

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672

5939 HOUSE LABOR & COMMERCE

343

TRANSFERABILITY OF PRELICENSING AND CONTINUING EDUCATION

Jurisdiction	Prelicensing Education					Continuing Education							
	Recog. the ff. PL courses taken in another juris.:					Recog. the ff. CE courses taken in another juris.:							
	Coll. cred. crs.	Coll. non-cred. crs.	Prop. RE Sch. crs.	NARELLO cert. crs.	Comments	Coll. cred. crs.	Coll. non-cred. crs.	Prop. Sch. crs.	Prof. Assn. crs.	RE Comm. crs.	Ind. spons. crs.	NARELLO cert. crs.	Comments
Alabama	Yes	Yes	Yes	Yes	Min. 45-hr. crs. over 8 wks. (+)	Yes	No	No	Yes	No	No	No	
Alaska	NA	-----	-----	-----	No PL educ.	NA	-----	-----	-----	-----	-----	-----	No CE
Alberta	NA	-----	-----	-----	Home Study only	NA	-----	-----	-----	-----	-----	-----	No CE
Arizona	Yes	No	No	No	3 sem. hr. crs. only	Yes	Yes	Yes	Yes	Yes	No	No	
Arkansas	Yes	Yes	No	No		Yes	Yes	Yes*	Yes	Yes*	Yes*	Yes	*Only for AR non-res. licee.
British Columbia	No	No	No	No		NA	-----	-----	-----	-----	-----	-----	No CE
California	Yes	No	No	No		Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Colorado	Yes	Yes	Yes	No		NA	-----	-----	-----	-----	-----	-----	No CE
Connecticut	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Delaware	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Dist. of Columbia	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Florida	Yes	No	No	No		Yes	No	No	Yes	No	Yes	No	
Georgia	Yes	Yes	Yes	Yes		Yes	No	No	Yes	No	No	No	
Guam	NA	-----	-----	-----	No RE PL educ.	NA	-----	-----	-----	-----	-----	-----	No CE
Hawaii	Yes	No*	No*	No*	*Yes if licee. of juris. w/comp. educ reqts.	No	No	No	No	No	No	No	
Idaho	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Illinois	Yes	No	No	No		NA	-----	-----	-----	-----	-----	-----	No CE
Indiana	Yes*	No	No	No	*Only SP crs. & only if an 8 sem. hr. coll. cred. crs	NA	-----	-----	-----	-----	-----	-----	No CE
Iowa	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Kansas	No	No	No	No		No	No	No	No	No	No	No	* Except by recip.
Kentucky	Yes	No	No	No		NA	-----	-----	-----	-----	-----	-----	No CE
Louisiana	Yes*	Yes*	Yes*	Yes*	*Exc. for 30 hrs reqd. at 1A sch.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	

TRANSFERABILITY OF PRELICENSING AND CONTINUING EDUCATION

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Maine	Yes	Yes	Yes	Yes	*If lic. in other juris.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No CE
Maryland	Yes	No	Yes	No		Yes	Yes	Yes	Yes	Yes	Yes	No	
Massachusetts	Yes*	Yes*	Yes*	Yes		NA							
Michigan	Yes	No	No	No		No	No	No	No	No	No	No	
Minnesota	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Mississippi	Yes	No	No	No		Yes	No	No	No	No	No	Yes	
Missouri	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Montana	Yes	No	No	No		Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Nebraska	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Nevada	Yes	Yes	Yes	No		Yes	No	No	Yes	No	No	No	
New Brunswick	NA				Home Study only	NA						No CE	
New Hampshire	NA				No PL. educ.	No	No	No	No	No	No	No CE	
New Jersey	Yes	Yes	Yes	No		NA						No CE	
New Mexico	Yes	No	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes		
New York	Yes	Yes	Yes	Yes		No	No	No	No	No	No		
North Carolina	Yes	Yes	Yes	Yes		NA						No CE	
North Dakota	Yes	Yes	No	No		Yes	Yes	Yes	Yes	Yes	Yes		
Nova Scotia	NA				Home Study (1988)	NA						No CE (1988)	
Ohio	Yes	No	No	No		Yes	Yes	Yes	Yes	Yes	Yes		
Oklahoma	Yes	No	No	Yes		Yes	Yes	Yes	Yes	Yes	Yes		
Ontario	NR					NA						No CE	
Oregon	Yes	No	No	No		Yes	Yes	Yes	Yes	Yes	Yes		
Pennsylvania	Yes	Yes	Yes	No		NA						No CE	
Quebec	Yes*	No	No	No	*Certain crs. only	NA						No CE	
Rhode Island	Yes	Yes	No	No		NA						CE eff. 1990	
Saskatchewan	Yes	Yes	Yes	Yes		NA						No CE	
South Carolina	Yes	Yes	Yes	Yes		NA						No CE	
South Dakota	Yes	Yes	Yes	No		Yes	Yes	Yes	Yes	Yes	Yes		

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Tennessee	Yes*	Yes*	Yes*	Yes*	*For up to 30 hrs (1/2) of PL reqt.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	*To be determined No CE (1988) No CE (1988) CE eff. 1991 No CE
Texas	Yes	Yes	No	Yes		*							
Utah	Yes	Yes	Yes	Yes		NA							
Vermont	No	No	No	No	Only have BR PL educ. (1988)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Virginia	Yes	No	Yes	No		No	No	No	No	No	No		
Virgin Islands	NA				No PL educ. (1988)	NA							
Washington	Yes	Yes	Yes	No		NA							
West Virginia	NR	NR	NR	NR		Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Wisconsin	Yes	Yes*	Yes*	Yes*	*Only if appl. is lic'd. in other juris.	NA							
Wyoming	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	No	Yes	

## PART V - OTHER EDUCATION INFORMATION

Part V reports certain additional information regarding the education and research activities of the real estate licensing agencies in NARELLO member jurisdictions. Refer to the "Key to Abbreviations" page for further assistance in understanding the reported information.

### NOTES AND COMMENTS

The survey asked the following questions:

1. Does your agency have a full-time staff (or part-time consultant) Education Director?
2. Does your agency regularly utilize an education advisory or liaison committee?
3. Does your agency have a real estate education and/or research fund (or a recovery fund that can be used in part to fund education and/or research projects)?
4. Does any college/university in your jurisdiction have an active real estate research center? If "Yes", is this research center funded wholly or in part by real estate license fees?

OTHER EDUCATION INFORMATION

Jurisdiction	Full-Time Staff Education Director	Active Educ. Adv. or Liais. Comm.	RE Educ. and/or Resear. Fund	Coll./Univ. RE Research Center	
				Active	Receives funding from RE lic. fees
Alabama	Yes	Yes	No	No	
Alaska	No, Pub. Inf. Off.	Yes	Yes	No	
Alberta	Yes	Yes	Yes	No	
Arizona	Yes	No	No	Yes	No
Arkansas	No	Yes	Yes	No	
British Columbia	No	No	Yes	Yes	Yes
California	Yes	Yes	Yes	Yes	Yes
Colorado	Yes	No	No	No	
Connecticut	NO	No	No	Yes	Yes
Delaware	No	Yes	Yes	NO	
Dist. of Columbia	Yes	NO	Yes	No	
Florida	Yes	Yes	Yes	Yes	Yes
Georgia	Yes	Yes	Yes	Yes	No
Guam	No	No	No	No	
Hawaii	No, Inf. Off.	No	Yes	Yes	Yes
Idaho	Yes	Yes	Yes	No	
Illinois	Yes	No	Yes	Yes	Yes
Indiana	Yes	Yes	Yes	Yes	No
Iowa	No - will hire soon	No	No, but auth'd	No	
Kansas	Yes	No	No	Yes	Occasionally
Kentucky	Yes	No	Yes	Yes	Yes
Louisiana	Yes	No	Yes	Yes	Yes
Maine	Yes	No	Yes	Unknown	
Maryland	Yes	Yes	No	No	
Massachusetts	No	Yes	No	No	
Michigan	No	Yes	No	No	
Minnesota	Yes	Yes	Yes	No	
Mississippi	No	No	No	No	
Missouri	Yes	No	No	No	
Montana	No	No	Yes	No	
Nebraska	Yes	No	No	No	
Nevada	Yes	No	Yes	No	

OTHER EDUCATION INFORMATION

Jurisdiction	Full-Time Staff Education Director	Active Educ. Adv. or Liais. Comm.	RE Educ. and/or Resear. Fund	Coll./Univ. RE Research Center	
				Active	Receives funding from RE lic. fees
New Brunswick	No	Yes	Yes	No	
New Hampshire	No	No	No	No	
New Jersey	Yes	No	Yes	No	
New Mexico	Yes	Yes	No	No	
New York	No	No	No	No	
North Carolina	Yes	No	No	No	
North Dakota	No	Yes	Yes	No	
Nova Scotia *	No	No	No	No	
Ohio	Yes	Yes	Yes	Yes	Yes
Oklahoma	Yes	Yes	Yes	No	
Ontario	NR	NR	NR	NR	
Oregon	Yes	Yes	No	No	
Pennsylvania	No	Yes	No	Unknown	No
Quebec	No	No	No	Yes	No
Rhode Island	No	Yes	No	No	
Saskatchewan	Yes	Yes	Yes	No	
South Carolina	Yes	No	Yes	Yes	No
South Dakota	No	No	Yes	No	
Tennessee	No, but have P-T consultant	No	Yes	Yes	No
Texas	Yes	No	No	Yes	Yes
Utah	Yes	No	Yes	No	
Vermont*	No	Yes	No	No	
Virginia	Yes	Yes	Yes	No	
Virgin Islands*	No	No	No	No	
Washington	Yes	Yes	Yes	No	
West Virginia	No	No	No	No	
Wisconsin	No	Yes (ad hoc)	No	No	
Wyoming	No	Yes	Yes	No	

\* 1988 survey

*Barbara Craig Realty*

(Formerly Barbara Jaye Realty)

P.O. Box 02-0422

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February 10, 1990

Ref: Senate Bill 288

Dear Senator Sturgulewski;

I am opposed to Senate Bill 288 for the following reasons:

1. If the bill passes it will result in creating more government jobs . Do you really think the VOTERS want to elect a governor who is promoting bills that create more state government jobs and bills to further regulate our lives? I do not want to pay for more government employees who will only whine five years from now when they get laid off because we have run out of oil money. And if someone says the real estate industry will pay for more staff with their licensing fee--I am opposed to paying more for licensing. Licensing fees are only another name for taxes or extracting money from the private sector to pay for jobs of non productive government paper pushers. We have far more government employees per capita than another other state--the situation here is totally out of hand! If the legislature does not act responsibly in cutting back the number of government employees drastically and now, then I think there will be such great turmoil in this state when we run out of oil money that it will make the years 1986-87 look like a picnic. You are responsible for promoting bills that solve problems now and for Alaska's future--but creating more unnecessary state jobs is a problem now and for Alaska's future. By supporting bills like this YOU are part of the problem--not solution.

2. If those currently licensed are not presently competent or the test is not adequate, then I am not against changing the test or requiring more education or proven ability through past experience to get licensed initially as a sales person or broker. What I am opposed to is requiring all agents who want to renew licenses get some sort of continuing education . I do not want some state employee to tell me what type of education they think is best for my business or type of real estate I handle. This type of mentality treats real estate professionals as second class business people. Alaskans don't need to be protected " for their own good" by some bureaucrat "big brother"--the citizens of Alaska need to be protected from: government interference and regulation, and "government employeeism"--the cancers that are gobbling away at private sector economic development. In addition, the rationale presented for such across the board recommendations is not well thought through and only serves to illustrate the attitude that government employees have for procreating more state jobs and spending more money in an effort to try to solve a non-existing problem. Following are examples of irrational materials presented supporting passage of the bill:

a) "A minimum number of continuing education hours for licensed salespersons and brokers in order to ensure licenses are keeping up-to-date on important industry changes" ( Dept. of Commerce & Economic Development Position Paper-p 1) If a person in the sales business does not keep up to date automatically on market changes they will be out of a job in short order. The position paper does not give credit to those who have been in business successfully. If someone can not keep up with the changing market and industry then lets not spoon feed them to keep them in business. The private sector will automatically weed out those who do not keep up with the time. To assume that a government employee knows more than those who are successfully earning a living in a private sector industry by letting that government employee decide what type of continuing education is pertinent to that business, takes on the typical mentality of most bureaucrats which is " I know what is best for you". Since when did the Real Estate Commission or Dept. of Commerce and Economic Development become experts in the dynamics of education and become more intuned to my business to know what I need to become more wise in my business? If some bureaucrat thinks they know what is best for my business or knows more about my business, then why aren't they busy in the industry making money like me? I don't need any big brothers telling me what I need to be educated on. And if I make the wrong decision by not keeping up to date with market conditions then I alone should be responsible for not being successful in my line of business.

b) "The increasing complexity of real estate transactions requires that a greater degree of competency and skill be attained in order to adequately protect the public" (Dept.of Commerce and Economic Dev. Position Paper page 2) Things are always as simple or complex as anyone wants to make them. I have been in the real estate industry over six years and things do not seem to be getting anymore complex to me. As I get more experience I automatically accumulate more information which makes my skill level greater. Greater COMPETENCY comes with more hands on experience. The same level of complexity has always been there. And the more experience a business person has in any area the more valuable they automatically become to themselves as well as those who pay for their services. AND, It is not logical to assume that the public in some way is not being adequately protected already by the current level competency of people working in the field now. Where are your figures to prove that the profession is not adequately being responsible to the public or is not competent?? Everything in life is always in a state of change and this holds true for the real estate industry as in all industries. For example, one change that has taken place over the last several years in the Juneau market is that transactions involving the selling of many repossessed homes involve more paperwork and persons participating in the paperwork-- but there sure does not seem to be anything difficult in adapting to letting the public know that everything in that particular market takes more time and paperwork. The additional time and paperwork involved in selling many repos over non-repo properties surely can not be the fault of the real estate industry. And if as a business person, I feel selling one particular type of property isn't worth the effort then I don't need to deal in that type of product. I don't bother selling AHFC repos and try to stay away from FDIC repos. The time involved in dealing with their overly bureaucratic system isn't worth the money to me--it takes too long to get paid such a

small amount in most cases. If another real estate professional wants to deal with that type of property then let them. The problem with those type of properties isn't with the real estate professional --it's with the SELLER which in this particular case is a bureaucratic government agency. If a real estate agent or broker chooses freely to deal in those types of sellers or properties then it is in the end that brokers responsibility to do the job correctly. The broker is the private sector individual who freely chooses to deal in any particular type of product and should be responsible for their success and/or failure in their business decisions. If they do not handle selling that type of property or any other type of property correctly then there is already a system in place to protect the public. The system isn't getting more complex--it is the same as it has always been--always in a state of flux.

c) "Requiring additional training focused on office supervisory responsibilities and trust account management prior to being licensed as a broker or associate broker will address the most common causes for complaints received by the division against real estate brokers" (Dept. of Commerce and Economic Dev. Position Paper page 2) It would seem logical to require some sort of skill level in dealing with trust accounts prior to licensing a broker or associate broker but, if they don't know how to add or subtract numbers then don't give them a license. If the current test is deficient in some way perhaps the state should change the test by adding some sort of special trust account section. In addition, requiring some sort of supervisory training is not necessarily pertinent to everyone. Some companies don't have or want staff or agents to supervise--why should they take supervisory training. Some people already have the ability to supervise. And even if a person were given supervisory training it does not mean they will be able to absorb and/or apply any of the information given to them. If a broker is not any good in supervising their staff then they will naturally not earn as much money as other companies, if their business tries to earn money through efforts of agents, nor keep good staff, and perhaps be washed by the wayside in the business world. If a broker is doing something seriously wrong then there are already the statutes in place to protect the public. The real estate regulating body does not need to try to be the judge of what will make a real estate business more successful by demanding education in supervisory responsibility skills or specific education on how to add and subtract numbers in books --I think I learned how to add and subtract in first grade. Neither is it the job description of the real estate regulating body to tell the industry how to be successful in a private sector sales and service business.

d) "Finally, requiring continuing education during each biennial licensing period should assist in ensuring that all real estate professionals are periodically updated on current real estate laws and practices" (Dept. of Commerce and Economic Development Position Paper page 2) Again illogical! If there is a change in state statute pertaining to the real estate laws then all the state real estate office needs to do is send out the changes to each agent and broker. That should be one basic service provided already. And who will tell me what are the updated real estate practices--if I'm not already doing them then I'm not an efficient organized astute business person. The buyers and sellers let you know what are the updated practices and automatically

ask you the questions you need to find answers to--and they set the market standard. You can't get much more consumer oriented than that. And if there are changes in federal laws let the state real estate office send out copies of those too. I don't need to pay someone to read a piece of paper to me in some seminar--I learned how to read in grade school.

e) "Third, the field of real estate is constantly changing with its multitude of financing and tax implications. It is imperative that real estate practitioners remain current on taxes, financing, zoning, equal housing laws, hazardous waste and a myriad of topics to best advise their clients and customers." Letter to Arliss Sturgulewski Jan 17, 1990 from Jim McCourt, President of the Alaska Association of Realtors--Canned educational seminars on all the above will not keep any agent current on the above. I use my phone book and call the appropriate professional or agency when I have a question on any of the above. I don't need a \$300 seminar to answer my zoning questions here in Juneau--I just call the City. If I don't know something about a particular type of financing I call a lender--that's their area of expertise. If a client asks me about tax implications, I suggest they talk with their accountant--that is another profession entirely. If I were to try to become an expert, through canned education programs, in all the fields the President of the Alaskan Association of Realtors suggests, then I would probably make mistakes and get sued. His good advise isn't by my standards a healthy path to follow. The constantly changing world is not a logical reason to have to take canned educational sessions which always seem too watered down and not useful for me. And if a broker thinks one of his agents needs more education, it is that brokers responsibility to correct the situation or be responsible for the consequences of an agent lacking ability in some area.

