.11.496, the following actions, in addition to those pre-
7 scribed in (a) of this section, shall be undertaken before the date
8 the prohibition on importation becomes effective:

9 (1) the board shall notify by registered or certified mail
10 all holders of package store licenses of the prohibition;

11 (2) the municipality or established village shall post
12 notice of the prohibition in the municipality or village.

13 * Sec. 41. AS 04.11.510(a) is amended to read:

14 (a) Unless a legal action relating to the license, applicant or
15 premises to be licensed is pending, the board shall consider [DECIDE]
16 whether to grant or deny an application within 60 [90] days after [OF]
17 receipt of the completed application at the main office of the board.
18 [HOWEVER, THE DECISION MAY NOT BE MADE BEFORE THE 30 DAYS ALLOWED FOR
19 PROTEST UNDER AS 04.11.480 HAVE ELAPSED UNLESS WAIVED BY THE MUNICI-
20 PALITY.]

21 * Sec. 42. AS 04.11.510(b) is amended to read:

22 (b) The board may review an application for the issuance, renew-
23 al, transfer of location, or transfer to another person of a license
24 without affording the applicant notice or hearing, except

25 (1) if an application is denied, the notice of denial shall
26 be furnished the applicant immediately in writing stating the reason
27 for the denial in clear and concise language; the notice of denial
28 shall inform the applicant that the applicant [HE] is entitled to an
29 informal conference with either the director or the board, and that,

1 if not satisfied by the informal conference; the applicant [HE] is
2 then entitled to a formal hearing before the board; if the applicant
3 requests a formal hearing, the board shall adhere to AS 44.62.330 -
4 44.62.630 (Administrative Procedure Act); all interested persons may
5 be heard at the hearing and unless waived by the applicant and the
6 board, the formal hearing shall be held in the area for which the
7 application is requested;

8 (2) the board may, on its own initiative or in response to
9 an objection or protest, hold a hearing to ascertain the reaction of
10 the public or a local governing body to an application if a hearing is
11 not required under (1), (3), or (4) or this subsection;

12 (3) if a petition containing the signatures of 35 percent
13 of the adult residents having a permanent place of abode outside of
14 but within two miles of an incorporated city or an established village
15 is filed with the board, the board shall hold a public hearing on the
16 question of whether the issuance, renewal, or transfer of the license
17 in the city or village would be in the public interest;

18 (4) if a protest to the issuance, renewal, continuation,
19 transfer of location or transfer to another person of a license made
20 by a local governing body is based on a question of law, the board
21 shall hold a public hearing.

22 * Sec. 43. AS 04.11.510(d) is amended to read:

23 (d) The board may not accept an application for the issuance,
24 renewal, or transfer of a license within one year after a local option
25 election, other than an application for a temporary extension of a
26 license under AS 04.11.490(b), 04.11.492(b), 04.11.496(b), or 04.11.-
27 500(b).

28 * Sec. 44. AS 04.11.520 is repealed and reenacted to read:

29 Sec. 04.11.520. PROOF OF NOTICE TO LOCAL GOVERNING BODY. The

1 board may not grant an application for premises within an established
2 village, an incorporated city, an organized borough, or a unified
3 municipality without proof that the local governing body has been
4 given notice of the application under AS 04.11.310.

5 * Sec. 45. AS 04.11 is amended by adding a new section to read:

6 Sec. 04.11.525. NOTICE TO COMMUNITY COUNCIL. Upon receipt of an
7 application for the issuance, renewal, relocation, or transfer of
8 ownership of a license, the board shall at least 10 days before the
9 date set for board action on the application provide written notice of
10 the proposed action and the time and place for a hearing to the commu-
11 nity councils entitled to notice under AS 04.11.310(b)(2).

12 * Sec. 46. AS 04.11.540 is repealed and reenacted to read:

13 Sec. 04.11.540. LICENSE RENEWAL AND TERMINATION. (a) Notwith-
14 standing AS 04.11.680, an application for renewal of a license may be
15 submitted and the authority granted under the license may be exercised
16 until March 31 of the renewal year. The license terminates at 12:00
17 midnight March 31 unless the application for renewal and other re-
18 quired documents have been filed and the required license fees and the
19 penalty fees have been paid by that time. If March 31 falls on a
20 weekend or state holiday, the deadline in this section is extended to
21 the first business day following March 31.

22 (b) A new license may not be issued to the holder of a termi-
23 nated license for the same premises except on proof satisfactory to
24 the board of good cause for the failure to file and pay.

25 * Sec. 47. AS 04.11.550 is amended to read:

26 Sec. 04.11.550. NOTICE OF TERMINATION [EXPIRATION]. On or
27 before February 15, the director shall mail a notice of termination
28 [EXPIRATION] to each licensee who has not either (1) filed an applica-
29 tion to renew the [HIS] license, along with other required documents

1 [ANY APPLICABLE AFFIDAVITS] and all license fees due, or (2) notified
2 the director of the licensee's [HIS] intent not to do so. Failure of
3 the director to mail this notice of termination [EXPIRATION] does not
4 prevent the license from terminating on March 31 if the application
5 and other required documents are not filed, and the fees are not paid
6 [WAIVE THE REQUIREMENT THAT THE APPLICATION FOR RENEWAL BE FILED BY
7 FEBRUARY 28].

8 * Sec. 48. AS 04.11.610(a) is amended to read:

9 (a) Biennial [ANNUAL] license fees, excluding biennial [ANNUAL]
10 wholesale license fees, collected within a municipality shall be
11 refunded semi-annually to the municipality.

12 * Sec. 49. AS 04.11.680(a) is amended to read:

13 (a) Upon application and payment of one-half of the biennial
14 license [ANNUAL] fee, the board may issue a license under this title
15 that [WHICH] will be effective for two [A] continuous six-month per-
16 iods [PERIOD]. Otherwise, all licenses issued under this title other
17 than a retail stock sale license are effective for the two-year period
18 ending January 31 [CALENDAR YEAR ENDING DECEMBER 31], unless a shorter
19 period is prescribed by the board or by law.

20 * Sec. 50. AS 04.11 is amended by adding a new section to read:

21 ARTICLE 10. GENERAL PROVISIONS.

22 Sec. 04.11.900. DEFINITION. In this chapter, "renewal year"
23 means the calendar year in which a license issued under this chapter
24 expires if not timely renewed.