Who will really profit from passage of the proposed bill as currently written under the guise of "public protection" : the racket the state government employees have going and the National and Alaskan Association of Realtors. We don't need more state employees. We need less state employees. And the National and Alaskan Association of Realtors is the organization who will, if this bill passes, force me to have to pay them money in their effort to make me more wise and more moral under their slogan of "for the good of the public". I think my parents already taught me how to be moral and know the difference between right and wrong by the age of 10. And, I think the public is already wise enough--if you don't like how someone does business you don't have to use their services--the public doesn't need any big brother government helping them think. If someone does wrong to a consumer in their business, then there is already the protection net in place. This bill does not give the average consumer credit for being a thinking responsible person, even though the public does have many other important rights they are trusted with--right to vote, right to freedom of speech, right to free association. Neither myself or the public are second class citizens--I don't want anymore big brother protection. I want protection from government regulations taking away my rights! The people who will smile all the way to the bank in this case is the National and Alaskan Association of Realtors. They will be providing the canned goods to the real estate industry, spoon feeding at their monopolistic prices creating a monopoly in the industry. I RESENT their attempt to

force me to join their glee club, which will happen if I am forced to participate in their "education" system. If I thought they already had something to offer me of value I would inquire or join. Isn't that what private sector--free market is all about. But since their product isn't considered by me and obviously others to be of value as presented through the free market approach, they must try to go through the back door and force me to participate through their using State Government (Dept. of Commerce and Economic Dev.) to promote their cause and lobbying efforts. Maybe I should ring up the Commission and see if he can lobby for me on some issue. I must admit I did attend several of the Realtors Association classes but have found them so remedial and so boring it about makes one want to throw up. If you don't believe me try one of their classes yourself! For the type of real estate I deal with I get more out of talking with Dept. of Nat. Resources, Fish and Game, DEC, the City, reading business publications, books and newspapers, talking with my peers in the industry and the CONSUMERS then I've ever got from one of their remedial classes. Lets face it-- you can only learn how to fill out listing forms, earnest money agreements and go to "motivational or goal setting" seminars so often before you learn that type of material. If a business person in the real estate industry does not know how to learn from the market then they are in the wrong business. Besides I just called the local head of the education committee for the Alaska Association of Realtors--we don't even have any classes available here anyway and he said he doesn't even have any idea what educational materials are available statewide. If they aren't even providing a product here and now or to smaller communities then how can they try to say they know that more education is the answer to all their special interest/ real estate industry concerns? The classes if they ever sponsor any in Southeast may provide useful information for some people but currently I have not seen anything pertinent to me or classes helping me make more money or helping me to be a better business person.

Just because Alaska does not have the educational requirements of other states does not mean we are doing something wrong. I would not object to seeing some sort of experience or competency required initially for licensing but the on going education portion is not necessary. But if it is felt that the people passing the test are in some way not competent, then change the test. Additionally, there is not any guarantee we will have or want any reciprocal agreements with any other states if we even did have some sort of "educational requirements". If reciprocal agreements are so important in this industry then why don't we have reciprocal agreements with the four other states that currently have no pre-licensing educational requirements or the 10 other states that have no continuing educational requirements? Alaska is a very different place from any other state--I would think it would be a great risk to try to think I could just jump into the same level, say for example in Washington State as compared to here. Regardless if we had a reciprocal agreement, lets say for example with Washington, it would still take years to gain the same level of competency in that totally different environment. And if there is concern about people who are not competent getting licenses in this state then why even encourage reciprocal agreements in the first place--why not make them pass all tests same as any Alaskan in order to be sure of

their level of competency.

The bill further restricts the private citizen by trying to give the real estate governing agency latitude in deciding who is entitled to be a member of the industry. The way it is written now seems to be just fine--it's currently clear and objective. I haven't heard anything about why they think they need more discretionary judgement rights on who can or who can not receive a license anyway. Here again the bill is chipping away at the rights and strengths of the private sector and public and free market system. I'm not interested in giving any government agency more authority to meddle in my life and business. There is already a list of requirements established objectively outlining what is needed to receive a license. There should not be any need for discretionary authority if the list is clear and objective. If the list is not clear and objective or needs to be changed to make it current with the times, then change the list so that it is clearly understood by the public and pertinent to life today in the State of Alaska.

I resent the bill's way of treating me a member of the public like I don't have enough sense to make my own business decisions and downgrading the group of professionals in the real estate industry who at this time show no record of being incompetent. As a member of the public and real estate industry I want protection from further government regulation, protection from special interest groups like the Association of Realtors trying to join forces with Government Agencies (Dept. of Commerce and Economic Dev. and state mandated real estate office staff) trying to force my hard earned money out of my own pocket book. I want protection from those who try to downgrade my business to a second class status like this bill is trying to do. I want protection from those who try to add more state employees while at the same time taking away basic decision making freedoms from the public. I'm tired of public servants (government agencies in this case Dept. of Commerce and Economic Development and state mandated real estate office) trying to gang up against the private sector and lobby against the freedoms of the public. Public servants get paid to dream up these causes in order to really further protect they own skins under the guise of big brother to the public while at the same time lobbying for the National Real Estate Association. No one is paying me to take the time to write this document-- it's my own nickle and my own time. And I made that nickle through my own efforts and through hard work and competency.

This bill is ridiculous--it takes on the mentality of trying to fix something that isn't broken and tries to convict the real estate industry of something they COULD POSSIBLY do wrong in the future when there currently is no evidence of any incompetency in the industry now. If this bill were a case in court the judge would kick it out for lack of evidence.

Sincerely,

*Barbara Craig*

Barbara Anne Craig  
Owner / Broker  
P.O. Box 02-0422  
Juneau, Alaska 99802

work: 586-9091  
home: 364-2818

cc: Senate Labor & Commerce:

Dick Eliason  
Pat Rodey  
Jan Faiks  
J. Kerttula  
Jack Coghill

Rep. Bill Hudson



ALASKA ASSOCIATION OF REALTORS, INC?  
741 Sesame Street, Suite 100 • Anchorage, Alaska 99503  
Telephone 907-583-7123

## EDUCATION CALENDAR, 1990

- Jan. 12 HP-12C Advanced Course
- Jan. 15-20 CI 103: Advanced Real Estate Taxation and Marketing  
Tools for Investment Real Estate
- Jan. 24-25 Instructor Development Workshop
- March 8-9 RS 201: Listing Strategies for the Residential Specialist
- April 30-May 4 GRI II, Anchorage
- Oct. 11-12 RS 203: Personal and Career Management for the  
Residential Specialist



# STATE OF ALASKA

## DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

### DIVISION OF OCCUPATIONAL LICENSING

SBZ88

STEVE COWPER, GOVERNOR

P.O. BOX D  
JUNEAU, ALASKA 99811-0800  
PHONE: (907) 465-2534

April 28, 1990

The Honorable Dave Donley, Chairman  
Labor and Commerce Committee  
Alaska House of Representatives  
P. O. Box V  
Juneau, AK 99811

Dear Representative Donley:

This letter is to reaffirm the Alaska Real Estate Commission's strong endorsement of SSSB 288.

Present licensing requirements, as established by the Legislature in AS 08.88, allow the commission to require a prospective salesperson 1) to pass an examination; 2) be at least 19 years old; 3) not be under indictment for or conviction of certain criminal acts; and 4) be employed by a licensed real estate broker.

To upgrade a real estate license to an associate broker or broker license, the salesperson must meet all of the above qualifications, plus he or she must have been active for at least two years as a real estate agent under an experienced broker.

As you can see, the requirements for licensure are minimal in Alaska. We are therefore concerned that no specific continuing education requirement has been placed on real estate agents once they are licensed by the state, and that the requirements for initial licensure and for broker licensure also contain no specific education requirements. As you may know, Alaska is the only state in the country that has not set either a pre-licensing education standard for initial applicants or a continuing education requirement for licensees; many require both!

For example, anyone who studied for the exam and passed it more than five years ago would not have been cautioned about the new practices related to agency representation (buyer brokerage and disclosure of agency). Other licensees might still consider underground storage tanks an asset instead of a liability and,

more likely, others may never have heard of "psychologically impacted property." Nor might they realize that there are at least eight protected consumer groups which come within the jurisdiction of state and federal fair housing laws.

SB 288, if enacted, will establish that twenty (20) classroom hours must be accrued prior to initial licensure; fifteen (15) classroom hours of specific broker training must be accrued prior to upgrading from salesperson to broker or associate broker status; and twenty (20) hours must be accrued by all licensees during each licensing biennium in order to renew their real estate license. It also provides that the commission must approve all course outlines and instructors for courses that are to be recognized for education credit.

No education topics are specified in the bill so that course approvals can be revised periodically to ensure that education and awareness of the most current laws, court decisions, and controversial issues is accomplished industry-wide. The language of the bill will allow sufficient latitude for the commission to approve a wide variety of courses, including those that would be pertinent to a licensee's particular area(s) of expertise.

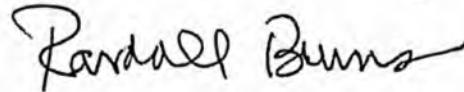
Concerns have also been expressed over the difficulty that Alaska real estate agents, specifically rural licensees, might have meeting a continuing education requirement. This concern must be viewed in the context of the Division of Occupational Licensing's experience with other licensed professions. Enclosed is a listing of the continuing education requirements placed on other licensed professions. Please know that most occupational licensees, including those residing in rural Alaska, are required -- and do manage successfully every two years -- to meet the continuing education requirements imposed on their profession by previous legislatures.

Please also note that the hours of continuing education proposed in SB 288 are -- in a number of cases -- lower than those required of other professions licensed in Alaska and are also lower than the national average, specifically in recognition of the difficulties presented by Alaska's geography.

Further, as regulations are developed through the public hearing process to implement the education requirements of this bill, I can assure you that the commission will address the needs of licensees living in sparsely populated areas of the state. It is also the clear intention of the Real Estate Commission that both the content and delivery of course work be appropriate to the licensees' needs and experience.

The commission and the leaders of the industry, speaking collectively through the Alaska Association of Realtors, agree that Alaska needs to heed the wisdom of the other forty-nine states in instituting both prelicensing and continuing education requirements for its professional real estate practitioners. The Real Estate Commission, through the Division of Occupational Licensing, urges passage of SSSB 288.

Respectfully yours,



*for* Grayce Oakley  
Executive Secretary  
Alaska Real Estate Commission

Attachment

cc: Randall P. Burns  
Director, Occupational Licensing

All Members, Real Estate Commission

## CONTINUING EDUCATION REQUIREMENTS

The following licensed occupations are required to document continuing competency or continuing education for license renewal:

<u>BOARD</u>	<u>HOURS PER BIENNIUM</u>	<u>COMMENT</u>
Chiropractor	24	credit hours
Clinical Social Worker	45	6 hrs cross cultural 6 hrs drug abuse
Dentist	24	hours of CE credit
Dental Hygienist	14	hours of CE credit
Dispensing Optician	15	CE hours
Electrical Administrator	1- 8 hour course	if code is revised
Medical		
Physician	34	or spec. recertification
Physician Assistant	100	+ exam every 6 years
Paramedic	120	60 clinical/60 classroom
Mechanical Administrator	?	required, not established
Nurse (2 of 3 required)	15	contact hours
	15	professional activities
	320	employment hours
Nursing Home Administrator	20	contact hours: Qtr. credit = 7 hrs, Sem. credit = 10 hrs
Physical Therapist	25	contact hours
(pending requirements)	300	employment hours
Pharmacist	30	ACPE credit hours
Public Accountant, Certified	60	contact hours
Psychologist	40	credit hours
Psychological Associate	40	credit hours
Veterinarian	20	contact hours

Contact hours are the same as continuing education credit hours and, except for Nursing Home Administrators, are converted to academic credit hours as follows:

1 academic quarter credit hour = 10 contact/credit hours

1 academic semester credit hour = 15 contact/credit hours

The following boards and commissions do not require continuing education:

AELS

Athletic Commission

Audiologist\Hearing Aid Dealer

Barber and Hairdressers

Collection Agencies

Concert Promoters

Contractors

Geologists

Guides

Marine Pilots

Mortuary Science

Occupational Therapists

Real Estate

SB

297

# HOUSE COMMITTEE REPORT

(7)

Date Referred: February 16, 1990

FURTHER REFERRALS:  
LABOR & COMMERCE

Date of Committee Action: 4/6/90

The HES Committee considered:

CSSB 297 (FINANCE)

CSSB NO. 297 (Finance)

LIQUOR LICENSES: LOCAL OPTION LAWS

"An Act relating to licensing, sale, transportation, importation, and possession of alcoholic beverages; local option election ballots; possession of products designed for brewing or distilling; and providing for an effective date."

**RECOMMENDATIONS:**

- [ ] be replaced with \_\_\_\_\_ [ ] the same title
- [ ] have attached amendment(s) [ ] a new title
- [X] do pass
- [ ] do not pass
- [ ] no recommendation
- [ ] individual recommendations
- [ ] additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of intent

ATTACHES NEW FISCAL NOTE(s):  
(Dept)

APPROVES PREVIOUS: (Date/Dept)

- [ ] fiscal impact \_\_\_\_\_
- [ ] zero fiscal note \_\_\_\_\_
- [ ] zero with analysis \_\_\_\_\_

- [ ] fiscal note(s) \_\_\_\_\_
- [X] zero fiscal note(s) 2/5/90 | Gov.
- [X] zero fn/analysis 2/5/90 | Rev.

**SIGNING DO PASS:**

*[Handwritten signatures: P. Ellis, Mack B...]*

**SIGNING:**

(Check approp. column)

	Do Not Pass	No Rec	Amend
<i>[Handwritten signature]</i>	X		
<i>[Handwritten signature: Cheri Davis]</i>	X		

*[Handwritten signature: P. Ellis]*  
Chairman's Signature

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Dept. of Revenue  
 Title: Licensing, sale, transportation, importation, & Possession of alcoholic beverages, local option ballots  
 Requestor: Sen. Finance Comm. BRU: Alcoholic Beverage Control Board  
 Components: \_\_\_\_\_

Sponsor: Sen. Binkley

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS : (Attach a separate page if necessary)

Depending on the number of local option elections to ban sale and importation or possession of alcoholic beverages, this legislation would produce postage cost reductions under (b)(1) in Section 9. Mailing to licensees under current law - 444 licensees  
 Mailing under this legislation - 39 licensees

Prepared by: Patrick L. Sharrock, Director Phone: 277-8638  
 Division: Alcoholic Beverage Control Board Date: 12/18/89

Approved by Commissioner: Hugh Malone Date: 12/14/89  
 Agency: Department of Revenue

Distribution (by preparer):

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

Charges in CSSB 297 (Fin) have no fiscal impact. This fiscal note is appropriate. 2/2/90

## FISCAL NOTE

**REQUEST:**

Revision Date: 12/7/89 Agency Affected: Office of the Governor  
 Title: An act relating to licensing, sale, transportation, importation, and possession of alcoholic beverages BRU: Division of Elections  
 Sponsor: Binkley Components: I -Elections  
 Requestor: Labor & Commerce

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>CAPITAL</b>						
<b>REVENUE</b>	-0-	-0-	-0-	-0-	-0-	-0-

**FUNDING: (Thousands of Dollars)**

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

Prepared by: Linda Edgeworth Phone: 465-4611  
 Division: Division of Elections Date: 12/7/89  
 Approved by Commissioner: [Signature] (Acting) Date: 12.11.89  
 Agency: Division of Elections

**Distribution (by preparer):**

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

Changes in CSSB 297 (Fin) have no fiscal impact. This fiscal note is appropriate. 2/2/90 vvw

# HOUSE COMMITTEE REPORT

(7)

Date Referred: April 9, 1990

FURTHER REFERRALS:

4/25  
JUDICIARY

Date of Committee Action: 4/24/90

The LABOR & COMMERCE Committee considered:

CSSB 297 (FIN)

CS SB NO. 297 (Fin)

LIQUOR LICENSES: LOCAL OPTION LAWS

"An Act relating to licensing, sale, transportation, importation, and possession of alcoholic beverages; local option election ballots; possession of products designed for brewing or distilling; and providing for an effective date."