25 * Sec. 51. AS 04.21.080(b)(1) is amended to read:

26 (1) "alcoholic beverage" includes, but is not limited to,
27 whiskey, brandy, rum, gin, wine, ale, porter, beer, and all other
28 spirituous, vinous, malt and other fermented or distilled liquors
29 intended for human consumption and containing not less [MORE] than

1 one-half [ONE] percent alcohol by volume;

2 * Sec. 52. AS 04.21.080(b)(8) is amended to read:

3 (8) "established village" means [(A)] an unincorporated
4 community [THAT IS IN THE UNORGANIZED BOROUGH AND] that

5 (A) has 25 or more permanent residents; [OR]

6 (B) is within a circle, with a five-mile radius,
7 around a United States post office or, if there is no United
8 States post office, around another site centrally located in the
9 community and reasonably designated by the local governing body;
10 and

11 (C) if it [(B) AN UNINCORPORATED COMMUNITY THAT] is in
12 an organized borough, [HAS 25 OR MORE PERMANENT RESIDENTS, AND]

13 (i) is on a road system and is located more than
14 50 miles outside the boundary limits of a unified municipal-
15 ity, or

16 (ii) is not on a road system and is located more
17 than 15 miles outside the boundary limits of a unified
18 municipality;

19 * Sec. 53. AS 44.66.010(a)(1) is amended to read:

20 (1) Alcoholic Beverage Control Board (AS 04.06.010) --

21 June 30, 1990 [1986];

22 * Sec. 54. Notwithstanding the provisions of AS 04.06.020 as amended by
23 sec. 1 of this Act, the members of the Alcoholic Beverage Control Board on
24 the effective date of this section remain on the board until their terms
25 expire or the positions otherwise become vacant.

26 * Sec. 55. TRANSITIONAL PROVISIONS. (a) The authority granted under
27 licenses due to expire on December 31, 1986 is extended until January 31,
28 1987, to permit renewal of the licenses in accordance with this Act.

29 (b) Approximately one-half of the applicants for renewal in 1987, as

1 determined by the director of the Alcoholic Beverage Control Board, shall
2 be eligible for a one-year license. These licenses expire, unless renewed,
3 on January 31, 1988, and may be renewed biennially in even-numbered years
4 after that. The 1987 renewal fee for these licenses is $13/24$ of the bien-
5 nial license fee, rounded to the nearest dollar.

6 (c) The remaining approximately one-half of the 1987 renewal appli-
7 cants, as determined by the director, shall be eligible for a two-year
8 license. These licenses expire, unless renewed, on January 31, 1989, and
9 may be renewed biennially in odd-numbered years after that. The 1987
10 renewal fee for these licenses is the biennial license fee plus $1/24$ of the
11 biennial license fee, rounded to the nearest dollar.

12 (d) The director shall notify each licensee in writing as to whether
13 the licensee shall apply for renewal under (b) or (c) of this section, and
14 of the actual amount of the 1987 renewal fee. The notice must be given not
15 later than December 1, 1986. However, failure of the director to provide
16 the notice required in this subsection does not prevent a license from
17 terminating on March 31, 1987, in accordance with AS 04.11.540, as amended
18 in sec. 46 of this Act, if the renewal application is not filed on or
19 before that date.

20 * Sec. 56. The Alcoholic Beverage Control Board may adopt regulations,
21 under AS 04.06.100 and other relevant statutes to implement the changes
22 made by this Act. The regulations take effect in accordance with the
23 Administrative Procedure Act (AS 44.61), but not before the effective date
24 of the provisions of this Act that they implement.

25 * Sec. 57. Sections 1, 16, 26, 28, 35 - 40, 43, 45, 51 - 54, and 56 of
26 this Act take effect immediately in accordance with AS 01.10.070(c).

27 * Sec. 58. Section 55 of this Act takes effect November 1, 1986.

28 * Sec. 59. Sections 2 - 15, 17 - 25, 27, 29 - 34, 41, 42, 44, and 46 -
29 50 of this Act take effect December 31, 1986.

A M E N D M E N T

HOUSE FINANCE COMMITTEE AMENDMENT TO: HCS CSSB 69 (Jud)

- 1) Page 9, line 8, delete "adjacent to" and insert
"within one-half mile of"
- 2) Page 9, line 11, delete "the" and insert "all"
- 3) Page 9, line 12, delete "council;" and insert
"councils that have jurisdiction over an area within
one-half mile of the premises or proposed premises;"

TO READ AS FOLLOWS:

(2) if the application is for the issuance, renewal, relocation, or transfer of ownership of a license for premises or proposed premises located within one-half mile of an area of a municipality that is under the jurisdiction of a community council established by municipal charter or ordinance to advise the municipal governing body, the applicant shall serve a copy of the completed application on all community councils that have jurisdiction over an area within one-half mile of the premises or proposed premises;"

- 4) Page 20, following line 9, insert a new bill section to read:

"*Sec. 45. AS 04.11 is amended by adding a new section to read:

Sec. 04.11.525. NOTICE TO COMMUNITY COUNCIL. Upon receipt of an application for the issuance, renewal, relocation, or transfer of ownership of a license, the board shall at least 10 days before the date set for board action on the application provide written notice of the proposed action and the time and place for a hearing to the community councils entitled to notice under AS 04.11.310(b)(2)."

Renumber remaining bill sections accordingly.

- 5) Page 23, line 16, delete "45" and insert "46" (technical change)
- 6) Page 23, line 23, after "16," insert "26,"; after "43," insert "45,"

Provides for sections 26 and 45 to take effect immediately.

- 7) Page 23, line 26, after "17 -" insert "25,"; after "44" insert ", 46" (technical change in conjunction with #6)

Effect of amendments. — The 1985 amendment, effective June 5, 1985, in subsection (a) in the first sentence substi-

tuted "the applicant's" for "his" and added the third sentence and added subsection (d).

NOTES TO DECISIONS

In proceedings concerning issuance of original license, burden is on applicant for the license. State, ABC Bd. v.

Decker, Sup. Ct. Op. No. 2943 (File No. S-258), P.2d (1985).

Sec. 04.11.310. Notice of application. (a) Before a new license is issued, or transfer of location or transfer of a license to another person is approved, the applicant must post a copy of the application for 10 days at the location of the proposed licensed premises and at any additional locations designated by the board. The board may require the applicant (1) to provide a copy of the application to newspapers, radio and television stations for public service announcement or (2) to provide paid notice of the application once each week for three successive weeks in a newspaper or by radio. The notice required in this subsection shall be in more than one language when the board decides it is necessary.