**RECOMMENDATIONS:**

- be replaced with HCS CSSB 297(L+C)  the same title
- a new title
- have attached amendment(s)
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of intent

ATTACHES NEW FISCAL NOTE(s):  
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- fiscal impact \_\_\_\_\_
- zero fiscal note \_\_\_\_\_
- zero with analysis \_\_\_\_\_

- fiscal note(s) \_\_\_\_\_
- 2 zero fiscal note(s) Elect + Rev.
- zero fn/analysis \_\_\_\_\_

SIGNING DO PASS:

SIGNING:

(Check approp. column)

Do Not  
Pass      No Rec      Amend

<i>[Signature]</i>		Collins	<input checked="" type="checkbox"/>
<i>[Signature]</i>		Finkelstein	<input checked="" type="checkbox"/>
<i>[Signature]</i>			
<i>[Signature]</i>			
<i>[Signature]</i>			
<i>[Signature]</i>			
<i>[Signature]</i>			
<i>[Signature]</i>			
<i>[Signature]</i>			

*PASS instead of SB155  
CSB155 is included in this  
Committee substitute*

*[Signature]*  
Chairman's Signature

REC'D FEB 17 1990



## Senator Johne Binkley

Senate Finance Committee  
 P.O. Box V • Juneau, Alaska 99811 • (907) 465-4985

Finance Committee  
 Co-Chairman

### MEMORANDUM

February 21, 1990

TO: Representative Johnny Ellis, Chairman  
 House Health, Education and Social Services Committee

FROM: Senator Johne Binkley *Johne*

RE: SB 297, amendments to local option statutes

*Jim*

The above-referenced bill has been referred to your committee. I'd like to take this opportunity to give you a synopsis of the legislation. A more complete sectional analysis is enclosed as well.

The most substantive change made to Title 4 by this bill is that all five local option questions are reworded and made more straight forward. I have heard from many people around the state who have been involved in some way with a local option election that the ballot questions are confusing, particularly to those people for whom English is a second language. Current statute also allows for more than one question to appear on a single ballot. This compounds the confusion of the question in a couple of ways. First, some questions allow for certain kinds of sale; other questions prohibit any kind of sale, importation or possession. The final outcome of an election in which opposing options were passed is unknown. SB 297 limits the local option ballots to one question per election.

The reworded questions also change the effect of a "yes" or "no" vote. Therefore, many of the changes in the bill are technical in nature, switching "yes" and "no" where needed throughout the statute.

The bill also would allow an established village where the Division of Elections was running the election to request that the ballots be printed in the resident's Native language in certain circumstances. We anticipate that the Division will, through the regulatory process, go ahead and prepare these ballot questions in the languages where local options are more commonly held. Municipalities may already prepare the ballots in other languages. However, the bill does contain a provision which clarifies this point.

The bill also requires that package store licensees notify the ABC Board of their intent to sell alcohol by mail. This consists of a box on the license renewal or application form which the licensee simply checks. Whenever there is a local option election in which an option is adopted, the Board will send notice only to those

licensees who are selling by mail, rather than the current requirement of sending notification to every package store licensee in the state.

Finally, the bill clarifies that possession of products designed solely for brewing alcohol is not allowed by people under 21 or in a local option area. I've attached for your reference an advertisement of a product called a "brewsack." You just add water and the yeast which is provided and wait two weeks then bingo! You have 20 pints of beer.

I would appreciate your scheduling of this bill at the earliest convenience. Please let Janice Adair in my office (4985) know when that might be. Thank you.

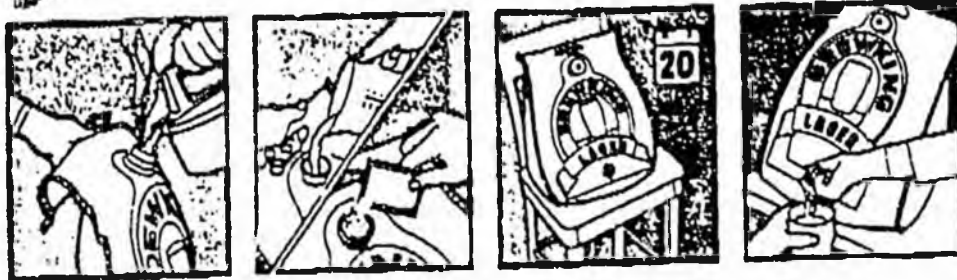
# THE NEW WAY TO DRINK BEER AT HOME



20

*Premium*  
**LAGER**  
 BREWSACK

A BLEND OF HOPPED BREWERS WORT WITH YEAST SACHET  
 SIMPLY ADD WATER & YEAST PROVIDED



## IT'S IN THE BAG

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Beer at home

## THE PRODUCT

1. Produces 20 pints of NATURALLY SPARKLING BREW KING Lager.
2. Easy and convenient to make in just 3 weeks
3. No additional equipment required.
4. Highly distinctive pack gives maximum on-shelf impact.
5. Made from genuine Brewers Raw Materials without additives.

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2. Incremental business.
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JAN 20 9 46 AM '90  
CONTROL BOARD

Look out for Brew King Bitter, available soon

# Senator Johne Binkley

Senate Finance Committee  
P.O. Box V • Juneau, Alaska 99811 • (907) 465-4985



Finance Committee  
Co-Chairman

## MEMORANDUM

February 19, 1990

TO: Members, House Health, Education & Social Services Committee

FROM: Senator Johne Binkley *Johne*

RE: Sectional Analysis of CSSB 297 (Finance),  
Local Option Amendments to Title 04

Section One. This section would require ABC Board authorization before a package store can sell in response to a written order and that authorization is only good for only year at a time. Whenever there is a local option adopted by a community, the board is required to notify all holders of a package store license of the election. This section ties in with section 26 which limits the notification only to those package store licensees which told the board of their intent to sell by mail. The Board has revised its license renewal forms so that those package store licensees who want to sell by mail need only check a box.

Section Two. This would bring the amount of distilled spirits that can be sent by mail order to an area with restricted sales into compliance with the presumption provision. There was an amendment to SB 371 on the floor of the House at the end of the 1988 session which increased the mail order amount to 18 liters but the presumption amount was not changed. This would drop it back down to 12. (Tab #1)

There have been a number of problems with people understanding the effects of a local option election. This bill attempts to assist the local bodies and the Division of Elections by simplifying the ballot language and requiring certain explanations. Many of the changes in this bill are technical in nature resulting from the changes made to the ballot language. It was necessary to change the effect of a "yes" vote and of a "no" vote.

Section Three. This clarifies that on a vote for a community liquor license, only one type of license may be voted on in any one election.

Section Four. A technical change switching the effects of a "yes" vote and a "no" vote on the question of allowing the sale of alcoholic beverages.

Section Five. This changes the wording of the local option ballot for the prohibition of liquor sales to read "Shall the sale of alcoholic beverages be allowed in

the city of *Bethel*?" It also makes another technical change to the effects of a "yes" or "no" vote.

Section Six. This changes the wording of the local option ballot for a community liquor license election and makes technical changes so that only one type of community liquor license may be voted on in any one election as in Section Three, above. The questions would read: "Shall alcoholic beverages be sold in the city of Bethel only by a bar operated by the city of *Bethel*?" or "Shall alcoholic beverages be sold in the city of Bethel only by a liquor store operated by the city of *Bethel*?" The current language is attached. (T.C. = 142)

Sections Seven and Eight. Both of these sections make technical changes to provisions regarding community liquor licenses which reflect the changes in Section Three, above which limits a vote on a community liquor license to one type of license in any one election.

Section Nine. Adds the provision that an explanation must follow the community liquor license question which explains how alcohol may be sold by a bar which means "beverage dispensary license" and by a liquor store which means "package store license."

Section Ten. This changes the wording of the local option ballot for banning the sale and importation of alcohol. The question would read "Shall the sale and importation of alcoholic beverages be allowed in the city of *Bethel*?" It also makes technical changes to the effects of a "yes" or "no" vote.

Section Eleven. This changes the wording of the local option ballot for banning the possession of alcohol to read "Shall the possession of alcoholic beverages be allowed in *Bethel*?" It also makes technical changes to the effects of a "yes" or "no" vote.

Sections Twelve. These section make additional technical changes to the effects of a "yes" or "no" vote on the question of allowing the sale and importation of alcohol in an established village.

Section Thirteen. This change will allow the ban on possession to take effect 60 days following certification of the election IF there are no licensed premises in the established village. If there is a licensed premises, then the effective date remains 90 days after certification of the election. It also includes a technical change to the effects of a "yes" or "no" vote.

Sections Fourteen and Fifteen. Makes the same changes as Sections 12 and 13, above as they relate to municipalities.

Section Sixteen. This is a technical change to the effects of a "yes" or "no" vote on sale and importation.

Section Seventeen. This changes the wording of the local option ballot which would allow the sales of alcohol only by selected licensees and specifies that only one kind of license can be voted on at a time. It would read "Shall alcoholic beverages be sold in the city of *Bethel* only by (bar) (liquor store) (restaurant)?" A copy of an actual ballot from the city of Bethel asking this question as it is currently required to be stated is attached. (Tab #3)

Sections Eighteen and Nineteen. These are technical changes relating to the clarification that on a vote for selected liquor license, only one type of license may be voted on in any one election.

Section Twenty. This section relates to selected licensee elections (Section 17, above) and is one of the more confusing parts of the bill. It requires some background information.

Under current law at AS 04.11.320, the ABC Board may not issue a license in an established village where there is no licensed premises UNLESS there has first been a local option election on either prohibiting sales and the vote was no OR on the question of a selected licensee and the vote was YES. (Tab #4)

Because the local option laws are complex, many villages which propose to have a vote on a selected licensee have not realized that voting NO on the type of licensee would not allow them to have another kind of licensee instead. A NO vote on this question when there is no licensed premises does not allow the Board to issue another kind of license.

Subparagraph (d) of this section would require the Lieutenant Governor's office (the Division of Elections) to make this known to the residents of a village which is going to have an election on one of these questions. The Division would have to post written notice of the requirements of AS 04.11.320 in two different public locations within the village. They already post notice of the election itself.

Subparagraph (e) would require the ballot give an explanation of the types of liquor sales allowed if the ballot were to pass.

Section Twenty-One. Deletes the reference to a "combination of questions" on a local option ballot for a municipality. This clarifies that only one question may be voted during an election.

It also provides that the local governing body may prepare the election ballots in English and a second language specified by the body. This does not give a municipality any additional powers but simply spells out in statute that they have this ability.

Section Twenty-Two. Makes the same deletion of "combination of questions" for established villages.

Section Twenty-Three. Makes the same deletion of "combination of questions" under the provisions in statute governing the petitions for a local option election.

Section Twenty-Four. This subsection would allow the governing body of an established village to request that the local option ballot be written in both English and another language. The request would have to be made to the Lt. Governor's office within 15 days of the filing of the petition in order to give his office time to prepare the ballots. However, it is envisioned that the ballot questions would be set out in regulation for those languages most common to the areas where the local option elections generally take place.

Section Twenty-Five. This makes technical changes to the effects of a "yes" or "no" vote on the questions of sale, sale and importation and possession.

Section Twenty-Six. This section makes technical changes to the effects of a "yes" or "no" vote. It also expands the notice requirements of a community that has adopted a local option. Under current law, if a community bans the sale and importation, it is required to post notice of the ban within the community. This section extends that notice requirement to the ban on possession.

It also includes a change in (b)(1) to the notice requirements for the ABC Board and ties into Section One, above. Under current law, the Board must send notice to every package store licensee by registered mail of the adoption of a ban on importation. This amendment would expand that notification to include the ban on possession. The Board would only have to send by certified mail a notice to those licensees authorized to sell in response to a written order.

Section Twenty-Seven. This clarifies what was probably an oversight in current statute. It provides that persons under 21 or persons within a local option area which has restricted the sale and importation or possession of alcohol may not possess products designed to brew or distill alcohol.

Section Twenty-Eight. In 1988, we passed SB 371 where it was required that alcohol being shipped into a community which had restricted the sale of alcohol be labeled and have an itemized invoice on the outside of the box. However, air carriers were not given any responsibility for checking to see if people were shipping alcohol. This section states that a carrier may not knowingly ship unlabeled alcohol.

In order to make that requirement workable, it was necessary to revise the itemized invoice requirement. The ABC Board had interpreted the language from last year as allowing only the licensee to prepare the invoice. This section will allow the purchaser to provide the invoice. This could be the sales receipt.

Section Twenty-Nine. This section makes the bill effective on July 1, 1990.

## ALASKA STATUTES

- (2) procedures for the issuance, denial, renewal, transfer, revocation, and suspension of licenses and permits;
- (3) terms and conditions of licenses and permits issued;
- (4) fees for licenses and permits issued for which no fees are prescribed by statute;
- (5) conduct of regular and special meetings of the board;
- (6) delegation to the director of routine administrative functions and powers;
- (7) the temporary granting or denial of issuance, transfer, and renewal of licenses;
- (8) manner of giving any notice required by law or regulation when not provided for by statute;
- (9) requirements relating to the qualifications of licensees, the conditions upon which a license may be issued, the accommodations of licensed premises, and board inspection of those premises;
- (10) making of reports by wholesalers;
- (11) purchase of fidelity bonds by the state for the director and the employees of the board;
- (12) prohibition of possession of alcoholic beverages by drunken persons and by minors;
- (13) required reports from corporations licensed under this title, including reports of stock ownership and transfers and changes of officers and directors;
- (14) creation of classifications of licenses or permits not provided for in this title;
- (15) establishment and collection of fees to be paid on application for a license or permit;
- (16) required reports from partnerships and limited partnerships licensed under this title, including reports of transferred interests of 10 percent or more.

**Sec. 04.06.110. Peace officer powers.** The director and the persons employed for the administration and enforcement of this title may, with the concurrence of the commissioner of public safety, exercise the powers of peace officers when those powers are specifically granted by the board. Powers granted by the board under this section may be exercised only when necessary for the enforcement of the criminally punishable provisions of this title, regulations of the board, and other criminally punishable laws and regulations governing the manufacture, barter, sale, consumption, and possession of alcoholic beverages in the state.

### Chapter 10. Licensing.

*[Repealed. For current law, see AS 04.11.]*

## ALCOHOLIC BEVERAGES

### Chapter 11. Licensing.

#### Article 1. Licensing and Reporting Requirements.

Section	Section
10. License or permit required	55. Reports required of partnerships
15. Purchase from non-licensee	60. Nonresident distiller, brewer, winery, or wholesaler
20. Exceptions: License or permit not required	70. Power limited to the board
30. Death of license	
40. Board approval of transfers	
50. Reports required of corporations	

**Sec. 04.11.010. License or permit required.** (a) Except as provided in AS 04.11.020, a person may not manufacture, sell, offer for sale, possess for sale or barter, traffic in, or barter an alcoholic beverage unless under license or permit issued under this title.

(b) A person may not solicit or receive orders for the delivery of an alcoholic beverage in an area where the results of a local option election have, under AS 04.11.490 - 04.11.500, prohibited the board from issuing, renewing or transferring one or more types of licenses or permits under this title, unless the person is licensed under this title and the order is actually received by that person from the purchaser of the alcoholic beverage. A person who violates this subsection is punishable upon conviction under AS 04.16.200(a) or (b).

✕ (c) In a criminal prosecution for possession of alcoholic beverages for sale in violation of (a) of this section, the fact that a person possessed more than 12 liters of distilled spirits, 24 liters or more of wine, or 45 liters or more of malt beverages in an area where the sale of alcoholic beverages is prohibited under AS 04.11.490, 04.11.492, 04.11.496, or 04.11.500 creates a presumption that the person possessed the alcoholic beverages for sale. ✕

**Sec. 04.11.015. Purchase from nonlicensee prohibited.** (a) A person may not purchase alcoholic beverages from a person who is not a licensee, permittee, or an agent or employee of a licensee or permittee.

(b) A person who violates this section is guilty of a violation.

**Sec. 04.11.020. Exceptions: License or permit not required.** (a) A license or permit is not required to authorize sales made by a person under a judgment and decree of foreclosure, under the bankruptcy law of the United States, or under order of the board or a court under AS 04.16.220.