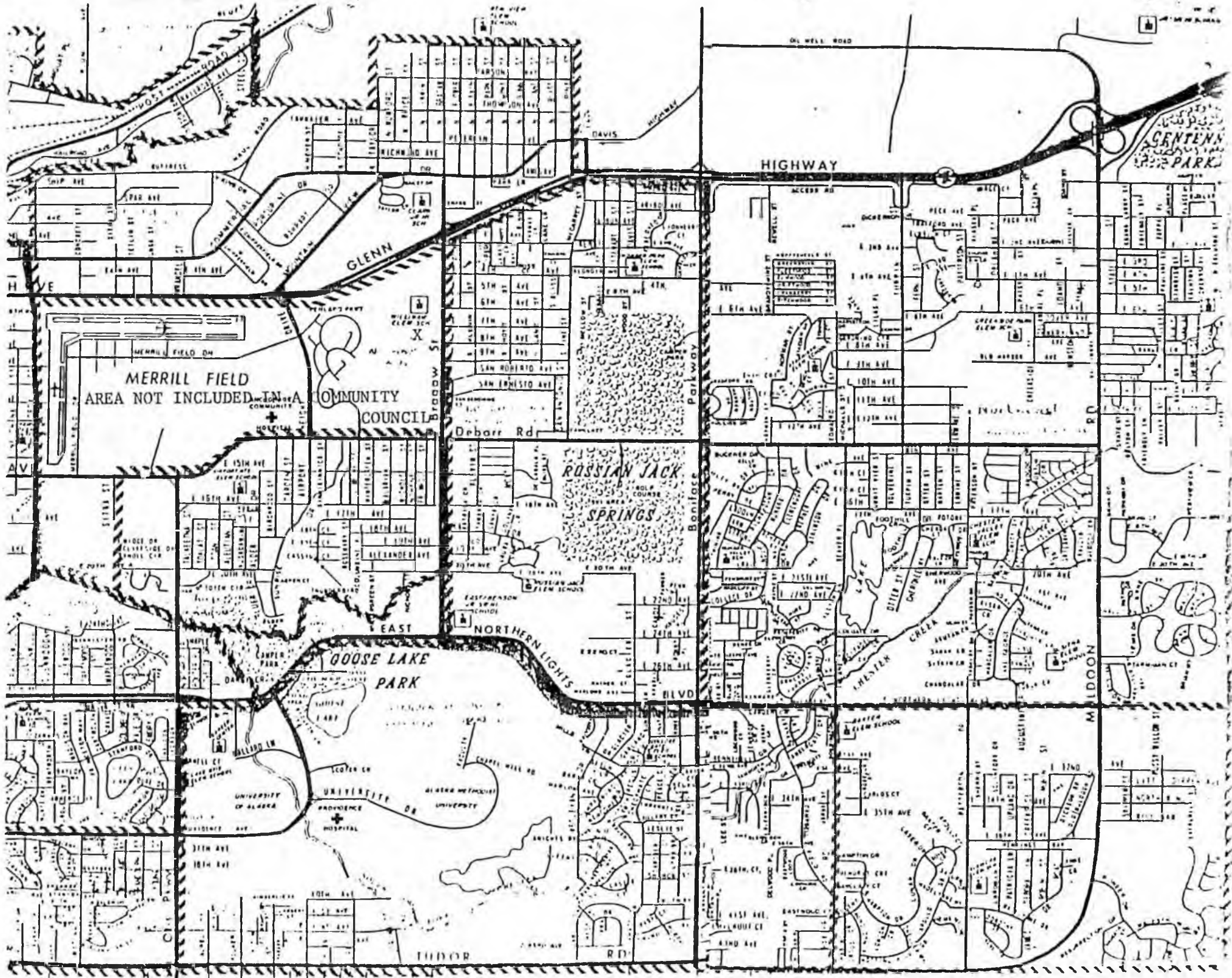
(b) Upon receipt of an application for the issuance, renewal, relocation, or transfer of ownership of a license within an area of a municipality under the jurisdiction of a community council established by municipal charter or ordinance to advise the municipal governing body, or within an area adjacent to such an area, the board shall

(1) immediately provide to the community council written notice of the application; and

(2) at least 10 days before the date set for board action on the application provide to the community council written notice of the proposed action and the time and place for a hearing. (§ 2 ch 131 SLA 1980; am § 7 ch 93 SLA 1985)

Effect of amendments. — The 1985 amendment, effective June 6, 1985, added subsection (b).

PRICE SAVERS LOCATION X



A M E N D M E N T

OFFERED IN THE HOUSE:

By: _____

To: _____ HOUSE BILL No. _____

SENATE BILL No. HCS CSSB 67 (Jud)

PAGE: _____

LINE: _____

page 3 delete lines 10, 11, 12

page 4 delete lines 4, 5, 6

Effect of amendments. — The 1985 amendment, effective June 6, 1985, in subsection (a) in the first sentence substituted "the applicant's" for "his" and added the third sentence and added subsection (d).

NOTES TO DECISIONS

In proceedings concerning issuance of original license, burden is on applicant for the license. State, ABC Bd. v. Decker, Sup. Ct. Op. No. 2943 (File No. S-258), P.2d (1985).

Sec. 04.11.310. Notice of application. (a) Before a new license is issued, or transfer of location or transfer of a license to another person is approved, the applicant must post a copy of the application for 10 days at the location of the proposed licensed premises and at any additional locations designated by the board. The board may require the applicant (1) to provide a copy of the application to newspapers, radio and television stations for public service announcement or (2) to provide paid notice of the application once each week for three successive weeks in a newspaper or by radio. The notice required in this subsection shall be in more than one language when the board decides it is necessary.

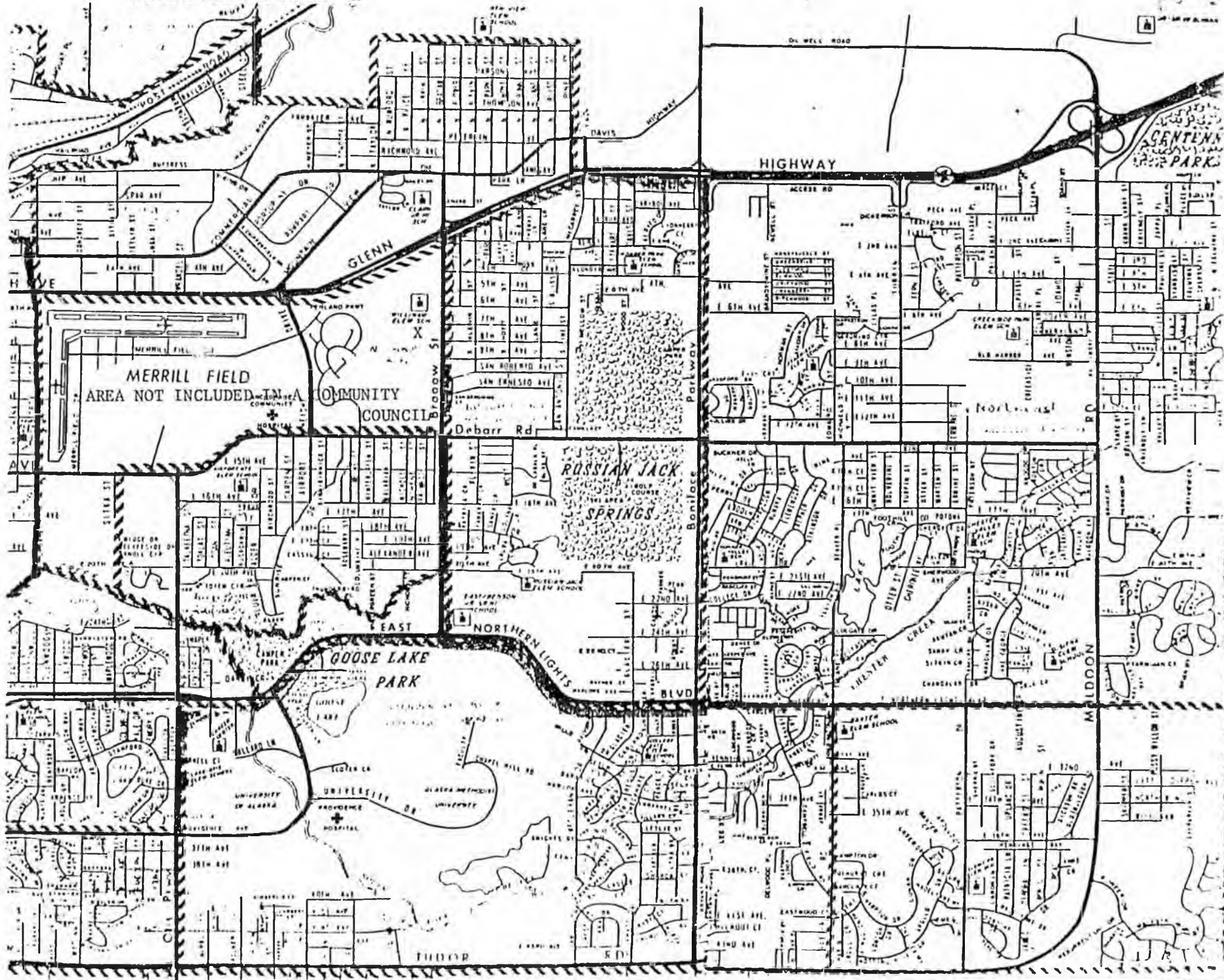
(b) Upon receipt of an application for the issuance, renewal, relocation, or transfer of ownership of a license within an area of a municipality under the jurisdiction of a community council established by municipal charter or ordinance to advise the municipal governing body, or within an area adjacent to such an area, the board shall

(1) immediately provide to the community council written notice of the application; and

(2) at least 10 days before the date set for board action on the application provide to the community council written notice of the proposed action and the time and place for a hearing. (§ 2 ch 131 SLA 1980; and § 7 ch 93 SLA 1985)

Effect of amendments. — The 1985 amendment, effective June 6, 1985, added subsection (b).

PRICE SAVERS LOCATION X



MEMORANDUM

Sec. 50 of the H.D. 1000
State of Alaska

TO: Jim Ayers, Director
Legislative Relations
Office of the Governor

FROM: ^{RJS} Robert J. Sundberg
Commissioner
Department of Public Safety

DATE: April 8, 1986

FILE NO:

TELEPHONE NO: 465-4322

SUBJECT: Alaska Compliance
with FDOT Published
Rule on National
Drinking Age

It has been brought to my attention that the State of Alaska is not in compliance with federal regulations concerning alcohol beverage content limit. The State's content limit is one percent, AS 04.21.080 (b) (1), in which anything less does not come under the control of the Alcohol Beverage Control Board (ABC). The federal limit is one-half of one percent.

One of the Governor's bills, SB 69, relating to liquor law changes, has passed out of the Senate and is now in the House, and could be amended to incorporate a change of the now one percent limitation to that of one-half of one percent, thus bringing the State under compliance. Failure to comply could result in a withholding of Federal-aid highway funds.

Find attached copy of Federal Register Vol. 51, No. 58, dated March 26, 1986 which contains the new regulations, and a letter to Governor Bill Sheffield dated March 26, 1986 from R.A. Barnhart and Diane K. Steed.

Attachments: a/s

RECEIVED

APR 8 1986

GOVERNOR'S OFFICE



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

0669

January 21, 1985

The Honorable Don Bennett
President of the Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator Bennett:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the licensing and regulation of the sale and distribution of alcoholic beverages.

This bill, which was requested by the Alcoholic Beverage Control Board, includes mostly technical, housekeeping amendments to AS 04.11, "Licensing," and a technical amendment to AS 04.16, "Regulation of Sales and Distribution." The most substantive of the amendments made by this bill are at sec. 2 and sec. 12.

Section 2 of the bill increases from 30 days to 90 days the minimum number of days for which all businesses with liquor licenses must operate each year. Businesses that do not operate for the minimum period are denied license renewal unless the premises are under construction or cannot be operated for another reason that is not the fault of the owner.

Section 12 of the bill amends the definition of the term "established village" to allow for ready determination of the boundaries of such a village. Before 1983, these boundaries were determined by drawing a circle, with a five-mile radius, around a U.S. post office. That provision was deleted as part of an extensive revision to the definition in 1983, and under present law there is no clear way of determining village boundaries. The attached bill restores the five-mile-radius method of determining the boundaries, and also makes provision for villages that do not have a U.S. post office. Several provisions of AS 04 cannot be adequately implemented in the absence of readily determinable village boundaries. These provisions include: (1) AS 04.11.480, under which a village council may "protest" the issuance of a liquor license inside the

sk 69

village; (2) AS 04.11.400, under which the number of licenses that may be issued inside a village is based upon the size of the population residing inside the village; and (3) AS 04.11.490 -- 04.11.502, under which established villages may, on the approval of a majority of residents within the village, exercise a "local option" restricting or prohibiting the sale or importation of alcohol inside the village and within a fixed distance beyond the "perimeter" of the village. The selection of five miles as the length of the radius is based on previous law. The substitution of any other reasonable distance would also resolve the problems this section of the bill is intended to resolve.

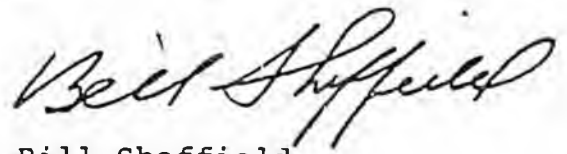
Section 1 of the attached bill deletes from AS 04.11.240(b) the requirement that requests for special events permits be received by the board 10 days before the event. The 10-day requirement is often impossible to meet and is unnecessary.

Section 9 of the bill amends AS 04.11.506(b)(1) to give the board the option of using certified mail rather than registered mail to notify all package stores in the state of the results of local option elections under AS 04.11.496. The present requirement is too costly and unnecessary.

The other amendments in the bill are more technical in nature and either add or remove cross references to other sections of AS 04.11 and 04.16; eliminate inconsistencies between sections (such as between AS 04.11.330(a) [denial of license renewal] and AS 04.11.320(a) [denial of initial license]); or eliminate unnecessary, confusing, or repetitive language (such as in AS 04.11.500(c), in which the deleted language is covered by AS 04.11.500(b)).

I join with the board in urging passage of this bill.

Sincerely,



Bill Sheffield
Governor

Offered: 5/8/86
Referred: Finance

Original sponsor: Rules/Governor

1 IN THE SENATE BY THE JUDICIARY COMMITTEE
2 HOUSE CS FOR CS FOR SENATE BILL NO. 69 (Judiciary)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION
5 A BILL

6 For an Act entitled: "An Act relating to licensing and regulation of the
7 sale and distribution of alcoholic beverages; and
8 providing for an effective date."