(b) A license or permit is not required to serve alcoholic beverages in exchange for valuable contributions at a private gathering of a bona fide group of co-workers or of a professional, social, or fraternal organization if equal contributions are made by all in attendance and only the amount required to purchase the alcoholic beverages is contributed. All other applicable provisions of this title and regulations under this title shall be observed at these private gatherings.

ALASKA STATUTES

Sec. 04.11.492. Community liquor license; complete prohibition on sales. (a) The following question, appearing alone, may be placed before the voters of a municipality in accordance with AS 04.11.502: "Shall the sale of alcoholic beverages be prohibited in .....(name of municipality) unless sold by a .....(either a beverage dispensary or package store, or both, operated under a community liquor license)? (yes or no)."

(b) If a majority of the voters vote "yes" on the question set out in (a) of this section, the board shall be notified immediately after certification of the results of the election and thereafter may not issue, renew, or transfer between holders or locations a license for licensed premises located within the boundaries of a municipality and in unincorporated areas within five miles of the boundaries of the municipality, with the exception of a beverage dispensary or package store operated under a community liquor license held by the municipality. Licenses in effect are void 90 days after the results of the election are certified. A license that will expire during the 90 days after the results of a local option election under this section are certified may be extended, until it is void under this subsection, by payment of a prorated portion of the annual license fee.

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

Sec. 04.11.496. Prohibition of sale and importation of alcoholic beverages. (a) The following question, appearing alone, may be placed before the voters of a municipality or an established village in accordance with AS 04.11.502: "Shall the sale and importation of alcoholic beverages be prohibited in .....(name of municipality or village)? (yes or no)."

(b) If a majority of the voters vote "yes" on the question set out in (a) of this section, a person, beginning on the first day of the month following certification of the results of the election, may not knowingly send, transport, or bring an alcoholic beverage into the municipality or established village, unless the alcoholic beverage is sacramental wine to be used for bona fide religious purposes based on tenets or teachings of a church or religious body, is limited in quantity to the amount necessary for religious purposes, and is dispensed only for religious purposes by a person authorized by the church or religious body to dispense the sacramental wine. The board shall be notified immediately after certification of the results of the election and thereafter may not issue, renew, or transfer between holders or locations a license for licensed premises located within the boundaries of the municipality and within unincorporated areas within five miles of the

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## ALCOHOLIC BEVERAGES

(f) If a majority of the voters vote "no" on the question set out in (a) of this section or vote "yes" on the questions set out in AS 04.11.492 or 04.11.500 in an election conducted in accordance with AS 04.11.502 after an election in which the voters voted "yes" on the question set out in (a) of this section, the prohibition on the possession of alcoholic beverages is removed effective 90 days after the results of the election are certified except as those prohibitions continue to be imposed in accordance with the results of the subsequent election.

(g) For the purposes of this section, "possession" means having physical possession of or exercising dominion or control over alcoholic beverages, but does not include having alcoholic beverages within the digestive system of a person.

**Sec. 04.11.500. Prohibition of the sale of alcoholic beverages except by selected licenses.** (a) The following question, appearing alone, may be placed before the voters of a municipality or an established village in accordance with AS 04.11.502: "Shall the sale of alcoholic beverages be prohibited in .....(name of municipality or village) except by .....(listing of the types of licenses which premises would be exempted from the prohibition on the sale of alcoholic beverages if the measure passes)? (yes or no)."

(b) If a majority of the voters vote "yes" on the question set out in (a) of this section, the board shall be notified immediately after certification of the results of the election and thereafter may not issue, renew, or transfer between holders or locations a license for licensed premises located within the boundaries of the municipality and in unincorporated areas within five miles of the boundaries of the municipality or within the perimeter of the established village, except those types of licenses listed on the ballot. Licenses in effect within the boundaries of the municipality or perimeter of the established village, and in an unincorporated area outside of but within five miles of the boundaries of the municipality, except those types of licenses listed on the ballot, are void 90 days after the results of the election are certified. A license that will expire during the 90 days after the results of a local option election under this section are certified may be extended, until it is void under this subsection, by payment of a prorated portion of the annual license fee.

(c) If the majority of the voters vote "no" on the question set out in (a) of this section or vote "yes" on the questions set out in AS 04.11.490, 04.11.492, 04.11.496, or this section if different types of licenses are listed on the ballot in an election conducted in accordance with AS 04.11.502 after an election in which the voters voted "yes" on the question set out in (a) of this section, the board shall be notified immediately after certification of the results of the election. Licenses in effect in the municipality, in the unincorporated area outside of but within five miles of the boundaries of the municipality or established village that were excepted from the prohibition on sale in accordance with the results of the earlier election are void 90 days after the results of the election are certified. Thereafter the board may not issue, renew, or transfer between holders or locations a license for licensed premises located within the boundaries of the municipality or within the perimeter of an established village, or in an unincorporated area within five miles of the boundaries of the municipality, except a license that may be issued to a municipality or to one of the types of licenses listed on the ballot as a result of a majority of the voters voting "yes" on the question set out in AS 04.11.492 or this section, respectively. A license that will expire during the 90 days after the results of a local option election under this section are certified may be extended, until it is void under this subsection, by payment of a prorated portion of the annual license fee.

04.11.320

(3) the application has not been completed in accordance with AS 04.11.260;  
 (4) issuance of the license would violate the restrictions pertaining to the particular license imposed under this title;

(5) issuance of the license is prohibited under this title as a result of an election conducted in accordance with AS 04.11.502;

(6) the requirements of AS 04.11.420 - 04.11.450 relating to zoning, ownership and location of the license, and the identity and financing of a licensee have not been met;

(7) the licensed premises are to be located in a municipality, the type of license sought is a beverage dispensary or package store license, and that type of license is already in effect in the municipality under a community liquor license, unless the new license is to become effective after the community liquor license is no longer effective, whether as the result of a local option election or otherwise;

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

(9) issuance of the license is prohibited under AS 04.11.400(a) or prohibition of issuance of the license is found necessary under AS 04.11.400(b);

(10) the application contains false statements of material fact;

(11) the license is sought for the sale of alcoholic beverages in a first or second class city in which there are no licensed premises at the time of application unless a majority of the voters in a local option election conducted in accordance with AS 04.11.502 have voted "no" on the question set out in AS 04.11.490, or have voted "yes" on a question set out in AS 04.11.492 or 04.11.500;

(12) the license is sought for the sale of alcoholic beverages in an established village in which there are no licensed premises at the time of application unless a majority of the voters in a local option election conducted in accordance with AS 04.11.502 have voted "no" on the question set out in AS 04.11.490 or have voted "yes" on the question set out in AS 04.11.500.

(b) An application requesting issuance of a new permit shall be denied if

(1) the board finds, after review of all relevant information, that issuance of the permit would not be in the best interests of the public;

(2) the board finds that any of the statements made in the application are untrue;

(3) the application has not been completed in accordance with AS 04.11.260;

(4) the permit is sought for the sale of alcoholic beverages in a first or second class city or established village in which there are no licensed premises at the time of application unless a majority of the voters in a local option election conducted in accordance with AS 04.11.502 have voted "no" on the question set out in AS 04.11.490.

Sec. 04.11.330. Denial of license or permit renewal. (a) An application requesting renewal of a license shall be denied if

(1) the board finds, after review of all relevant information, that renewal of the license would not be in the best interests of the public;

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

(3) the applicant has not operated the licensed premises for at least 30 eight-hour days during the immediately preceding calendar year, unless the board determines that the licensed premises are under construction or cannot be operated through no fault of the applicant;

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

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

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

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

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

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

(b) An application for renewal of a license may be denied if the applicant is delinquent in the payment of taxes if the tax liability arises in whole or in part out of the licensed business.

(c) An application requesting renewal of a conditional contractor's permit shall be denied if

(1) the board finds, after review of all relevant information, that issuance of the permit would not be in the best interests of the public;

(2) the application has not been completed in accordance with AS 04.11.270.

(d) Notwithstanding (a)(3) of this section, a recreational site license issued under AS 04.11.210 may be renewed if the license was exercised at least once during the immediately preceding calendar year.

Sec. 04.11.340. Denial of request for relocation. An application requesting approval for the relocation of licensed premises shall be denied if

(1) the board finds, after review of all relevant information, that relocation of the license would not be in the best interests of the public;

(2) the relocation is prohibited under AS 04.11.400(a) or (b);

(3) the license would be relocated out of the established village, incorporated city, unified municipality, or population area established under AS 04.11.400(a) within which it is located;

(4) transfer of ownership is to be made concurrently with the relocation of the licensed premises and a ground for denial of the transfer of ownership under AS 04.11.360 is presented;

(5) the application has not been completed in accordance with AS 04.11.290;

(6) relocation of the license would result in violation of a local zoning law;

# Senator John Binkley

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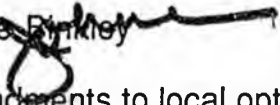
Senate Finance Committee  
P.O. Box V • Juneau, Alaska 99811 • (907) 465-4985

Finance Committee  
Co-Chairman

## MEMORANDUM

April 17, 1990

TO: Representative Dave Donley, Chairman  
House Labor & Commerce Committee

FROM: Senator John Binkley 

RE: SB 297, amendments to local option statutes

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The above-referenced bill has been referred to your committee. I'd like to take this opportunity to give you a synopsis of the legislation. A more complete sectional analysis is enclosed as well.

The most substantive change made to Title 4 by this bill is that all five local option questions are reworded and made more straight forward. I have heard from many people around the state who have been involved in some way with a local option election that the ballot questions are confusing, particularly to those people for whom English is a second language. Current statute also allows for more than one question to appear on a single ballot. This compounds the confusion of the question in a couple of ways. First, some questions allow for certain kinds of sale; other questions prohibit any kind of sale, importation or possession. The final outcome of an election in which opposing options were passed is unknown. SB 297 limits the local option ballots to one question per election.

The reworded questions also change the effect of a "yes" or "no" vote. Therefore, many of the changes in the bill are technical in nature, switching "yes" and "no" where needed throughout the statute.

The bill also would allow an established village where the Division of Elections was running the election to request that the ballots be printed in the resident's Native language in certain circumstances. We anticipate that the Division will, through the regulatory process go ahead and prepare these ballot questions in the languages where local options are more commonly held. Municipalities may already prepare the ballots in other languages. However, the bill does contain a provision which clarifies this point.

The bill also requires that package store licensees notify the ABC Board of their intent to sell alcohol by mail. This consists of a box on the license renewal or application form which the licensee simply checks. Whenever there is a local option election in which an option is adopted, the Board will send notice only to those

licensees who are selling by mail, rather than the current requirement of sending notification to every package store licensee in the state.

Finally, the bill clarifies that possession of products designed solely for brewing alcohol is not allowed by people under 21 or in a local option area. I've attached for your reference an advertisement of a product called a "brewsack." You just add water and the yeast which is provided and wait two weeks then bingo! You have 20 pints of beer.

I would appreciate your scheduling of this bill at the earliest convenience. Please let Janice Adair in my office (4985) know when that will be. Thank you.

# Senator John Binkley

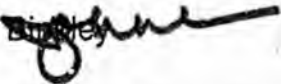
Senate Finance Committee  
P.O. Box V • Juneau, Alaska 99811 • (907) 465-4985

Finance Committee  
Co-Chairman

## MEMORANDUM

April 17, 1990

TO: Members, House Labor & Commerce Committee

FROM: Senator John Binkley 

RE: Sectional Analysis of CSSB 297 (Finance),  
Local Option Amendments to Title 04

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Section One. This section would require ABC Board authorization before a package store can sell in response to a written order and that authorization is only good for only year at a time. Whenever there is a local option adopted by a community, the board is required to notify all holders of a package store license of the election. This section ties in with section 26 which limits the notification only to those package store licensees which told the board of their intent to sell by mail. The Board has revised its license renewal forms so that those package store licensees who want to sell by mail need only check a box.

Section Two. This would bring the amount of distilled spirits that can be sent by mail order to an area with restricted sales into compliance with the presumption provision. There was an amendment to SB 371 on the floor of the House at the end of the 1988 session which increased the mail order amount to 18 liters but the presumption amount was not changed. This would drop it back down to 12. Tab # 1

There have been a number of problems with people understanding the effects of a local option election. This bill attempts to assist the local governing bodies and the Division of Elections by simplifying the ballot language and requiring certain explanations. Many of the changes in this bill are technical in nature resulting from the changes made to the ballot language. It was necessary to change the effect of a "yes" vote and of a "no" vote.

Section Three. This clarifies that on a vote for a community liquor license, only one type of license may be voted on in any one election.

Section Four. A technical change switching the effects of a "yes" vote and a "no" vote on the question of allowing the sale of alcoholic beverages.

Section Five. This changes the wording of the local option ballot for the prohibition of liquor sales to read "Shall the sale of alcoholic beverages be allowed in

the city of *Bethel*?" It also makes another technical change to the effects of a "yes" or "no" vote.

Section Six. This changes the wording of the local option ballot for a community liquor license election and makes technical changes so that only one type of community liquor license may be voted on in any one election as in Section Three, above. The questions would read: "Shall alcoholic beverages be sold in the city of Bethel only by a bar operated by the city of *Bethel*?" or "Shall alcoholic beverages be sold in the city of Bethel only by a liquor store operated by the city of *Bethel*?" The current language is attached. 1.6.17 = 2

Sections Seven and Eight. Both of these sections make technical changes to provisions regarding community liquor licenses which reflect the changes in Section Three, above which limits a vote on a community liquor license to one type of license in any one election.

Section Nine. Adds the provision that an explanation must follow the community liquor license question which explains how alcohol may be sold by a bar which means "beverage dispensary license" and by a liquor store which means "package store license."

Section Ten. This changes the wording of the local option ballot for banning the sale and importation of alcohol. The question would read "Shall the sale and importation of alcoholic beverages be allowed in the city of *Bethel*?" It also makes technical changes to the effects of a "yes" or "no" vote.

Section Eleven. This changes the wording of the local option ballot for banning the possession of alcohol to read "Shall the possession of alcoholic beverages be allowed in *Bethel*?" It also makes technical changes to the effects of a "yes" or "no" vote.

Sections Twelve. These section make additional technical changes to the effects of a "yes" or "no" vote on the question of allowing the sale and importation of alcohol in an established village.

Section Thirteen. This change will allow the ban on possession to take effect 60 days following certification of the election **IF** there are no licensed premises in the established village. If there is a licensed premises, then the effective date remains 90 days after certification of the election. It also includes a technical change to the effects of a "yes" or "no" vote.

Sections Fourteen and Fifteen. Makes the same changes as Sections 12 and 13, above as they relate to municipalities.

Section Sixteen. This is a technical change to the effects of a "yes" or "no" vote on sale and importation.

Section Seventeen. This changes the wording of the local option ballot which would allow the sales of alcohol only by selected licensees and specifies that only one kind of license can be voted on at a time. It would read "Shall alcoholic beverages be sold in the city of *Bethel* only by (bar) (liquor store) (restaurant)?" A copy of an actual ballot from the city of Bethel asking this question as it is currently required to be stated is attached. Table # 3

Sections Eighteen and Nineteen. These are technical changes relating to the clarification that on a vote for selected liquor license, only one type of license may be voted on in any one election.

Section Twenty. This section relates to selected licensee elections (Section 17, above) and is one of the more confusing parts of the bill. It requires some background information.

Under current law at AS 04.11.320(12), the ABC Board may not issue a license in an established village where there is no licensed premises UNLESS there has first been a local option election on either prohibiting sales and the vote was no OR on the question of a selected licensee and the vote was YES. Table # 4

Because the local option laws are complex, many villages which propose to have a vote on a selected licensee have not realized that voting NO on the type of licensee would not allow them to have another kind of licensee instead. A NO vote on this question when there is no licensed premises does not allow the Board to issue another kind of license.

Subparagraph (d) of this section would require the Lieutenant Governor's office (the Division of Elections) to make this known to the residents of a village which is going to have an election on one of these questions. The Division would have to post written notice of the requirements of AS 04.11.320 in two different public locations within the village. They already post notice of the election itself.

Subparagraph (e) would require the ballot give an explanation of the types of liquor sales allowed if the ballot were to pass.

Section Twenty-One. Deletes the reference to a "combination of questions" on a local option ballot for a municipality. This clarifies that only one question may be voted during an election.

It also provides that the local governing body may prepare the election ballots in English and a second language specified by the body. This does not give a municipality any additional powers but simply spells out in statute that they have this ability.

Section Twenty-Two. Makes the same deletion of "combination of questions" for established villages.

Section Twenty-Three. Makes the same deletion of "combination of questions" under the provisions in statute governing the petitions for a local option election.