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

10 * Section 1. AS 04.06.020 is amended to read:

11 Sec. 04.06.020. APPOINTMENT AND QUALIFICATIONS. The board
12 consists of five members appointed by the governor and confirmed by a
13 majority of the members of the legislature in joint session. A member
14 of the board may not hold any other state or federal office, either
15 elective or appointive. Two members of the board shall be persons
16 actively engaged in the alcoholic beverage industry, except that no
17 member may hold a wholesale license or be an officer, agent, or em-
18 ployee of a wholesale alcoholic beverage enterprise. One member shall
19 have experience in the field of alcohol abuse treatment or prevention.
20 Two members shall be public members. No three members of the board
21 may be engaged in or retired from the same business, occupation, or
22 profession.

23 * Sec. 2. AS 04.11.090(b) is amended to read:

24 (b) The biennial [ANNUAL] beverage dispensary license fee is
25 \$2,500 [\$1,250].

26 * Sec. 3. AS 04.11.100(d) is amended to read:

27 (d) The biennial [ANNUAL] fee for a restaurant or eating place
28 license is \$600 [\$300].

29 * Sec. 4. AS 04.11.110(c) is amended to read:

1 (c) The biennial [ANNUAL] club license fee is \$1,200 [\$600].

2 * Sec. 5. AS 04.11.120(c) is amended to read:

3 (c) The biennial [ANNUAL] bottling works license fee is \$500
4 [\$250].

5 * Sec. 6. AS 04.11.130(d) is amended to read:

6 (d) The biennial [ANNUAL] brewery license fee is \$1,000 [\$500].

7 * Sec. 7. AS 04.11.140(d) is amended to read:

8 (d) The biennial [ANNUAL] winery license fee is \$500 [\$250].

9 * Sec. 8. AS 04.11.150(b) is amended to read:

10 (b) The biennial [ANNUAL] package store license fee is \$1,500
11 [\$750].

12 * Sec. 9. AS 04.11.160(a) is amended to read:

13 (a) A general wholesale license authorizes the holder to sell
14 alcoholic beverages in the original package, and wine in bulk, in
15 quantities of not less than five gallons. A holder of a general
16 wholesale license may not sell to a person not licensed under this
17 title, except as provided in AS 04.21.040. A holder of a general
18 wholesale license may not sell alcoholic beverages unless any stamps
19 required to be affixed to the package by state or federal law are
20 intact on the package. A wholesaler shall [MUST] obtain a general
21 wholesale license for each distributing point. The biennial [ANNUAL]
22 general wholesale license fee is \$2,000 [\$1,000 FOR THE FIRST \$100,000
23 OF BUSINESS TRANSACTED], payable at the time of making an original
24 application or an application for renewal. In addition, the following
25 annual fees shall be paid by a holder of a general wholesale license:

<u>Total</u> Business Transacted During <u>Calendar</u> Year	<u>Annual</u> Fee
over \$100,000 and not over \$150,000	\$ 500
over \$150,000 and not over \$200,000	\$ 1,000
over \$200,000 and not over \$250,000	\$ 1,500

1	over \$250,000 and not over \$300,000	\$ 2,000
2	over \$300,000 and not over \$350,000	\$ 2,500
3	over \$350,000 and not over \$400,000	\$ 3,000
4	over \$400,000 and not over \$500,000	\$ 4,000
5	over \$500,000 and not over \$600,000	\$ 5,000
6	over \$600,000 and not over \$700,000	\$ 6,000
7	over \$700,000 and not over \$800,000	\$ 7,000
8	over \$800,000 and not over \$1,000,000	\$ 9,000
9	over \$1,000,000	\$10,000

10 plus one percent of the total business
11 over \$1,000,000, transacted during the
12 calendar year.

13 * Sec. 10. AS 04.11.160(b) is amended to read:

14 (b) A wholesale malt beverage and wine license authorizes the
15 holder to sell malt beverages and wine in the original packages in
16 quantities of not less than five wine gallons. The holder of a whole-
17 sale malt beverage and wine license may not sell to a person not
18 licensed under this title except as provided in AS 04.21.040. The
19 biennial [ANNUAL] wholesale malt beverage and wine license fee is \$400
20 [\$200 FOR THE FIRST \$20,000 OF BUSINESS TRANSACTED DURING A YEAR],
21 payable at the time of making an original application or application
22 for renewal. In addition, the following annual fees shall be paid by
23 a holder of a wholesale malt beverage and wine license:

24	<u>Total Business Transacted During Calendar Year</u>	<u>Annual Fee</u>
25	over \$20,000 and not over \$50,000	\$ 300
26	over \$50,000 and not over \$100,000	\$ 1,000
27	over \$100,000 and not over \$150,000	\$ 1,500
28	over \$150,000 and not over \$200,000	\$ 2,000
29	over \$200,000 and not over \$400,000	\$ 4,000

1	over \$400,000 and not over \$600,000	\$ 6,000
2	over \$600,000 and not over \$800,000	\$ 8,000
3	over \$800,000	\$10,000 ₁
4		<u>plus one percent of the total business</u>
5		<u>over \$800,000, transacted during the</u>
6		<u>calendar year.</u>

7 * Sec. 11. AS 04.11.160(d) is amended to read:

8 (d) No later than February 28 of each year [FOLLOWING THE YEAR
9 FOR WHICH A LICENSE HAS BEEN ISSUED UNDER THIS SECTION], the licensee
10 shall file with the board an affidavit showing the total business
11 transacted during the preceding calendar year under the [HIS] license
12 and the location of the licensed premises at which the business was
13 transacted. At the time of filing the affidavit, the licensee shall
14 pay the additional annual [LICENSE] fees accrued under (a) and (b) of
15 this section during the preceding calendar year.

16 * Sec. 12. AS 04.11.170(c) is amended to read:

17 (c) The biennial [ANNUAL] distillery license fee is \$1,000
18 [\$500].

19 * Sec. 13. AS 04.11.180(b) is amended to read:

20 (b) The biennial [ANNUAL] fee for a common carrier dispensary
21 license is \$700 [\$350] for each vehicle, boat, aircraft, or railroad
22 buffet car in which alcoholic beverages are served.

23 * Sec. 14. AS 04.11.210(b) is amended to read:

24 (b) The biennial [ANNUAL] fee for a recreational site license is
25 \$800 [\$400].

26 * Sec. 15. AS 04.11.220(d) is amended to read:

27 (d) The biennial [ANNUAL] fee for a pub license is \$800 [\$400].