Section Twenty-Four. This subsection would allow the governing body of an established village to request that the local option ballot be written in both English and another language. The request would have to be made to the Lt. Governor's office within 15 days of the filing of the petition in order to give his office time to prepare the ballots. However, it is envisioned that the ballot questions would be set out in regulation for those languages most common to the areas where the local option elections generally take place.

Section Twenty-Five. This makes technical changes to the effects of a "yes" or "no" vote on the questions of sale, sale and importation and possession.

Section Twenty-Six. This section makes technical changes to the effects of a "yes" or "no" vote. It also expands the notice requirements of a community that has adopted a local option. Under current law, if a community bans the sale and importation, it is required to post notice of the ban within the community. This section extends that notice requirement to the ban on possession.

It also includes a change in (b)(1) to the notice requirements for the ABC Board and ties into Section One, above. Under current law, the Board must send notice to every package store licensee by registered mail of the adoption of a ban on importation. This amendment would expand that notification to include the ban on possession. The Board would only have to send by certified mail a notice to those licensees authorized to sell in response to a written order.

Section Twenty-Seven. This clarifies what was probably an oversight in current statute. It provides that persons under 21 or persons within a local option area which has restricted the sale and importation or possession of alcohol may not possess products designed to brew or distill alcohol. *TAC 10 # 15*

Section Twenty-Eight. In 1988, we passed SB 371 where it was required that alcohol being shipped into a community which had restricted the sale of alcohol be labeled and have an itemized invoice on the outside of the box. However, air carriers were not given any responsibility for checking to see if people were shipping alcohol. This section states that a carrier may not knowingly ship unlabeled alcohol.

In order to make that requirement workable, it was necessary to revise the itemized invoice requirement. The ABC Board had interpreted the language from last year as allowing only the licensee to prepare the invoice. This section will allow the purchaser to provide the invoice. This could be the sales receipt.

Section Twenty-Nine. This section makes the bill effective on July 1, 1990.

**Sec. 04.11.130. Brewery license.** (a) A brewery license authorizes the holder to operate a brewery where beer is manufactured and bottled or barreled for sale.

(b) The holder of a brewery license may sell beer in quantities of

(1) less than five gallons to an individual who is present on the licensed premises;

(2) more than five gallons to a person who is licensed under this title, or in another state or country.

(c) The holder of a brewery license may permit a person to sample small portions of the brewery's product free of charge unless prohibited by AS 04.16.030.

(d) The annual brewery license fee is \$500.

**Sec. 04.11.135. Brewpub license.** (a) A brewpub license authorizes the holder of a beverage dispensary license to

(1) manufacture on premises licensed under the beverage dispensary license not more than 16,000 gallons of beer in a calendar year; and

(2) sell beer manufactured on premises licensed under the beverage dispensary license for consumption only on the licensed premises.

(b) Except as provided under AS 04.11.360(12), the brewpub license is not transferable, shall remain the property of the state, and is not subject to any form of alienation.

(c) The annual brewpub license fee is \$250.

**Sec. 04.11.140. Winery license.** (a) A winery license authorizes the holder to operate a winery where wine is manufactured and bottled or barreled for sale.

(b) The holder of a winery license may sell wine in quantities of

(1) less than five gallons to an individual who is present on the licensed premises;

(2) more than five gallons to a person who is licensed under this title, or in another state or country.

(c) The holder of a winery license may permit a person to sample small portions of the wine free of charge unless prohibited by AS 04.16.030.

(d) The annual winery license fee is \$250.

**Sec. 04.11.150. Package store license.** (a) Except as provided under (h) of this section, a package store license authorizes the holder to sell alcoholic beverages to a person in response to a verbal solicitation for purchase received from the person present on the licensed premises or in response to a written solicitation made by a person known to the licensee for a purchase to be received by the person making the solicitation.

(b) The annual package store license fee is \$750.

(c) The holder of a package store license may not sell alcoholic beverages unless any stamps required to be affixed to the package by state or federal law are intact on the packages.

(d) The consumption of alcoholic beverages on premises licensed under this section is prohibited.

(e) The business premises occupied by a holder of a package store license may not be connected by a door, opening, or other means of passage intended for the access of the general public to an adjacent retail business not licensed under this title, unless approved by the board.

(f) When the holder of a package store license is also a holder of a beverage dispensary license and the package store premises are contained within or are adjacent to the premises of the beverage dispensary and the only public entrance to the package store is by a door or other means within the premises of the beverage dispensary, the board shall determine if additional entrances to the package store are necessary for enforcement purposes, to meet health and fire safety standards, or for the convenience of the public.

(g) "Business premises" means that part of the licensed premises to which the public has access.

\* (h) A package store licensee, agent, or employee may not ship more than eighteen liters of distilled spirits within a monthly period to a purchaser off the licensed premises if the shipment is to an area that has restricted the sale of alcoholic beverages under AS 04.11.490, 04.11.492, or 04.11.500.

(i) A package store licensee, agent, or employee may not divide or combine shipments of alcoholic beverages so as to circumvent the limitation imposed under (h) of this section.

**Sec. 04.11.160. Wholesale licenses.** (a) A general wholesale license authorizes the holder to sell alcoholic beverages in the original package, and wine in bulk, in quantities of not less than five gallons. A holder of a general wholesale license may not sell to a person not licensed under this title, except as provided in AS 04.21.040. A holder of a general wholesale license may not sell alcoholic beverages unless any stamps required to be affixed to the package by state or federal law are intact on the package. A wholesaler must obtain a general wholesale license for each distributing point. The annual general wholesale license fee is \$1,000 for the first \$100,000 of business transacted, payable at the time of making an original application or an application for renewal. In addition, the following annual fees shall be paid by a holder of a general wholesale license:

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

ALASKA STATUTES

Sec. 04.11.492. Community liquor license; complete prohibition on sales. (a) The following question, appearing alone, may be placed before the voters of a municipality in accordance with AS 04.11.502: "Shall the sale of alcoholic beverages be prohibited in .....(name of municipality) unless sold by a .....(either a beverage dispensary or package store, or both, operated under a community liquor license)? (yes or no)."

(b) If a majority of the voters vote "yes" on the question set out in (a) of this section, the board shall be notified immediately after certification of the results of the election and thereafter may not issue, renew, or transfer between holders or locations a license for licensed premises located within the boundaries of a municipality and in unincorporated areas within five miles of the boundaries of the municipality, with the exception of a beverage dispensary or package store operated under a community liquor license held by the municipality. Licenses in effect are void 90 days after the results of the election are certified. A license that will expire during the 90 days after the results of a local option election under this section are certified may be extended, until it is void under this subsection, by payment of a prorated portion of the annual license fee.

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

Sec. 04.11.496. Prohibition of sale and importation of alcoholic beverages. (a) The following question, appearing alone, may be placed before the voters of a municipality or an established village in accordance with AS 04.11.502: "Shall the sale and importation of alcoholic beverages be prohibited in .....(name of municipality or village)? (yes or no)."

(b) If a majority of the voters vote "yes" on the question set out in (a) of this section, a person, beginning on the first day of the month following certification of the results of the election, may not knowingly send, transport, or bring an alcoholic beverage into the municipality or established village, unless the alcoholic beverage is sacramental wine to be used for bona fide religious purposes based on tenets or teachings of a church or religious body, is limited in quantity to the amount necessary for religious purposes, and is dispensed only for religious purposes by a person authorized by the church or religious body to dispense the sacramental wine. The board shall be notified immediately after certification of the results of the election and thereafter may not issue, renew, or transfer between holders or locations a license for licensed premises located within the boundaries of the municipality and within unincorporated areas within five miles of the

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# CITY OF BETHEL

P.O. Box 388 • Bethel, Alaska 99559

543-2297—Area Code 907

## CITY OF BETHEL SAMPLE BALLOT

GENERAL ELECTION  
-LOCAL OPTION-  
OCTOBER 3, 1989

\*Vote by placing an "X" in the square to the left of yes or no.

"SHALL THE SALE OF ALCOHOLIC BEVERAGES BE PROHIBITED IN  
BETHEL, ALASKA, EXCEPT BY BEVERAGE DISPENSARY LICENSES &  
RESTAURANT OR EATING PLACE LICENSES?"

\_\_\_\_\_ YES

\_\_\_\_\_ NO

Karole A. Kohl, Acting City Clerk  
Posted: September 11, 1989

## ALCOHOLIC BEVERAGES

(f) If a majority of the voters vote "no" on the question set out in (a) of this section or vote "yes" on the questions set out in AS 04.11.492 or 04.11.500 in an election conducted in accordance with AS 04.11.502 after an election in which the voters voted "yes" on the question set out in (a) of this section, the prohibition on the possession of alcoholic beverages is removed effective 90 days after the results of the election are certified except as those prohibitions continue to be imposed in accordance with the results of the subsequent election.

(g) For the purposes of this section, "possession" means having physical possession of or exercising dominion or control over alcoholic beverages, but does not include having alcoholic beverages within the digestive system of a person.

**Sec. 04.11.500. Prohibition of the sale of alcoholic beverages except by selected licenses.** (a) The following question, appearing alone, may be placed before the voters of a municipality or an established village in accordance with AS 04.11.502: "Shall the sale of alcoholic beverages be prohibited in .....(name of municipality or village) except by .....(listing of the types of licenses which premises would be exempted from the prohibition on the sale of alcoholic beverages if the measure passes)? (yes or no)."

(b) If a majority of the voters vote "yes" on the question set out in (a) of this section, the board shall be notified immediately after certification of the results of the election and thereafter may not issue, renew, or transfer between holders or locations a license for licensed premises located within the boundaries of the municipality and in unincorporated areas within five miles of the boundaries of the municipality or within the perimeter of the established village, except those types of licenses listed on the ballot. Licenses in effect within the boundaries of the municipality or perimeter of the established village, and in an unincorporated area outside of but within five miles of the boundaries of the municipality, except those types of licenses listed on the ballot, are void 90 days after the results of the election are certified. A license that will expire during the 90 days after the results of a local option election under this section are certified may be extended, until it is void under this subsection, by payment of a prorated portion of the annual license fee.

(c) If the majority of the voters vote "no" on the question set out in (a) of this section or vote "yes" on the questions set out in AS 04.11.490, 04.11.492, 04.11.496, or this section if different types of licenses are listed on the ballot in an election conducted in accordance with AS 04.11.502 after an election in which the voters voted "yes" on the question set out in (a) of this section, the board shall be notified immediately after certification of the results of the election. Licenses in effect in the municipality, in the unincorporated area outside of but within five miles of the boundaries of the municipality or established village that were excepted from the prohibition on sale in accordance with the results of the earlier election are void 90 days after the results of the election are certified. Thereafter the board may not issue, renew, or transfer between holders or locations a license for licensed premises located within the boundaries of the municipality or within the perimeter of an established village, or in an unincorporated area within five miles of the boundaries of the municipality, except a license that may be issued to a municipality or to one of the types of licenses listed on the ballot as a result of a majority of the voters voting "yes" on the question set out in AS 04.11.492 or this section, respectively. A license that will expire during the 90 days after the results of a local option election under this section are certified may be extended, until it is void under this subsection, by payment of a prorated portion of the annual license fee.

04.11.320

ALASKA STATUTES

ALCOHOLIC BEVERAGES

(3) the application has not been completed in accordance with AS 04.11.260;

(4) issuance of the license would violate the restrictions pertaining to the particular license imposed under this title;

(5) issuance of the license is prohibited under this title as a result of an election conducted in accordance with AS 04.11.502;

(6) the requirements of AS 04.11.420 - 04.11.450 relating to zoning, ownership and location of the license, and the identity and financing of a licensee have not been met;

(7) the licensed premises are to be located in a municipality, the type of license sought is a beverage dispensary or package store license, and that type of license is already in effect in the municipality under a community liquor license, unless the new license is to become effective after the community liquor license is no longer effective, whether as the result of a local option election or otherwise;

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

(9) issuance of the license is prohibited under AS 04.11.400(a) or prohibition of issuance of the license is found necessary under AS 04.11.400(b);

(10) the application contains false statements of material fact;

(11) the license is sought for the sale of alcoholic beverages in a first or second class city in which there are no licensed premises at the time of application unless a majority of the voters in a local option election conducted in accordance with AS 04.11.502 have voted "no" on the question set out in AS 04.11.490, or have voted "yes" on a question set out in AS 04.11.492 or 04.11.500;

(12) the license is sought for the sale of alcoholic beverages in an established village in which there are no licensed premises at the time of application unless a majority of the voters in a local option election conducted in accordance with AS 04.11.502 have voted "no" on the question set out in AS 04.11.490 or have voted "yes" on the question set out in AS 04.11.500.

(b) An application requesting issuance of a new permit shall be denied if

(1) the board finds, after review of all relevant information, that issuance of the permit would not be in the best interests of the public;

(2) the board finds that any of the statements made in the application are untrue;

(3) the application has not been completed in accordance with AS 04.11.260;

(4) the permit is sought for the sale of alcoholic beverages in a first or second class city or established village in which there are no licensed premises at the time of application unless a majority of the voters in a local option election conducted in accordance with AS 04.11.502 have voted "no" on the question set out in AS 04.11.490.

Sec. 04.11.330. Denial of license or permit renewal. (a) An application requesting renewal of a license shall be denied if

(1) the board finds, after review of all relevant information, that renewal of the license would not be in the best interests of the public;

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

(3) the applicant has not operated the licensed premises for at least 30 eight-hour days during the immediately preceding calendar year, unless the board determines that the licensed premises are under construction or cannot be operated through no fault of the applicant;

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

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

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

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

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

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

(b) An application for renewal of a license may be denied if the applicant is delinquent in the payment of taxes if the tax liability arises in whole or in part out of the licensed business.

(c) An application requesting renewal of a conditional contractor's permit shall be denied if

(1) the board finds, after review of all relevant information, that issuance of the permit would not be in the best interests of the public;

(2) the application has not been completed in accordance with AS 04.11.270.

(d) Notwithstanding (a)(3) of this section, a recreational site license issued under AS 04.11.210 may be renewed if the license was exercised at least once during the immediately preceding calendar year.

Sec. 04.11.340. Denial of request for relocation. An application requesting approval for the relocation of licensed premises shall be denied if

(1) the board finds, after review of all relevant information, that relocation of the license would not be in the best interests of the public;

(2) the relocation is prohibited under AS 04.11.400(a) or (b);

(3) the license would be relocated out of the established village, incorporated city, unified municipality, or population area established under AS 04.11.400(a) within which it is located;

(4) transfer of ownership is to be made concurrently with the relocation of the licensed premises and a ground for denial of the transfer of ownership under AS 04.11.360 is presented;

(5) the application has not been completed in accordance with AS 04.11.290;

(6) relocation of the license would result in violation of a local zoning law;

# THE NEW WAY TO DRINK BEER AT HOME

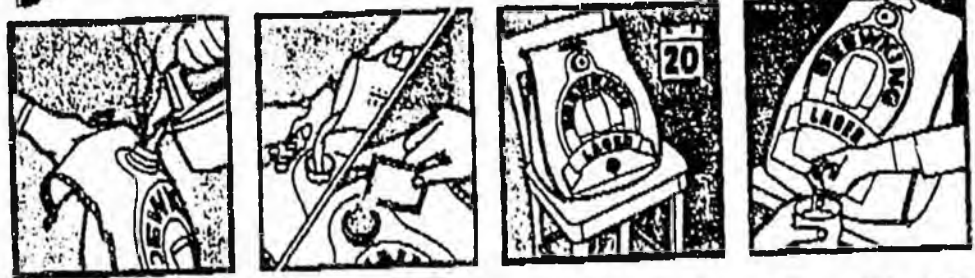


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*Premium*  
**LAGER**  
BREWSACK

A BLEND OF HOPPED BREWERS WORT WITH YEAST SACHET  
SIMPLY ADD WATER & YEAST PROVIDED



## IT'S IN THE BAG

6-0314H  
Ford  
4/18/90

Original sponsor(s): SEN. BINKLEY

1 IN THE SENATE BY THE LABOR & COMMERCE COMMITTEE  
2 HOUSE CS FOR CS FOR SENATE BILL NO. 297 (L&C)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to licensing, sale, transportation,  
7 importation, and possession of alcoholic beverages;  
8 local option election ballots; possession of products  
9 designed for brewing or distilling; and providing for  
10 an effective date."

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

12 \* Section 1. AS 04.11.150(a) is amended to read:

13 (a) Except as provided under (h) of this section, a package  
14 store license authorizes the holder to sell alcoholic beverages to a  
15 person in response to a verbal solicitation for purchase received from  
16 the person present on the licensed premises, and if authorized by the  
17 board, to sell alcoholic beverages [OR] in response to a written  
18 solicitation made by a person known to the licensee for a purchase to  
19 be received by the person making the solicitation. An authorization  
20 by the board to sell alcoholic beverages in response to a written  
21 solicitation is valid only for the calendar year in which it is is-  
22 sued.

23 \* Sec. 2. AS 04.11.150(h) is amended to read:

24 (h) A package store licensee, agent, or employee may not ship  
25 more than 12 [EIGHTEEN] liters of distilled spirits within a monthly  
26 period to a purchaser off the licensed premises if the shipment is to  
27 an area that has restricted the sale of alcoholic beverages under  
28 AS 04.11.490, 04.11.492, or 04.11.500.

29 \* Sec. 3. AS 04.11.190(b) is amended to read:

1 (b) If a majority of the voters vote "yes" on either of the  
2 questions [QUESTION] set out in AS 04.11.492(a), the local governing  
3 body of a municipality shall apply for a community liquor license to  
4 operate a beverage dispensary or package store, [OR BOTH,] depending  
5 on which type of premises were specified on the ballot. Unless pro-  
6 hibited by the results of an earlier local option election, a local  
7 governing body may also apply on its own motion for a community liquor  
8 license.

9 \* Sec. 4. AS 04.11.320 is amended to read:

10 Sec. 04.11.320. DENIAL OF NEW LICENSES AND PERMITS. (a) An  
11 application requesting issuance of a new license shall be denied if

12 (1) the board finds, after review of all relevant informa-  
13 tion, that issuance of the license would not be in the best interests  
14 of the public;

15 (2) issuance of the license is prohibited by AS 04.11.390,  
16 relating to residency, or AS 04.11.410, relating to location of prem-  
17 ises near churches and schools;

18 (3) the application has not been completed in accordance  
19 with AS 04.11.260;

20 (4) issuance of the license would violate the restrictions  
21 pertaining to the particular license imposed under this title;

22 (5) issuance of the license is prohibited under this title  
23 as a result of an election conducted in accordance with AS 04.11.502;

24 (6) the requirements of AS 04.11.420 - 04.11.450 relating  
25 to zoning, ownership and location of the license, and the identity and  
26 financing of a licensee have not been met;

27 (7) the licensed premises are to be located in a municipal-  
28 ity, the type of license sought is a beverage dispensary or package  
29 store license, and that type of license is already in effect in the

1 municipality under a community liquor license, unless the new license  
2 is to become effective after the community liquor license is no longer  
3 effective, whether as the result of a local option election or other-  
4 wise;

5 (8) the authority sought is authority to operate a beverage  
6 dispensary or package store under a community liquor license for  
7 premises to be located in a municipality where the authority sought is  
8 already held by a private licensee under a beverage dispensary or  
9 package store license, unless the community liquor license is to  
10 become effective after the privately held license is no longer effec-  
11 tive, whether as the result of a local option election or otherwise;

12 (9) issuance of the license is prohibited under AS 04.11.-  
13 400(a) or prohibition of issuance of the license is found necessary  
14 under AS 04.11.400(b);

15 (10) the application contains false statements of material  
16 fact;

17 (11) the license is sought for the sale of alcoholic bever-  
18 ages in a first or second class city in which there are no licensed  
19 premises at the time of application unless a majority of the voters in  
20 a local option election conducted in accordance with AS 04.11.502 have  
21 voted "yes" ["NO"] on the question set out in AS 04.11.490, [OR HAVE  
22 VOTED "YES" ON A QUESTION SET OUT IN AS] 04.11.492, or 04.11.500;

23 (12) the license is sought for the sale of alcoholic bever-  
24 ages in an established village in which there are no licensed premises  
25 at the time of application unless a majority of the voters in a local  
26 option election conducted in accordance with AS 04.11.502 have voted  
27 "yes" ["NO"] on the question set out in AS 04.11.490 or [HAVE VOTED  
28 "YES" ON THE QUESTION SET OUT IN AS] 04.11.500.

29 (b) An application requesting issuance of a new permit shall be

1 denied if

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

5 (2) the board finds that any of the statements made in the  
6 application are untrue;

7 (3) the application has not been completed in accordance  
8 with AS 04.11.260;

9 (4) the permit is sought for the sale of alcoholic bever-  
10 ages in a first or second class city or established village in which  
11 there are no licensed premises at the time of application unless a  
12 majority of the voters in a local option election conducted in accor-  
13 dance with AS 04.11.502 have voted "yes" ["NO"] on the question set  
14 out in AS 04.11.490.

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

16 Sec. 04.11.395. BOARD IMPOSED RESTRICTIONS. The board may  
17 impose conditions or restrictions applicable to a license or permit  
18 issued under this chapter.

19 \* Sec. 6. AS 04.11.400(j) is amended to read:

20 (j) The board may approve the issuance [OR TRANSFER OF OWNER-  
21 SHIP] of a restaurant or eating place license in a municipality with-  
22 out regard to (a) of this section if the board finds that issuance [OR  
23 TRANSFER] of the license is necessary for the public convenience.

24 \* Sec. 7. AS 04.11.490 is amended to read:

25 Sec. 04.11.490. PROHIBITION OF THE SALE OF ALCOHOLIC BEVERAGES.  
26 (a) The following question, appearing alone, may be placed before the  
27 voters of a municipality or an established village in accordance with  
28 AS 04.11.502: "Shall the sale of alcoholic beverages be allowed in . .  
29 . . . (name of municipality or village) [BE PROHIBITED]? (yes or no)".

1 (b) If a majority of the voters vote "no" ["YES"] on the ques-  
2 tion set out in (a) of this section, the board shall be notified  
3 immediately after certification of the results of the election and  
4 thereafter the board may not issue, renew, or transfer between holders  
5 or locations a license for licensed premises located within the bound-  
6 aries of a municipality and in unincorporated areas within five miles  
7 of the boundaries of the municipality or within the perimeter of an  
8 established village. Licenses that may not be renewed because of a  
9 local option election held under this section are void 90 days after  
10 the results of the election are certified. A license that will expire  
11 during the 90 days after the results of a local option election under  
12 this section are certified may be extended until it is void under  
13 this subsection, by payment of a prorated portion of the annual li-  
14 cense fee.

15 (c) If a majority of the voters vote "yes" ["NO"] on the ques-  
16 tion set out in (a) of this section or vote "yes" on a question set  
17 out in AS 04.11.492 or 04.11.500 in an election conducted in accor-  
18 dance with AS 04.11.502 after an election in which the voters voted  
19 "no" ["YES"] on the question set out in (a) of this section, the board  
20 shall be notified immediately after certification of the results of  
21 the election. Thereafter, the prohibitions imposed under (b) of this  
22 section on the issuance, renewal, or transfer of licenses between  
23 holders and location as a result of the earlier election are removed  
24 except insofar as those prohibitions are imposed in accordance with  
25 the results of the subsequent election.

26 \* Sec. 8. AS 04.11.492(a) is repealed and reenacted to read:

27 (a) Either but not both of the following two questions, appar-  
28 ing alone, may be placed before the voters of a municipality under  
29 AS 04.11.502;

1 (1) "shall alcoholic beverages be sold in . . . . (name  
2 of municipality) only by a bar operated by (name of municipality)?  
3 (yes or no)"; or

4 (2) "Shall alcoholic beverages be sold in . . . . (name  
5 of municipality) only by a liquor store operated by (name of munici-  
6 pality)? (yes or no)."

7 \* Sec. 9. AS 04.11.492(b) is amended to read:

8 (b) If a majority of the voters vote "yes" on either of the  
9 questions [QUESTION] set out in (a) of this section, the board shall  
10 be notified immediately after certification of the results of the  
11 election and thereafter may not issue, renew, or transfer between  
12 holders or locations a license for licensed premises located within  
13 the boundaries of a municipality and in unincorporated areas within  
14 five miles of the boundaries of the municipality, with the exception  
15 of beverage dispensary or package store operated under a community  
16 liquor license held by the municipality. Licenses in effect are void  
17 90 days after the results of the election are certified. A license  
18 that will expire during the 90 days after the results of a local  
19 option election under this section are certified may be extended,  
20 until it is void under this subsection, by payment of a prorated  
21 portion of the annual license fee.

22 \* Sec. 10. AS 04.11.492(c) is amended to read:

23 (c) If a majority of the voters vote "no" on either of the  
24 questions [QUESTION] set out in (a) of this section or vote "no"  
25 ["YES"] on a question set out in AS 04.11.490, or 04.11.496, or vote  
26 "yes" on a question set out in AS 04.11.500 in an election conducted  
27 in accordance with AS 04.11.502 after an election in which the voters  
28 voted "yes" on either of the questions [QUESTION] set out in (a) of  
29 this section, the board shall be notified immediately after a

1 certification of the results of the election. The prohibitions  
 2 imposed under (b) of this section on the issuance, renewal, or trans-  
 3 fer of licenses between holders and locations as a result of the  
 4 earlier election are removed 90 days after the results of the election  
 5 are certified except insofar as those prohibitions are imposed under  
 6 [IN ACCORDANCE WITH] the results of the subsequent election.

7 \* Sec. 11. AS 04.11.492 is amended by adding new subsections to read:

8 (d) In preparing the ballot for an election on either of the two  
 9 questions set out in (a) of this section, the local governing body  
 10 shall include an explanation of the authority to sell alcoholic bever-  
 11 ages given to a beverage dispensary licensee, if the question listed  
 12 in (a)(1) of this section is on the ballot, or on explanation of the  
 13 authority to sell alcoholic beverages given to a package store li-  
 14 censee, if the question listed in (a)(2) of this section is on the  
 15 ballot.

16 (e) In this section,

17 (1) "bar" means a beverage dispensary;

18 (2) "liquor store" means a package store.

19 \* Sec. 12. AS 04.11.496 is amended to read:

20 Sec. 04.11.496. PROHIBITION OF SALE AND IMPORTATION OF ALCOHOLIC  
 21 BEVERAGES. (a) The following question, appearing alone, may be  
 22 placed before the voters of a municipality or an established village  
 23 in accordance with AS 04.11.502: "Shall the sale and importation of  
 24 alcoholic beverages be allowed [PROHIBITED] in . . . . (name of  
 25 municipality or village)? (yes or no)."

26 (b) If a majority of the voters vote "no" ["YES"] on the ques-  
 27 tion set out in (a) of this section, a person, beginning on the first  
 28 day of the month following certification of the results of the elec-  
 29 tion, may not knowingly send, transport, or bring an alcoholic

1 beverage into the municipality or established village, unless the  
2 alcoholic beverage is sacramental wine to be used for bona fide reli-  
3 gious purposes based on tenets or teachings of a church or religious  
4 body, is limited in quantity to the amount necessary for religious  
5 purposes, and is dispensed only for religious purposes by a person  
6 authorized by the church or religious body to dispense the sacramental  
7 wine. The board shall be notified immediately after certification of  
8 the results of the election and thereafter may not issue, renew, or  
9 transfer between holders or locations a license for licensed premises  
10 located within the boundaries of the municipality and within unincor-  
11 porated areas within five miles of the boundaries of the municipality  
12 or within the perimeter of the established village. Licenses that may  
13 not be renewed because of a local option election held under this  
14 section are void 90 days after the results of the election are cer-  
15 tified. A license that will expire during the 90 days after the  
16 results of a local option election under this section are certified  
17 may be extended, until it is void under this subsection, by payment of  
18 a prorated portion of the annual license fee.

19 (c) If a majority of the voters vote "yes" ["NO"] on the ques-  
20 tion set out in (a) of this section or vote "yes" on the questions set  
21 out in AS 04.11.492 or 04.11.500 in an election conducted in accor-  
22 dance with AS 04.11.502 after an election in which the voters voted  
23 "no" ["YES"] on the question set out in (a) of this section, the  
24 prohibition on the importation of alcoholic beverages and the prohibi-  
25 tion on the issuance, renewal, or transfers of licenses between hold-  
26 ers and locations, imposed as a result of the earlier election in  
27 which the voters voted "no" ["YES"] on the question set out in (a) of  
28 this section are removed effective on the first day of the month  
29 following certification of the results of the election except as those

1 prohibitions continue to be imposed in accordance with the results of  
2 the subsequent election.

3 \* Sec. 13. AS 04.11.498(a) is amended to read:

4 (a) The following question, appearing alone, may be placed  
5 before the voters of a municipality or an established village in  
6 accordance with AS 04.11.502: "Shall the possession of alcoholic  
7 beverages be allowed [PROHIBITED] in . . . . (name of municipality  
8 or village)? (yes or no)."

9 \* Sec. 14. AS 04.11.498(b) is amended to read:

10 (b) If a majority of the voters of an established village vote  
11 "no" ["YES"] on the question set out in (a) of this section, and the  
12 sale of alcoholic beverages, or the sale and importation of alcoholic  
13 beverages, has been previously prohibited in the established village  
14 in accordance with AS 04.11.490 or 04.11.496, a person, beginning on  
15 the first day of the month following certification of the results of  
16 the election, may not knowingly possess an alcoholic beverage in the  
17 established village, unless the alcoholic beverage is wine to be used  
18 for bona fide religious purposes based on tenets or teachings of a  
19 church or religious body, is limited in quantity to the amount neces-  
20 sary for religious purposes, and is dispensed only for religious  
21 purposes, by a person recognized by the church or religious body as  
22 authorized to dispense the wine. The board shall be notified immedi-  
23 ately after certification of the results of the election and there-  
24 after may not issue, renew, or transfer between holders or locations a  
25 license for licensed premises located within the perimeter of the  
26 established village as defined in AS 04.21.080(b)(8).

27 \* Sec. 15. AS 04.11.498(c) is amended to read:

28 (c) If a majority of the voters of an established village vote  
29 "no" ["YES"] on the question set out in (a) of this section and the

1 sale of alcoholic beverages, or the sale and importation of alcoholic  
2 beverages, has not been previously prohibited in the established  
3 village in accordance with AS 04.11.490 or 04.11.496, a person [,  
4 BEGINNING 90 DAYS AFTER CERTIFICATION OF THE RESULTS OF THE ELECTION,]  
5 may not knowingly possess an alcoholic beverage in the established  
6 village, unless the person is licensed by the board or the alcoholic  
7 beverage is wine to be used for bona fide religious purposes based on  
8 tenets or teachings of a church or religious body, is limited in  
9 quantity to the amount necessary for religious purposes, and is dis-  
10 pensed only for religious purposes by a person recognized by the  
11 church or religious body as authorized to dispense the wine. If there  
12 are licensed premises within the established village, the prohibition  
13 is effective beginning 90 days after the results of the election are  
14 certified. If there are no licensed premises within the established  
15 village, the prohibition is effective beginning 60 days after the  
16 results of the election are certified. The board shall be notified  
17 immediately after certification of the results of the election and  
18 thereafter may not issue, renew, or transfer between holders or lo-  
19 cations a license for licensed premises located within the perimeter  
20 of the established village [AS DEFINED IN AS 04.21.080(b)(8)]. Li-  
21 censes that may not be renewed because of a local option election held  
22 under this section are void 90 days after the results of the election  
23 are certified. A license that will expire during the 90 days after  
24 the results of a local option election under this section are certi-  
25 fied may be extended until it is void under the section, by payment of  
26 a prorated portion of the annual license fee.

27 \* Sec. 16. AS 04.11.498(d) is amended to read:

28 (d) If a majority of the voters of a municipality vote "no"  
29 ["YES"] on the question set out in (a) of this section, and the sale

1 of alcoholic beverages, or the sale and importation of alcoholic  
2 beverages, has been previously prohibited in the municipality in  
3 accordance with AS 04.11.490 or 04.11.496, an ordinance is adopted  
4 that becomes effective beginning on the first day of the month follow-  
5 ing certification of the results of the election, and a person may not  
6 knowingly possess an alcoholic beverage in the municipality, unless  
7 the alcoholic beverage is wine to be used for bona fide religious  
8 purposes based on tenets or teachings of a church or religious body,  
9 is limited in quantity to the amount necessary for religious purposes,  
10 and is dispensed only for religious purposes, by a person recognized  
11 by the church or religious body as authorized to dispense the wine.  
12 The board shall be notified immediately after certification of the  
13 results of the election and thereafter may not issue, renew, or trans-  
14 fer between holders or locations a license for licensed premises  
15 located within the boundaries of the municipality and within unincor-  
16 porated areas within five miles of the boundaries of the municipality.

17 \* Sec. 17. AS 04.11.498(e) is amended to read:

18 (e) If a majority of the voters of a municipality vote "no"  
19 ["YES"] on the question set out in (a) of this section and the sale of  
20 alcoholic beverages, or the sale and importation of alcoholic bever-  
21 ages, has not been previously prohibited in the municipality in accor-  
22 dance with AS 04.11.490 or 04.11.496, an ordinance is adopted that  
23 provides that [BECOMES EFFECTIVE BEGINNING 90 DAYS AFTER CERTIFICATION  
24 OF THE RESULTS OF THE ELECTION, AND] a person may not knowingly pos-  
25 sess an alcoholic beverage in the municipality, unless the alcoholic  
26 beverage is wine to be used for bona fide religious purposes based on  
27 tenets or teachings of a church or religious body, is limited in  
28 quantity to the amount necessary for religious purposes, and is dis-  
29 pensed only for religious purposes by a person recognized by the

1 church or religious body as authorized to dispense the wine. The  
2 board shall be notified immediately after the adoption of the ordi-  
3 nance and thereafter may not issue, renew, or transfer between holders  
4 or locations a license for licensed premises located within the bound-  
5 aries of the municipality and within unincorporated areas within five  
6 miles of the boundaries of the municipality. If there are licensed  
7 premises within the municipality, the prohibition is effective begin-  
8 ning 90 days after the results of the election are certified. If  
9 there are no licensed premises within the municipality, the prohibi-  
10 tion is effective beginning 60 days after the results of the election  
11 are certified. Licenses that may not be renewed because of a local  
12 option election held under this section are void 90 days after the  
13 results of the election are certified. A license that will expire  
14 during the 90 days after the results of a local option election under  
15 this section are certified may be extended, until it is void under  
16 this section, by payment of a prorated portion of the annual fee.

17 \* Sec. 18. AS 04.11.498(f) is amended to read:

18 (f) If a majority of the voters vote "yes" ["NO"] on the ques-  
19 tion set out in (a) of this section or [VOTE "YES" ON] the question  
20 [QUESTIONS] set out in AS 04.11.492 or 04.11.500 in an election con-  
21 ducted in accordance with AS 04.11.502 after an election in which the  
22 voters voted "no" ["YES"] on the question set out in (a) of this  
23 section, the prohibition on the possession of alcoholic beverage is  
24 removed effective 90 days after the results of the election are cer-  
25 tified except as those prohibitions continue to be imposed in accor-  
26 dance with the results of the subsequent election.

27 \* Sec. 19. AS 04.11.500(a) is repealed and reenacted to read:

28 (a) One but not more than one of the following three questions,  
29 appearing alone, may be placed before the voters of a municipality or

1 an established village under AS 04.11.502:

2 (1) "Shall alcoholic beverages be sold in . . . . . (name  
3 of municipality or established village) only by a bar? (yes or no)";

4 (2) "Shall alcoholic beverages be sold in . . . . . (name  
5 of municipality or established village) only by a liquor store? (yes  
6 or no)"; or

7 (3) "Shall alcoholic beverages be sold in . . . . . (name  
8 of municipality or established village) only by a restaurant? (yes or  
9 no)."

10 \* Sec. 20. AS 04.11.500(b) is amended to read:

11 (b) If a majority of the voters vote "yes" on one of the ques-  
12 tions [QUESTION] set out in (a) of this section, the board shall be  
13 notified immediately after certification of the results of the elec-  
14 tion and thereafter may not issue, renew, or transfer between holders  
15 or locations a license for licensed premises located within the bound-  
16 aries of the municipality and in unincorporated areas within five  
17 miles of the boundaries of the municipality or within the perimeter of  
18 the established village, except the type [THOSE TYPES] of license  
19 [LICENSES] listed on the ballot. Licenses in effect within the bound-  
20 aries of the municipality or perimeter of the established village, and  
21 in an unincorporated area outside of but within five miles of the  
22 boundaries of the municipality, except the type [THOSE TYPES] of  
23 license [LICENSES] listed on the ballot, are void 90 days after the  
24 results of the election are certified. A license that will expire  
25 during the 90 days after the results of a local option election under  
26 this section are certified may be extended, until it is void under  
27 this subsection, by payment of a prorated portion of the annual li-  
28 cense fee.

29 \* Sec. 21. AS 04.11.500(c) is amended to read:

1 (c) If the majority of the voters vote "no" on one of the ques-  
2 tions [QUESTION] set out in (a) of this section or on the questions  
3 set out in AS 04.11.490 or 04.11.496, or vote "yes" on the question  
4 [QUESTIONS] set out in AS [04.11.490,] 04.11.492, [04.11.496,] or this  
5 section if a different type [TYPES] of license is [LICENSES ARE]  
6 listed on the ballot in an election conducted under [IN ACCORDANCE  
7 WITH] AS 04.11.502 after an election in which the voters voted "yes"  
8 on the question set out in (a) of this section, the board shall be  
9 notified immediately after certification of the results of the electio  
10 A license [LICENSES] in effect in the municipality, in the unincor-  
11 porated area outside of but within five miles of the boundaries of the  
12 municipality or established village that was [WERE] excepted from the  
13 prohibition on sale in accordance with the results of the earlier  
14 election are void 90 days after the results of the election are cer-  
15 tified. Thereafter the board may not issue, renew, or transfer be-  
16 tween holders or locations a license for licensed premises located  
17 within the boundaries of the municipality or within the perimeter of  
18 an established village, or in an unincorporated area within five miles  
19 of the boundaries of the municipality, except a license that may be  
20 issued to a municipality or to a [ONE OF THE] types of license [LI-  
21 CENSES] listed on the ballot as a result of a majority of the voters  
22 voting "yes" on either of the questions [QUESTION] set out in AS 04.-  
23 11.492 or this section, respectively. A license that will expire  
24 during the 90 days after the results of a local option election under  
25 this section are certified may be extended, until it is void under  
26 this subsection, by payment of a prorated portion of the annual li-  
27 cense fee.

28 \* Sec. 22. AS 04.11.500 is amended by adding new subsections to read:

29 (d) If one of the questions set out in (a) of this section is

1 placed on the ballot of an established village in which there are no  
2 licensed premises, the lieutenant governor shall, at least 10 days  
3 before the election, post written notice at two public places within  
4 the established village of the requirements in AS 04.11.320(a) con-  
5 cerning issuance of a new license in an established village in which  
6 there are no licensed premises.

7 (e) In preparing the ballot for an election on one of the ques-  
8 tions set out in (a) of this section, the local governing body or the  
9 lieutenant governor shall include an explanation of the authority to  
10 sell alcoholic beverages given to the type of license that would be  
11 exempt from the prohibition on the sale of alcoholic beverages.

12 (f) In this section,

13 (1) "bar" means a beverage dispensary;

14 (2) "liquor store" means a package store;

15 (3) "restaurant" means a restaurant or eating place.

16 \* Sec. 23. AS 04.11.502(a) is amended to read:

17 (a) The local governing body of a municipality, whenever a  
18 number of registered voters equal to at least 35 percent of the number  
19 of votes cast at the last regular municipal election petition the  
20 local governing body to do so, shall place upon a separate ballot at  
21 the next regular election or at a special election whichever question  
22 [OR COMBINATION OF QUESTIONS] set out in AS 04.11.490 - 04.11.500  
23 constitutes the subject of the petition. The local governing body  
24 shall conduct the election in accordance with the election ordinance  
25 of the municipality and may prepare the election ballots in English  
26 and a second language specified by the local governing body.

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

28 (b) The lieutenant governor, whenever 35 percent of the regis-  
29 tered voters residing within an established village petition the

1 lieutenant governor to do so, shall place upon a separate ballot at a  
2 special election that question [OR COMBINATION OF QUESTIONS] set out  
3 in AS 04.11.490 - 04.11.500 that constitutes the subject of the peti-  
4 tion. The lieutenant governor shall conduct the election in the  
5 general manner prescribed by the Alaska Election Code (AS 15).

6 \* Sec. 25. AS 04.11.502(e) is amended to read:

7 (e) AS 29.26.110 - 29.26.160 applies to a petition under (a) of  
8 this section in a general law municipality except the

9 (1) number of required signatures is determined under (a)  
10 of this section rather than under AS 29.26.130;

11 (2) application filed under AS 29.26.110 shall contain the  
12 question [OR COMBINATION OF QUESTIONS] set out under AS 04.11.490 -  
13 04.11.500 rather than containing an ordinance or resolution;

14 (3) petition shall contain the question [OR COMBINATION OF  
15 QUESTIONS] set out under AS 04.11.490 - 04.11.500 rather than material  
16 required under AS 29.26.120(1) and (2).

17 \* Sec. 26. AS 04.11.502 is amended by adding a new subsection to read:

18 (f) After a petition has been filed under (b) of this section,  
19 the local governing body of the established village may request that  
20 ballots for an election under (b) of this section be prepared in  
21 English and in a second language specified by the local governing  
22 body. The lieutenant governor shall honor a request made under this  
23 subsection if the local governing body makes its request within 15  
24 days after a petition is filed under (b) of this section, the second  
25 language specified by the local governing body has a written form, and  
26 a qualified translator is available.

27 \* Sec. 27. AS 04.11.504(a) is amended to read:

28 (a) If a prohibition imposed on the issuance, renewal, transfer,  
29 or relocation of licenses between holders and locations under

1 AS 04.11.490, 04.11.496, or 04.11.498 [AS 04.11.490 - 04.11.500] is  
2 removed by a vote of "yes" ["NO"] on a question for which the majority  
3 of the people voted "no" ["YES"] in an earlier election, the board  
4 shall, upon application, issue the same number and type of licenses  
5 that were in effect in the municipality or established village on the  
6 date of certification of the earlier election. If the prohibition  
7 imposed on issuance, renewal, transfer, or relocation of licenses  
8 between holders and locations is removed by a "yes" vote on a question  
9 set out in AS 04.11.492 and 04.11.500, the board may issue the types  
10 of licenses specified in the question presented to the voters in the  
11 subsequent election. Licenses may be issued for the same or other  
12 premises within the municipality or established village that were  
13 licensed on the date of certification of the earlier election. How-  
14 ever, if the local governing body requests that fewer licenses of a  
15 particular type be issued than would otherwise be issued if the pro-  
16 visions prescribing the ratio of population to licensed premises in AS  
17 04.11.400(a) are applied, only the number of licenses of that particu-  
18 lar type requested by the local governing body may be issued by the  
19 board. Priority shall be given applicants who were formerly licensees  
20 and whose licenses were not renewed because of the results of the  
21 previous election. However, these applicants have no legal right to a  
22 license and the board is not required to approve the application.

23 \* Sec. 28. AS 04.11.506 is amended to read:

24       Sec. 04.11.506. NOTICE OF THE RESULTS OF A LOCAL OPTION ELEC-  
25 TION. (a) If a majority of the voters vote "No" on a question set  
26 out in AS 04.11.490, 04.11.496, or 04.11.498, or "yes" on a question  
27 set out in AS 04.11.492, or 04.11.500 [AS 04.11.490 - 04.11.500], the  
28 board shall immediately notify the Department of Law and the Depart-  
29 ment of Public Safety of the results of the election.

1 (b) If a majority of the voters vote "no" ["YES"] on a question  
2 set out in AS 04.11.496 or 04.11.498, the following actions, in addi-  
3 tion to those prescribed in (a) of this section, shall be undertaken  
4 before the date the prohibition on importation or possession becomes  
5 effective:

6 (1) the board shall notify by certified [REGISTERED] mail  
7 all [HOLDERS OF] package store licensees who are authorized by the  
8 board to sell alcoholic beverages in response to a written solicita-  
9 tion, [LICENSEES] of the prohibition;

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

12 \* Sec. 29. AS 04.16 is amended by adding a new section to read:

13 Sec. 04.16.105. POSSESSION OF PRODUCTS DESIGNED FOR BREWING OR  
14 DISTILLING. A person may not knowingly possess a product designed  
15 only for brewing or distilling an alcoholic beverage if the person is  
16 under the age of 21 years or if the person is in an area that has  
17 restricted the sale and importation or possession of alcoholic bever-  
18 ages under AS 04.11.496 or 04.11.498.

19 \* Sec. 30. AS 04.16.125(a) is amended to read:

20 (a) A person may not use a common carrier to transport alcoholic  
21 beverages into an area that has restricted the sale of alcoholic  
22 beverages under AS 04.11.490, 04.11.492, or 04.11.500 and a common  
23 carrier may not knowingly transport alcoholic beverages into an area  
24 that has restricted the sale of alcoholic beverages under AS 04.11.-  
25 490, 04.11.492, or 04.11.500 unless

26 (1) the shipping container holding the alcoholic beverages  
27 is clearly labeled as containing alcoholic beverages with letters that  
28 contrast in color to the shipping container and that are at least two  
29 inches in height; and

1                   (2) an itemized invoice showing the purchase value of the  
2 alcoholic beverages is attached, by the purchaser or the licensee who  
3 sells the alcoholic beverages, to the outside of the shipping con-  
4 tainer.

5 \* Sec. 31. This Act takes effect July 1, 1990.  
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**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_ Agency Affected: Dept. of Revenue  
 Title: Licensing, sale, transportation, importation, & Possession of alcoholic beverages, local option ballots BRU: Alcoholic Beverage Control Board  
 Requestor: Sen Finance Comm. Components: \_\_\_\_\_

Sponsor: Sen. Binkley

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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**FUNDING: (Thousands of Dollars)**

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

**POSITIONS:**

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

**ANALYSIS : (Attach a separate page if necessary)**

Depending on the number of local option elections to ban sale and importation or possession of alcoholic beverages, this legislation would produce postage cost reductions under (b) (1) in Section 9. Mailing to licensees under current law - 444 licensees  
 Mailing under this legislation - 39 licensees

Prepared by: Patrick L. Sharrock, Director Phone: 277-8638  
 Division: Alcoholic Beverage Control Board Date: 12/18/89

Approved by Commissioner: Hugh Malone Date: 12/14/89  
 Agency: Department of Revenue

**Distribution (by preparer):**

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

Changes in CSSB 297 (Fin) have no fiscal impact. This fiscal note is appropriate. 2/2/90

## FISCAL NOTE

**REQUEST:**

Revision Date: 12/7/89 Agency Affected: Office of the Governor  
 Title: An act relating to licensing, sale, transportation, importation, and possession of alcoholic beverages BRU: Division of Elections  
 Sponsor: Binkley Components: 1 - Elections  
 Requestor: Labor & Commerce

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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**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						

**ANALYSIS :** (Attach a separate page if necessary)

Prepared by: Linda Edgeworth Phone: 465-4611  
 Division: Division of Elections Date: 12/7/89

Approved by Commissioner: [Signature] (Acting) Date: 12.11.89  
 Agency: Division of Elections

Distribution (by preparer):

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

Changes in CSSB 297 (Fin) have no fiscal impact. This fiscal note is appropriate. 2/2/90 vaw

SB

309

# HOUSE COMMITTEE REPORT

D

(7)

Date Referred: March 23, 1990

FURTHER REFERRALS:

Date of Committee Action: 5/5/90

The LABOR & COMMERCE Committee considered:

CSSB 309(L&C) am

CS SENATE BILL NO. 309 (L&C) am

AUTO INSURANCE: DRIVER EXCLUSION

"An Act relating to excluding a named driver from a motor vehicle insurance policy; and providing for an effective date."

### RECOMMENDATIONS:

- be replaced with \_\_\_\_\_  the same title
- have attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of intent

ATTACHES NEW FISCAL NOTE(s):  
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- fiscal impact \_\_\_\_\_
- zero fiscal note \_\_\_\_\_
- zero with analysis \_\_\_\_\_

- fiscal note(s) \_\_\_\_\_
- zero fiscal note(s) DCED 3/15/90
- zero fn/analysis \_\_\_\_\_

### SIGNING DO PASS:

Donley

Donley

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### SIGNING:

(Check approp. column)

Do Not  
Pass

No Rec

Amend

<u>Greenberg</u>			
<u>Collins</u>	X		
<u>Lawrence</u>			
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Donley

Chairman's Signature

6-0773J ✓

Ford  
5/3/90

Original sponsor(s): SEN. FRANK, Duncan, Zharoff, Fischer, Binkley,  
Uehling, Faiks

1 IN THE SENATE

BY THE LABOR &amp; COMMERCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 309 (L&amp;C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to excluding a named driver from a  
7 motor vehicle insurance policy; and providing for an  
8 effective date."

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

10 \* Section 1. AS 21.36.210(a) is amended to read:

11 (a) An insurer may not exercise its right to cancel a policy of  
12 personal automobile insurance except for the following reasons:

13 (1) nonpayment of premium; or

14 (2) the driver's license or motor vehicle registration of  
15 either the named insured or of an operator who resides in the same  
16 household as the named insured or who customarily operates a motor  
17 vehicle insured under the policy has been under suspension or revoca-  
18 tion during the policy period or, if the policy is a renewal, during  
19 its policy period or the 180 days immediately preceding its effective  
20 date; this paragraph does not apply to a person who is excluded from  
21 coverage under AS 21.36.215.

22 \* Sec. 2. AS 21.36 is amended by adding a new section to read:

23 Sec. 21.36.215. EXCLUDING NAMED DRIVER FROM AUTOMOBILE INSURANCE  
24 POLICY. (a) An insurer may not refuse to exclude a person from  
25 coverage under an automobile insurance policy, if the claim experi-  
26 ence, classification, or driving record of the person would have  
27 justified cancellation, nonrenewal, or an increase in the premium and  
28 the person is not licensed to drive an automobile or provides proof of  
29 coverage required by law under another automobile insurance policy. A

1 premium charged on a policy that excludes a person from coverage may  
2 not reflect the claim experience, classification, or driving record of  
3 the excluded person. This subsection does not apply to an automobile  
4 liability insurance policy required under AS 28.20.

5 (b) An automobile insurance policy providing that a person is  
6 excluded from coverage may also provide that the insurer is not liable  
7 for any coverage, including defense or indemnity coverage under any  
8 provision of the policy for claims or damages, including claims  
9 against other persons insured under the policy, arising out of the  
10 operation of the insured automobile by the excluded person. An auto-  
11 mobile insurance policy providing that the insurer is not liable as  
12 allowed under this subsection shall contain the following provision:

13 Exclusion of Named Driver: In consideration of the pre-  
14 mium for which the policy is written, it is agreed that  
15 the insurer is not liable for any coverage, including de-  
16 fense or indemnity coverage under any provision of the  
17 policy for claims or damages, including claims against  
18 other persons insured under the policy or claims against  
19 the excluded person, sustained while a vehicle insured  
20 under this policy is operated by (name of excluded person)  
21 following the effective date of this endorsement.

22 (c) The required policy provision contained in (b) this section  
23 shall also be provided to the insured as a notice separate from the  
24 policy and typed in bold face print. The notice must be signed by the  
25 insured in order for the exclusion of the named driver and the limita-  
26 tion of the insurer's liability under this section to be effective.

27 \* Sec. 3. APPLICABILITY. This Act applies to automobile insurance  
28 policies that are entered into or renewed on or after the effective date of  
29 this Act.

1 \* Sec. 4. This Act takes effect January 1, 1991.  
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FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Commerce & Economic Dev.  
 Title: An Act relating to excluding a named BRU: Insurance  
driver from a motor vehicle insurance policy; and providing for an effective date.  
 Sponsor: Frank, et al. Components: \_\_\_\_\_  
 Requestor: Senate Labor & Commerce

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS. CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

This legislation will have no fiscal impact on the department in FY 90.

Prepared by: Bob Sims, Insurance Market Analyst Phone: 465-2517  
 Division: Insurance Date: 1-18-89

Approved by Commissioner: Larry Mercurieff Date: 1/1/90  
 Agency: Department of Commerce & Economic Development

Distribution (by preparer):

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

Changes in CS SB 309 (L&C)  
 have no fiscal impact. This  
 fiscal note is appropriate.  
 Projections of no fiscal impact  
 would continue through 1996.

STEVE FRANK  
DISTRICT K  
SEAT A

119 N. Cushman, Rm 213  
Fairbanks, Alaska 99701

While in Juneau  
P.O. Box V  
Juneau, Alaska 99811  
(907) 465-3709  
Capitol Rm. 514

# Alaska State Legislature



## Senate

MEMBER  
Finance Committee  
Resources Committee  
Legislative Council  
Special Committee on Banking &  
Economic Development

VICE-CHAIR  
Community & Regional  
Affairs Committee

### MEMORANDUM

TO: Representative Dave Donley, Chairman  
House Labor & Commerce Committee

FROM: Senator Steve Frank

RE: Request for scheduling - CS SB 309 "An Act relating to excluding a named driver from a motor vehicle insurance policy; and providing for an effective date."

DATE: March 23, 1990

Yesterday, SB 309 passed the Senate unanimously and the measure is now in Labor & Commerce committee awaiting scheduling. I respectfully request that you calendar it for a hearing at your earliest convenience.

Senate Bill 309 would require that an insurance company not refuse to exclude a named driver from a automobile policy.

We introduced this legislation because the existing system penalizes an entire family for the bad driving record of one of its members. Currently, if someone in the family has a number of violations, such as accidents, DWI, etc. their insurance company may either cancel or increase the premium to cover the risk from the bad driver. The problem is that the rest of the family is forced into the high risk pool along the bad driver.

SB 309 would give families the opportunity to decide if they wish to exclude a member of the household from the main policy, thus keeping the family in the preferred market. The family could then purchase a second policy for the excluded individual, if they chose to drive.

The intent of the legislation is to lower insurance costs for consumers. Rate information indicates that there would be a sizeable savings by families who chose to have someone excluded under this bill.

Thank you for your consideration.

Amended: 3/22/90  
Offered: 3/15/90  
Referred: Rules

6-0773E

Original sponsor(s): SEN. FRANK, Duncan, Zharoff, Fischer, Binkley,  
Uehling, Faiks

1 IN THE SENATE BY THE LABOR & COMMERCE COMMITTEE  
2 CS FOR SENATE BILL NO. 309 (L&C) am  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 SIXTEENTH LEGISLATURE - SECOND SESSION  
5 A BILL

6 For an Act entitled: "An Act relating to excluding a named driver from a  
7 motor vehicle insurance policy; and providing for an  
8 effective date."

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

10 \* Section 1. AS 21.36.210(a) is amended to read:

11 (a) An insurer may not exercise its right to cancel a policy of  
12 personal automobile insurance except for the following reasons:

13 (1) nonpayment of premium; or

14 (2) the driver's license or motor vehicle registration of  
15 either the named insured or of an operator who resides in the same  
16 household as the named insured or who customarily operates a motor  
17 vehicle insured under the policy has been under suspension or revoca-  
18 tion during the policy period or, if the policy is a renewal, during  
19 its policy period or the 180 days immediately preceding its effective  
20 date; this paragraph does not apply to a person who is excluded from  
21 coverage under AS 21.36.215.

22 \* Sec. 2. AS 21.36 is amended by adding a new section to read:

23 Sec. 21.36.215. EXCLUDING NAMED DRIVER FROM AUTOMOBILE INSURANCE  
24 POLICY. (a) An insurer may not refuse to exclude a person from  
25 coverage under an automobile insurance policy, if the claim experi-  
26 ence, classification, or driving record of the person would have  
27 justified cancellation, nonrenewal, or an increase in the premium. A  
28 premium charged on a policy that excludes a person from coverage may  
29 not reflect the claim experience, classification, or driving record of

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 2/8/90  
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER

\*\*FISCAL NOTE(S) MUST BE ATTACHED  
IN ACCORDANCE WITH AS 24.08.035

4/28/89

DATE TURNED INTO OFFICE 3/15/90

Mr. President:

Labor and Commerce Committee considered SB 309

Excluding a named driver from a motor vehicle insurance policy; efd.

and recommended:

- replace with CS SB 309 (L+C)  same titl
- attached amendment(s) and  new titl
- \_\_\_\_\_ letter of intent adopted

- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to

FISCAL NOTE(S) Dept of Commerce 1/19/90  fiscal impact  
 appropriation no FN attached  zero  Gov. FN introduced w/ bill

MEMBERS SIGNING, DO PASS for SB 309 + CS SB 309(L+C) OTHER RECOMMENDATIONS

~~\_\_\_\_\_~~  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
 Chair signature and recommendation

Committee backup attached

## FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_ Agency Affected: Commerce & Economic Dev.  
 Title: An Act relating to excluding a named driver from a motor vehicle insurance policy; and providing for an effective date.  
 Sponsor: Frank, et al. BRU: Insurance  
 Requestor: Senate Labor & Commerce Components: \_\_\_\_\_

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0	0	0	0	0	0
<b>CAPITAL</b>	0	0	0	0	0	0
<b>REVENUE</b>	0	0	0	0	0	0

**FUNDING:** (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	0	0	0	0	0	0

**POSITIONS:**

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

This legislation will have no fiscal impact on the department in FY 90.

Prepared by: Bob Sims, Insurance Market Analyst Phone: 465-2517  
 Division: Insurance Date: 7-18-89  
 Approved by Commissioner: Larry Merchant Date: 7/19/89  
 Agency: Department of Commerce & Economic Development

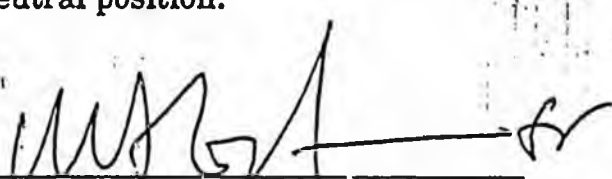
**Distribution (by preparer):**

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

SB 309: "An Act relating to excluding a named driver from a motor vehicle insurance policy; and providing for an effective date."

The position of the department on this bill is neutral. The primary reason for this position is the concern for a person injured by an uninsured, judgement proof driver. The presumption that a person excluded from coverage would not drive is suspect. For example, if the habitual abuser of alcohol and drunk excluded driver injures another person in an automobile accident, the remainder of the family, though insured, may lose all of its assets (e.g., equity in a home) through a judgement. As a public policy matter, is it better to force the excluded person to be covered and have the household rated accordingly and take the risk of the entire household going uninsured due to cost? Or, is it better to hope that the excluded driver does not drive and does not injure someone else?

From the standpoint of encouraging more people to have automobile liability insurance coverage, SB 309 has merit. However, it is questionable whether the benefit exceeds the social and economic costs that may occur when an excluded driver operates a car without coverage and injures another innocent party. The division does not have a factual basis on which to solve this "risk equation." Therefore, this has resulted in our neutral position.

  
\_\_\_\_\_  
Larry Merculieff, Commissioner

Date: 19/1/90

LM/DPK/dgl6151D  
11990a

STEVE COWPER, GOVERNOR

**DEPARTMENT OF COMMERCE &  
ECONOMIC DEVELOPMENT**

P. O. BOX D  
JUNEAU, ALASKA 99811-0800  
PHONE: (907) 465-2515

*DIVISION OF INSURANCE*

December 26, 1989

Honorable Steve Frank  
Alaska State Senate  
1125 Sunset Drive  
Fairbanks, AK 99709

Dear Senator Frank:

RE: SB 309

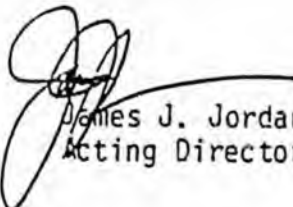
Your staff person, Rick Solie, contacted me several weeks ago inquiring about the division's position on SB 309. Enclosed is a copy of the Bill Analysis for SB 309.

As you can see, the position on this bill is neutral. The primary reason for this position is the concern for a person injured by an uninsured, judgement proof driver. The presumption that a person excluded from coverage (while the remaining drivers in a household were covered) would not drive is suspect. Should, for example, the habitual abuser of alcohol and drunk, excluded driver injure another person in an automobile accident, the remainder of the family, though insured, may lose all of its assets (e.g., equity in a home) through a judgement. The question remains whether, as a public policy matter, it is better to, in effect, force the excluded person to be covered and have the household rated accordingly and take the risk of the entire household going uninsured due to cost or to hope the excluded driver does not drive and does not injure someone else possibly leaving both the injured party and the excluded driver's household destitute.

From the standpoint of encouraging more people to have automobile liability insurance coverage, SB 309 has merit. However, it is questionable whether the foregoing benefit exceeds the social and economic costs that may occur when an excluded driver operates a car without coverage and injures another innocent party. The division does not have a factual basis on which to solve this "risk equation." Therefore, this has resulted in our neutral position.

Let me know should you wish to engage in further discussion pertaining to SB 309.

Sincerely,

  
James J. Jordan  
Acting Director

JJJ/dg16095D/122689b  
Enclosure



# Pate Insurance Agency, Inc.

355 WEST PIONEER AVENUE • HOMER, ALASKA 99603

PHONE (907) 235-8105  
FAX (907) 235-7074

## F A C S I M I L E      T R A N S M I T T A L

NO of PAGES: 1

DATE: 1/21/90

TO: Steve Frank

RE: Driver Exclusions / Insurance

Dear Steve:

Please excuse the 'informality' of this Fax Transmission, however given the fact that your legislation will apparently be discussed this week, I did at least want to include a couple final points for your consideration.

If it can be made to work, to be accepted by both the legal and insurance industries, the exclusion of drivers under an auto policy would be tremendous 'consumer' legislation. The insurance industry would still be able to insure the 'preferred' client in the 'preferred' market, the consumer would save on his insurance premiums and the 'surcharged' driver would also be in the appropriate market. The hurdles, if you will, would all seem to be on the legal side of the issue. To my knowledge the courts have regularly held that family members, residents of the household, and in fact any permissive driver are insured under the policy that lists the vehicle in question. It is also my understanding that 'waivers & exclusions' are not valid in court, especially when they involve third party liability. I would think that the legislation in question should address this issue explicitly. If the legislation passes and the legal issues are not addressed, I am certain that it will only cause problems, to restrict the automobile insurance market for all drivers. Insurance companies will find a way to protect their risk, even if it means withdrawing from a market. We have relatively few good insurance markets writing automobile coverages at this time, and I would not want us to jeopardize any of those that are now doing business in the State.

As I mentioned to Rick, Allen Shattuck and Roger Grummett in Juneau may be of some further assistance. Rick Hardcastle in Juneau is the AIIAB, Inc. President this year and Phil Dressen in Anchorage is the President-Elect. The insurance agents in the State have a good deal of 'grass roots' contact, and I believe they would be in a position to support this legislation if you feel that it is needed.

Again, thank you for your consideration. Best of luck with this issue!

*Nike Pate*

18 December 1989

Attn: Mr Steve Frank

Re: Insurance Legislation

Dear Steve:

The following is a letter in support of Senate Bill 309. I guess my reasons for supporting this bill are twofold. First, if an individual is willing to sign an exclusion on a person, or persons, from their auto insurance policy, then I believe that exclusion should be unbreakable and not negotiable in court as things now stand. What is the point of an exclusion if an attorney can break it whenever it is convenient and worthwhile financially to them and their client. If we had more black and white rules and laws regarding auto insurance our rates would not be so expensive.

The main reason I support SB309 is because it would be much more equitable to the insurance consumer and to the insurance companies whenever there happens to be a one problem driver in a household. As it stands now, most insurance companies do not dare to exclude someone in the household from coverage on any of the family cars because it will not stand up in court. Therefore, most of the time, all family cars are lumped on a higher priced policy because of one bad driver. I feel we should be able to cleanly exclude the bad driver from the good drivers' cars and rate them with our preferred companies and rates. We can then cover the problem driver in the assigned risk pool, or higher risk companies, which ever fits his problem. Having a large book of business, our office sees this problem arise on a regular basis. It has always bothered me to see the wife, daughter or son penalized because of dad's DWI or vice versa. I feel very strongly that this legislation could be of benefit to everyone but the attorneys who, of course, want everything open to litigation.

Sincerely,



Art Carroll

P.S. The savings to a family in this situation could run anywhere from a minimum of hundreds of dollars a year to well over a thousand dollars a year.

STEVE FRANK  
DISTRICT K  
SEAT A

119 N. Cushman, Rm. 213  
Fairbanks, Alaska 99701

*While in Juneau*  
P.O. Box V  
Juneau, Alaska 99811  
(907) 465-3709  
Capitol Rm. 514

# Alaska State Legislature

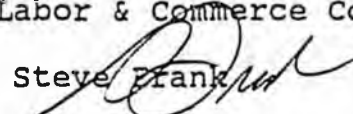


## Senate

MEMBER  
Finance Committee  
Resolutions Committee  
Legislative Council  
Special Committee on Banking  
Economic Development

VICE-CHAIR  
Community & Regional  
Affairs Committee

TO: Senator Dick Eliason, Chairman  
Senate Labor & Commerce Committee

FROM: Senator Steve Frank 

RE: SB 309 - excluding named drivers from auto  
insurance policies

DATE: January 8, 1990

Senate Bill 309 would require an automobile insurance company to offer an exclusion to named drivers on an auto insurance policy.

Initially, this idea was brought to my attention by an insurance agent who felt that having the ability to exclude individuals from a policy would enhance his ability to serve his customers. This reasoning is best illustrated in the case of a spouse who has had a number of drunk driving convictions. In the absence of this legislation, an insurance company would either cancel the family's policy or raise the rates through the roof instead of offering to exclude the individual with the poor driving record.

Another area of concern that has surfaced involves parents who are required to carry their child or children (of driving age) on their policy even though they are not driving the vehicle that is insured. This bill would allow them to be excluded as well.

The subject of this bill came up during a Senate Finance Committee hearing last session and enjoys the co-sponsorship of all Senate Finance members present at that meeting.

I respectfully request that you schedule a hearing on SB 309 in the Labor & Commerce Committee at your earliest convenience.

Thank you for your consideration.