28 * Sec. 16. AS 04.11.240(b) is amended to read:

29 (b) An application for a special events permit [MUST BE RECEIVED

1 IN THE MAIN OFFICE OF THE BOARD AT LEAST 10 DAYS BEFORE THE DATE FOR
2 WHICH THE PERMIT IS REQUESTED. THE APPLICATION] must be signed by
3 both the president and secretary of the organization applying for the
4 permit. A sworn affidavit showing the length of time the organization
5 has been in existence must accompany the application, together with a
6 certified copy of the resolution of the board of directors authorizing
7 the application. The written approval of the law enforcement agency
8 having jurisdiction over the designated premises of the occasion for
9 which the permit is sought must also be obtained and accompany the
10 application.

11 * Sec. 17. AS 04.11.250(a) is amended to read:

12 (a) A conditional contractor's permit authorizes the holder to
13 sell beer or wine for consumption only on designated premises for two
14 years [ONE YEAR] from the date of issuance of the permit at construc-
15 tion sites that [WHICH] are located outside a city and inside the
16 boundaries of a military or naval reservation.

17 * Sec. 18. AS 04.11.250(b) is amended to read:

18 (b) An applicant for a conditional contractor's permit shall
19 [MUST] obtain and file with the board written permission from the
20 commanding officer of the military or naval reservation and the prime
21 contractor of the remotely situated project for the conduct of the
22 activities authorized by the permit. A conditional contractor's
23 permit may be renewed biennially [ANNUALLY] upon reapplication for a
24 permit and may be revoked or suspended at the discretion of the com-
25 manding officer or the prime contractor.

26 * Sec. 19. AS 04.11.250(d) is amended to read:

27 (d) The biennial [ANNUAL] conditional contractor's permit fee is
28 \$1,200 [\$600].

29 * Sec. 20. AS 04.11.260(c) is amended to read:

1 (c) An applicant for a new license or permit shall [MUST]
2 include with the [HIS] application

3 (1) proof satisfactory to the director that all notices
4 [NOTICE] required by AS 04.11.310 have [HAS] been timely given;

5 (2) any petitions required to be secured under AS 04.11.460
6 before a license may be issued;

7 (3) proof satisfactory to the director [EVIDENCE] of any
8 approval by public authorities required to be obtained under AS 04.-
9 11.090(e), 04.11.220(c), 04.11.230(b), 04.11.240(b), or 04.11.250(b),
10 before a new license or permit may be issued.

11 * Sec. 21. AS 04.11.270(a) is amended to read:

12 (a) Each application for renewal of a license or renewal of a
13 conditional contractor's permit must [SHALL] include [:]

14 (1) the information required for a new license or permit
15 under AS 04.11.260(a), (b), and (c)(1), and, for a pub license, proof
16 that renewal has been approved by the governing body of the college or
17 university as required under AS 04.11.220 [AS 04.11.260 EXCEPT THAT
18 PROOF OF NOTICE UNDER AS 04.11.310 IS NOT REQUIRED]; and

19 (2) a list of all convictions of the applicant or its
20 directors, officers, or principals of violations of this title, a
21 regulation adopted under this title, or an ordinance adopted under
22 AS 04.21.010, which occurred in the preceding license period [YEAR].

23 * Sec. 22. AS 04.11.270(b) is repealed and reenacted to read:

24 (b) A license shall be renewed as follows:

25 (1) on or before December 1 of each year, the director
26 shall mail a renewal application to each licensee whose license,
27 unless renewed, will expire on the following January 31; the applica-
28 tion shall be mailed to the licensee at the licensed premises or at a
29 mailing address furnished in writing by the licensee;

1 (2) the licensee shall submit the completed renewal appli-
2 cation and the biennial license fee to the director on or before
3 January 31 of the renewal year; proof, satisfactory to the director,
4 that all notices required by AS 04.11.310 have been timely given, must
5 be submitted with the application;

6 (3) a renewal application filed after January 31 of the
7 renewal year is delinquent and must be accompanied by a \$400 penalty
8 fee;

9 (4) if January 31 falls on a weekend or a state holiday,
10 the deadline is extended to the first business day following
11 January 31.

12 * Sec. 23. AS 04.11.270 is amended by adding a new subsection to read:

13 (c) The board may not accept an application for renewal after
14 March 31 of the renewal year.

15 * Sec. 24. AS 04.11.280 is amended to read:

16 Sec. 04.11.280. APPLICATION FOR TRANSFER OF A LICENSE TO ANOTHER
17 PERSON. (a) An application for transfer of a license to another
18 person must [SHALL] contain the same information about the transferee
19 as is required of an applicant for a new license under AS 04.11.260
20 and must [SHALL] include other information required by the board. The
21 application must also be accompanied by proof, satisfactory to the
22 director, that the notices required by AS 04.11.310 have been timely
23 given.

24 (b) An application for the transfer of a license to another
25 person must [SHALL] be accompanied by a statement, under oath, execut-
26 ed by the transferor, listing all debts of the business and all taxes
27 due by the business. [THE BOARD SHALL PROMPTLY INFORM EACH LISTED
28 CREDITOR OF THE APPLICATION AND THE AMOUNT SHOWN AS OWED TO THAT
29 CREDITOR.]

1 * Sec. 25. AS 04.11.290 is amended to read:

2 Sec. 04.11.290. APPLICATION FOR RELOCATION OF LICENSE [TRANSFER
3 OF LICENSE LOCATION]. An application for relocation [A TRANSFER] of a
4 license must [TO A NEW LOCATION SHALL] contain the information re-
5 quired by the board, and must [SHALL] be accompanied by proof, satis-
6 factory to the director, that the notices [NOTICE] required in AS 04.-
7 11.310 have [HAS] been timely given, and must be accompanied by any
8 petitions required [TO BE SECURED] under AS 04.11.460 [BEFORE A LI-
9 CENSE MAY BE TRANSFERRED].

10 * Sec. 26. AS 04.11.310 is repealed and reenacted to read:

11 Sec. 04.11.310. NOTICE OF APPLICATION. (a) An applicant for
12 the issuance, relocation, or transfer of ownership of a license shall
13 give public notice of the application as provided in this subsection.
14 The public notice process shall be completed not more than 30 days
15 before a copy of the application is provided to the local governing
16 body under (b)(1) of this section or, if there is no local governing
17 body, at least 30 but not more than 60 days before the application is
18 filed with the board. The applicant shall

19 (1) post a copy of the completed application for 10 consec-
20 utive days at the location of the proposed premises and at any addi-
21 tional locations designated by the board; and

22 (2) publish notice of the application once each week for
23 three consecutive weeks in a newspaper or by radio; the board may
24 designate the form and content of the notice and the languages in
25 which it must be given.

26 (b) An applicant shall serve the following notices of an appli-
27 cation at least 30 days, but not more than 60 days, before the appli-
28 cation is filed with the board:

29 (1) if the application is for the issuance, renewal,

1 relocation, or transfer of ownership of a license for premises or
2 proposed premises located within an established village, an
3 incorporated city, an organized borough, or a unified municipality,
4 the applicant shall serve a copy of the completed application on the
5 appropriate officer of the local governing body;

6 (2) if the application is for the issuance, renewal, relo-
7 cation, or transfer of ownership of a license for premises or proposed
8 premises located within or adjacent to an area of a municipality that
9 is under the jurisdiction of a community council established by munic-
10 ipal charter or ordinance to advise the municipal governing body, the
11 applicant shall serve a copy of the completed application on the
12 community council; and

13 (3) if the application is for the transfer of ownership of
14 a license, the applicant shall serve written notice of the proposed
15 transfer, on a form prescribed by the board, on all creditors of the
16 licensed business, including all taxing authorities and creditors
17 whose claims are disputed by the transferor; the notice must state

18 (A) that a transfer of the license is proposed;

19 (B) the name and business address of the transferor;

20 (C) all names and business addresses used by the
21 transferor for the licensed business in the preceding three
22 years;

23 (D) an explanation of how, when, and to what extent
24 creditors' claims will be paid by the transferor or transferee;

25 (E) that any creditor whose claim is not satisfied may
26 seek to prevent the transfer by filing written notice of the
27 unsatisfied claim with the board within 30 days after the notice
28 was served; and

29 (F) other information required by the board.

1 (c) Service under (b) of this section may be accomplished by
2 either personally delivering the notice or by mailing the notice. The
3 date of service by mail is the date the notice is postmarked.

4 * Sec. 27. AS 04.11.330(a) is amended to read:

5 (a) An application requesting renewal of a license shall be
6 denied if

7 (1) the board finds, after review of all relevant informa-
8 tion, that renewal of the license would not be in the best interests
9 of the public;

10 (2) the license has been revoked for any cause;

11 (3) the applicant has not operated the licensed premises
12 for at least 60 [30] eight-hour days during each of the two preceding
13 12-month periods [THE IMMEDIATELY PRECEDING CALENDAR YEAR], unless the
14 board determines that the licensed premises are under construction or
15 cannot reasonably be operated through no fault of the applicant;

16 (4) the board finds that issuance of an existing license
17 under AS 04.11.400(g) has not encouraged tourist trade;

18 (5) the requirements of AS 04.11.420 - 04.11.450 relating
19 to zoning, ownership of the license, and financing of the licensee
20 have not been met;

21 (6) renewal of the license would violate the restrictions
22 pertaining to the particular license under this title;

23 (7) renewal of the license is prohibited under this title
24 as a result of an election conducted in accordance with AS 04.11 502;

25 (8) the application has not been completed in accordance
26 with AS 04.11.270;

27 (9) the license was issued under AS 04.11.400(j), and the
28 board finds that the public convenience does not require renewal.

29 * Sec. 28. AS 04.11.330(a) is amended by adding a new paragraph to

1 read:

2 (10) the application contains false statements of material
3 fact.

4 * Sec. 29. AS 04.11.330(d) is amended to read:

5 (d) Notwithstanding (a) (3) of this section, a recreational site
6 license issued under AS 04.11.210 may be renewed if the license was
7 exercised at least once during each of the two [THE IMMEDIATELY]
8 preceding calendar years [YEAR].

9 * Sec. 30. AS 04.11.360 is amended to read:

10 Sec. 04.11.360. DENIAL OF TRANSFER OF A LICENSE TO ANOTHER
11 PERSON. An application requesting approval of a transfer of a license
12 to another person under this title shall be denied if

13 (1) the board finds, after review of all relevant informa-
14 tion, that transfer of a license to another person would not be in the
15 best interests of the public;

16 (2) the application has not been completed in accordance
17 with AS 04.11.280;

18 (3) the application contains false statements of material
19 fact;

20 (4) the transferor has not paid all [DEBTS OR] taxes aris-
21 ing from the conduct of the business licensed under this title, or has
22 not paid a debt, arising from the conduct of the licensed business,
23 that is owed to a creditor who filed written notice of the unsatisfied
24 debt with the board within the time stated in the notice served under
25 AS 04.11.310(b)(3)(E), unless

26 (A) the transferor or transferee [HE] gives security
27 for the payment of the debt [DEBTS] or taxes satisfactory to the
28 creditor or taxing authority; or

29 (B) the transfer is in accordance with [PURSUANT TO] a

1 promise given as collateral by the transferor to the transferee
2 in the course of an earlier transfer of the license and under the
3 [WHICH] promise the transferor is obliged to transfer the license
4 back to the transferee in the event of default in payment for
5 property conveyed as part of the earlier transfer of the license;

6 (5) transfer of the license to another person would result
7 in violation of the provisions of this title relating to identity of
8 licensees and financing of licensees;

9 (6) transfer of the license to another person would violate
10 the restrictions pertaining to the particular license under this
11 title;

12 (7) transfer of the license to another person is prohibited
13 under the provisions of this title as a result of an election conduct-
14 ed in accordance with AS 04.11.502;

15 (8) the prospective transferee does not have the qualifica-
16 tions required under this title of an original applicant;

17 (9) the licensed premises are located in a municipality,
18 the type of license sought to be transferred is a beverage dispensary
19 or package store license, and that type of license is already in
20 effect in the municipality under a community liquor license, unless
21 the transfer is to become effective after the community liquor license
22 is no longer effective, whether as the result of a local option elec-
23 tion or otherwise;

24 (10) the authority sought is authority to operate a beverage
25 dispensary or package store under a community liquor license for
26 premises to be located in a municipality where the authority sought is
27 already held by a private licensee under a beverage dispensary or
28 package store license, unless the transfer is to become effective
29 after the privately held license is no longer effective, whether as

1 the result of a local option election or otherwise [;

2 (11) THE LICENSE WAS ISSUED UNDER AS 04.11.400(j)].

3 * Sec. 31. AS 04.11.400(a) is amended to read:

4 (a) Except as provided in (g), (h), (i), [AND] (j), and (k) of
5 this section, a new license may not be issued and the board may pro-
6 hibit relocation of an existing license

7 (1) outside an established village, incorporated city,
8 unified municipality, or organized borough if after the issuance or
9 relocation there would be more than one restaurant or eating place
10 license for each 1,500 population or fraction of 1,500 population or
11 more than one license of each other type, including licenses that
12 [WHICH] have been issued under (g) or (h) of this section, for each
13 3,000 population or fraction of 3,000 population in a radius of five
14 miles of the licensed premises or location of premises sought to be
15 licensed, excluding the populations of established villages, incor-
16 porated cities, unified municipalities, and organized boroughs that
17 are wholly or partly included within the radius;

18 (2) inside an established village, incorporated city, or uni-
19 fied municipality if after the issuance or relocation there would be
20 inside the established village, incorporated city, or unified munici-
21 pality more than one restaurant or eating place license for each 1,500
22 population or fraction of 1,500 population or more than one license of
23 each other type, including licenses that [WHICH] have been issued
24 under (g) or (h) of this section, for each 3,000 population or frac-
25 tion of 3,000 population inside the established village, incorporated
26 city, or unified municipality;

27 (3) inside an organized borough but outside an established
28 village or incorporated city located within the borough, if after the
29 issuance or relocation there would be inside the borough, but outside

1 the established villages and incorporated cities located within the
2 borough, more than one restaurant or eating place license for each
3 1,500 population or fraction of 1,500 population or more than one
4 license of each other type, including licenses that have been issued
5 under (g) or (h) of this section, for each 3,000 population or frac-
6 tion of 3,000 population inside the borough, excluding the population
7 of those established villages that have conducted an election on a
8 question set out in AS 04.11.490, 04.11.496, or 04.11.500, and exclud-
9 ing the population of incorporated cities located within the organized
10 borough.

11 * Sec. 32. AS 04.11.400 is amended by adding a new subsection to read:

12 (k) The board may approve the issuance or relocation of a club
13 license without regard to (a) of this section if the issuance or
14 relocation of the license has the approval of the local governing body
15 of the established village, incorporated city, unified municipality,
16 or organized borough where the licensed premises will be located.

17 * Sec. 33. AS 04.11.480 is amended to read:

18 Sec. 04.11.480. PROTEST. (a) If a local governing body wishes
19 to protest the issuance, renewal, relocation, [TRANSFER OF LOCATION]
20 or transfer to another person of a license, it shall furnish the board
21 and the applicant with a protest and the reasons for the protest
22 within 30 days after [OF] receipt from the applicant [BOARD] of notice
23 of [FILING OF] the application. The board shall consider a protest
24 and testimony received at a hearing conducted under AS 04.11.510(b)(2)
25 or (b)(4) when it considers the application, and the protest and the
26 record of the hearing conducted under AS 04.11.510(b)(2) or (b)(4)
27 shall be retained as part of the board's permanent record of its
28 review of the application. If an application is protested, the board
29 may not approve the application unless the board finds that the

1 protest is arbitrary, capricious, and unreasonable.

2 (b) If the permanent residents residing outside of but within
3 two miles of an incorporated city or an established village wish to
4 protest the issuance, renewal, relocation, or transfer of a license
5 within the city or village, they shall file with the board a petition
6 requesting a public hearing that meets [MEETING] the requirements of
7 AS 04.11.510(b)(3) [REQUESTING A PUBLIC HEARING] within 30 days after
8 [OF] the [POSTING OF] notice required under AS 04.11.310 is posted,
9 or, if the application is for renewal of a license, by January [DECEM-
10 BER] 31 of the renewal year [APPLICATION IS MADE FOR RENEWAL OF A
11 LICENSE]. The board shall consider testimony received at a hearing
12 conducted under AS 04.11.510(b)(3) when it considers the application,
13 and the record of a hearing conducted under AS 04.11.510(b)(3) shall
14 be retained as part of the board's permanent record of its review of
15 the application.

16 * Sec. 34. AS 04.11.480 is amended by adding a new subsection to read:

17 (c) A local governing body may protest the continuation of a
18 license between biennial renewals of the license, by furnishing the
19 board and the licensee with a protest and the reasons for the protest
20 during January of the nonrenewal year. The license shall be revoked
21 unless the board finds the protest is arbitrary, capricious, and
22 unreasonable.

23 * Sec. 35. AS 04.11.490(c) is amended to read:

24 (c) If a majority of the voters vote "no" on the question set
25 out in (a) of this section or vote "yes" on a question set out in
26 AS 04.11.492 or 04.11.500 in an election conducted in accordance with
27 AS 04.11.502 after an election in which the voters voted "yes" on the
28 question set out in (a) of this section, the board shall be notified
29 immediately after certification of the results of the election.

1 Thereafter, the prohibitions imposed under (b) of this section on the
2 issuance, renewal, or transfer of licenses between holders and lo-
3 cation as a result of the earlier election are removed except insofar
4 as those prohibitions are imposed in accordance with the results of
5 the subsequent election and under AS 04.11.504(b) and AS 04.11.510(d).

6 * Sec. 36. AS 04.11.492(c) is amended to read:

7 (c) If a majority of the voters vote "no" on the question set
8 out in (a) of this section or vote "yes" on a question set out in
9 AS 04.11.490, 04.11.496, or 04.11.500 in an election conducted in
10 accordance with AS 04.11.502 after an election in which the voters
11 voted "yes" on the question set out in (a) of this section, the board
12 shall be notified immediately after a certification of the results of
13 the election. The prohibitions imposed under (b) of this section on
14 the issuance, renewal, or transfer of licenses between holders and
15 locations as a result of the earlier election are removed 90 days
16 after the results of the election are certified except insofar as
17 those prohibitions are imposed in accordance with the results of the
18 subsequent election and under AS 04.11.504(b) and AS 04.11.510(d).

19 * Sec. 37. AS 04.11.496(c) is amended to read:

20 (c) If a majority of the voters vote "no" on the question set
21 out in (a) of this section or vote "yes" on the questions set out in
22 AS 04.11.492 or 04.11.500 in an election conducted in accordance with
23 AS 04.11.502 after an election in which the voters voted "yes" on the
24 question set out in (a) of this section. the prohibition on the impor-
25 tation of alcoholic beverages and the prohibition on the issuance,
26 renewal, or transfers of licenses between holders and locations,
27 imposed as a result of the earlier election in which the voters voted
28 "yes" on the question set out in (a) of this section are removed
29 effective on the first day of the month following certification of the

1 results of the election except as those prohibitions continue to be
2 imposed in accordance with the results of the subsequent election and
3 under AS 04.11.504(b) and AS 04.11.510(d).

4 * Sec. 38. AS 04.11.500(c) is amended to read:

5 (c) If the majority of the voters vote "no" on the question set
6 out in (a) of this section or vote "yes" on the questions set out in
7 AS 04.11.490, 04.11.492, or 04.11.496 [, OR THIS SECTION IF DIFFERENT
8 TYPES OF LICENSES ARE LISTED ON THE BALLOT] in an election conducted
9 in accordance with AS 04.11.502 after an election in which the voters
10 voted "yes" on the question set out in (a) of this section, the board
11 shall be notified immediately after certification of the results of
12 the election. Licenses in effect in the municipality and [,] in the
13 unincorporated area outside of but within five miles of the boundaries
14 of the municipality or established village which were excepted from
15 the prohibition on sale in accordance with the results of the earlier
16 election are void 90 days after the results of the election are cer-
17 tified. Thereafter the board may not issue, renew, or transfer be-
18 tween holders or locations a license for licensed premises located
19 within the boundaries of the municipality, [OR] within the perimeter
20 of an established village, or in an unincorporated area within five
21 miles of the boundaries of the municipality, except a license which
22 may be issued to a municipality or to one of the types of licenses
23 listed on the ballot as a result of a majority of the voters voting
24 "yes" on the question set out in AS 04.11.492 or this section, respec-
25 tively. A license which will expire during the 90 days after the
26 results of a local option election under this section are certified
27 may be extended, until it is void under this subsection, by payment of
28 a prorated portion of the annual license fee.

29 * Sec. 39. AS 04.11.502(b) is amended to read: