



MEMORANDUM

TO: Bob Klein, Chair,
and Members of the Board

DATE: January 23, 2018

FROM: Erika McConnell, Director

RE: Senate Bill 76: A Rewrite of
Title 4

Requested Action: Move a resolution of support of SB 76

Statutory Authority: N/A

Staff Recommendation: Support SB 76

Background: A stakeholder group comprised of representatives from the alcohol industry, public health, local governments, law enforcement, public safety, education, and community advocacy has been working since 2012 to review Title 4 and develop recommendations for its modernization and improvement.

While not every stakeholder supports every provision in the bill, there is general consensus and support for the bill by the steering committee. All board members have been briefed on the bill.

Title 4 Review: Senate Bill 76

WHAT IS TITLE 4?

Alaska's Title 4 statutes regulate "the manufacture, barter, possession, and sale of alcoholic beverages in the state" (AS 04.06.090). The Alcoholic Beverage Control Board, Alcohol and Marijuana Control Office, law enforcement, and communities across the state enforce these laws.

WHY REVIEW TITLE 4?

Much of the chapter has not been updated since 1980. Over time, incremental updates to the statutes, inconsistent interpretations of the law, and changing industry trends have reduced the effectiveness of Title 4. A systematic review of the statutes helps the Board carry out its mission and will benefit the organizations, municipalities and individuals whose work, community or business is affected by alcohol laws and regulations.

GOALS OF TITLE 4 REVIEW

Stakeholders engaged in this review process shared goals as the foundation for developing recommendations:

Promote a fair business climate and protect public health and safety.

- Create rational regulation for all tiers of the state's alcohol industry.
- Limit youth access to alcohol.
- Promote responsible alcohol use and reduce the harms of overconsumption.
- Implement change without negatively impacting existing businesses and responsible operators.

Make Title 4 a clear and consistent legal framework for the ABC Board, licensees and law enforcement.

- Increase swiftness, proportionality and consistency of penalties.
- Increase local Title 4 law enforcement.
- Increase licensee accountability before the ABC Board for Title 4 violations.

SUCCESS IN 2016: SB 165

In last year's session, Senator Micciche sponsored and the Legislature passed the first set of Title 4 Review recommendations. SB 165 was enacted in July 2016:

- Restores Minor Consuming Alcohol (MCA) as a true violation and promotes alcohol education.
- Changes ABC Board composition, designating one seat for a public safety representative.

STAKEHOLDER-DRIVEN PROCESS

Since 2012, stakeholders representing the alcohol industry, public health, local government, law enforcement, public safety, education, and community advocacy sectors have dedicated over 12,000 hours to craft recommendations to improve Title 4. This group, led by the Title 4 Review Steering Committee, has continued to refine the package of recommendations and addressed several other emerging issues raised in the last two years.



2018 PRIORITY: SENATE BILL 76

Working closely with Title 4 Review stakeholders, Senator Peter Micciche introduced **SB 76**, a comprehensive bill that would enact many of the group's recommendations.

Title 4's statutes are closely inter-related, and changes to the laws have impacts on communities and alcohol businesses statewide. A comprehensive bill ensures that the proposed changes are coordinated and can be implemented smoothly by the ABC Board.

Recommendations are organized in five categories, first developed by five Title 4 Review subcommittees:

1. Alcohol Licenses, Permits and Trade Practices
2. Underage Drinking and Youth Access to Alcohol
3. Local Option Communities
4. Regulation of Internet Sales of Alcohol
5. Role and Functions of the ABC Board and Staff

TITLE 4 REVIEW WORK CONTINUES

Updating Title 4 is a complex, long term project! Implementing the changes in SB 76 will take time, and many details are left to the ABC Board to determine in regulation.

There are many important issues identified by the group that are not addressed in SB 76, such as working with rural communities to improve local option laws. The stakeholder group will continue this important work in a future phase.

About Senate Bill 76:

Office of Senator Peter Micciche

(907) 465-2828 | rachel.hanke@akleg.gov

About the Title 4 Review project:

Alcoholic Beverage Control Board

(907) 269-0350 | AMCO.reg@alaska.gov

Title 4 Review: Senate Bill 76

KEY RECOMMENDATIONS

Alcohol Licenses, Permits and Trade Practices

- Preserve the 3-tier system to prevent monopolies, but increase flexibility for small businesses by allowing manufacturers to own retail licenses.
- Preserve the population limits on licenses to manage health and safety impacts of having too many alcohol outlets, but provide flexibility for communities who serve tourists and visitors.
- Respond to innovative business concepts with endorsements (add-on privileges to existing licenses), instead of creating more license types.
- Level the playing field among existing license types with updated fees and consistent rules.
- Restructure Title 4 penalties to be proportional with the seriousness of each violation: most are currently Class A Misdemeanors, considered too steep to be consistently enforced by police or the courts.

Underage Drinking and Youth Access to Alcohol

- Restore Minor Consuming Alcohol and related offenses to a true violation, with incentives for alcohol education or treatment (*passed in SB 165*).
- Hold licensees, employees and other adults more accountable for serving minors with reasonable and consistent penalties.
- Require registration of all kegs, so adult “social hosts” of underage parties can be held accountable.

Local Option Communities

- Increase availability of community-level data about alcohol shipments entering local option areas.
- Better regulation of transport and delivery of alcohol by common carriers.

Regulated Internet Sales of Alcohol

- Limit online sales to wineries and in-state package stores.
- Collect excise taxes on all orders to Alaska customers.
- Ensure all alcohol deliveries are made only to adults.

Role and Functions of the ABC Board and Staff

- Ensure balanced representation on the Board with a designated Public Safety seat (*passed in SB 165*).
- Allow the Board to provide a review and advisory opinion on future Title 4-related legislation.
- Improve the Board and agency staff’s resources and ability to interpret, administer, and enforce Title 4.

BENEFITS FOR ALL ALASKANS

The Title 4 Review process relies on building consensus: finding common ground and crafting recommendations that, considered overall, will benefit all stakeholders. Each decision required compromise. Where possible, the group found “win win” solutions that have multiple benefits.

Overall, the proposals in SB 76 will benefit all stakeholders:

Benefits for Youth

- Expands reforms enacted in SB 165 to apply to other specific underage drinking offenses.
- Helps prevent youth access to alcohol, while not criminalizing youth for one mistake.
- Incentivizes youth who need it to seek alcohol education, treatment, or community-based justice.
- Holds adults accountable who supply alcohol to youth.

Benefits for the Alcohol Industry

- A streamlined, user-friendly Title 4 will be easier to understand and comply with for all businesses.
- All manufacturers can expand production and continue to serve customers in retail establishments.
- Wholesalers have less administrative burden and are protected against unfair trade practices.
- Retailers have more opportunities to innovate, such as providing product samples at package stores, while protecting existing business investments.
- Restructured penalties will encourage compliance, and reserve strict punishments only for serious crimes.

Benefits for Public Health and Safety

- Preserves limits on the density of alcohol outlets, correlated with negative health and safety impacts.
- Promotes responsible service and consumption of alcohol at establishments and special events.
- Fairly regulates all alcohol purchases shipped directly to customers through online sales.
- Increases availability of data on alcohol in local option areas, and local enforcement of Title 4.
- Provides more resources for education about and enforcement of Title 4 at the state and local levels.

Benefits for Local Governments

- Provides options to support economic development, tourism and hospitality with more liquor licenses.
- Increases resources available for educating local governments about their role in alcohol control.

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SPONSOR SUBSTITUTE FOR SENATE BILL NO. 76

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - FIRST SESSION

BY SENATOR MICCICHE

Introduced: 5/11/17

Referred: Labor and Commerce, Judiciary

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to alcoholic beverages; relating to the regulation of manufacturers,
2 wholesalers, retailers, and common carriers of alcoholic beverages; relating to licenses,
3 endorsements, and permits involving alcoholic beverages; relating to the Alcoholic
4 Beverage Control Board; relating to offenses involving alcoholic beverages; amending
5 Rule 17, Alaska Rules of Minor Offense Procedure; and providing for an effective date."

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

7 * **Section 1.** AS 04.06.075 is amended by adding a new subsection to read:

8 (b) The director shall prepare and submit to the board an annual budget for the
9 board that includes funding for administration, enforcement, education, training, and
10 prevention activities under this title.

11 * **Sec. 2.** AS 04.06.080 is amended to read:

12 **Sec. 04.06.080. Delegation of authority.** The director shall issue, renew,
13 transfer, suspend, or revoke all licenses, endorsements, and permits at the direction of

1 the board. However, notwithstanding AS 04.06.090(b) [AS 04.11.070], the board may
 2 delegate authority to the director to temporarily grant or deny the issuance, renewal, or
 3 transfer of licenses, endorsements, and permits. The director's temporary grant or
 4 denial of the issuance, renewal, or transfer of a license, endorsement, or permit is not
 5 binding on the board. The board may delegate to the director any duty imposed by this
 6 title except its power to propose and adopt regulations.

7 * **Sec. 3.** AS 04.06.090(b) is amended to read:

8 (b) Only the board may issue, renew, transfer, relocate, suspend, or
 9 revoke a license or endorsement under this title. The board shall review all
 10 applications for licenses and endorsements made under this title and may order the
 11 director to issue, renew, revoke, transfer, or suspend licenses, endorsements, and
 12 permits authorized under this title.

13 * **Sec. 4.** AS 04.06.090(e) is amended to read:

14 (e) The board shall promptly notify all licensees and municipalities of major
 15 changes to this title and to regulations adopted under this title. However, if changes
 16 only affect specific classifications of licenses, endorsements, and permits, the board
 17 need only notify those licensees and municipalities directly affected by the changes.
 18 Current copies of this title and current copies of the regulations adopted under it shall
 19 be made available at all offices in the state of the Department of Commerce,
 20 Community, and Economic Development and the detachment headquarters and posts
 21 maintained by the division of Alaska state troopers in the Department of Public Safety.

22 * **Sec. 5.** AS 04.06.090 is amended by adding new subsections to read:

23 (f) The board shall develop a comprehensive plan to educate public safety
 24 professionals, the alcoholic beverage industry, individuals under 21 years of age, local
 25 governments, established villages, and the general public on the responsible use of
 26 alcoholic beverages and on relevant state statutes, regulations, and policies. The board
 27 shall update and revise the plan annually.

28 (g) The board shall review the fees specified in this title and regulations
 29 adopted under this title at least every 10 years.

30 (h) The board may, within 30 days after the introduction of a bill amending a
 31 provision of this title or adding a new provision to this title, prepare an advisory

1 opinion regarding the changes proposed in the bill.

2 (i) The board shall, within 30 business days after receiving notice of a
3 conviction or violation under this title, provide a copy of the conviction or violation to
4 the holder of a license if an offense or violation occurred on the holder's licensed
5 premises and the holder is not the subject of the conviction or violation.

6 (j) The board shall post information on the board's Internet website about fetal
7 alcohol syndrome and fetal alcohol effects resulting from a woman consuming alcohol
8 during pregnancy.

9 * **Sec. 6.** AS 04.06.095 is amended to read:

10 **Sec. 04.06.095. Statewide database.** **(a)** The board, after consulting with
11 package store licensees, shall create and maintain a statewide database that contains a
12 monthly record of the alcohol purchased by, and shipped to, a person who resides in a
13 municipality or established village that has restricted the sale of alcoholic beverages
14 under AS 04.11.491(a)(1), (2), or (3) or (b)(1) or (2).

15 **(b)** Except as otherwise specifically provided in this section, the information
16 contained in the database is confidential and is not subject to inspection or copying
17 under AS 40.25.110 - 40.25.220. **Personally identifiable information, including**
18 **business names and addresses,** [INFORMATION] in the database shall be purged
19 one year after entry unless it is needed for criminal investigation or prosecution. **All**
20 **other information in the database shall be retained in aggregate form and purged**
21 **10 years after entry.** Information in the database is available only to

22 (1) a package store licensee, agent, or employee to consult before
23 shipping alcohol to a purchaser in a restricted area **under a package store shipping**
24 **endorsement** as provided in **AS 04.09.460** [AS 04.11.150(g)];

25 (2) a law enforcement officer;

26 (3) a probation or parole officer;

27 (4) the board; and

28 (5) the person who is the subject of the information; the board shall
29 adopt regulations concerning access by a person to information contained in the
30 database of the purchases by, and shipments to, that person.

31 * **Sec. 7.** AS 04.06.095 is amended by adding a new subsection to read:

1 (c) The board shall produce an annual report of the aggregate regional and
 2 statewide data from the database, excluding personally identifiable information and
 3 the names and addresses of businesses, and shall make the report available for public
 4 inspection and copying under AS 40.25.110 - 40.25.220. The report must include
 5 information about the total volume of alcohol received in each municipality or
 6 established village.

7 * **Sec. 8.** AS 04.06.100(b) is amended to read:

8 (b) The subjects covered by regulations adopted under (a) of this section may
 9 include the following matters:

10 (1) employment, conduct, and duties of the director and of regular and
 11 contractual employees of the board;

12 (2) procedures for the issuance, denial, renewal, transfer, revocation,
 13 and suspension of licenses, endorsements, and permits;

14 (3) terms and conditions of licenses, endorsements, and permits
 15 issued;

16 (4) fees for licenses, endorsements, and permits issued for which fees
 17 are not prescribed by statute;

18 (5) conduct of regular and special meetings of the board;

19 (6) delegation to the director of routine administrative functions and
 20 powers;

21 (7) the temporary granting or denial of issuance, transfer, and renewal
 22 of licenses and endorsements;

23 (8) manner of giving any notice required by law or regulation when not
 24 provided for by statute;

25 (9) requirements relating to the qualifications of licensees, the
 26 conditions upon which a license may be issued, the accommodations of licensed
 27 premises, and board inspection of those premises;

28 (10) making of reports by wholesalers;

29 (11) purchase of fidelity bonds by the state for the director and the
 30 employees of the board;

31 (12) prohibition of possession of alcoholic beverages by drunken

1 persons and by minors;

2 (13) required reports from corporations licensed under this title,
3 including reports of stock ownership and transfers and changes of officers and
4 directors;

5 (14) [CREATION OF CLASSIFICATIONS OF LICENSES OR
6 PERMITS NOT PROVIDED FOR IN THIS TITLE;

7 (15)] establishment and collection of fees to be paid on application for
8 a license, endorsement, or permit;

9 (15) [(16)] required reports from partnerships and limited partnerships
10 licensed under this title, including reports of transferred interests of 10 percent or
11 more;

12 (16) [(17)] required reports from limited liability organizations
13 licensed under this title, including reports of the transfer of a member's interest if the
14 transfer equals 10 percent or more of the ownership of the limited liability
15 organization and any change of managers;

16 (17) restrictions on the manufacture, packaging, sale, and
17 distribution of products containing alcohol that are intended for human
18 consumption.

19 * **Sec. 9.** AS 04 is amended by adding a new chapter to read:

20 **Chapter 09. Licenses, Endorsements, and Permits.**

21 **Article 1. License Types.**

22 **Sec. 04.09.010. Types of licenses.** A license defines activities allowed daily on
23 licensed premises. License type is a general category of license activity based on the
24 three-tier system of alcohol regulation. The three types of licenses the board may issue
25 are manufacturer, wholesale, and retail licenses. The board may issue only the licenses
26 authorized in AS 04.09.020 - 04.09.360.

27 **Article 2. Manufacturer Licenses.**

28 **Sec. 04.09.020. Brewery manufacturer license.** (a) A brewery manufacturer
29 license authorizes the holder to operate a brewery for the manufacture, packaging,
30 storing, and sale of its brewed beverages to a buyer as permitted in AS 04.09.050.

31 (b) The biennial brewery manufacturer license fee is \$1,500.

1 (c) At least 80 percent of the final product of brewed beverages offered for
 2 sale by the holder of a brewery manufacturer license must be manufactured on the
 3 holder's licensed premises in the state.

4 **Sec. 04.09.030. Winery manufacturer license.** (a) A winery manufacturer
 5 license authorizes the holder to operate a winery for the manufacture, packaging,
 6 storing, and sale of its wine to a buyer as permitted in AS 04.09.050.

7 (b) The biennial winery manufacturer license fee is \$1,500.

8 (c) At least 80 percent of the final product of wine offered for sale by the
 9 holder of a winery manufacturer license must be manufactured on the holder's licensed
 10 premises in the state.

11 **Sec. 04.09.040. Distillery manufacturer license.** (a) A distillery manufacture
 12 license authorizes the holder to operate a distillery for the manufacture, packaging,
 13 storing, and sale of its distilled spirits to a buyer as permitted in AS 04.09.050.

14 (b) The biennial distillery manufacturer license fee is \$1,500.

15 (c) At least 80 percent of the final product of distilled spirits offered for sale
 16 by the holder of a distillery manufacturer license must be manufactured on the holder's
 17 licensed premises in the state.

18 **Sec. 04.09.050. Authorized sales.** (a) The holder of a manufacturer license
 19 that annually produces in total less than 300,000 barrels of brewed beverages, less than
 20 50,000 nine-liter-equivalent cases of wine, or less than 50,000 nine-liter-equivalent
 21 cases of distilled spirits may sell its product to

22 (1) the holder of a wholesale license issued under this chapter;

23 (2) the holder of a retail license issued under this chapter;

24 (3) the holder of a permit issued under this chapter;

25 (4) an entity in another state or country.

26 (b) The holder of a manufacturer license that annually produces in total
 27 300,000 barrels or more of brewed beverages, 50,000 nine-liter-equivalent cases or
 28 more of wine, or 50,000 nine-liter-equivalent cases or more of distilled spirits may sell
 29 its product to

30 (1) the holder of a wholesale license issued under this chapter;

31 (2) an entity in another state or country.

1 (c) For purposes of calculating the volume that the holder of a manufacturer
 2 license produces under this section, the volume of production must include all
 3 production by

4 (1) the holder of the manufacturer's license; and

5 (2) an officer, director, agent, employee, or affiliate of the holder; in
 6 this paragraph, "affiliate" means a person that directly or indirectly, through one or
 7 more intermediaries, controls, or is controlled by, or is under common control with, a
 8 corporation.

9 **Sec. 04.09.060. Unlicensed manufacturing.** (a) A person commits the crime
 10 of unlicensed manufacturing if the person knowingly operates a

11 (1) brewery without a brewery manufacturer license;

12 (2) winery without a winery manufacturer license; or

13 (3) distillery without a distillery manufacturer license.

14 (b) Unlicensed manufacturing is a class A misdemeanor.

15 **Sec. 04.09.070. Unlicensed manufacturing in a local option area.** (a) A
 16 person commits the crime of unlicensed manufacturing in a local option area if the
 17 person knowingly operates in an area that has adopted a local option under
 18 AS 04.11.491 a

19 (1) brewery without a brewery manufacturer license;

20 (2) winery without a winery manufacturer license; or

21 (3) distillery without a distillery manufacturer license.

22 (b) Unlicensed manufacturing in a local option area is a class C felony.

23 **Sec. 04.09.080. Unauthorized manufacturer sale.** (a) Except as provided in
 24 AS 04.09.310 - 04.09.330, a person who holds a manufacturer license commits the
 25 offense of unauthorized manufacturer sale if the person sells its product in violation of
 26 AS 04.09.050.

27 (b) Unauthorized manufacturer sale is a violation.

28 **Sec. 04.09.090. Definition.** In AS 04.09.020 - 04.09.090, "packaging" means
 29 the process of containing alcoholic beverages in bottles or other types of containers for
 30 purpose of resale.

31 **Article 3. Wholesale Licenses.**

1 **Sec. 04.09.100. General wholesale license.** (a) A general wholesale license
 2 authorizes the holder to sell alcoholic beverages at wholesale. The holder of a general
 3 wholesale license may not sell to a person not licensed under this title, except as
 4 provided in AS 04.21.040.

5 (b) The biennial general wholesale license fee is \$2,000.

6 (c) In addition to the license fee under (b) of this section, the holder of a
 7 general wholesale license shall pay an annual fee based on the total value of business
 8 transacted by the wholesale business, including the excise tax imposed by
 9 AS 43.60.010. If the total value of business transacted during the calendar year
 10 including the excise tax imposed by AS 43.60.010 is

11 (1) less than or equal to \$100,000, then the annual fee is \$0;

12 (2) over \$100,000 and not over \$150,000, then the annual fee is \$250;

13 (3) over \$150,000 and not over \$200,000, then the annual fee is \$500;

14 (4) over \$200,000 and not over \$250,000, then the annual fee is \$750;

15 (5) over \$250,000 and not over \$300,000, then the annual fee is
 16 \$1,000;

17 (6) over \$300,000 and not over \$350,000, then the annual fee is
 18 \$1,250;

19 (7) over \$350,000 and not over \$400,000, then the annual fee is
 20 \$1,500;

21 (8) over \$400,000 and not over \$500,000, then the annual fee is
 22 \$2,000;

23 (9) over \$500,000 and not over \$600,000, then the annual fee is
 24 \$2,500;

25 (10) over \$600,000 and not over \$700,000, then the annual fee is
 26 \$3,000;

27 (11) over \$700,000 and not over \$800,000, then the annual fee is
 28 \$3,500;

29 (12) over \$800,000 and not over \$1,000,000, then the annual fee is
 30 \$4,500;

31 (13) over \$1,000,000, then the annual fee is \$10,000.

1 **Sec. 04.09.110. Limited wholesale brewed beverage and wine license.** (a) A
 2 limited wholesale brewed beverage and wine license authorizes the holder to sell
 3 brewed beverages and wine at wholesale. The holder of a limited wholesale brewed
 4 beverage and wine license may not sell to a person not licensed under this title, except
 5 as provided in AS 04.21.040.

6 (b) The biennial limited wholesale brewed beverage and wine license fee is
 7 \$400.

8 (c) In addition to the license fee under (b) of this section, the holder of a
 9 limited wholesale brewed beverage and wine license shall pay an annual fee based on
 10 the total value of business transacted by the wholesale business, including the excise
 11 tax imposed by AS 43.60.010. If the total value of business transacted during the
 12 calendar year including the excise tax imposed by AS 43.60.010 is

- 13 (1) less than or equal to \$20,000, then the annual fee is \$0;
 14 (2) over \$20,000 and not over \$50,000, then the annual fee is \$150;
 15 (3) over \$50,000 and not over \$100,000, then the annual fee is \$500;
 16 (4) over \$100,000 and not over \$150,000, then the annual fee is \$750;
 17 (5) over \$150,000 and not over \$200,000, then the annual fee is
 18 \$1,000;
 19 (6) over \$200,000 and not over \$400,000, then the annual fee is
 20 \$2,000;
 21 (7) over \$400,000 and not over \$600,000, then the annual fee is
 22 \$3,000;
 23 (8) over \$600,000 and not over \$800,000, then the annual fee is
 24 \$4,000;
 25 (9) over \$800,000, then the annual fee is \$10,000.

26 **Sec. 04.09.120. Annual fee and affidavit.** (a) Not later than February 28 of
 27 each year the holder of a general wholesale license or a limited wholesale brewed
 28 beverage and wine license shall pay the annual fee for the license for the preceding
 29 calendar year, and file with the board an affidavit showing the

- 30 (1) total value of business transacted under the license by the
 31 wholesale business, including the excise tax imposed by AS 43.60.010, during the

1 preceding calendar year; and

2 (2) location of the licensed premises at which the business was
3 transacted.

4 (b) Failure to file an affidavit under (a) of this section or the expiration of a
5 license under AS 04.11.540 does not relieve a licensee from paying the prescribed
6 annual fee.

7 **Sec. 04.09.130. Wholesale supplier declaration.** (a) A person who applies for
8 issuance or renewal of a general wholesale license or a limited wholesale brewed
9 beverage and wine license shall submit to the board, on a form prescribed by the
10 board, a declaration that the person is the appointed wholesaler of the distiller, brewer,
11 vintner, or importer of each product line of alcoholic beverage that the person intends
12 to purchase, offer for sale, or sell. The form must include a space for the person to
13 indicate the total number of suppliers. The board may request a list of suppliers, or
14 additional information about a product line.

15 (b) A person filing a declaration under this section shall pay a biennial filing
16 fee. If the declaration lists

- 17 (1) one to 25 suppliers, the fee is \$500;
18 (2) 26 to 50 suppliers, the fee is \$1,000;
19 (3) 51 to 75 suppliers, the fee is \$1,500;
20 (4) 76 or more suppliers, the fee is \$2,000.

21 (c) In this section, "distiller, brewer, vintner, or importer" includes an
22 exclusive agent of the distiller, brewer, vintner, or importer if the agent's name appears
23 on the label of the brand approved by the Alcohol and Tobacco Tax and Trade Bureau.

24 **Sec. 04.09.140. Unlicensed wholesale sale.** (a) A person commits the crime of
25 unlicensed wholesale sale if the person knowingly sells

26 (1) distilled spirits at wholesale without a general wholesale license; or
27 (2) brewed beverages or wine at wholesale without a general wholesale
28 license or a limited wholesale brewed beverage and wine license.

29 (b) Unlicensed wholesale sale is a class A misdemeanor.

30 **Sec. 04.09.145. Unlicensed wholesale sale in a local option area.** (a) A
31 person commits the crime of unlicensed wholesale sale in a local option area if the

1 person knowingly sells in an area that has adopted a local option under AS 04.11.491

2 (1) distilled spirits at wholesale without a general wholesale license; or

3 (2) brewed beverages or wine at wholesale without a general wholesale
4 license or a limited wholesale brewed beverage and wine license.

5 (b) Unlicensed wholesale sale in a local option area is a class C felony.

6 **Sec. 04.09.150. Failure to pay annual fee or file affidavit.** (a) A person
7 commits the offense of failure to pay an annual wholesale fee or file a wholesale
8 affidavit if the person fails to pay the annual fee or file the affidavit as required under
9 AS 04.09.120.

10 (b) Failure to pay an annual wholesale fee or file a wholesale affidavit is a
11 violation.

12 **Sec. 04.09.160. Failure to pay biennial fee or file declaration.** (a) A person
13 commits the offense of failure to pay a biennial supplier fee or file a supplier
14 declaration if the person fails to pay the biennial supplier fee or file the declaration as
15 required under AS 04.09.130.

16 (b) Failure to pay a biennial supplier fee or file a supplier declaration is a
17 violation.

18 **Article 4. Retail Licenses.**

19 **Sec. 04.09.200. Beverage dispensary license.** (a) A beverage dispensary
20 license authorizes the holder to sell or serve on the licensed premises alcoholic
21 beverages for consumption only on the licensed premises.

22 (b) The biennial beverage dispensary license fee is \$2,500.

23 (c) The holder of a beverage dispensary license may not maintain on the
24 licensed premises more than one room in which there is regularly maintained a fixed
25 counter or service bar that has plumbing connections to permanent plumbing at which
26 alcoholic beverages are sold or served to members of the public for consumption,
27 unless the license has a multiple fixed counter endorsement under AS 04.09.420.

28 (d) Except as provided under AS 04.09.610, 04.09.640, 04.09.670, and
29 AS 04.16.120(c), the holder of a beverage dispensary license who sells or serves
30 alcoholic beverages off the licensed premises or permits consumption off the premises
31 of alcoholic beverages sold or served on the premises commits the offense of

1 unauthorized beverage dispensary activity.

2 (e) Unauthorized beverage dispensary activity is a violation.

3 **Sec. 04.09.210. Restaurant or eating place license.** (a) A restaurant or eating
4 place license authorizes a restaurant or eating place to sell brewed beverages and wine
5 for consumption only on the licensed premises.

6 (b) The biennial restaurant or eating place license fee is \$1,250.

7 (c) The board may issue or renew a license under this section only if

8 (1) the board determines that the licensed premises is a bona fide
9 restaurant as defined in AS 04.21.080(b);

10 (2) the licensee has, or the licensee has simultaneously applied for, a
11 restaurant endorsement; and

12 (3) the sale and service of food and alcoholic beverages and any other
13 business conducted on the licensed premises of the restaurant or eating place is under
14 the sole control of the licensee.

15 (d) The holder of a restaurant or eating place license shall ensure that gross
16 receipts from the sale of food for consumption on the licensed premises are not less
17 than the total of the gross receipts from the sale of alcoholic beverages for
18 consumption on the licensed premises in each calendar year. At the time the holder
19 submits an application for renewal of the license, the holder shall submit a statement
20 to the board certifying that the holder has met the requirement under this subsection
21 for the designated period of the license under AS 04.11.680. The board may renew a
22 restaurant or eating place license only if the licensee's statement provides evidence
23 satisfactory to the board that, during the designated period of the license under
24 AS 04.11.680, the gross receipts from the sale of food for consumption on the licensed
25 premises were not less than the total of the gross receipts from the sale of alcoholic
26 beverages for consumption on the licensed premises.

27 (e) The holder of a restaurant or eating place license may not provide
28 entertainment on or adjacent to the licensed premises before 3:00 p.m. or after 11:00
29 p.m. except with the approval of the director. The director may grant approval for
30 entertainment at other times only upon the written request of the licensee, and only for
31 a specific occasion. The director may not grant approval for entertainment on or

1 adjacent to the licensed premises of an individual licensee more than six times in a
2 calendar year.

3 (f) Except as provided under AS 04.09.620, 04.09.640, and AS 04.16.120(c),
4 the holder of a restaurant or eating place license commits the offense of failure to
5 comply with the terms of a restaurant or eating place license if the person sells brewed
6 beverages or wine in violation of (a) of this section or fails to comply with (e) of this
7 section.

8 (g) Failure to comply with the terms of a restaurant or eating place license is a
9 violation.

10 **Sec. 04.09.220. Club license.** (a) A club license authorizes a club or
11 organization to sell alcoholic beverages for consumption only on the licensed
12 premises.

13 (b) The biennial fee for a club license is \$2,500.

14 (c) The board may issue a club license only to an organization operated for
15 social, recreational, benevolent, or athletic purposes and not for profit. The board may
16 issue a club license only to a club, fraternal organization, patriotic organization, or
17 social organization that has been

18 (1) chartered by a state or national organization for a period of 10
19 consecutive years before application for a license under this section; or

20 (2) chartered by a national organization that has maintained a chartered
21 club or organization within the state for a period of at least 20 years.

22 (d) Alcoholic beverages sold under a club license may be purchased only by

23 (1) members of the club and their families;

24 (2) widows or widowers of deceased members of the club who have
25 been accorded club privileges; and

26 (3) military personnel on active duty who are extended the privilege by
27 patriotic organizations.

28 (e) Alcoholic beverages may be purchased only in the portion of the club
29 rooms that are part of the licensed premises.

30 (f) Guests who enter the club premises on the invitation of a member and in
31 the company of the member may be served but not sold alcoholic beverages. A guest

1 shall leave the premises immediately upon the departure of the member who extended
2 the invitation to enter.

3 (g) Notwithstanding AS 04.16.049, access by persons under 21 years of age to
4 the

5 (1) licensed premises of a club is permitted when alcoholic beverages
6 are not present; and

7 (2) premises of a patriotic organization licensed as a club under this
8 section is permitted when alcoholic beverages are present, if the person possesses a
9 valid active duty military or armed forces identification card issued by the United
10 States Department of Defense or the United States Department of Homeland Security.

11 (h) The holder of a club license may not serve or sell alcoholic beverages for
12 use or consumption off the licensed premises of the club or organization, including use
13 or consumption by a club member or employee, except under a club caterer's permit.

14 (i) The holder of a club license may not

15 (1) solicit public patronage of the club premises, except as approved by
16 the board;

17 (2) distribute income from the sale of alcoholic beverages under the
18 license to a member, director, or officer;

19 (3) sell or serve alcoholic beverages in club rooms outside the portion
20 of the club rooms that are part of the licensed premises.

21 (j) In this section, "member" means a holder of a full year of paid membership
22 entitling the holder to all voting rights and privileges of membership under the
23 constitution or bylaws of the club or organization.

24 (k) The holder of a club license commits the offense of failure to comply with
25 the terms of a club license if the person sells alcoholic beverages in violation of (a) of
26 this section or violates (d), (e), (f), (h), or (i) of this section.

27 (l) Failure to comply with the terms of a club license is a violation.

28 **Sec. 04.09.230. Package store license.** (a) A package store license authorizes
29 the holder to operate a package store to store alcoholic beverages with federally
30 compliant labels, and to sell alcoholic beverages with federally compliant labels to a
31 person present on the licensed premises.

1 (b) The biennial package store license fee is \$1,500.

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

6 (d) If the holder of a package store license also holds a beverage dispensary
7 license, the licensed premises of the package store are contained within or are adjacent
8 to the licensed premises of the beverage dispensary, and the only public entrance to
9 the package store is by a door or other means within the beverage dispensary, the
10 board shall determine whether additional entrances to the package store are necessary
11 for enforcement purposes, to meet health and fire safety standards, or for the
12 convenience of the public.

13 (e) The holder of a package store license may not

14 (1) offer alcoholic beverages for consumption on the licensed premises
15 or allow the consumption of alcoholic beverages on the licensed premises except as
16 authorized by a package store sampling endorsement issued under AS 04.09.490 or a
17 tasting event permit issued under AS 04.09.670;

18 (2) subdivide alcoholic beverages except as authorized by a package
19 store repackaging endorsement issued under AS 04.09.480;

20 (3) offer alcoholic beverages for sale or sell alcoholic beverages to a
21 person not present on the licensed premises who makes an order for shipment except
22 as authorized by a package store shipping endorsement under AS 04.09.460; or

23 (4) deliver alcoholic beverages to a person not present on the licensed
24 premises except as authorized by a package store delivery endorsement under
25 AS 04.09.470.

26 (f) The holder of a package store license commits the offense of failure to
27 comply with the terms of a package store license if the person stores or sells alcoholic
28 beverages in violation of (a) of this section or fails to comply with (c) or (e) of this
29 section.

30 (g) Failure to comply with the terms of a package store license is a violation.

31 **Sec. 04.09.240. Pub license.** (a) A pub license authorizes the holder to sell

1 brewed beverages and wine for consumption only at a designated premises located on
2 the campus of an accredited college or university.

3 (b) The biennial pub license fee is \$1,250.

4 (c) The board may not

5 (1) issue more than one pub license for each accredited college or
6 university campus in the state; and

7 (2) issue or renew a pub license without the written approval of the
8 governing body of the accredited college or university.

9 (d) The board may designate two alternating premises for a pub license if

10 (1) both premises

11 (A) are located on the accredited college or university campus;

12 (B) are not located in contiguous rooms or adjacent buildings;

13 and

14 (C) are under the licensee's control;

15 (2) at any time, only one location is operating as a licensed premises
16 with specified operating hours approved by the board; and

17 (3) all alcoholic beverages are either removed from the alternate
18 premises or stored in a secure location that is not accessible to the general public
19 during times when the alternate premises is not operating as a licensed premises.

20 (e) The board may suspend or revoke a licensee's use of an alternate premises
21 under (d) of this section after providing written notice and an opportunity to be heard
22 to the licensee.

23 (f) In this section, "accredited college or university" means a college or
24 university accredited by the Northwest Commission on Colleges and Universities.

25 (g) The holder of a pub license commits the offense of failure to comply with
26 the terms of a pub license if the person sells brewed beverages or wine in violation of
27 (a) of this section.

28 (h) Failure to comply with the terms of a pub license is a violation.

29 **Sec. 04.09.250. Theater license.** (a) A theater license authorizes the holder of
30 a beverage dispensary license or a restaurant or eating place license to sell alcoholic
31 beverages for consumption on licensed premises at a specified theater site, except that

1 a restaurant or eating place licensee with a theater license may only sell brewed
2 beverages and wine.

3 (b) The biennial theater license fee is \$1,250.

4 (c) The holder of a theater license may sell or serve alcoholic beverages only
5 in designated areas on the licensed premises, and only for one hour before the event
6 and during intermissions.

7 (d) The holder of a theater license may not sell, serve, or permit the
8 consumption of alcoholic beverages in the audience viewing area.

9 (e) The holder of a theater license shall post the license conspicuously in the
10 theater during times when alcoholic beverages are sold.

11 (f) The board may not approve an application for transfer of a theater license
12 to another location.

13 (g) The board may deny an application for renewal of a theater license if the
14 theater license was not used for at least one event during each calendar year of the
15 license period.

16 (h) In this section, "theater" means a location where events, including plays,
17 operas, orchestra concerts, readings, and similar activities as determined by the board
18 are presented by live performers on a stage.

19 (i) A person commits the offense of failure to comply with the terms of a
20 theater license if the person sells, serves, or permits the consumption of alcoholic
21 beverages except as permitted in this section or fails to post the license as required by
22 this section.

23 (j) Failure to comply with the terms of a theater license is a violation.

24 **Sec. 04.09.260. Common carrier dispensary license.** (a) A common carrier
25 dispensary license authorizes the holder to sell alcoholic beverages for consumption
26 aboard a boat or train licensed by a state or federal agency for passenger travel, or
27 aboard aircraft operated by an airline licensed by a state or federal agency for
28 passenger travel.

29 (b) Except as provided for airlines under (c) of this section, the biennial
30 common carrier dispensary license fee is \$1,000 for each of the first 10 licenses a
31 common carrier holds and \$100 for each additional license issued to the common

1 carrier after the first 10 licenses.

2 (c) The biennial fee for a common carrier dispensary license issued to an
3 airline is the fee specified under (b) of this section for each aircraft in which alcoholic
4 beverages are served or \$2,000 for each community served by the airline. An airline
5 shall specify the fee applicable to the license at the time of the airline's application for
6 issuance or renewal of the license.

7 (d) Except for a common carrier that is an airline, a common carrier shall
8 obtain a license for each boat or train in which alcoholic beverages are served. After
9 obtaining an initial license for the first boat or train, the common carrier may obtain
10 additional licenses for additional boats or trains upon making a written request
11 identifying the boat or train in the manner prescribed by the board, and paying the
12 biennial fee for additional licensed premises as required by (b) of this section.

13 (e) The holder of a common carrier dispensary license who exceeds the
14 authority granted in (a) of this section commits the crime of unauthorized common
15 carrier dispensary activity.

16 (f) Unauthorized common carrier dispensary activity is a class A
17 misdemeanor.

18 (g) The holder of a common carrier dispensary license who fails to comply
19 with (b) - (d) of this section commits the offense of common carrier dispensary
20 noncompliance.

21 (h) Common carrier dispensary noncompliance is a violation and is punishable
22 by a fine of \$500 for each boat, train, or aircraft not in compliance with this section.

23 **Sec. 04.09.270. Sporting event license.** (a) A sporting event license authorizes
24 the holder to sell brewed beverages and wine at a sporting event site during and one
25 hour before and after a sporting event that is not a school event, for consumption on
26 designated areas at the sporting event site.

27 (b) The biennial sporting event license fee is \$1,250.

28 (c) In this section, "sporting event site" includes a location where baseball,
29 hockey, rugby, soccer, or football games, car races, dog sled racing events, or curling
30 matches are regularly held during a season.

31 (d) The holder of a sporting event license who sells brewed beverages or wine

1 off the licensed premises or during hours not authorized under (a) of this section or
 2 who permits consumption off the premises of brewed beverages or wine sold on the
 3 premises commits the offense of unauthorized sporting event activity.

4 (e) Unauthorized sporting event activity is a violation.

5 (f) The holder of a recreational site license issued under former AS 04.11.210
 6 offering, on the effective date of this section, on the recreational site's licensed
 7 premises brewed beverages and wine for sale to the public for consumption on the
 8 premises may offer brewed beverages and wine for sale to the public for consumption
 9 on the premises for a period ending on December 31, 2025, for a license renewing on
 10 an odd-numbered year, or December 31, 2026, for a license renewing on an even-
 11 numbered year.

12 **Sec. 04.09.280. Outdoor recreation lodge license.** (a) An outdoor recreation
 13 lodge license authorizes the holder to sell alcoholic beverages to a registered overnight
 14 guest or off-duty staff of the lodge for consumption on the licensed premises or in
 15 conjunction with purchased outdoor recreation activities provided by the licensee.

16 (b) The biennial outdoor recreation lodge license fee is \$2,500.

17 (c) The board may not grant an application for transfer of an outdoor
 18 recreation lodge license to another location.

19 (d) In this section, "outdoor recreation lodge" means a licensed business that
 20 provides overnight accommodations and meals, is primarily involved in offering
 21 opportunities for persons to engage in outdoor recreation activities, and has a
 22 minimum of two guest rooms.

23 (e) The holder of an outdoor recreation lodge license who sells alcoholic
 24 beverages in violation of the authority granted under (a) of this section commits the
 25 offense of unauthorized outdoor recreation lodge activity.

26 (f) Unauthorized outdoor recreation lodge activity is a violation.

27 **Sec. 04.09.290. Golf course license.** (a) A golf course license authorizes the
 28 holder to sell brewed beverages and wine for consumption on the licensed premises.

29 (b) The biennial golf course license fee is \$1,250.

30 (c) An application for a golf course license must include

31 (1) a drawing of the golf course with an annotated illustration and

1 description of the portions of the course that are intended to be licensed premises; and

2 (2) a sample food menu.

3 (d) The board may not approve an application for transfer of a golf course
4 license to another location.

5 (e) The holder of a golf course license shall make food similar to that listed in
6 the sample menu available during times when brewed beverages and wine are sold,
7 served, and consumed on the licensed premises.

8 (f) The holder of a golf course license may not allow a person other than the
9 holder or an agent or employee of the holder, in the regular course of employment, to
10 bring alcoholic beverages onto the licensed premises or other portions of the course
11 for consumption.

12 (g) In this section, "licensed premises" includes the golf course, a driving
13 range, a club house, and other buildings located on the course, and a vending cart
14 carrying beverages or food to, from, or on the course, and does not include the parking
15 lot.

16 (h) The holder of a golf course license commits the offense of failure to
17 comply with the terms of a golf course license if the person sells brewed beverages or
18 wine in violation of this section or violates (e) or (f) of this section.

19 (i) Failure to comply with the terms of a golf course license is a violation.

20 **Sec. 04.09.300. Destination resort license.** (a) A destination resort license
21 authorizes the holder to sell alcoholic beverages at a destination resort for
22 consumption on the licensed premises in conjunction with the visitor activities
23 provided by the licensee to cruise ship passengers and staff and other visitors while the
24 cruise ship is in port at the resort.

25 (b) The biennial destination resort license fee is \$2,500.

26 (c) The board may not approve an application for transfer of a destination
27 resort license to another location.

28 (d) In this section, "destination resort" means a business that owns a site of at
29 least 20 acres that is used principally as a destination for cruise ships and other vessels
30 that carry a minimum of 50 passengers and that does not provide overnight lodging on
31 its premises for visitors.

1 (e) The holder of a destination resort license commits the offense of failure to
 2 comply with a destination resort license if the person sells alcoholic beverages in
 3 violation of (a) of this section.

4 (f) Failure to comply with the terms of a destination resort license is a
 5 violation.

6 **Sec. 04.09.310. Brewery retail license.** (a) A brewery retail license authorizes
 7 the holder to store, sell, or serve on the licensed premises brewed beverages for
 8 consumption on and off the premises.

9 (b) The biennial brewery retail license fee is \$1,250.

10 (c) The board may issue a brewery retail license only to the holder of a
 11 brewery manufacturer license under AS 04.09.020. The brewery retail licensed
 12 premises may be all or part of the brewery manufacturer licensed premises, or the
 13 brewery retail licensed premises may be at a single different site that is adjacent to the
 14 brewery manufacturer licensed premises.

15 (d) Each day, the holder of a brewery retail license may sell, to a person on the
 16 licensed premises for consumption on the licensed premises, not more than

17 (1) 36 ounces of the holder's beer; or

18 (2) 18 ounces of the holder's sake.

19 (e) The holder of a brewery retail license may not

20 (1) allow live entertainment, televisions, pool tables, dart games,
 21 dancing, electronic or other games, game tables, or other recreational or gaming
 22 opportunities on or adjacent to the premises where the consumption occurs;

23 (2) provide seats at the counter or bar where the brewed beverages are
 24 served;

25 (3) open the room where the consumption occurs before 9:00 a.m.; or

26 (4) serve brewed beverages after 8:00 p.m.

27 (f) Each day, the holder of a brewery retail license is authorized to sell, to a
 28 person on the licensed premises for consumption off the licensed premises, not more
 29 than

30 (1) 5.167 gallons of the holder's beer; or

31 (2) nine liters of the holder's sake.

1 (g) Except as provided under (h) of this section, after the fourth renewal of a
 2 brewery retail license, the holder of the license may sell to a buyer not listed in
 3 AS 04.09.050 not more than 20 percent of the holder's total volume of brewed
 4 beverages for the designated period of the license under AS 04.11.680.

5 (h) The requirements of (g) of this section do not apply to

6 (1) the holder of a brewery retail license under this section who held a
 7 brewery license issued under former AS 04.11.130 on the day before the effective date
 8 of this section; or

9 (2) any person or entity whose completed application is pending on
 10 December 31, 2018,

11 (A) under applicable federal law for authority to manufacture
 12 and sell products under former AS 04.11.130; and

13 (B) for a brewery license under former AS 04.11.130.

14 (i) The holder of a brewery retail license commits the offense of failure to
 15 comply with the terms of a brewery retail license if the person stores, sells, or serves
 16 brewed beverages in violation of (a) of this section or violates (d), (e), (f), or (g) of
 17 this section.

18 (j) Failure to comply with the terms of a brewery retail license is a violation.

19 **Sec. 04.09.320. Winery retail license.** (a) A winery retail license authorizes
 20 the holder to store, sell, or serve on the licensed premises wine for consumption on
 21 and off the premises.

22 (b) The biennial winery retail license fee is \$1,250.

23 (c) The board may issue a winery retail license only to the holder of a winery
 24 manufacturer license issued under AS 04.09.030. The winery retail licensed premises
 25 may be all or part of the winery manufacturer licensed premises, or the winery retail
 26 licensed premises may be at a single different site that is adjacent to the winery
 27 manufacturer licensed premises.

28 (d) Each day, the holder of a winery retail license may sell, to a person on the
 29 licensed premises for consumption on the licensed premises, not more than

30 (1) 18 ounces of the holder's wine, mead, or cider containing 8.5
 31 percent or more alcohol by volume; or

1 (2) 36 ounces of the holder's cider containing less than 8.5 percent
2 alcohol by volume.

3 (e) The holder of a winery retail license may not

4 (1) allow live entertainment, televisions, pool tables, dart games,
5 dancing, electronic or other games, game tables, or other recreational or gaming
6 opportunities on or adjacent to the premises where the consumption occurs;

7 (2) provide seats at the counter or bar where the wine is served;

8 (3) open the room where the consumption occurs before 9:00 a.m.; or

9 (4) serve wine after 8:00 p.m.

10 (f) Each day, the holder of a winery retail license is authorized to sell, to a
11 person on the licensed premises for consumption off the licensed premises, not more
12 than

13 (1) nine liters of the holder's wine, mead, or cider containing 8.5
14 percent or more alcohol by volume; or

15 (2) 5.167 gallons of the holder's cider containing less than 8.5 percent
16 alcohol by volume.

17 (g) Except as provided under (h) of this section, after the fourth renewal of a
18 winery retail license, the holder of the license may sell to a buyer not listed in
19 AS 04.09.050 not more than 20 percent of the holder's total volume of wine for the
20 designated period of the license under AS 04.11.680.

21 (h) The requirements of (g) of this section do not apply to

22 (1) the holder of a winery retail license under this section who held a
23 winery license issued under former AS 04.11.140 on the day before the effective date
24 of this section; or

25 (2) any person or entity whose completed application is pending on
26 December 31, 2018,

27 (A) under applicable federal law for authority to manufacture
28 and sell products under former AS 04.11.140; and

29 (B) for a winery license under former AS 04.11.140.

30 (i) The holder of a winery retail license commits the offense of failure to
31 comply with the terms of a winery retail license if the person stores, sells, or serves

1 wine in violation of (a) of this section or violates (d), (e), (f), or (g) of this section.

2 (j) Failure to comply with the terms of a winery retail license is a violation.

3 (k) The holder of a winery license issued under former AS 04.11.140 on the
4 day before the effective date of sec. 9 of this Act that provided seating at the counter
5 or bar where the wine is served on the winery's licensed premises may provide seating
6 at the counter or bar where the wine is served for a period ending on January 1, 2021,
7 for a license that is subject to renewal on an odd year and January 1, 2022, for a
8 license that is subject to renewal on an even year.

9 **Sec. 04.09.330. Distillery retail license.** (a) A distillery retail license
10 authorizes the holder to store, sell, or serve on the licensed premises distilled spirits
11 for consumption on and off the premises.

12 (b) The biennial distillery retail license fee is \$1,250.

13 (c) The board may issue a distillery retail license only to the holder of a
14 distillery manufacturer license under AS 04.09.040. The distillery retail licensed
15 premises may be all or part of the distillery manufacturer licensed premises, or the
16 distillery retail licensed premises may be at a single different site that is adjacent to the
17 distillery manufacturer licensed premises.

18 (d) The holder of a distillery retail license may sell not more than three ounces
19 of the holder's distilled spirits each day to a person on the licensed premises for
20 consumption on the licensed premises.

21 (e) The holder of a distillery retail license may not

22 (1) allow live entertainment, televisions, pool tables, dart games,
23 dancing, electronic or other games, game tables, or other recreational or gaming
24 opportunities on or adjacent to the premises where the consumption occurs;

25 (2) provide seats at the counter or bar where the distilled spirits are
26 served;

27 (3) open the room where the consumption occurs before 9:00 a.m.; or

28 (4) serve distilled spirits after 8:00 p.m.

29 (f) The holder of a distillery retail license is authorized to sell not more than
30 3.75 liters of the holder's distilled spirits each day to a person on the licensed premises
31 for consumption off the licensed premises.

1 (g) Except as provided under (h) of this section, after the fourth renewal of a
 2 distillery retail license, the holder of the license may sell to a person not listed in
 3 AS 04.09.050 not more than 20 percent of the holder's total volume of distilled spirits
 4 for the designated period of the license under AS 04.11.680.

5 (h) The requirements of (g) of this section do not apply to

6 (1) the holder of a distillery retail license under this section who held a
 7 distillery license issued under former AS 04.11.170 on the day before the effective
 8 date of this section; or

9 (2) any person or entity whose completed application is pending on
 10 December 31, 2018,

11 (A) under applicable federal law for authority to manufacture
 12 and sell products under former AS 04.11.170; and

13 (B) for a distillery license under former AS 04.11.170.

14 (i) The holder of a distillery retail license commits the offense of failure to
 15 comply with the terms of a distillery retail license if the person stores, sells, or serves
 16 distilled spirits in violation of (a) of this section or violates (d), (e), (f), or (g) of this
 17 section.

18 (j) Failure to comply with the terms of a distillery retail license is a violation.

19 **Sec. 04.09.340. Beverage dispensary tourism license.** (a) A beverage
 20 dispensary tourism license authorizes the holder to sell or serve on the licensed
 21 premises alcoholic beverages for consumption only on the licensed premises.

22 (b) The biennial beverage dispensary tourism license fee is \$2,500.

23 (c) The board may issue a beverage dispensary tourism license or approve an
 24 application for the transfer of ownership of a beverage dispensary tourism license if it
 25 appears that issuance or transfer will encourage the tourism trade by promoting the
 26 construction or improvement of

27 (1) a hotel, motel, resort, or similar business relating to the tourist trade
 28 with a dining facility or having kitchen facilities in a majority of its rental rooms and
 29 at least a minimum number of rental rooms required according to the population of the
 30 established village, incorporated city, unified municipality, or population area
 31 established under AS 04.11.400(a) in which the facility will be located, as follows:

- 1 (A) 10 rental rooms if the population is less than 1,501;
- 2 (B) 20 rental rooms if the population is 1,501 - 2,500;
- 3 (C) 25 rental rooms if the population is 2,501 - 5,000;
- 4 (D) 30 rental rooms if the population is 5,001 - 15,000;
- 5 (E) 35 rental rooms if the population is 15,001 - 25,000;
- 6 (F) 40 rental rooms if the population is 25,001 - 50,000; and
- 7 (G) 50 rental rooms if the population is greater than 50,000; or

8 (2) an airport terminal.

9 (d) The holder of a beverage dispensary tourism license may not maintain on
10 the licensed premises more than one room in which there is regularly maintained a
11 fixed counter or service bar that has plumbing connections to permanent plumbing at
12 which alcoholic beverages are sold or served to members of the public for
13 consumption unless the license has a multiple fixed counter endorsement under
14 AS 04.09.420, a hotel or motel endorsement under AS 04.09.430, or a large resort
15 endorsement under AS 04.09.440.

16 (e) Except as provided under AS 04.09.610, 04.09.640, 04.09.670, and
17 AS 04.16.120(c), the holder of a beverage dispensary tourism license who sells or
18 serves alcoholic beverages off the licensed premises or permits consumption off the
19 premises of alcoholic beverages sold or served on the premises commits the offense of
20 unauthorized beverage dispensary tourism activity.

21 (f) Unauthorized beverage dispensary tourism activity is a violation.

22 **Sec. 04.09.350. Seasonal restaurant or eating place tourism license.** (a) A
23 seasonal restaurant or eating place tourism license authorizes a restaurant or eating
24 place to sell brewed beverages and wine for consumption only on the licensed
25 premises for a period not to exceed six months in each calendar year.

26 (b) The biennial seasonal restaurant or eating place tourism license fee is
27 \$1,250.

28 (c) The board may issue or renew a license under this section only if

29 (1) the board determines that the licensed premises is a bona fide
30 restaurant as defined in AS 04.21.080(b);

31 (2) the licensee has, or the licensee has simultaneously applied for, a

1 restaurant endorsement; and

2 (3) the sale and service of food and alcoholic beverages and any other
3 business conducted on the licensed premises of the restaurant or eating place is under
4 the sole control of the licensee.

5 (d) The board may issue a license under this section only in a municipality or
6 established village that

7 (1) has a population of 20,000 or less; and

8 (2) includes a community that receives more than 4,000 visitors a year,
9 as determined by the Department of Commerce, Community, and Economic
10 Development.

11 (e) The board may issue a license or approve an application for the transfer of
12 ownership of a license under this section if it appears that issuance or transfer will
13 encourage the tourism trade.

14 (f) The holder of a seasonal restaurant or eating place tourism license shall
15 ensure that gross receipts from the sale of food for consumption on the licensed
16 premises are not less than the total of the gross receipts from the sale of alcoholic
17 beverages for consumption on the licensed premises in each calendar year. At the time
18 the holder submits an application for renewal of the license, the holder shall submit a
19 statement to the board certifying that the holder has met the requirement under this
20 subsection for the designated period of the license under AS 04.11.680. The board
21 may renew a seasonal restaurant or eating place tourism license only if the licensee
22 provides evidence satisfactory to the board that, during the designated period of the
23 license under AS 04.11.680, the gross receipts from the sale of food for consumption
24 on the licensed premises were not less than the total of the gross receipts from the sale
25 of alcoholic beverages for consumption on the licensed premises.

26 (g) The board shall adopt a regulation establishing a formula to limit the
27 number of seasonal restaurant or eating place tourism licenses.

28 (h) The holder of a seasonal restaurant or eating place tourism license may not
29 provide entertainment on or adjacent to the licensed premises before 3:00 p.m. or after
30 11:00 p.m. except with the approval of the director. The director may grant approval
31 for entertainment at other times only upon the written request of the licensee, and only

1 for a specific occasion. The director may not grant approval for entertainment on or
 2 adjacent to the licensed premises of an individual licensee more than three times in a
 3 calendar year.

4 (i) Except as provided under AS 04.09.620, 04.09.640, and AS 04.16.120(c),
 5 the holder of a seasonal restaurant or eating place tourism license commits the offense
 6 of failure to comply with the terms of a seasonal restaurant or eating place tourism
 7 license if the person sells brewed beverages or wine in violation of (a) of this section
 8 or fails to comply with (f) or (h) of this section.

9 (j) Failure to comply with the terms of a seasonal restaurant or eating place
 10 tourism license is a violation.

11 **Sec. 04.09.360. Winery direct shipment license.** (a) A winery direct shipment
 12 license authorizes the holder of a winery retail license issued under AS 04.09.320, or
 13 the holder of a winery license issued in another state, to sell the holder's wine in
 14 response to an order for shipment to a person, for personal use only and not for resale,
 15 who is located in the state. A winery direct shipment license may not be transferred to
 16 another person or another location.

17 (b) The biennial fee for a winery direct shipment license is \$200.

18 (c) An applicant for issuance or renewal of a winery direct shipment license
 19 shall

20 (1) submit an application on a form prescribed by the board;

21 (2) consent to the jurisdiction of the board, the Department of
 22 Revenue, and any other state agency or state court concerning enforcement of this
 23 title; and

24 (3) if the applicant is the holder of a license or permit authorizing the
 25 holder to manufacture and sell wine to the public issued in another state, provide to the
 26 board a copy of the holder's license or permit issued

27 (A) in the state; and

28 (B) by the Alcohol and Tobacco Tax and Trade Bureau.

29 (d) All wine shipped to a purchaser in the state by the holder of a winery direct
 30 shipment license is subject to the state excise tax.

31 (e) The holder of a winery direct shipment license may not

1 (1) ship wine to an address with a zip code located in an area that has
2 adopted a local option under AS 04.11.491;

3 (2) sell more than the equivalent of six nine-liter cases of wine to a
4 purchaser in one transaction, or more than the equivalent of 12 nine-liter cases of wine
5 to a purchaser in a calendar year; and

6 (3) ship wine using a common carrier who is not approved by the
7 board to ship alcoholic beverages to persons in the state under AS 04.16.125(b).

8 (f) Before shipping an order under this section, the holder of a winery direct
9 shipment license shall

10 (1) verify that the person submitting the order is at least 21 years of
11 age, using an age verification service or other method, and that the named recipient of
12 the shipment, if not the same person as the person submitting the order, is at least 21
13 years of age;

14 (2) determine that the order will not exceed the limits of (e)(2) of this
15 section;

16 (3) provide written or electronic information to the person submitting
17 the order on fetal alcohol syndrome and fetal alcohol effects resulting from a woman's
18 consumption of alcohol during pregnancy; and

19 (4) label the shipping container as containing alcoholic beverages and
20 requiring a signature by a person who is at least 21 years of age upon delivery.

21 (g) The holder of a winery direct shipment license shall

22 (1) retain records of sales made under this license for at least two
23 years; and

24 (2) make records of sales available for inspection and audit by the
25 board and the Department of Revenue.

26 (h) The board shall compile a list that is available for public inspection of zip
27 codes that are located within a local option area and notify the holder of a winery
28 direct shipment license of any change to the list.

29 (i) The holder of a winery direct shipment license commits the offense of
30 failure to comply with the terms of a winery direct shipment license if the person fails
31 to comply with (e) - (g) of this section.

1 (j) Failure to comply with the terms of a winery direct shipment license is a
2 violation.

3 **Sec. 04.09.370. Unlicensed retail sale.** (a) A person commits the crime of
4 unlicensed retail sale if the person knowingly operates without the appropriate license
5 a retail operation that requires a license under AS 04.09.200 - 04.09.360.

6 (b) Unlicensed retail sale is a class A misdemeanor and is punishable under
7 AS 12.55.

8 **Sec. 04.09.380. Unlicensed retail sale in a local option area.** (a) A person
9 commits the crime of unlicensed retail sale in a local option area if the person
10 knowingly operates without a license in an area that has adopted a local option under
11 AS 04.11.491 a retail operation that requires a license under AS 04.09.200 -
12 04.09.380.

13 (b) Unlicensed retail sale in a local option area is a class C felony and is
14 punishable under AS 12.55.

15 **Article 5. Endorsements.**

16 **Sec. 04.09.400. Types of endorsements.** (a) An endorsement expands the
17 boundaries of a licensed premises or the authorized activities of a licensed business.

18 (b) Only the board may issue an endorsement. The board may issue only the
19 endorsements authorized in AS 04.09.400 - 04.09.520.

20 (c) An endorsement is valid only in conjunction with a license. An
21 endorsement may only be transferred to another person if the license for which the
22 endorsement was issued is also transferred to that person. An endorsement expires if
23 the licensed premises are relocated, the license expires, or the license is revoked.

24 (d) Except as provided in (c) of this section, an endorsement is valid for the
25 duration of the license as designated in AS 04.11.680. The holder of the endorsement
26 shall renew the endorsement biennially.

27 (e) An application for an endorsement under AS 04.09.400 - 04.09.520 must

28 (1) be made in writing on a form prescribed by the board; and

29 (2) demonstrate that the holder of the license has authority over and
30 will exercise control over conduct of the business in all areas of the licensed premises,
31 including premises newly licensed by the endorsement.

1 **Sec. 04.09.410. Manufacturer sampling endorsement.** (a) A manufacturer
 2 sampling endorsement authorizes the holder of a brewery manufacturer license,
 3 winery manufacturer license, or distillery manufacturer license to offer for
 4 consumption on the licensed premises at no charge a small sample of an alcoholic
 5 beverage produced by the manufacturer.

6 (b) The biennial fee for a manufacturer sampling endorsement is \$200.

7 (c) A person serving a sample of an alcoholic beverage under this section must
 8 have a current alcohol server education card issued under AS 04.21.025(c). Only the
 9 license holder or an agent or employee of the license holder may serve a sample.

10 (d) The holder of a manufacturer sampling endorsement may serve a total
 11 volume of samples to a person on a licensed premises each day that does not exceed

12 (1) for the holder of a brewery manufacturer license,

13 (A) 12 ounces of beer; or

14 (B) six ounces of sake;

15 (2) for the holder of a winery manufacturer license,

16 (A) six ounces of wine, mead, or cider containing 8.5 percent
 17 or more alcohol by volume; or

18 (B) 12 ounces of cider containing less than 8.5 percent alcohol
 19 by volume;

20 (3) for the holder of a distillery manufacturer license, 1.5 ounces of
 21 distilled spirits.

22 (e) The holder of a manufacturer sampling endorsement may not publicly
 23 advertise, including through newsprint, radio, or television, sampling activities
 24 conducted under the endorsement. However, the holder of a manufacturer sampling
 25 endorsement may notify existing customers of sampling activities, including by
 26 electronic means.

27 (f) A person who offers a sample of an alcoholic beverage for consumption on
 28 the licensed premises of a brewery, winery, or distillery without an endorsement under
 29 this section commits the offense of unendorsed sampling.

30 (g) Unendorsed sampling is a violation and is punishable by a fine of \$500.

31 (h) The holder of a manufacturer sampling endorsement who fails to comply

1 with the requirements of (c) - (e) of this section commits the offense of failure to
2 comply with the terms of a manufacturer sampling endorsement.

3 (i) Failure to comply with the terms of a manufacturer sampling endorsement
4 is a violation.

5 **Sec. 04.09.420. Multiple fixed counter endorsement.** (a) A multiple fixed
6 counter endorsement authorizes the holder of a beverage dispensary license or a
7 beverage dispensary tourism license to sell or serve alcoholic beverages on the
8 licensed premises from multiple fixed counters.

9 (b) The biennial fee for a multiple fixed counter endorsement is \$200.

10 (c) In addition to the fee under (b) of this section, the initial application fee for
11 each fixed counter covered under the endorsement is \$1,250.

12 (d) An initial application for a multiple fixed counter endorsement must
13 include an annotated drawing of the location of each fixed counter in the licensed
14 premises.

15 (e) A fixed counter at which alcoholic beverages are sold or served to the
16 public for consumption covered under a multiple fixed counter endorsement must be a
17 regularly maintained fixed counter or service bar that has plumbing connections to
18 permanent plumbing. Multiple fixed counters must be located in the same building
19 under the same contiguous licensed premises as set out in regulation, except as
20 provided for the holder of a hotel or motel endorsement under AS 04.09.430 or a large
21 resort endorsement under AS 04.09.440. The board shall adopt regulations to
22 implement this subsection.

23 (f) The holder of a beverage dispensary license or a beverage dispensary
24 tourism license who maintains multiple fixed counters without an endorsement under
25 this section commits the offense of unendorsed service at multiple fixed counters.

26 (g) The holder of a multiple fixed counter endorsement who fails to comply
27 with the requirements of (d) and (e) of this section commits the offense of multiple
28 fixed counter endorsement noncompliance.

29 (h) Unendorsed service at multiple fixed counters is a violation and is
30 punishable by a fine of \$500.

31 (i) Multiple fixed counter endorsement noncompliance is a violation.

1 **Sec. 04.09.430. Hotel or motel endorsement.** (a) A hotel or motel
2 endorsement authorizes the holder of a beverage dispensary license or a beverage
3 dispensary tourism license that is a hotel, motel, resort, or similar business premises
4 that caters to the traveling public as a substantial part of its business to sell or serve
5 alcoholic beverages on the licensed premises, including in the dining room, banquet
6 room, and other public areas approved by the board, and in guest rooms.

7 (b) The biennial fee for a hotel or motel endorsement is \$200.

8 (c) The holder of a beverage dispensary license or a beverage dispensary
9 tourism license that is a hotel, motel, resort, or similar business premises that caters to
10 the traveling public as a substantial part of its business may receive a hotel or motel
11 endorsement in order to qualify for a multiple fixed counter endorsement under
12 AS 04.09.420 to sell or serve alcoholic beverages at a secondary location located in a
13 building different than the licensed premises for the beverage dispensary license or a
14 beverage dispensary tourism license if the different building

15 (1) is located on the same property as, adjacent to, or attached to the
16 originally licensed premises;

17 (2) principally caters to guests of the hotel or motel; and

18 (3) principally encourages the tourism trade at the hotel or motel.

19 (d) The holder of a hotel or motel endorsement may stock alcoholic beverages
20 in guest rooms, for sale and consumption only in the guest room. Alcoholic beverages
21 stocked under this subsection shall be stocked by an employee who is 21 years of age
22 or older, may not be supplied or resupplied during hours that the sale of alcoholic
23 beverages is prohibited as provided under AS 04.16.010(a) and (d), and shall be stored
24 in a unit using a key or combination lock system within the guest room. A key lock
25 system shall be designed to prevent the removal of the key unless the unit is locked.
26 Except for the licensee, or an agent or employee of the licensee, a key or combination
27 enabling a person to obtain alcoholic beverages stocked in a guest room may only be
28 provided to a guest who occupies the room and who is 21 years of age or older.

29 (e) The holder of a hotel or motel endorsement shall exercise control over
30 conduct of the business in all areas of the licensed premises.

31 (f) The holder of a beverage dispensary license or a beverage dispensary

1 tourism license who engages in activity under this section without an endorsement
2 under this section commits the offense of unendorsed hotel or motel service.

3 (g) The holder of a hotel or motel endorsement who fails to comply with the
4 requirements of this section commits the offense of hotel or motel endorsement
5 noncompliance.

6 (h) Unendorsed hotel or motel service is a violation and is punishable by a fine
7 of \$500.

8 (i) Hotel or motel endorsement noncompliance is a violation.

9 **Sec. 04.09.440. Large resort endorsement.** (a) A large resort endorsement
10 authorizes the holder of a beverage dispensary license or a beverage dispensary
11 tourism license that is a large resort to sell or serve alcoholic beverages from multiple
12 locations on the resort property including in the dining room, banquet room, and other
13 public areas approved by the board, and in guest rooms, regardless of whether the
14 locations are in the same building or under the same roof.

15 (b) The biennial fee for a large resort endorsement is \$200.

16 (c) The holder of a large resort endorsement may apply for a multiple fixed
17 counter endorsement under AS 04.09.420 to sell or serve alcoholic beverages from
18 multiple locations within the large resort's property. The locations do not need to be
19 located in the same building or on the same parcel, but must be within the boundary of
20 the large resort, as that term is defined in (h) of this section.

21 (d) The holder of a large resort endorsement may sell or serve alcoholic
22 beverages only from locations on the site of the large resort.

23 (e) For federal income tax purposes, the profit and loss from the licensed
24 business conducted at locations on the resort under a large resort endorsement, other
25 than guest rooms, must be combined or consolidated with the profit and loss from the
26 licensed business conducted under the multiple fixed counter endorsement.

27 (f) The holder of a large resort endorsement shall exercise control over
28 conduct of the business in all areas of the licensed premises.

29 (g) A holder of a beverage dispensary license with a large resort endorsement
30 may stock alcoholic beverages in guest rooms, for sale and consumption only in the
31 guest room. Alcoholic beverages stocked under this subsection must be stocked by an

1 employee who is 21 years of age or older, may not be supplied or resupplied during
 2 hours that the sale of alcoholic beverages is prohibited as provided under
 3 AS 04.16.010(a) and (d), and must be stored in a unit using a key or combination lock
 4 system within the guest room. A key lock system must be designed to prevent the
 5 removal of the key unless the unit is locked. Except for the licensee, or an agent or
 6 employee of the licensee, a key or combination enabling a person to obtain alcoholic
 7 beverages stocked in a guest room may be provided only to a guest who occupies the
 8 room and who is 21 years of age or older.

9 (h) In this section, "large resort" means a resort that offers both outdoor
 10 recreational activities and overnight lodging to the public and is located on a site
 11 consisting of at least 10 contiguous acres containing one or more parcels of real
 12 property owned by the licensee, leased by the licensee, or a combination of parcels
 13 owned by the licensee and leased by the licensee.

14 (i) The holder of a beverage dispensary license or a beverage dispensary
 15 tourism license who engages in activity under this section without an endorsement
 16 under this section commits the offense of unendorsed large resort service.

17 (j) The holder of a large resort endorsement who fails to comply with the
 18 requirements of (c) - (g) of this section commits the offense of large resort
 19 endorsement noncompliance.

20 (k) Unendorsed large resort service is a violation and is punishable by a fine of
 21 \$500.

22 (l) Large resort endorsement noncompliance is a violation.

23 **Sec. 04.09.450. Restaurant endorsement.** (a) A restaurant endorsement
 24 authorizes the holder of a restaurant or eating place license, beverage dispensary
 25 license, golf course license, sporting event license, club license, outdoor recreation
 26 lodge license, destination resort license, beverage dispensary tourism license, or
 27 seasonal restaurant or eating place tourism license to allow a person

28 (1) under 21 years of age access as provided in (e) of this section to the
 29 premises of a bona fide restaurant on the licensed premises; and

30 (2) to enter or remain on the licensed premises to consume food or
 31 nonalcoholic beverages as authorized under AS 04.16.010(c)(5).

1 (b) The biennial fee for a restaurant endorsement is \$200.

2 (c) An application for a restaurant endorsement must specify the establishment
3 or portion of the establishment that constitutes a bona fide restaurant.

4 (d) The board may issue an endorsement under this section only if the board
5 finds

6 (1) that the establishment or portion of the establishment for which the
7 endorsement is requested is a bona fide restaurant;

8 (2) there is supervision on the premises adequate to reasonably ensure
9 that a person under 21 years of age will not obtain alcoholic beverages; and

10 (3) that it is unlikely that persons under 21 years of age not employed
11 on the premises will enter and remain on the premises of the bona fide restaurant for
12 purposes other than dining.

13 (e) The board may authorize the holder of a license with a restaurant
14 endorsement

15 (1) to allow a person who is at least 16 years of age but under 21 years
16 of age to enter and remain on the licensed premises for dining only;

17 (2) to allow a person who is under 16 years of age to enter and remain
18 on the licensed premises for dining only if

19 (A) the person is accompanied by a person who is 21 years of
20 age or older; and

21 (B) the parent or guardian of the person consents to the person
22 being on the licensed premises; and

23 (3) subject to AS 04.16.049, to employ or permit the employment of a
24 person who is at least 16 years of age but under 21 years of age on the premises of the
25 bona fide restaurant if the employer provides adequate supervision to ensure that the
26 person does not obtain alcoholic beverages.

27 (f) The holder of a license who engages in activity under this section without
28 an endorsement under this section commits the offense of unendorsed restaurant
29 service.

30 (g) The holder of a restaurant endorsement who engages in activity not
31 authorized by the board under (e) of this section or fails to comply with the

1 requirements of (e) of this section commits the offense of restaurant endorsement
2 noncompliance.

3 (h) Unendorsed restaurant service is a violation and is punishable by a fine of
4 \$500.

5 (i) Restaurant endorsement noncompliance is a violation.

6 **Sec. 04.09.460. Package store shipping endorsement.** (a) A package store
7 shipping endorsement authorizes the holder of a package store license to sell alcoholic
8 beverages to a person who makes an order to that licensee for shipment.

9 (b) The biennial fee for a package store shipping endorsement is \$200.

10 (c) An endorsement holder may ship alcoholic beverages only to the purchaser
11 and may ship alcoholic beverages only in response to an order. The endorsement
12 holder may not, in response to an order, ship alcohol to a purchaser at an address other
13 than the address where the purchaser resides or, if the purchaser resides in a
14 municipality or established village that has adopted a local option under
15 AS 04.11.491(a)(1), (2), or (3) or (b)(1) or (2) for which a community delivery site has
16 been designated under AS 04.11.491(f), to an address other than that community
17 delivery site except as provided by AS 04.11.491(f)(1) and (2).

18 (d) An endorsement holder shall provide written or electronic information on
19 fetal alcohol syndrome and fetal alcohol effects resulting from a woman's
20 consumption of alcohol during pregnancy to the purchaser in response to an order.

21 (e) If a shipment is to an area that has restricted the sale of alcoholic beverages
22 under AS 04.11.491(a)(1), (2), or (3) or (b)(1) or (2), an endorsement holder may not
23 ship to a purchaser more than 10 and one-half liters of distilled spirits or 24 liters or
24 more of wine, or either a half-barrel keg of brewed beverages or 15.5 gallons or more
25 of brewed beverages in individual containers in a calendar month, or a lower amount
26 of distilled spirits, wine, or brewed beverages if the municipality or established village
27 has adopted the lower amount by local option under AS 04.11.491(g). Before shipping
28 alcohol to a purchaser in a restricted area, an endorsement holder shall consult the
29 database maintained by the board under AS 04.06.095 for any alcoholic beverage
30 shipments made to the purchaser during that calendar month by a package store. An
31 endorsement holder may not ship an amount of alcoholic beverages to a purchaser in a

1 restricted area that, when added to the amount already shipped, exceeds the amount
2 authorized by this subsection. An endorsement holder shall immediately enter into the
3 database the date and the amount of alcoholic beverages shipped to the purchaser.

4 (f) An endorsement holder may not divide or combine shipments of alcoholic
5 beverages so as to circumvent the limitation imposed under (e) of this section.

6 (g) In this section, "endorsement holder" means the holder of a package store
7 license with a package store shipping endorsement, and an agent or employee of the
8 holder of a package store license with a package store shipping endorsement.

9 (h) The holder of a package store license who ships alcoholic beverages
10 without an endorsement under this section commits the offense of unendorsed package
11 store shipping.

12 (i) The holder of a package store shipping endorsement who fails to comply
13 with the requirements of (c) - (f) of this section commits the offense of package store
14 shipping endorsement noncompliance.

15 (j) Unendorsed package store shipping is a violation and is punishable by a
16 fine of \$500.

17 (k) Package store shipping endorsement noncompliance is a violation.

18 **Sec. 04.09.470. Package store delivery endorsement.** (a) A package store
19 delivery endorsement authorizes the holder of a package store license to deliver
20 alcoholic beverages as set out in this section.

21 (b) The biennial fee for a package store delivery endorsement is \$200.

22 (c) The holder of a package store delivery endorsement may deliver alcoholic
23 beverages only in response to an order. The board shall adopt regulations specifying
24 the occasions for which delivery of alcoholic beverages is allowed and the manner of
25 delivery by the licensee.

26 (d) The holder of a package store delivery endorsement may deliver alcoholic
27 beverages only to a responsible adult at the delivery location specified on the order.
28 The responsible adult shall provide identification and acceptable proof of age under
29 AS 04.21.050 and acknowledge in writing receipt of the alcoholic beverages.

30 (e) The holder of a package store license who delivers alcoholic beverages
31 without an endorsement under this section commits the offense of unendorsed package

1 store delivery.

2 (f) The holder of a package store delivery endorsement who fails to comply
3 with the requirements of (c) and (d) of this section commits the offense of package
4 store shipping endorsement noncompliance.

5 (g) Unendorsed package store delivery is a violation and is punishable by a
6 fine of \$500.

7 (h) Package store shipping endorsement noncompliance is a violation.

8 **Sec. 04.09.480. Package store repackaging endorsement.** (a) A package
9 store repackaging endorsement authorizes the holder of a package store license to
10 subdivide and sell alcoholic beverages from original packages with federally
11 compliant labels to smaller containers with the standard federal government warnings
12 and the product name.

13 (b) The biennial fee for a package store repackaging endorsement is \$200.

14 (c) A package store licensee with a package store repackaging endorsement
15 may

16 (1) subdivide alcoholic beverages

17 (A) for sale on the licensed premises by opening the original
18 package for the purpose of subdividing the contents into smaller packages; or

19 (B) in response to a purchase request from a person who is on
20 the licensed premises or purchase order submitted in accordance with
21 AS 04.09.470(c);

22 (2) permit an agent or employee to subdivide alcoholic beverages, but
23 may not permit a customer or another person who is not an agent or employee of the
24 licensee to subdivide alcoholic beverages.

25 (d) The holder of a package store license who repackages alcoholic beverages
26 without an endorsement under this section commits the offense of unendorsed package
27 store repackaging.

28 (e) The holder of a package store repackaging endorsement who fails to
29 comply with the requirements of this section commit the offense of package store
30 repackaging endorsement noncompliance.

31 (f) Unendorsed package store repackaging is a violation and is punishable by a

1 fine of \$500.

2 (g) Package store repackaging endorsement noncompliance is a violation.

3 **Sec. 04.09.490. Package store sampling endorsement.** (a) A package store
4 sampling endorsement authorizes the holder of a package store license to offer for
5 consumption on the licensed premises at no charge a small sample of an alcoholic
6 beverage from its inventory during the package store's stated hours of business, but not
7 between the hours of midnight and 8 a.m.

8 (b) The biennial fee for a package store sampling endorsement is \$200.

9 (c) Only the license holder or an agent or employee of the license holder may
10 serve a sample.

11 (d) The holder of a package store sampling endorsement may serve a total
12 volume of samples to a person on a licensed premises each day that does not exceed

13 (1) 12 ounces of beer or cider, if the cider contains less than 8.5
14 percent alcohol by volume;

15 (2) six ounces of wine, mead, sake, or cider, if the cider contains 8.5
16 percent or more alcohol by volume;

17 (3) 1.5 ounces of distilled spirits; or

18 (4) the alcoholic equivalent of (1), (2), or (3) of this subsection.

19 (e) The holder of a package store sampling endorsement may not publicly
20 advertise, including through newsprint, radio, or television, sampling activities
21 conducted under the endorsement. However, the holder of a package store sampling
22 endorsement may notify existing customers of sampling activities, including by
23 electronic means.

24 (f) A person who offers a sample of an alcoholic beverage for consumption on
25 the licensed premises of a package store without an endorsement under this section
26 commits the offense of unendorsed package store sampling.

27 (g) Unendorsed package store sampling is a violation and is punishable by a
28 fine of \$500.

29 (h) The holder of a package store sampling endorsement who fails to comply
30 with the requirements of (a) and (c) - (e) of this section commits the offense of failure
31 to comply with the terms of a package store sampling endorsement.

1 (i) Failure to comply with the terms of a package store sampling endorsement
2 is a violation.

3 **Sec. 04.09.500. Bowling alley endorsement.** (a) A bowling alley endorsement
4 authorizes the holder of a beverage dispensary license or a beverage dispensary
5 tourism license to sell or serve alcoholic beverages in the concourse or lane areas of
6 the bowling alley adjacent to the main bar area.

7 (b) The biennial fee for a bowling alley endorsement is \$200.

8 (c) The board may issue a bowling alley endorsement only if the concourse or
9 lane areas of the bowling alley or both are

10 (1) designated as part of the licensed premises for the beverage
11 dispensary license or a beverage dispensary tourism license; and

12 (2) adjacent to the main bar area.

13 (d) Notwithstanding AS 04.16.049, the board may, upon application, authorize
14 access by persons under 21 years of age to the concourse or lane areas or both
15 designated part of the licensed premises of the bowling alley during hours when no
16 alcoholic beverages are being sold, served, or consumed.

17 (e) The periods during which persons under 21 years of age may be permitted
18 access to the licensed premises must be clearly posted on the licensed premises.

19 (f) The holder of a beverage dispensary license or a beverage dispensary
20 tourism license who sells or serves alcoholic beverages in the concourse or lane areas
21 of a bowling alley without an endorsement under this section commits the offense of
22 unendorsed bowling alley service.

23 (g) The holder of a bowling alley endorsement under this section who fails to
24 comply with the requirements of (e) of this section or who permits access by a person
25 under 21 years of age to the concourse or lane areas of the bowling alley during hours
26 when alcoholic beverages are being served in the concourse or lane areas commits the
27 offense of bowling alley endorsement noncompliance.

28 (h) Unendorsed bowling alley service is a violation and is punishable by a fine
29 of \$500.

30 (i) Bowling alley endorsement noncompliance is a violation.

31 **Sec. 04.09.510. Golf course endorsement.** (a) A golf course endorsement

1 authorizes the owner of a golf course who has obtained a beverage dispensary license
 2 or a beverage dispensary tourism license to sell or serve alcoholic beverages on the
 3 golf course, driving range, club house and other buildings located on the course, and a
 4 vending cart carrying beverages or food to, from, or on the course, excluding the
 5 parking lot.

6 (b) The biennial fee for a golf course endorsement is \$200.

7 (c) An application for a golf course endorsement must include a drawing of
 8 the golf course with an annotated illustration and a description of the portions of the
 9 course that are licensed premises and that are intended to be covered by the
 10 endorsement.

11 (d) The holder of a beverage dispensary license or beverage dispensary
 12 tourism license who sells or serves alcoholic beverages on a golf course without an
 13 endorsement under this section commits the offense of unendorsed golf course service.

14 (e) The holder of a golf course endorsement who fails to comply with (a) of
 15 this section commits the offense of golf course endorsement noncompliance.

16 (f) Unendorsed golf course service is a violation and is punishable by a fine of
 17 \$500.

18 (g) Golf course endorsement noncompliance is a violation.

19 **Sec. 04.09.520. Brewery repackaging endorsement.** (a) A brewery
 20 repackaging endorsement authorizes the holder of a brewery manufacturer license who
 21 held a license to operate a brewpub under former AS 04.11.135 and was operating a
 22 brewpub on the day before the effective date of this section and who also holds,
 23 wholly or in part, a beverage dispensary license, beverage dispensary tourism license,
 24 restaurant or eating place license, or a seasonal restaurant or eating place tourism
 25 license to offer the holder's brewed beverages for sale for consumption off the licensed
 26 premises and to subdivide and sell the holder's brewed beverages from original
 27 packages with federally compliant labels to smaller containers with the standard
 28 federal government warnings and the product name.

29 (b) The biennial fee for a brewery repackaging endorsement is \$200.

30 (c) A brewery manufacturer licensee with a brewery repackaging endorsement

31 (1) is authorized to sell, each day to a person on the licensed premises

1 for consumption off the licensed premises, not more than

2 (A) 5.167 gallons of the holder's beer; or

3 (B) nine liters of sake;

4 (2) may only subdivide the holder's brewed beverages in response to a
5 purchase request from a person who is on the licensed premises;

6 (3) may permit an agent or employee to subdivide the holder's brewed
7 beverages, but may not permit a customer or another person who is not an agent or
8 employee of the licensee to subdivide the holder's brewed beverages.

9 (d) The holder of a package store license who repackages brewed beverages
10 without an endorsement under this section commits the offense of unendorsed brewery
11 repackaging.

12 (e) In this section, "licensed premises" means the premises licensed under a
13 beverage dispensary license, beverage dispensary tourism license, restaurant or eating
14 place license, or a seasonal restaurant or eating place tourism license, and the premises
15 is owned, wholly or in part, by a brewery manufacturer licensee.

16 (f) The holder of a brewery repackaging endorsement who fails to comply
17 with the requirements of this section commits the offense of brewery repackaging
18 endorsement noncompliance.

19 (g) Unendorsed brewery repackaging is a violation, punishable by a fine of
20 \$500.

21 (h) Brewery repackaging endorsement noncompliance is a violation.

22 **Article 6. Permits.**

23 **Sec. 04.09.600. Types of permits.** (a) A permit allows catering and serving
24 activities for a specific time period on a single specified premises and allows an
25 eligible nonprofit organization to host a fundraising or not-for-profit event.

26 (b) The director may issue only the permits authorized in AS 04.09.600 -
27 04.09.690. An application for a permit must be received by the director not less than
28 three business days before the first day of the event. Except for a conditional
29 contractor's permit issued under AS 04.09.690, the director shall require every person
30 who will serve or sell alcohol or check identification of a patron during a permitted
31 event to complete an alcohol server education course under AS 04.21.025 before the

1 first day of the permitted event.

2 (c) An applicant for a permit must follow the application requirements set out
3 in AS 04.11.260.

4 (d) A permit, other than an inventory resale permit under AS 04.09.680 and a
5 conditional contractor's permit under AS 04.09.690, is valid only on the premises, for
6 the event, and for the period specified.

7 (e) The holder of an approved permit may submit a written request for
8 amendment of the approved permit to change the event date, site, designated area, or
9 designated time. The holder of the approved permit shall submit the request to the
10 director not later than three business days before the event and shall include approval
11 of the law enforcement agency having jurisdiction over the site of the event for which
12 the amended permit is sought.

13 (f) The holder of an approved permit shall ensure that the individuals serving
14 alcohol have completed alcohol server training as required under AS 04.21.025 before
15 the first day of the permitted event.

16 (g) A permit may not be transferred to another person or another location and,
17 except for a conditional contractor's permit under AS 04.09.690, may not be renewed.

18 (h) Except as otherwise provided in AS 04.09.680 for an inventory resale
19 permit and AS 04.09.690 for a conditional contractor's permit, the fee for a permit
20 shall be set by the board in regulation. The fee must be at least \$50 for each day of the
21 event.

22 (i) The director shall approve or deny a permit application. If the director
23 denies a permit application, the applicant may appeal to the board.

24 **Sec. 04.09.610. Beverage dispensary caterer's permit.** A beverage
25 dispensary caterer's permit authorizes the holder of a beverage dispensary license or
26 beverage dispensary tourism license to sell or dispense alcoholic beverages at
27 conventions, picnics, sporting events, concerts, street festivals, or similar affairs held
28 off the holder's licensed premises for which a beverage dispensary license or beverage
29 dispensary tourism license would not otherwise be required. The permit may be issued
30 only for designated premises for a specific occasion and for a limited period.

31 **Sec. 04.09.620. Restaurant caterer's dining permit.** (a) A restaurant caterer's

1 dining permit authorizes the holder of a restaurant or eating place license or a seasonal
 2 restaurant or eating place tourism license to sell brewed beverages and wine before
 3 and during the service of food provided by the licensee at a single dining event held
 4 off the holder's licensed premises.

5 (b) The director may issue a restaurant caterer's dining permit only for
 6 designated premises, for a specific occasion, and for a limited period.

7 (c) The licensee shall provide food in conjunction with the service of brewed
 8 beverages and wine under a restaurant caterer's dining permit. The licensee shall
 9 comply with the requirements for gross receipts from food sales for a restaurant or
 10 eating place license under AS 04.09.210(d) or a seasonal restaurant or eating place
 11 tourism license under AS 04.09.350.

12 **Sec. 04.09.630. Club caterer's permit.** (a) A club caterer's permit authorizes
 13 the holder of a club license to sell or dispense alcoholic beverages at an event held off
 14 the club's licensed premises.

15 (b) The application for a club caterer's permit filed under AS 04.11.260 must
 16 be signed by two officers of the organization.

17 (c) A restriction or prohibition under AS 04.09.220 regarding a club member
 18 or a guest of a club member applies at the premises covered by the permit.

19 (d) The director may not issue more than three club caterer's permits to the
 20 holder of a club license in a calendar year.

21 **Sec. 04.09.640. Art exhibit event permit.** (a) An art exhibit event permit
 22 authorizes the holder of a beverage dispensary license, a beverage dispensary tourism
 23 license, a restaurant or eating place license, or a seasonal restaurant or eating place
 24 tourism license to sell and serve brewed beverages and wine for consumption at a
 25 specific art exhibit event.

26 (b) The board may issue an art exhibit event permit only for a specific art
 27 exhibit event at premises designated in the application for a limited period specified in
 28 the application.

29 (c) The board may not grant more than 12 art exhibit event permits to a
 30 licensee in a calendar year.

31 (d) An art exhibit event permit may not be exercised during an event that is

1 expected to attract attendees under 21 years of age.

2 (e) Food must be provided in conjunction with the service of brewed
3 beverages and wine under an art exhibit event permit.

4 **Sec. 04.09.650. Nonprofit organization event permit.** (a) A nonprofit
5 organization event permit authorizes the holder to sell or dispense brewed beverages
6 or wine for consumption at an event organized by the nonprofit organization.

7 (b) Only a nonprofit fraternal, civic, professional, or patriotic organization
8 active for a period of at least two years before filing an application and incorporated
9 under AS 10.20 is eligible for a nonprofit organization event permit.

10 (c) The application for a nonprofit organization event permit filed under
11 AS 04.11.260 must be signed by two officers of the organization. The nonprofit
12 organization shall submit, together with the application,

13 (1) either a signed copy of a resolution adopted by the board of
14 directors or a copy of the minutes from a board meeting of the nonprofit organization
15 authorizing the application; and

16 (2) a sworn affidavit showing the length of time the organization has
17 been in existence.

18 (d) The director may not issue more than five nonprofit organization event
19 permits to a nonprofit organization, including an auxiliary of the organization, in a
20 calendar year. A nonprofit organization event permit may only be issued for
21 designated premises for a specific occasion and for a limited period of time as
22 specified in the application.

23 (e) The nonprofit organization shall ensure that all profits derived from the
24 sale of brewed beverages or wine under a nonprofit organization event permit are paid
25 to the organization that holds the permit and not to an individual.

26 **Sec. 04.09.660. Alcoholic beverage auction permit.** (a) An alcoholic
27 beverage auction permit authorizes the holder to sell alcoholic beverages by outcry or
28 silent auction. An alcoholic beverage auction permit is sufficient to authorize a
29 nonprofit organization under (b) of this section to sell alcoholic beverages by outcry or
30 silent auction, and no other permit or license is required.

31 (b) Only a nonprofit fraternal, civic, professional, or patriotic organization

1 active for a period of at least two years before filing an application and incorporated
2 under AS 10.20 is eligible for an alcoholic beverage auction permit.

3 (c) The application for an alcoholic beverage auction permit filed under
4 AS 04.11.260 must be signed by two officers of the organization. The nonprofit
5 organization shall submit, together with the application,

6 (1) either a signed copy of a resolution adopted by the board of
7 directors or a copy of the minutes of a board meeting of the nonprofit organization
8 authorizing the application; and

9 (2) a sworn affidavit showing the length of time the organization has
10 been in existence.

11 (d) The director may not issue more than five alcoholic beverage auction
12 permits to a nonprofit organization, including an auxiliary of the organization, in a
13 calendar year. The director may issue a permit only for designated premises for a
14 specific event and for a limited period as specified in the application.

15 (e) The nonprofit organization shall ensure that all profits derived from the
16 sale of brewed beverages or wine under an alcoholic beverage auction permit are paid
17 to the organization that holds the permit and not to an individual.

18 (f) The nonprofit organization may not permit consumption at the auction site
19 of the alcoholic beverages being auctioned under a nonprofit organization alcoholic
20 beverage auction permit.

21 **Sec. 04.09.670. Tasting event permit.** (a) A tasting event permit authorizes
22 the holder of a beverage dispensary license or a beverage dispensary tourism license to
23 sell or dispense alcoholic beverages at a tasting event held in partnership with the
24 holder of a package store license, brewery retail license, winery retail license, or
25 distillery retail license.

26 (b) A tasting event must be for the purpose of promoting products available
27 for purchase from the partnering package store licensee, brewery retail licensee,
28 winery retail licensee, or distillery retail licensee; only products produced or sold by
29 the partnering licensee may be sold or dispensed at the event.

30 (c) Only the holder of a beverage dispensary license or a beverage dispensary
31 tourism license may apply for a tasting event permit under this section. An application

1 for a tasting event permit must list both the beverage dispensary licensee or beverage
 2 dispensary tourism licensee and the partnering licensee, and specify the designated
 3 premises for the event. The tasting event must be held in the same municipality or
 4 organized village in which the licensed premises of the partnering licensee are located.

5 (d) The director may not issue more than six permits in a calendar year to a
 6 beverage dispensary licensee or a beverage dispensary tourism licensee for tasting
 7 events with a particular partnering licensee; however, there is no limit on the number
 8 of different partnering licensees with whom a beverage dispensary licensee may
 9 partner for different events. If a person holds two or more qualifying partnering
 10 licenses, then the director shall treat each license as separate and distinct when
 11 applying the limitation under this subsection, regardless of how many other licenses
 12 the person holds, wholly or in part.

13 (e) The director may not issue a tasting event permit for a period

14 (1) that is longer than four hours;

15 (2) that lasts beyond 9:00 p.m.

16 (f) Food must be provided in conjunction with the service of alcoholic
 17 beverages under a tasting event permit.

18 (g) In this section, "partnering licensee" means the holder of a package store
 19 license, brewery retail license, winery retail license, or distillery retail license who has
 20 partnered with the holder of a beverage dispensary license or a beverage dispensary
 21 tourism license to host a tasting event permitted by this section.

22 **Sec. 04.09.680. Inventory resale permit.** (a) An inventory resale permit
 23 authorizes the holder to sell the remaining inventory of alcoholic beverages of a
 24 business when the owner of the business no longer has a valid license under this title.

25 (b) The fee for an inventory resale permit is \$100.

26 (c) The holder of an inventory resale permit may sell the remaining alcoholic
 27 beverage inventory only to the holder of a valid license under this chapter.

28 (d) The director may issue an inventory resale permit for a period ending 90
 29 days after the date of expiration or forfeiture of the license. The director may not issue
 30 a permit if the license was suspended or revoked.

31 **Sec. 04.09.690. Conditional contractor's permit.** (a) A conditional

1 contractor's permit authorizes the holder to sell brewed beverages or wine for
 2 consumption only on designated premises for the designated period of the permit
 3 under AS 04.11.680 at construction sites that are located outside a city and inside the
 4 boundaries of a military or naval reservation.

5 (b) The biennial conditional contractor's permit fee is \$1,200.

6 (c) An applicant for a conditional contractor's permit must obtain and file with
 7 the board written permission from the commanding officer of the military or naval
 8 reservation and the prime contractor of the remotely situated project for the conduct of
 9 the activities authorized by the permit. A conditional contractor's permit may be
 10 renewed biennially upon reapplication for a permit and may be revoked or suspended
 11 at the discretion of the commanding officer or the prime contractor.

12 (d) A conditional contractor's permit may not be transferred and is not valid
 13 after the completion of the holder's contract or the closing of the military or naval
 14 reservation.

15 **Sec. 04.09.700. Failure to comply with a permit requirement.** (a) A person
 16 who engages in activity that requires a permit under AS 04.09.600 - 04.09.690 without
 17 having a permit and a person who violates the terms of a permit issued under
 18 AS 04.09.600 - 04.09.690 commits the offense of failure to comply with a permit
 19 requirement.

20 (b) Failure to comply with a permit requirement is a violation.

21 (c) Failure to comply with a permit requirement of an inventory resale permit
 22 under AS 04.09.680 or a conditional contractor's permit under AS 04.09.690 is
 23 punishable by a fine of \$500.

24 * **Sec. 10.** AS 04.11.010(a) is amended to read:

25 (a) A [EXCEPT AS PROVIDED IN AS 04.11.020, A] person may not
 26 knowingly [MANUFACTURE, SELL, OFFER FOR SALE,] possess for [SALE OR]
 27 barter, traffic in, or barter an alcoholic beverage unless under license or permit issued
 28 under this title.

29 * **Sec. 11.** AS 04.11.010(b) is amended to read:

30 (b) Except as provided in this subsection, a person may not solicit or receive
 31 orders for the delivery of an alcoholic beverage in an area that has adopted a local

option under AS 04.11.491. If the area has adopted a local option under AS 04.11.491(a)(1), (2), or (3), or (b)(1) or (2), a package store licensee outside of that local option area may receive orders as provided under **a package store shipping endorsement under AS 04.09.460** [AS 04.11.150] but may not solicit in that area or receive orders through an agent or employee in that area. This subsection does not apply to a package store licensee who operates a package store in an area that has adopted a local option under AS 04.11.491(a)(2)(C) or (3)(C) or (b)(2)(C). A person who violates this subsection is punishable upon conviction as provided under AS 04.16.200(a) or (b).

* **Sec. 12.** AS 04.11.010(c) is amended to read:

(c) Unless a municipality or established village has adopted a more restrictive local option under AS 04.11.491(g), in a criminal prosecution for possession of alcoholic beverages for **barter or** sale in violation of (a) of this section, **AS 04.09.060, 04.09.070, 04.09.140, 04.09.145, 04.09.370, or 04.09.380**, the fact that a person

(1) possessed more than 10 1/2 liters of distilled spirits or 24 liters or more of wine, or either a **half-barrel keg** [HALF-KEG] of **brewed** [MALT] beverages or **15.5** [12] gallons or more of **brewed** [MALT] beverages in individual containers in an area where the sale of alcoholic beverages is restricted or prohibited under AS 04.11.491 creates a presumption that the person possessed the alcoholic beverages for **barter or** sale;

(2) sends, transports, or brings more than 10 1/2 liters of distilled spirits or 24 liters or more of wine, or either a **half-barrel keg** [HALF-KEG] of **brewed** [MALT] beverages or **15.5** [12] gallons or more of **brewed** [MALT] beverages in individual containers to an area where the sale of alcoholic beverages is restricted or prohibited under AS 04.11.491 creates a presumption that the person sent, transported, or brought the alcoholic beverages for **barter or** sale in the area.

* **Sec. 13.** AS 04.11.015 is amended to read:

Sec. 04.11.015. Purchase from nonlicensee prohibited. (a) A person may not purchase **or barter for** 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 **(a) of** this section is guilty of a violation.

1 * **Sec. 14.** AS 04.11.040 is amended by adding new subsections to read:

2 (d) A person who transfers a license or permit or a controlling interest in a
3 license or permit in violation of this section commits the offense of unauthorized
4 transfer of an alcoholic beverage license or permit.

5 (e) Unauthorized transfer of an alcoholic beverage license or permit is a
6 violation.

7 * **Sec. 15.** AS 04.11.045 is amended by adding new subsections to read:

8 (c) A limited liability organization that fails to report as required under (a) of
9 this section commits the offense of failure to report a change in member interest or
10 manager.

11 (d) Failure to report a change in member interest or manager is a violation.

12 * **Sec. 16.** AS 04.11.050 is amended by adding new subsections to read:

13 (d) A corporation that fails to report as required under (a) of this section, other
14 than a corporation described in (c) of this section, commits the offense of failure to
15 report a stock transfer or change of officers or board members.

16 (e) Failure to report a stock transfer or change of officers or board members is
17 a violation.

18 * **Sec. 17.** AS 04.11.055 is amended by adding new subsections to read:

19 (c) A partnership that fails to report as required under (a) of this section
20 commits the offense of failure to report a transfer of partnership interest or change of
21 general partner.

22 (d) Failure to report a transfer of partnership interest or change of general
23 partner is a violation.

24 * **Sec. 18.** AS 04.11.060 is amended to read:

25 **Sec. 04.11.060. Nonresident distiller, brewer, winery, or wholesaler.** A
26 distiller, brewer, winery, or wholesaler whose plant or principal place of business is
27 outside the state may not sell products directly to licensees in the state without

28 (1) obtaining a general wholesale license under AS 04.09.100
29 [AS 04.11.160(a)] for each wholesale distributing point in the state;

30 (2) appointing an agent upon whom process can be served; and

31 (3) obtaining other applicable licenses under the provisions of this title.

1 * **Sec. 19.** AS 04.11.060 is amended by adding a new subsection to read:

2 (b) A person who violates (a) of this section is guilty of a class A
3 misdemeanor.

4 * **Sec. 20.** AS 04.11.260 is amended to read:

5 **Sec. 04.11.260. Application for new license, endorsement, or permit.** (a) An
6 applicant for a new license, endorsement, or permit shall file with the director a
7 written application, signed and sworn to by the applicant, giving the applicant's name,
8 mailing address, telephone number, and electronic mail address. If the applicant is
9 a corporation, the application shall be executed by an [THE] authorized officer
10 [OFFICERS] of the corporation. If the applicant is a partnership, including a limited
11 partnership, the application shall be executed by an authorized general partner. The
12 application must include

13 (1) the type of license, endorsement, or permit desired;

14 (2) a description of the premises for which the license, endorsement,
15 or permit is desired, giving the address by street and number, or other information, so
16 that the location of the premises can be definitely determined;

17 (3) an annotated illustration of the premises designating the areas
18 for manufacture, storage, service, and consumption of alcoholic beverages and,
19 for a license application, the area for warehousing of the alcoholic beverages;

20 (4) the license, endorsement, or permit fee, and, for a multiple fixed
21 counter endorsement, the application fee for each counter;

22 (5) [(4)] the duration of the license, endorsement, or permit desired,
23 including, for a permit, a statement of the event dates and the specific hours of
24 intended operation;

25 (6) [(5)] any other information required by the board.

26 (b) A corporation applying for a license or conditional contractor's permit
27 under AS 04.09.690 shall provide the names and addresses of the president, vice-
28 president, secretary, managing officer, and all stockholders who own 10 percent or
29 more of the stock in the corporation, together with any other information required by
30 the board.

31 (c) An applicant for a new license or permit must include with the application

1 (1) proof that notice required by AS 04.11.310, **if any**, has been given;
 2 (2) any petitions required to be secured under AS 04.11.460 before a
 3 license may be issued;

4 (3) evidence of any approval by public authorities required to be
 5 obtained [UNDER AS 04.11.090(e), 04.11.220(c), 04.11.230(b), 04.11.240(b), OR
 6 04.11.250(b)], before a license or permit may be issued, **including**

7 **(A) written approval under AS 04.09.240 from the**
 8 **governing body of a college or university for a pub license;**

9 **(B) approval under AS 04.11.365 for a restaurant or eating**
 10 **place license in a multi-unit residential housing development owned or**
 11 **financed by the Alaska Housing Finance Corporation;**

12 **(C) permission from the commanding officer and the prime**
 13 **contractor for a conditional contractor's permit under AS 04.09.690;**

14 **(D) for a permit other than a conditional contractor's**
 15 **permit, approval of the law enforcement agency having jurisdiction over**
 16 **the site of the event for which the permit is sought.**

17 (d) A partnership, including a limited partnership, that applies for a license or
 18 **conditional contractor's** permit **under AS 04.09.690** shall provide information
 19 required by the board including the names and addresses of all general partners and all
 20 partners with an interest of 10 percent or more.

21 (e) A limited liability organization that applies for a license or **conditional**
 22 **contractor's** permit **under AS 04.09.690** shall provide information required by the
 23 board, including the names and addresses of all members with an ownership interest of
 24 10 percent or more and the names and addresses of all managers.

25 * **Sec. 21.** AS 04.11.260 is amended by adding a new subsection to read:

26 (f) This section does not apply to a winery direct shipment license issued
 27 under AS 04.09.360.

28 * **Sec. 22.** AS 04.11.270 is amended to read:

29 **Sec. 04.11.270. Application for renewal of license, endorsement, or**
 30 **conditional contractor's permit.** (a) An application for renewal of a license,
 31 **endorsement**, or [RENEWAL OF A] conditional contractor's permit **under**

1 **AS 04.09.690** must include

2 (1) the information required for a new license, **endorsement**, or permit
3 under AS 04.11.260 except that proof of notice under AS 04.11.310 is not required;
4 and

5 (2) a list of all convictions of the applicant of violations of this title, a
6 regulation adopted under this title, or an ordinance adopted under AS 04.21.010, that
7 occurred in the preceding two calendar years.

8 (b) A license, **endorsement, or permit** shall be renewed as follows:

9 (1) on or before November 1, the director shall mail a renewal
10 application to each licensee whose license, **endorsement, or permit**, unless renewed,
11 will expire on December 31 of that year; the application shall be mailed to the licensee
12 **or permittee** [AT THE LICENSED PREMISES OR] at a mailing address **or**
13 **electronic mail address** furnished by the licensee **or permittee**;

14 (2) the licensee **or permittee** shall submit the completed renewal
15 application and the biennial [LICENSE] fee to the director before January 1;

16 (3) a renewal application filed after December 31 is delinquent and
17 must be accompanied by a \$500 penalty fee;

18 (4) if December 31 falls on a weekend or a state holiday, the deadline
19 is extended to the first business day following December 31.

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

21 (c) This section does not apply to a winery direct shipment license issued
22 under AS 04.09.360.

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

24 **Sec. 04.11.280. Application for transfer of a license to another person.** (a)
25 An application for transfer of a license **or a license with one or more endorsements**
26 to another person must contain the same information about the transferee as is required
27 of an applicant for a new license **or endorsement** under AS 04.11.260 and must
28 include other information required by the board.

29 (b) An application for the transfer of a license **or a license with one or more**
30 **endorsements** to another person must be accompanied by a statement, under oath,
31 executed by the transferor, listing all debts of the business and all taxes due by the

1 business. The board shall promptly inform each listed creditor of the application and
2 the amount shown as owed to that creditor.

3 * **Sec. 25.** AS 04.11.295(a) is amended to read:

4 (a) An applicant for the issuance or transfer of a license or **issuance of** a
5 conditional contractor's permit under this title shall submit to the board, with the
6 application, the applicant's fingerprints and the fees required by the Department of
7 Public Safety under AS 12.62.160 for criminal justice information and a national
8 criminal history record check. The board may require an applicant for renewal of a
9 license or a conditional contractor's permit under this title to submit fingerprints and
10 pay fees as required by this subsection. The board shall submit the fingerprints to the
11 Department of Public Safety to obtain a report of criminal justice information under
12 AS 12.62 and a national criminal history record check under AS 12.62.400. The
13 Department of Public Safety may submit the fingerprints to the Federal Bureau of
14 Investigation for a national criminal history record check. The board shall use the
15 information obtained under this section in its determination of an applicant's
16 qualification for issuance, transfer, or renewal of a license or **issuance or renewal of** a
17 conditional contractor's permit.

18 * **Sec. 26.** AS 04.11.295(b)(1) is amended to read:

19 (1) "applicant" means all individuals whose names and addresses are
20 required to be provided with an application for a new license or **conditional**
21 **contractor's** permit under **AS 04.09.690** [AS 04.11.260];

22 * **Sec. 27.** AS 04.11.310 is amended by adding a new subsection to read:

23 (c) This section does not apply to a winery direct shipment license issued
24 under AS 04.09.360.

25 * **Sec. 28.** AS 04.11 is amended by adding a new section to article 3 to read:

26 **Sec. 04.11.315. False statement on application.** A person who knowingly
27 makes a false sworn statement that the person does not believe to be true on an
28 application under AS 04.11.260 - 04.11.310 commits the crime of perjury under
29 AS 11.56.200.

30 * **Sec. 29.** AS 04.11.320(a) is amended to read:

31 (a) An application requesting issuance of a new license **or endorsement** shall

1 be denied if

2 (1) the board finds, after review of all relevant information, that
3 issuance of the license or endorsement would not be in the best interests of the
4 public;

5 (2) issuance of the license is prohibited by AS 04.11.410, relating to
6 location of premises near churches and schools;

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

9 (4) issuance of the license or endorsement would violate the
10 restrictions pertaining to the particular license or endorsement imposed under this
11 title;

12 (5) issuance of the license is prohibited under this title as a result of an
13 election conducted under AS 04.11.507;

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

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

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

20 (9) the license is sought for the sale of alcoholic beverages in a first or
21 second class city where there are no licensed premises at the time of application unless
22 a majority of the voters have voted not to approve a local option to restrict or prohibit
23 the sale of alcoholic beverages under AS 04.11.491, have voted to approve a local
24 option to allow the type of premises under AS 04.11.491(a)(2) or (3), or have voted to
25 remove a restriction or prohibition on the sale of alcoholic beverages under
26 AS 04.11.495; or

27 (10) the license is sought for the sale of alcoholic beverages in an
28 established village where there are no licensed premises at the time of application
29 unless a majority of the voters have voted not to approve a local option to restrict or
30 prohibit the sale of alcoholic beverages under AS 04.11.491, have voted to approve a
31 local option to allow the type of premises under AS 04.11.491(b)(2), or have voted to

1 remove a restriction or prohibition on the sale of alcoholic beverages under
2 AS 04.11.495.

3 * **Sec. 30.** AS 04.11.330(a) is amended to read:

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

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

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

8 (3) the applicant has not operated the licensed premises for at least **240**
9 **hours** [30 EIGHT-HOUR DAYS] during each of the two preceding calendar years,
10 unless the board determines that the licensed premises are under construction or
11 cannot be operated through no fault of the applicant;

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

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

16 (6) renewal of the license would violate the restrictions pertaining to
17 the particular license under this title or the license has been operated in violation of a
18 condition or restriction imposed by the board;

19 (7) renewal of the license is prohibited under this title as a result of an
20 election conducted under AS 04.11.507; **or**

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

23 (9) THE LICENSE WAS ISSUED UNDER AS 04.11.400(g), AND
24 THE BOARD FINDS THAT THE PUBLIC CONVENIENCE DOES NOT
25 REQUIRE RENEWAL].

26 * **Sec. 31.** AS 04.11.330(a), as amended by sec. 30 of this Act, is amended to read:

27 (a) An application requesting renewal of a license **or endorsement** shall be
28 denied if

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

31 (2) the license **or endorsement** has been revoked for any cause;

1 (3) the applicant has not operated the licensed premises for at least **240**
 2 **hours** [30 EIGHT-HOUR DAYS] during each of the two preceding calendar years,
 3 unless the board determines that the licensed premises are under construction or
 4 cannot be operated through no fault of the applicant;

5 (4) the board finds that issuance of an existing **beverage dispensary**
 6 **tourism** license under **AS 04.09.340 or seasonal restaurant or eating place tourism**
 7 **license under AS 04.09.350** [AS 04.11.400(d)] has not encouraged tourist trade;

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

10 (6) renewal of the license **or endorsement** would violate the
 11 restrictions pertaining to the particular license **or endorsement** under this title or the
 12 license **or endorsement** has been operated in violation of a condition or restriction
 13 imposed by the board;

14 (7) renewal of the license is prohibited under this title as a result of an
 15 election conducted under AS 04.11.507; or

16 (8) the application has not been completed in accordance with
 17 **AS 04.09.360 or** AS 04.11.270.

18 * **Sec. 32.** AS 04.11.330(d) is amended to read:

19 (d) Notwithstanding (a)(3) of this section, a **common carrier dispensary**
 20 **license issued under AS 04.09.260 or a sporting event** [RECREATIONAL SITE]
 21 license issued under **AS 04.09.270** [AS 04.11.210] may be renewed if the license was
 22 exercised at least once during each of the two preceding calendar years.

23 * **Sec. 33.** AS 04.11.330 is amended by adding a new subsection to read:

24 (e) The requirements of (a)(3), (a)(5), and (a)(7) of this section do not apply to
 25 a winery direct shipment license issued under AS 04.09.360.

26 * **Sec. 34.** AS 04.11.340 is amended to read:

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

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

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

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

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

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

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

11 (7) relocation of the license would violate the restrictions pertaining to
12 the particular license imposed by this title;

13 (8) relocation of the license is prohibited under this title as a result of
14 an election conducted under AS 04.11.507; or

15 (9) the license was issued under AS 04.11.400(d) [, (e), OR (g)].

16 * **Sec. 35.** AS 04.11.340, as amended by sec. 34 of this Act, is amended to read:

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

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

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

22 (3) the license would be relocated out of the established village,
23 incorporated city, unified municipality, or population area established under
24 AS 04.11.400(a) within which it is located **except as provided under**
25 **AS 04.11.400(k)**;

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

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

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

1 law;

2 (7) relocation of the license would violate the restrictions pertaining to
3 the particular license imposed by this title; **or**

4 (8) relocation of the license is prohibited under this title as a result of
5 an election conducted under AS 04.11.507 [; OR

6 (9) THE LICENSE WAS ISSUED UNDER AS 04.11.400(d)].

7 * **Sec. 36.** AS 04.11.360 is amended to read:

8 **Sec. 04.11.360. Denial of transfer of a license to another person.** An
9 application requesting approval of a transfer of a license to another person under this
10 title shall be denied if

11 (1) the board finds, after review of all relevant information, that
12 transfer of a license to another person would not be in the best interests of the public;

13 (2) the application has not been completed in accordance with
14 AS 04.11.280;

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

16 (4) the transferor has not paid all debts or taxes arising from the
17 conduct of the business licensed under this title unless

18 (A) the transferor gives security for the payment of the debts or
19 taxes satisfactory to the creditor or taxing authority; or

20 (B) the transfer is under a promise given as collateral by the
21 transferor to the transferee in the course of an earlier transfer of the license
22 under which promise the transferor is obliged to transfer the license back to the
23 transferee in the event of default in payment for property conveyed as part of
24 the earlier transfer of the license;

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

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

29 (7) transfer of the license to another person is prohibited under the
30 provisions of this title as a result of an election conducted under AS 04.11.507;

31 (8) the prospective transferee does not have the qualifications required

1 under this title of an original applicant;

2 (9) the license was issued under AS 04.11.100(f) [OR 04.11.400(g)];
3 however, this paragraph does not apply to a beverage dispensary license issued before
4 June 6, 1985, under former AS 04.11.400(j) if the transfer does not involve a change
5 in location; or

6 (10) the license was issued under AS 04.11.135, unless the transferor is
7 also applying to transfer the beverage dispensary license required under AS 04.11.135
8 to the same transferee.

9 * **Sec. 37.** AS 04.11.360, as amended by sec. 36 of this Act, is amended to read:

10 **Sec. 04.11.360. Denial of transfer of a license to another person.** An
11 application requesting approval of a transfer of a license to another person under this
12 title shall be denied if

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

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

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

18 (4) the transferor has not paid all debts or taxes arising from the
19 conduct of the business licensed under this title unless

20 (A) the transferor gives security for the payment of the debts or
21 taxes satisfactory to the creditor or taxing authority; or

22 (B) the transfer is under a promise given as collateral by the
23 transferor to the transferee in the course of an earlier transfer of the license
24 under which promise the transferor is obliged to transfer the license back to the
25 transferee in the event of default in payment for property conveyed as part of
26 the earlier transfer of the license;

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

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

31 (7) transfer of the license to another person is prohibited under the

1 provisions of this title as a result of an election conducted under AS 04.11.507; **or**

2 (8) the prospective transferee does not have the qualifications required
3 under this title of an original applicant;

4 [(9) THE LICENSE WAS ISSUED UNDER AS 04.11.100(f);
5 HOWEVER, THIS PARAGRAPH DOES NOT APPLY TO A BEVERAGE
6 DISPENSARY LICENSE ISSUED BEFORE JUNE 6, 1985, UNDER FORMER
7 AS 04.11.400(j) IF THE TRANSFER DOES NOT INVOLVE A CHANGE IN
8 LOCATION; OR

9 (10) THE LICENSE WAS ISSUED UNDER AS 04.11.135, UNLESS
10 THE TRANSFEROR IS ALSO APPLYING TO TRANSFER THE BEVERAGE
11 DISPENSARY LICENSE REQUIRED UNDER AS 04.11.135 TO THE SAME
12 TRANSFEREE].

13 * **Sec. 38.** AS 04.11.365 is amended to read:

14 **Sec. 04.11.365. Licensed premises in multi-unit residential housing**
15 **developments owned or financed by the Alaska Housing Finance Corporation.**

16 For premises located in a multi-unit residential housing development owned or
17 financed by the Alaska Housing Finance Corporation, the board may issue a new
18 license under AS 04.11.320, renew a license under AS 04.11.330, or approve a request
19 for relocation under AS 04.11.340 if the Alaska Housing Finance Corporation
20 authorizes the use under AS 18.56.230 and

21 [(1) THE LICENSE IS FOR A RESTAURANT OR EATING PLACE
22 UNDER AS 04.11.100; OR

23 (2)] the premises are **covered by a restaurant endorsement**
24 [DESIGNATED BY THE BOARD AS A RESTAURANT] under **AS 04.09.450**
25 [AS 04.16.049].

26 * **Sec. 39.** AS 04.11.370(a) is amended to read:

27 (a) A license, **endorsement**, or permit shall be suspended or revoked if the
28 board finds

29 (1) misrepresentation of a material fact on an application made under
30 this title or a regulation adopted under this title;

31 (2) continuation of the manufacture, sale, or service of alcoholic

1 beverages by the licensee or permittee would be contrary to the best interests of the
2 public;

3 (3) failure on the part of the licensee to correct a defect that constitutes
4 a violation of this title, a condition or restriction imposed by the board, a regulation
5 adopted under this title, or other laws after receipt of notice issued by the board or its
6 agent;

7 (4) conviction of a licensee of a violation of this title, a regulation
8 adopted under this title, or an ordinance adopted under AS 04.21.010;

9 (5) conviction of an agent or employee of a licensee of a violation of
10 this title, a regulation adopted under this title, or an ordinance adopted under
11 AS 04.21.010, if the licensee is found by the board to have either knowingly allowed
12 the violation or to have recklessly or with criminal negligence failed to act in
13 accordance with the duty prescribed under AS 04.21.030 with the result that the agent
14 or employee violates a law, regulation, or ordinance;

15 (6) failure of the licensee to comply with the public health, fire, or
16 safety laws and regulations in the state;

17 (7) use of the licensed premises as a resort for illegal possessors or
18 users of narcotics, prostitutes, or sex traffickers; in addition to any other legally
19 competent evidence, the character of the premises may be proved by the general
20 reputation of the premises in the community as a resort for illegal possessors or users
21 of narcotics, prostitutes, or sex traffickers;

22 (8) occurrence of illegal gambling within the limits of the licensed
23 premises;

24 (9) the licensee permitted a public offense involving moral turpitude to
25 occur on the licensed premises;

26 (10) violation by a licensee of this title, a condition or restriction
27 imposed by the board, a regulation adopted under this title, or an ordinance adopted
28 under AS 04.21.010; or

29 (11) violation by an agent or employee of a licensee of a provision of
30 this title, a condition or restriction imposed by the board, a regulation adopted under
31 this title, or an ordinance adopted under AS 04.21.010, if the licensee is found by the

1 board to have either knowingly allowed the violation or to have recklessly or with
 2 criminal negligence failed to act in accordance with the duty prescribed under
 3 AS 04.21.030 with the result that the agent or employee violates the law, condition or
 4 restriction, regulation, or ordinance.

5 * **Sec. 40.** AS 04.11.395 is amended to read:

6 **Sec. 04.11.395. Board imposed conditions or restrictions.** The board may, in
 7 the best interests of the public, impose conditions or restrictions on a license,
 8 endorsement, or permit issued under this chapter.

9 * **Sec. 41.** AS 04.11.400(a) is amended to read:

10 (a) Except as provided in (d) - (k) of this section **and AS 04.11.405**, a new
 11 license may not be issued and the board may prohibit relocation of an existing license

12 (1) outside an established village, incorporated city, unified
 13 municipality, or organized borough if, after the issuance or relocation, there would be
 14 (A) more than one restaurant or eating place license for each 1,500 population or
 15 fraction of that population, or (B) more than one license of each other type, including
 16 licenses that have been issued under (d) or (e) of this section, for each 3,000
 17 population or fraction of that population, in a radius of five miles of the licensed
 18 premises, excluding the populations of established villages, incorporated cities, unified
 19 municipalities, and organized boroughs that are wholly or partly included within the
 20 radius;

21 (2) inside an established village, incorporated city, or unified
 22 municipality if, after the issuance or relocation, there would be inside the established
 23 village, incorporated city, or unified municipality

24 (A) more than one restaurant or eating place license for each
 25 1,500 population or fraction of that population; or

26 (B) more than one license of each other type, including licenses
 27 that have been issued under (d) or (e) of this section, for each 3,000 population
 28 or fraction of that population;

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

1 cities located within the borough,

2 (A) more than one restaurant or eating place license for each
3 1,500 population or fraction of that population; or

4 (B) more than one license of each other type, including licenses
5 that have been issued under (d) or (e) of this section, for each 3,000 population
6 or fraction of that population excluding the population of those established
7 villages that have adopted a local option under AS 04.11.491(b)(1), (3), or (4),
8 and excluding the population of incorporated cities located within the
9 organized borough.

10 * **Sec. 42.** AS 04.11.400(a), as amended by sec. 41 of this Act, is amended to read:

11 (a) Except as provided in **(f) and (k)** [(d) - (k)] of this section and
12 AS 04.11.405, a new license may not be issued and the board may prohibit relocation
13 of an existing license

14 (1) outside an established village, incorporated city, unified
15 municipality, or organized borough if, after the issuance or relocation, **in a radius of**
16 **five miles of the licensed premises, excluding the populations of established**
17 **villages, incorporated cities, unified municipalities, and organized boroughs that**
18 **are wholly or partly included within the radius,** there would be

19 (A) more than one restaurant or eating place license for each
20 1,500 population or fraction of that population; [, OR]

21 (B) **more than one brewery retail, winery retail, or distillery**
22 **retail license for each 9,000 population or fraction of that population; or**

23 **(C) more than one license of each other type, except a type**
24 **listed in (i) of this section** [INCLUDING LICENSES THAT HAVE BEEN
25 ISSUED UNDER (d) OR (e) OF THIS SECTION], for each 3,000 population
26 or fraction of that population [, IN A RADIUS OF FIVE MILES OF THE
27 LICENSED PREMISES, EXCLUDING THE POPULATIONS OF
28 ESTABLISHED VILLAGES, INCORPORATED CITIES, UNIFIED
29 MUNICIPALITIES, AND ORGANIZED BOROUGHs THAT ARE
30 WHOLLY OR PARTLY INCLUDED WITHIN THE RADIUS];

31 (2) inside an established village, incorporated city, or unified

1 municipality if, after the issuance or relocation, there would be inside the established
2 village, incorporated city, or unified municipality

3 (A) more than one restaurant or eating place license for each
4 1,500 population or fraction of that population; [OR]

5 (B) **more than one brewery retail, winery retail, or distillery**
6 **retail license for each 9,000 population or fraction of that population; or**

7 (C) more than one license of each other type, **except a type**
8 **listed in (i) of this section** [INCLUDING LICENSES THAT HAVE BEEN
9 ISSUED UNDER (d) OR (e) OF THIS SECTION], for each 3,000 population
10 or fraction of that population;

11 (3) inside an organized borough but outside an established village or
12 incorporated city located within the borough if, after the issuance or relocation, there
13 would be inside the borough, but outside the established villages and incorporated
14 cities located within the borough, **excluding the population of those established**
15 **villages that have adopted a local option under AS 04.11.491(b)(1) or (3), and**
16 **excluding the population of incorporated cities located within the organized**
17 **borough;**

18 (A) more than one restaurant or eating place license for each
19 1,500 population or fraction of that population; [OR]

20 (B) **more than one brewery retail, winery retail, or distillery**
21 **retail license for each 9,000 population or fraction of that population; or**

22 (C) more than one license of each other type, **except a type**
23 **listed in (i) of this section** [INCLUDING LICENSES THAT HAVE BEEN
24 ISSUED UNDER (d) OR (e) OF THIS SECTION], for each 3,000 population
25 or fraction of that population [EXCLUDING THE POPULATION OF THOSE
26 ESTABLISHED VILLAGES THAT HAVE ADOPTED A LOCAL OPTION
27 UNDER AS 04.11.491(b)(1), (3), OR (4), AND EXCLUDING THE
28 POPULATION OF INCORPORATED CITIES LOCATED WITHIN THE
29 ORGANIZED BOROUGH].

30 * **Sec. 43.** AS 04.11.400(i) is repealed and reenacted to read:

31 (i) This section does not apply to a

- 1 (1) brewery manufacturer license issued under AS 04.09.020;
- 2 (2) winery manufacturer license issued under AS 04.09.030;
- 3 (3) distillery manufacturer license issued under AS 04.09.040;
- 4 (4) general wholesale license issued under AS 04.09.100;
- 5 (5) limited wholesale brewed beverage and wine license under
- 6 AS 04.09.110;
- 7 (6) outdoor recreation lodge license issued under AS 04.09.280;
- 8 (7) destination resort license issued under AS 04.09.300;
- 9 (8) beverage dispensary tourism license issued under AS 04.09.340;
- 10 (9) seasonal restaurant or eating place tourism license issued under
- 11 AS 04.09.350;
- 12 (10) winery direct shipment license issued under AS 04.09.360;
- 13 (11) conditional contractor's permit issued under AS 04.09.690.

14 * **Sec. 44.** AS 04.11.400(k) is amended to read:

15 (k) The board may allow the relocation of an existing beverage dispensary
 16 license under **AS 04.09.200 or former** AS 04.11.090 to a restaurant, eating place, or
 17 hotel, motel, resort, or similar business that contains a restaurant or eating place, **or of**
 18 **an existing package store license under AS 04.09.230 or former AS 04.11.150,** in a
 19 borough with a population of **50,000** [60,000] or more [IF THE GOVERNING BODY
 20 OF THE BOROUGH APPROVES THE RELOCATION. HOWEVER, IF THE
 21 RELOCATION OF THE LICENSE IS] into or within an incorporated city in the
 22 borough. **The** [, THE] board may not approve the relocation unless, **at the time of**
 23 **application, the existing number of issued licenses of the type under consideration**
 24 **for relocation located within the borough exceeds the maximum allowed under**
 25 **(a) of this section and** the governing bodies of both the borough and the incorporated
 26 city approve the relocation. The board may allow not more than three relocations **into**
 27 **each city** [IN A BOROUGH] under this subsection each decade. In this subsection,
 28 "decade" means each 10-year period beginning April 1 in a year ending in zero.

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

30 **Sec. 04.11.405. Petition for additional restaurant or eating place licenses**
 31 **for certain local governing bodies.** (a) A first class city, a home rule city, or a unified

1 municipality may submit a resolution to the board, adopted by its legislative body,
 2 petitioning the board for the issuance of additional restaurant or eating place licenses
 3 under AS 04.11.100 that exceed the limits under AS 04.11.400(a) in accordance with
 4 this section.

5 (b) The board, following a public hearing, may issue one or more additional
 6 restaurant or eating place licenses under AS 04.11.100, within the boundaries of the
 7 municipality, if the board finds that

8 (1) the municipality

9 (A) serves as a center for commercial activity within and
 10 outside the boundaries of the municipality by providing goods and services to a
 11 population that is greater than the permanent resident population within the
 12 boundaries of the municipality;

13 (B) maintains a local law enforcement department;

14 (C) exercises planning and land-use authority; and

15 (D) at the time of the petition, meets or exceeds the maximum
 16 limit under AS 04.11.400(a) for restaurant or eating place licenses issued under
 17 AS 04.11.100;

18 (2) the number of additional licenses does not exceed the number of
 19 additional licenses requested by the municipality in the petition; and

20 (3) granting the additional licenses is in the public interest.

21 (c) A resolution submitted by a municipality under (a) of this section must
 22 include

23 (1) information demonstrating that the petitioner meets the criteria in
 24 (b) of this section;

25 (2) the most recent estimate of the number of people who claim
 26 residency or work outside the boundaries of the municipality and who are served by
 27 the municipality, including the

28 (A) population located outside the boundaries of the
 29 municipality that relies on the municipality for goods and services;

30 (B) visitor population; and

31 (C) nonresident worker population that resides in the

1 municipality, but that is not counted in the latest federal or state census for the
2 municipality;

3 (3) the number of existing restaurant or eating place licenses

4 (A) within the boundaries of the municipality;

5 (B) in a geographic area that the municipality serves under (2)
6 of this subsection;

7 (4) information showing that the number of additional licenses
8 requested does not exceed one license for each 1,500 population of the population
9 identified under (2) of this subsection; and

10 (5) additional justification, as necessary, to demonstrate that granting
11 of the additional licenses is in the public interest.

12 (d) If the board grants a petition for additional restaurant or eating place
13 licenses under this section to a municipality, the board may not authorize additional
14 restaurant or eating place licenses to the same municipality under this section for the
15 following 10 years.

16 * **Sec. 46.** AS 04.11.405(a), as amended by sec. 45 of this Act, is amended to read:

17 (a) A first class city, a home rule city, or a unified municipality may submit a
18 resolution to the board, adopted by its legislative body, petitioning the board for the
19 issuance of additional restaurant or eating place licenses under **AS 04.09.210**
20 [AS 04.11.100] that exceed the limits under AS 04.11.400(a) in accordance with this
21 section.

22 * **Sec. 47.** AS 04.11.405(b), as amended by sec. 45 of this Act, is amended to read:

23 (b) The board, following a public hearing, may issue one or more additional
24 restaurant or eating place licenses under **AS 04.09.210** [AS 04.11.100], within the
25 boundaries of the municipality, if the board finds that

26 (1) the municipality

27 (A) serves as a center for commercial activity within and
28 outside the boundaries of the municipality by providing goods and services to a
29 population that is greater than the permanent resident population within the
30 boundaries of the municipality;

31 (B) maintains a local law enforcement department;

1 (C) exercises planning and land-use authority; and

2 (D) at the time of the petition, meets or exceeds the maximum
3 limit under AS 04.11.400(a) for restaurant or eating place licenses issued under
4 **AS 04.09.210** [AS 04.11.100];

5 (2) the number of additional licenses does not exceed the number of
6 additional licenses requested by the municipality in the petition; and

7 (3) granting the additional licenses is in the public interest.

8 * **Sec. 48.** AS 04.11.430 is amended to read:

9 **Sec. 04.11.430. Person and location.** (a) Each license shall be issued to a
10 specific individual or individuals, to a partnership, including a limited partnership, to a
11 limited liability organization, or to a corporation. If the license is issued to a
12 corporation or a limited liability organization, the registered agent of the corporation
13 or limited liability organization **may** [MUST] be **either** an individual resident of the
14 state **or a domestic corporation authorized to transact business in this state whose**
15 **business office is the same as the registered office.**

16 (b) Except for a license authorizing the sale of alcoholic beverages on a
17 common carrier, a specific location shall be indicated on the license or permit as the
18 licensed premises, the principal address of which shall be indicated on the license or
19 permit. The mailing address, **telephone number, and electronic mailing address** of a
20 licensee or, if the licensee is a corporation, the address, **telephone number, and**
21 **electronic mailing address** of the registered office of the corporation must be kept
22 current and on file in the main office of the board.

23 * **Sec. 49.** AS 04.11.450(b) is amended to read:

24 (b) A person who is a representative or owner of a wholesale business
25 **licensed under AS 04.09.100 or 04.09.110** [, BREWERY, WINERY, BOTTLING
26 WORKS, OR DISTILLERY] may not be issued, solely or together with others, a
27 **manufacturer license issued under AS 04.09.020 - 04.09.040, or a retail license**
28 **issued under AS 04.09.200 - 04.09.360** [BEVERAGE DISPENSARY LICENSE, A
29 RESTAURANT OR EATING PLACE LICENSE, OR PACKAGE STORE
30 LICENSE. A HOLDER OF A BEVERAGE DISPENSARY LICENSE MAY BE
31 ISSUED A BREWPUB LICENSE, SUBJECT TO THE PROVISIONS OF

1 AS 04.11.135. THE PROHIBITION AGAINST ISSUANCE OF A RESTAURANT
 2 OR EATING PLACE LICENSE IMPOSED UNDER THIS SUBSECTION DOES
 3 NOT APPLY TO A RESTAURANT OR EATING PLACE LICENSE ISSUED ON
 4 OR BEFORE OCTOBER 1, 1996 OR A RESTAURANT OR EATING PLACE
 5 LICENSE ISSUED UNDER AN APPLICATION FOR A RESTAURANT OR
 6 EATING PLACE LICENSE APPROVED ON OR BEFORE OCTOBER 1, 1996].

7 * **Sec. 50.** AS 04.11.450(e) is amended to read:

8 (e) A holder of either a general wholesale license or a **limited** wholesale
 9 **brewed** [MALT] beverage and wine license may not be employed by or act as the
 10 agent or employee of the holder of a **manufacturer** [BEVERAGE DISPENSARY OR
 11 PACKAGE STORE] license **under AS 04.09.020 or 04.09.040 or a retail license**
 12 **under AS 04.09.200 - 04.09.360.**

13 * **Sec. 51.** AS 04.11.450 is amended by adding new subsections to read:

14 (g) The holder of a manufacturer license that annually produces in total
 15 300,000 barrels or more of brewed beverages, 50,000 nine-liter-equivalent cases or
 16 more of wine, or 50,000 nine-liter-equivalent cases or more of distilled spirits may not
 17 be issued, solely or together with others, a license under AS 04.09.100 - 04.09.360.

18 (h) For purposes of calculating the volume that the holder of a manufacturer
 19 license produces under this section, the volume of production must include all
 20 production by

21 (1) the holder of the manufacturer's license; and

22 (2) an officer, director, agent, employee, or affiliate of the holder; in
 23 this paragraph, "affiliate" means a person that directly or indirectly, through one or
 24 more intermediaries, controls, or is controlled by, or is under common control with, a
 25 corporation.

26 * **Sec. 52.** AS 04.11.460 is amended by adding a new subsection to read:

27 (d) This section does not apply to a winery direct shipment license issued
 28 under AS 04.09.360.

29 * **Sec. 53.** AS 04.11.470 is amended to read:

30 **Sec. 04.11.470. Objection.** A person may object to an application for issuance,
 31 renewal, transfer of location, or transfer to another person of a license, **for issuance,**

1 **renewal, or transfer to another person of a license with one or more**
 2 **endorsements, for issuance of an endorsement** or for issuance of a permit, by
 3 serving upon the applicant and the board the reasons for the objection. The board shall
 4 consider the objections and testimony received at a hearing conducted under
 5 AS 04.11.510(b)(2) when it considers the application. An objection and the record of a
 6 hearing conducted under AS 04.11.510(b)(2) shall be retained as part of the board's
 7 permanent record of its review of the application.

8 * **Sec. 54.** AS 04.11.480(a) is amended to read:

9 (a) A local governing body may protest the issuance, renewal, relocation, or
 10 transfer to another person of a license, **issuance, renewal, or transfer to another**
 11 **person of a license with one or more endorsements, or issuance of an**
 12 **endorsement** by sending the board and the applicant a protest and the reasons for the
 13 protest within 60 days of **the date** [RECEIPT FROM THE BOARD] of **the** notice of
 14 filing of the application. A protest received after the 60-day period may not be
 15 accepted by the board, and in no event may a protest cause the board to reconsider an
 16 approved renewal, relocation, or transfer. The local governing body may protest the
 17 continued operation of a license **or endorsement** during the second year of the
 18 biennial license period by sending the board and the licensee a protest and the reasons
 19 for the protest by January 31 of the second year of the license. The procedures for
 20 action on a protest of continued operation of a license **or endorsement** are the same as
 21 the procedures for action on a protest of a renewal application. The board shall
 22 consider a protest and testimony received at a hearing conducted under
 23 AS 04.11.510(b)(2) or (4) when it considers the application or continued operation,
 24 and the protest and the record of the hearing conducted under AS 04.11.510(b)(2) or
 25 (4) shall be kept as part of the board's permanent record of its review. If an application
 26 or continued operation is protested, the board shall deny the application or continued
 27 operation unless the board finds that the protest is arbitrary, capricious, and
 28 unreasonable.

29 * **Sec. 55.** AS 04.11.480(b) is amended to read:

30 (b) If the permanent residents residing outside of but within two miles of an
 31 incorporated city or an established village wish to protest the issuance, renewal, or

1 transfer of a license **or a license with one or more endorsements** within the city or
 2 village, they shall file with the board a petition meeting the requirements of
 3 AS 04.11.510(b)(3) requesting a public hearing **not later than** [WITHIN] 30 days
 4 **after** [OF] the posting of notice required under AS 04.11.310, or by December 31 of
 5 the year application is made for renewal of a license. The board shall consider
 6 testimony received at a hearing conducted under AS 04.11.510(b)(3) when it considers
 7 the application, and the record of a hearing conducted under AS 04.11.510(b)(3) shall
 8 be retained as part of the board's permanent record of its review of the application.

9 * **Sec. 56.** AS 04.11.480(c) is amended to read:

10 (c) A local governing body may recommend that a license be issued, renewed,
 11 relocated, or transferred, **or that a license with one or more endorsements be**
 12 **issued, renewed, or transferred to another person,** with conditions. The board shall
 13 consider recommended conditions and testimony received at a hearing conducted
 14 under AS 04.11.510(b)(2) or (4) when it considers the application or continued
 15 operation, and the recommended conditions and the record of the hearing conducted
 16 under AS 04.11.510(b)(2) or (4) shall be kept as part of the board's permanent record
 17 of its review. If the local governing body recommends conditions, the board shall
 18 impose the recommended conditions unless the board finds that the recommended
 19 conditions are arbitrary, capricious, or unreasonable. If a condition recommended by a
 20 local governing body is imposed on a licensee, the local governing body shall assume
 21 responsibility for monitoring compliance with the condition, except as otherwise
 22 provided by the board.

23 * **Sec. 57.** AS 04.11.491(a) is amended to read:

24 (a) If a majority of the persons voting on the question vote to approve the
 25 option, a municipality shall adopt a local option to prohibit

26 (1) the sale of alcoholic beverages;

27 (2) the sale of alcoholic beverages except by one or more of the
 28 following listed on the ballot:

29 (A) a restaurant or eating place licensee;

30 (B) a beverage dispensary licensee;

31 (C) a package store licensee;

1 (D) a caterer holding a **beverage dispensary caterer's** permit
 2 under **AS 04.09.610** [AS 04.11.230] to sell alcoholic beverages at a site within
 3 the municipality who is also licensed under a beverage dispensary license for
 4 premises outside of the municipality;

5 (E) a winery **manufacturer** licensee; [OR]

6 (F) a winery **manufacturer** licensee, except that sales may
 7 occur only to a person licensed under this title or in another state or country; **or**

8 **(G) an outdoor recreation lodge;**

9 (3) the sale of alcoholic beverages except on premises operated by the
 10 municipality and under a type of licensed premises listed on the ballot, that may
 11 include one or more of the following:

12 (A) a restaurant or eating place license;

13 (B) a beverage dispensary license; or

14 (C) a package store license;

15 (4) the sale and importation of alcoholic beverages; or

16 (5) the sale, importation, and possession of alcoholic beverages.

17 * **Sec. 58.** AS 04.11.491(b) is amended to read:

18 (b) If a majority of the persons voting on the question vote to approve the
 19 option, an established village shall exercise a local option to prohibit

20 (1) the sale of alcoholic beverages;

21 (2) the sale of alcoholic beverages except by one or more of the

22 following listed on the ballot:

23 (A) a restaurant or eating place licensee;

24 (B) a beverage dispensary licensee;

25 (C) a package store licensee;

26 (D) a caterer holding a **beverage dispensary caterer's** permit
 27 under **AS 04.09.610** [AS 04.11.230] to sell alcoholic beverages at a site within
 28 the established village who is also licensed under a beverage dispensary license
 29 for premises outside of the established village;

30 (E) a winery **manufacturer** licensee; [OR]

31 (F) a winery **manufacturer** licensee, except that sales may

1 occur only to a person licensed under this title or in another state or country; **or**

2 **(G) an outdoor recreation lodge;**

3 (3) the sale and importation of alcoholic beverages; or

4 (4) the sale, importation, and possession of alcoholic beverages.

5 * **Sec. 59.** AS 04.11.491(d) is amended to read:

6 (d) The ballot for an election on the option set out in (a)(2)(A), (a)(3)(A), or
7 (b)(2)(A) of this section must include a summary explanation of the authority to sell
8 alcoholic beverages given to a restaurant or eating place under **AS 04.09.210(a)**
9 [AS 04.11.100(a)]. The ballot for an election on the option set out in (a)(2)(B) or (D),
10 (a)(3)(B), or (b)(2)(B) or (D) of this section must include a statement that a beverage
11 dispensary license is commonly known as a "bar" and a summary explanation of the
12 authority to sell alcoholic beverages given to a beverage dispensary licensee under
13 **AS 04.09.200** [AS 04.11.090(a)]. The ballot for an election on the option set out in
14 (a)(2)(C), (a)(3)(C), or (b)(2)(C) of this section must include a statement that a
15 package store license is commonly known as a "liquor store" and a summary
16 explanation of the authority to sell alcoholic beverages given to a package store
17 licensee under **AS 04.09.230** [AS 04.11.150(a)].

18 * **Sec. 60.** AS 04.11.491(g) is amended to read:

19 (g) If a municipality or established village has adopted a local option under
20 (a)(1), (2), (3), or (4), or (b)(1), (2), or (3) of this section, the municipality or
21 established village, as part of the local option question or questions placed before the
22 voters, may

23 (1) adopt an amount of alcoholic beverages that may be imported that
24 is less than the amounts set out in **AS 04.09.460(e)** [AS 04.11.150(g)];

25 (2) adopt an amount of alcoholic beverages that would give rise to a
26 presumption that the person possessed the alcoholic beverages for sale; the amounts
27 adopted under this paragraph may be lower than those set out in AS 04.11.010(c) [;

28 (3) OPT TO NOT APPLY A CLASS C FELONY TO VIOLATIONS
29 OF AS 04.16.051 THAT APPLY SOLELY BY REASON OF THE MUNICIPALITY
30 OR ESTABLISHED VILLAGE ADOPTING A LOCAL OPTION UNDER THIS
31 SECTION].

1 * **Sec. 61.** AS 04.11.520 is amended to read:

2 **Sec. 04.11.520. Notice to local governing body.** After receipt of an
3 application **for the issuance or renewal of a license, the renewal of a license with**
4 **one or more endorsements, the transfer of a license or a license with one or more**
5 **endorsements to another person or a new location, or the issuance of an**
6 **endorsement** from within [(1)] an established village, [(2)] an incorporated city, [(3)]
7 an organized borough, or [(4)] a unified municipality, the board shall **notify**
8 [TRANSMIT WRITTEN NOTICE TO] the local governing body **in writing** within 10
9 **business** days so that the local governing body may protest under AS 04.11.480.

10 * **Sec. 62.** AS 04.11.535(a) is amended to read:

11 (a) If, in a proceeding to suspend or revoke a license, **endorsement, or permit**
12 under AS 04.11.370(a)(5), the board finds that a sentencing report, **record of**
13 **conviction, or judgment** sent to the board under AS 12.55.025(b) or a report prepared
14 by the investigating or arresting officers in connection with the violation, contains
15 information that if uncontradicted or unexplained would provide a ground for
16 suspension or revocation under AS 04.11.370(a)(5), the licensee **or permittee** has the
17 burden of proof to establish that the licensee **or permittee** neither knowingly allowed
18 the violation nor recklessly or with criminal negligence failed to act in accordance
19 with the duty prescribed under AS 04.21.030.

20 * **Sec. 63.** AS 04.11.537 is amended to read:

21 **Sec. 04.11.537. Application of precedent.** In determining whether issuance,
22 renewal, transfer, relocation, suspension, or revocation of a license **or the issuance,**
23 **renewal, transfer to another person, suspension, or revocation of an endorsement**
24 is in the best interests of the public, the board need not conform to or distinguish its
25 decision from any action it has taken in the past on applications presenting similar
26 facts, but may instead base its decision only on the particular facts before it.

27 * **Sec. 64.** AS 04.11.540 is amended to read:

28 **Sec. 04.11.540. License, endorsement, and conditional contractor's permit**
29 **renewal and expiration.** Notwithstanding AS 04.11.680, an application for renewal
30 of a license, **endorsement, or a conditional contractor's permit under**
31 **AS 04.09.690** issued for the two calendar years ending December 31 or of a seasonal

1 license issued for parts of those calendar years may be submitted up until the next
 2 February 28. If a complete application for renewal has not been filed by February 28
 3 or the required fees and the penalty fees have not been paid by that date, the license,
 4 **endorsement, or conditional contractor's permit** expires at 12:00 midnight
 5 February 28. A new license may not be issued to the holder of an expired license for
 6 the same premises except on proof satisfactory to the board of good cause for the
 7 failure to file and pay.

8 * **Sec. 65.** AS 04.11.560(b) is amended to read:

9 (b) A decision by the board relating to the issuance, renewal, transfer,
 10 relocation, suspension, or revocation of a license **or an endorsement** under this title
 11 may be appealed to the superior court under AS 44.62.560.

12 * **Sec. 66.** AS 04.11.570 is amended to read:

13 **Sec. 04.11.570. Refund and forfeiture of fees.** (a) If an application for a
 14 license **or endorsement** is denied, the board shall refund the license fee less the
 15 application fee.

16 (b) A license **or endorsement** fee may not be refunded after the license **or**
 17 **endorsement** has been issued unless the board determines it has erred in the issuance
 18 through no fault of the applicant.

19 (c) If a license, **endorsement, or permit** is revoked on grounds that
 20 statements made in the application are untrue, the [LICENSE] fee paid by the
 21 applicant is forfeited to the state.

22 * **Sec. 67.** AS 04.11.580(b) is amended to read:

23 (b) The licensee shall surrender a current license to the board **not later than**
 24 [WITHIN] 10 days after the loss or vacation of the licensed premises.

25 * **Sec. 68.** AS 04.11.590(a) is amended to read:

26 (a) Money collected from licenses, **endorsements, permits,** and civil
 27 **penalties** [FINES] under this title shall be transferred by the board to the Department
 28 of Commerce, Community, and Economic Development and deposited in the general
 29 fund.

30 * **Sec. 69.** AS 04.11.610 is amended to read:

31 **Sec. 04.11.610. Allocation [REFUND] to municipalities.** (a) **An amount**

1 **equal to the sum of the biennial** [BIENNIAL] license fees, excluding annual
 2 wholesale fees and biennial wholesale license fees, collected within a municipality
 3 shall be **allocated** [REFUNDED] semi-annually to the municipality.

4 (b) If the officers of a municipality fail to actively enforce local ordinances,
 5 **this title, and** laws of the United States and the state, and the regulations relating to
 6 the manufacture and sale of alcoholic beverages in the state, **or fail to provide the**
 7 **director with a report of contacts with licensed establishments, educational**
 8 **activities concerning this title and local ordinances, and violations of this title**
 9 **occurring in the municipality, at the time and in the format as may be required**
 10 **by regulation adopted by the board,** the commissioner of commerce, community,
 11 and economic development may deny the **allocation** [REFUND] provided for under
 12 (a) of this section until the board finds the enforcement of the ordinances, laws, and
 13 regulations is resumed **or the report is provided.**

14 (c) The Department of Commerce, Community, and Economic Development
 15 shall recover any **funds** [AMOUNTS] erroneously **allocated** [REFUNDED] under (a)
 16 of this section. The Department of Commerce, Community, and Economic
 17 Development shall schedule repayments of erroneously **allocated funds**
 18 [REFUNDED AMOUNTS] over a sufficient period of time to minimize financial
 19 hardship to the municipality involved.

20 * **Sec. 70.** AS 04.11.630(b) is amended to read:

21 (b) A license, **endorsement, or permit** issued under this title shall be posted
 22 within the licensed premises **or designated premises** so as to be easily available for
 23 inspection upon request by a peace officer or other person during regular business
 24 hours **or during the time period specified on the permit.**

25 * **Sec. 71.** AS 04.11.680 is amended to read:

26 **Sec. 04.11.680. Duration of licenses, endorsements, and permits.** (a) Upon
 27 application [AND PAYMENT OF ONE-HALF OF THE BIENNIAL FEE], the board
 28 may issue a seasonal license under this title that is effective for the intervals stated on
 29 the license. [A SEASONAL LICENSE MAY NOT BE EFFECTIVE FOR MORE
 30 THAN 12 MONTHS IN A TWO-YEAR PERIOD.] Otherwise, **a license or**
 31 **endorsement** [ALL LICENSES] issued under this title **and a conditional**

1 **contractor's permit issued under AS 04.09.690 is** [OTHER THAN A RETAIL
2 STOCK SALE LICENSE ARE] effective for the two calendar years ending
3 December 31, unless a shorter period is prescribed by the board or by law.

4 (b) A permit issued under this title shall be for **a specific time** [THE] period
5 [PRESCRIBED BY THE BOARD]. The period shall be clearly designated on the
6 permit.

7 * **Sec. 72.** AS 04.16.010(c) is amended to read:

8 (c) A licensee, an agent, or employee may not permit a person to enter and a
9 person may not enter premises licensed under this title between the hours of 5:00 a.m.
10 and 8:00 a.m. each day, **unless the person is**

11 **(1) on the premises to conduct business with the licensee, agent, or**
12 **employee, and the licensee, agent, or employee is in compliance with (a) and (b)**
13 **of this section;**

14 **(2) a common carrier with a common carrier dispensary license**
15 **under AS 04.09.260;**

16 **(3)** [. THIS SUBSECTION DOES NOT APPLY TO COMMON
17 CARRIERS OR TO] an employee of the licensee who is on the premises to prepare
18 for the next day's business;

19 **(4) performing maintenance or improvements authorized by the**
20 **licensee;**

21 **(5)** [. A PERSON MAY ENTER OR REMAIN] on the premises [OF
22 A BONA FIDE RESTAURANT OR EATING PLACE LICENSED UNDER THIS
23 TITLE] to consume food or nonalcoholic beverages **and the premises are covered**
24 **under a restaurant endorsement issued under AS 04.09.450.**

25 * **Sec. 73.** AS 04.16.010 is amended by adding a new subsection to read:

26 (e) A person who violates (a), (b), or (c) of this section is guilty of a violation.

27 * **Sec. 74.** AS 04.16.015(a) is amended to read:

28 (a) On premises where alcoholic beverages are sold by the drink, a licensee or
29 a licensee's agent or employee may not

30 (1) offer or deliver, as a marketing device to the general public, free
31 alcoholic beverages to a patron, **except as provided for the holder of a**

1 **manufacturer sampling endorsement under AS 04.09.410 or a package store**
 2 **sampling endorsement under AS 04.09.490;**

3 (2) deliver an alcoholic beverage to a person already possessing two or
 4 more;

5 (3) sell, offer to sell, or deliver alcoholic beverages to a person or
 6 group of persons at a price less than the price regularly charged for the beverages
 7 during **a consecutive seven-day period** [THE SAME CALENDAR WEEK], except at
 8 private functions not open to the general public;

9 (4) sell, offer to sell, or deliver an unlimited number of alcoholic
 10 beverages to a person or group of persons during a set period of time for a fixed price;

11 (5) sell, offer to sell, or deliver alcoholic beverages to a person or
 12 group of persons on any one day at prices less than those charged the general public
 13 on that day, except at private functions not open to the general public;

14 (6) encourage or permit an organized game or contest on the licensed
 15 premises that involves drinking alcoholic beverages or the awarding of alcoholic
 16 beverages as prizes.

17 * **Sec. 75.** AS 04.16.015 is amended by adding a new subsection to read:

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

19 * **Sec. 76.** AS 04.16 is amended by adding a new section to read:

20 **Sec. 04.16.017. Trade practices.** (a) A person holding a license under
 21 AS 04.09.020, 04.09.030, 04.09.040, 04.09.100, or 04.09.110 or engaged in the
 22 alcoholic beverage industry in another state or country as a brewer, vintner, distiller,
 23 or importer, or as an agent of a brewer, vintner, distiller, or importer, may not, except
 24 as provided in regulations adopted by the board under (b) of this section, induce a
 25 person holding a license under this title to

26 (1) operate as a tied house by inducing a retailer engaged in the sale of
 27 alcoholic beverages to purchase products from an entity to the exclusion, in whole or
 28 in part, of products sold or offered for sale by other entities by

29 (A) furnishing, giving, renting, lending, or selling to the retailer
 30 equipment fixtures, signs, supplies, money, services, or other things of value,
 31 except those excluded in regulation and determined to be not contrary to the

1 public interest or contrary to the intent of this subsection;

2 (B) paying or crediting the retailer for an advertising, display,
3 or distribution service;

4 (C) guaranteeing a loan or the repayment of a financial
5 obligation of the retailer;

6 (D) extending to the retailer credit for a period in excess of the
7 credit period usual and customary to the industry for the particular class of
8 transactions; or

9 (E) requiring the retailer to take and dispose of a certain quota
10 of the products;

11 (2) operate as an exclusive outlet by requiring that a retailer engaged in
12 the sale of alcoholic beverages purchase products from an entity, to the exclusion, in
13 whole or in part, of alcoholic beverages sold or offered for sale by other entities;

14 (3) purchase products from an entity to the exclusion, in whole or in
15 part, of products sold or offered for sale by other entities by

16 (A) commercial bribery; or

17 (B) offering or giving any bonus, premium, or compensation to
18 an officer, employee, or representative of the licensee;

19 (4) enter into an agreement for consignment sales, or to purchase, offer
20 to purchase, or contract to purchase products on consignment, under conditional sale,
21 or with the privilege of return on any basis other than a bona fide sale, or where part of
22 the transaction involves, directly or indirectly, the acquisition by an entity from the
23 licensee or the entity's agreement to acquire from the licensee other alcoholic
24 beverages, except that this paragraph does not apply to transactions involving solely
25 the return of merchandise for ordinary and usual commercial reasons arising after the
26 merchandise has been sold.

27 (b) The board shall adopt regulations providing exceptions to the practices
28 listed under (a) of this section that are

29 (1) consistent with federal law at the time of the effective date of sec.
30 76 of this Act;

31 (2) necessary to avoid practical difficulty or undue hardship on a

1 licensee;

2 (3) in the best interests of the public; and

3 (4) consistent with the requirements of this title.

4 (c) The board shall adopt regulations establishing administrative penalties for
5 a violation of this section.

6 (d) In this section, "commercial bribery," "consignment sales," "exclusive
7 outlet," and "tied house" have the meanings given in 27 U.S.C. 205 and regulations
8 adopted under that section.

9 * **Sec. 77.** AS 04.16.020 is amended by adding new subsections to read:

10 (d) A person who violates a provision of this section commits the offense of
11 unauthorized solicitation or purchase of alcoholic beverages.

12 (e) Unauthorized solicitation or purchase of alcoholic beverages is a violation
13 and is punishable by a fine of \$100.

14 * **Sec. 78.** AS 04.16 is amended by adding a new section to read:

15 **Sec. 04.16.022. Online sale and purchase of brewed beverages and distilled**
16 **spirits.** (a) A licensee or a licensee's agent or employee may not sell or offer to sell
17 alcoholic beverages to the public online unless the licensee holds a winery direct
18 shipment license issued under AS 04.09.360 or a package store shipping endorsement
19 under AS 04.09.460.

20 (b) A person may not purchase alcoholic beverages online except from the
21 holder of a winery direct shipment license issued under AS 04.09.360 or a package
22 store shipping endorsement under AS 04.09.460.

23 (c) A person who violates (a) of this section is, upon conviction, guilty of a
24 class A misdemeanor.

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

26 * **Sec. 79.** AS 04.16.025(a) is amended to read:

27 (a) A person may not knowingly enter or remain on premises

28 (1) in which alcoholic beverages are manufactured, sold, offered for
29 sale, possessed for sale or barter, trafficked in, or bartered in violation of

30 (A) AS 04.09.060, 04.09.070, 04.09.145, 04.09.370, 04.09.380,

31 or AS 04.11.010; or

1 (B) a municipal ordinance adopted under AS 04.21.010(a) or
2 (b); or

3 (2) licensed under this title during hours in which the person's presence
4 on the premises is a violation of a municipal ordinance adopted under authority of
5 AS 04.16.010(d) providing for hours of closure that are outside the hours of closure
6 prescribed by AS 04.16.010(c).

7 * **Sec. 80.** AS 04.16.030 is amended by adding new subsections to read:

8 (c) A person who violates this section commits the offense of prohibited
9 conduct relating to a drunken person.

10 (d) Prohibited conduct relating to a drunken person is a violation, punishable
11 by a fine of \$500.

12 (e) In addition to the penalty specified under (d) of this section, the holder of
13 the license is strictly and vicariously liable for a violation committed by an employee
14 or agent of the licensee on the licensed premises, punishable by an administrative
15 penalty of \$250. Notwithstanding AS 04.11.370(a)(4) and (5) and AS 04.16.180(b)(1),
16 the board may not order suspension of the license for the first violation committed on
17 the licensed premises under this section.

18 (f) A licensee who knowingly allows an agent or employee of the licensee to
19 commit the offense of prohibited conduct relating to a drunken person under (c) of this
20 section commits the offense of failure to ensure compliance relating to a drunken
21 person.

22 (g) Failure to ensure compliance relating to a drunken person is a class A
23 misdemeanor.

24 * **Sec. 81.** AS 04.16.035 is amended to read:

25 **Sec. 04.16.035. Possession of ingredients for homebrew in certain areas.** A
26 person residing in an area that has adopted a local option under AS 04.11.491 [TO
27 PROHIBIT THE SALE, IMPORTATION, AND POSSESSION OF ALCOHOLIC
28 BEVERAGES UNDER AS 04.11.491(a)(5) OR (b)(4)] may not possess sugar,
29 artificial sugar, malt, yeast, or any other material or equipment with the intent to use
30 the material or equipment to create an alcoholic beverage.

31 * **Sec. 82.** AS 04.16.035 is amended by adding new subsections to read:

1 (b) A person who knowingly violates this section commits the crime of
2 possession of ingredients for homebrew.

3 (c) Possession of ingredients for homebrew is a class A misdemeanor.

4 * **Sec. 83.** AS 04.16.040 is amended to read:

5 **Sec. 04.16.040. Access of drunken persons to licensed premises.** A drunken
6 person may not knowingly enter or remain on **licensed** premises [LICENSED
7 UNDER THIS TITLE].

8 * **Sec. 84.** AS 04.16.040 is amended by adding new subsections to read:

9 (b) A person who violates this section commits the offense of prohibited
10 access by a drunken person.

11 (c) Prohibited access by a drunken person is a violation.

12 * **Sec. 85.** AS 04.16.045 is amended by adding new subsections to read:

13 (b) A person who violates this section commits the offense of permitting
14 consumption not authorized under a license.

15 (c) Permitting consumption not authorized under a license is a violation.

16 * **Sec. 86.** AS 04.16.047 is amended by adding new subsections to read:

17 (d) A person who is restricted from purchasing alcohol under AS 04.16.160
18 who knowingly violates (a) of this section commits the offense of entering or
19 remaining on licensed premises.

20 (e) Entering or remaining on licensed premises is a class A misdemeanor.

21 * **Sec. 87.** AS 04.16.049(a) is amended to read:

22 (a) A person under 21 years of age may not knowingly enter or remain in
23 premises licensed under this title unless

24 (1) accompanied by a parent, guardian, or spouse who has attained 21
25 years of age;

26 (2) the person is **allowed to enter and remain on** [AT LEAST 16
27 YEARS OF AGE,] the premises **under a restaurant endorsement issued under**
28 **AS 04.09.450** [ARE DESIGNATED BY THE BOARD AS A RESTAURANT FOR
29 THE PURPOSES OF THIS SECTION, AND THE PERSON ENTERS AND
30 REMAINS ONLY FOR DINING;

31 (3) THE PERSON IS UNDER 16 YEARS OF AGE, IS

1 ACCOMPANIED BY A PERSON OVER 21 YEARS OF AGE, THE PARENT OR
 2 GUARDIAN OF THE UNDERAGED PERSON CONSENTS, THE PREMISES ARE
 3 DESIGNATED BY THE BOARD AS A RESTAURANT FOR THE PURPOSES OF
 4 THIS SECTION, AND THE PERSON ENTERS AND REMAINS ONLY FOR
 5 DINING];

6 **(3)** [(4)] the person is permitted on the premises under a club license
 7 issued under **AS 04.09.220(g) or former** AS 04.11.110(g); or

8 **(4)** [(5)] otherwise provided under (c), (d), or (g) of this section.

9 * **Sec. 88.** AS 04.16.049(c) is amended to read:

10 (c) Notwithstanding any other provision in this section, a person 16 or 17
 11 years of age may enter and remain within the licensed premises of a hotel **or motel,**
 12 **large resort,** golf course, **general wholesaler, limited brewed beverage and wine**
 13 **wholesaler, common carrier dispensary, outdoor recreation lodge,** or restaurant
 14 [OR EATING PLACE] in the course of employment if (1) the employment does not
 15 involve the serving, mixing, delivering, or dispensing of alcoholic beverages; (2) the
 16 person has the written consent of a parent or guardian; and (3) an exemption from the
 17 prohibition of AS 23.10.355 is granted by the Department of Labor and Workforce
 18 Development. [THE BOARD, WITH THE APPROVAL OF THE GOVERNING
 19 BODY HAVING JURISDICTION AND AT THE LICENSEE'S REQUEST, SHALL
 20 DESIGNATE WHICH PREMISES ARE HOTELS, GOLF COURSES,
 21 RESTAURANTS, OR EATING PLACES FOR THE PURPOSES OF THIS
 22 SUBSECTION.]

23 * **Sec. 89.** AS 04.16.049(d) is amended to read:

24 (d) Notwithstanding any other provision in this section, a person 18, 19, or 20
 25 years of age may be employed within the licensed premises of a hotel **or motel, large**
 26 **resort,** golf course, **general wholesaler, limited brewed beverage and wine**
 27 **wholesaler, common carrier dispensary, outdoor recreation lodge,** or restaurant
 28 [OR EATING PLACE], may enter and remain within those premises for the purpose
 29 of employment, but may not, in the course of employment, sell, serve, deliver, or
 30 dispense alcoholic beverages.

31 * **Sec. 90.** AS 04.16.049 is amended by adding a new subsection to read:

1 (j) Notwithstanding any other provision in this section, a person under 21
 2 years of age may be present on the licensed premises of a common carrier dispensary,
 3 destination resort, or outdoor recreation lodge for the purpose of travel, travel lodging,
 4 or outdoor recreation activities provided by the licensee if the person is

5 (1) at least 16 years of age; or

6 (2) under 16 years of age and a parent or legal guardian of the
 7 underaged person consents.

8 * **Sec. 91.** AS 04.16.051(d) is repealed and reenacted to read:

9 (d) A person who, with criminal negligence, furnishes or delivers an alcoholic
 10 beverage to a person under 21 years of age in violation of (a) of this section commits
 11 the crime of furnishing or delivering to a minor.

12 * **Sec. 92.** AS 04.16.051 is amended by adding a new subsection to read:

13 (e) Furnishing or delivering to a minor is

14 (1) a violation and is punishable by a fine of \$500, except as provided
 15 in (2) of this subsection;

16 (2) a class C felony if the person who receives the alcoholic beverage
 17 negligently causes serious physical injury to or the death of another person while
 18 under the influence of the alcoholic beverage received in violation of this section; in
 19 this paragraph,

20 (A) "negligently" means acting with civil negligence; and

21 (B) "serious physical injury" has the meaning given in

22 AS 11.81.900.

23 * **Sec. 93.** AS 04.16.052 is amended by adding new subsections to read:

24 (b) In addition to the penalty specified under (d) of this section, for a violation
 25 committed by an employee or agent of the licensee on a licensed premises under this
 26 section, the holder of the license is strictly liable and subject to an administrative
 27 penalty of \$250. Notwithstanding AS 04.11.370(a)(4) and (5) and AS 04.16.180(b)(1),
 28 the board may not order suspension of the license for the first violation committed on
 29 the licensed premises under this section.

30 (c) A person who violates (a) of this section commits the offense of licensee,
 31 employee, or agent furnishing alcohol to a minor.

1 (d) Licensee, employee, or agent furnishing alcohol to a minor is a violation
2 and is punishable by a fine of \$500.

3 (e) A licensee who knowingly allows an agent or employee of the licensee to
4 commit the offense of licensee, employee, or agent furnishing alcohol to a minor
5 under (c) of this section commits the offense of failure to ensure compliance relating
6 to furnishing alcohol to a minor.

7 (f) Failure to ensure compliance relating to furnishing alcohol to a minor is a
8 class A misdemeanor.

9 * **Sec. 94.** AS 04.16.055 is amended by adding new subsections to read:

10 (b) A person who knowingly rents a room in a hotel, motel, resort, or similar
11 business for the purpose of providing alcoholic beverages to a person under 21 years
12 of age commits the crime of renting a room for the purpose of providing alcoholic
13 beverages to a person under 21 years of age.

14 (c) Renting a room for the purpose of providing alcoholic beverages to a
15 person under 21 years of age is a violation and is punishable by a fine of \$500.

16 * **Sec. 95.** AS 04.16.057(b) is amended to read:

17 (b) A person who violates this section is guilty of a violation and **is**
18 **punishable by a fine of \$500** [SHALL BE PUNISHED AS PROVIDED IN
19 AS 12.55].

20 * **Sec. 96.** AS 04.16.060(e) is amended to read:

21 (e) A person under the age of 21 who is seeking to enter and remain in a
22 licensed premises under AS 04.16.049(a)(2) [OR (3)] may not misrepresent the
23 person's age or having obtained the consent of the parent or guardian required by that
24 section.

25 * **Sec. 97.** AS 04.16.060 is amended by adding new subsections to read:

26 (g) A person who violates (a) of this section commits the offense of purchase
27 by a person under 21 years of age.

28 (h) A person who violates (b) or (c) of this section commits the offense of
29 delivery to a person under 21 years of age.

30 (i) Purchase by a person under 21 years of age is a violation and is punishable
31 by a fine of \$500.

1 (j) Delivery to a person under 21 years of age is a violation and is punishable
2 by a fine of \$500.

3 (k) For a person under 21 years of age who commits an offense under (g) of
4 this section, the violation must be charged and filed with the court as a separate case
5 and may not be combined or joined with any other minor offense or criminal charge in
6 one action at the time of filing. A court may reduce the fine to \$50 for a person who
7 has not more than one previous violation or to \$250 for a person who has two or more
8 previous violations if the person provides the court, not later than six months after a
9 judgment of conviction is entered, with proof of completion of

10 (1) an alcohol safety action program or a juvenile alcohol safety action
11 program developed, designated, or approved by the Department of Health and Social
12 Services under AS 47.37; or

13 (2) a community diversion panel.

14 * **Sec. 98.** AS 04.16.080 is amended to read:

15 **Sec. 04.16.080. Consumption [SALES OR CONSUMPTION] at school**
16 **events.** A person may not [SELL OR] consume alcoholic beverages during a school
17 event at the site of the event.

18 * **Sec. 99.** AS 04.16.080 is amended by adding new subsections to read:

19 (b) A person who consumes an alcoholic beverage during a school event at the
20 site of the event commits the offense of consuming at a school event.

21 (c) Consuming at a school event is a violation and is punishable by a fine of
22 \$100.

23 * **Sec. 100.** AS 04.16.090(c) is amended to read:

24 (c) **In** [FOR THE PURPOSES OF] this section, "consideration" includes
25 [BUT IS NOT LIMITED TO] cover charge, the sale of food, ice, mixers, or other
26 liquids used with alcoholic beverage drinks, [OR] the furnishing of glassware or other
27 containers for use in the consumption of alcoholic beverages, **other charges for**
28 **access to the licensed premises, or other services or products provided on the**
29 **licensed premises.**

30 * **Sec. 101.** AS 04.16.090 is amended by adding new subsections to read:

31 (d) A person who knowingly violates this section commits the crime of

1 maintaining a bottle club.

2 (e) Maintaining a bottle club is a class A misdemeanor.

3 * **Sec. 102.** AS 04.16.110 is amended by adding new subsections to read:

4 (b) A person who knowingly sells an alcoholic beverage in violation of (a) of
5 this section commits the crime of sale of a prohibited alcoholic beverage.

6 (c) Sale of a prohibited alcoholic beverage is a class A misdemeanor.

7 * **Sec. 103.** AS 04.16.120 is amended by adding new subsections to read:

8 (d) A person who removes an alcoholic beverage from licensed premises in
9 violation of (a) of this section and a person who brings an alcoholic beverage onto
10 licensed premises in violation of (b) of this section commits the offense of removal or
11 introduction of alcoholic beverages.

12 (e) Notwithstanding (a) of this section, the holder of a beverage dispensary
13 license under AS 04.09.200, the holder of a beverage dispensary tourism license under
14 AS 04.09.340, or the holder's employee may transport alcoholic beverages across
15 unlicensed portions of a hotel, motel, or large resort if the

16 (1) licensee holds an endorsement under AS 04.09.430 or 04.09.440;
17 and

18 (2) licensee or employee is walking directly from one licensed area of
19 the premises to another licensed area.

20 (f) Removal or introduction of alcoholic beverages is a violation and is
21 punishable by a fine of \$100.

22 * **Sec. 104.** AS 04.16.125 is repealed and reenacted to read:

23 **Sec. 04.16.125. Alcoholic beverages transported or delivered by common**
24 **carrier.** (a) A common carrier may not transport or deliver alcoholic beverages to a
25 person in the state unless the board has approved the common carrier under (b) of this
26 section.

27 (b) A common carrier may apply to the board, on a form prescribed by the
28 board, for approval to transport and deliver alcoholic beverages to persons in the state.
29 The board shall approve an application if the common carrier certifies that it will meet
30 the requirements under (c) and (d) of this section.

31 (c) A common carrier delivering alcoholic beverages to a person in the state

1 shall ensure that the package containing alcoholic beverages is delivered directly to a
2 person who

3 (1) presents identification and acceptable proof of age under
4 AS 04.21.050 showing that the person is 21 years of age or older; and

5 (2) provides a signature acknowledging that the person received the
6 package.

7 (d) A common carrier approved by the board under (b) of this section shall
8 make records of shipments of alcoholic beverages to persons in the state available for
9 inspection and audit by the board. The board may require periodic reporting of
10 approved common carriers on a form prescribed by the board.

11 (e) The board shall maintain, periodically review, and make available for
12 public inspection a list of approved common carriers for transport and delivery of
13 alcoholic beverages to persons in the state.

14 (f) The board may remove a previously approved common carrier from the list
15 if the common carrier transports or delivers alcoholic beverages in violation of (c) or
16 (d) of this section.

17 (g) A person may use a common carrier to transport and deliver alcoholic
18 beverages into an area that has restricted the sale of alcoholic beverages under
19 AS 04.11.491(a)(1), (2), or (3) or (b)(1) or (2) if

20 (1) the shipping container holding the alcoholic beverages is clearly
21 labeled as containing alcoholic beverages and requiring a signature of a person at least
22 21 years of age upon delivery; and

23 (2) an itemized invoice showing the quantity and purchase value of
24 distilled spirits, wine, and brewed beverages is attached to the outside of the shipping
25 container.

26 (h) The requirements under (g) of this section do not apply to

27 (1) a person transporting

28 (A) two liters or less of wine;

29 (B) one gallon or less of brewed beverages; or

30 (C) one liter or less of distilled spirits; or

31 (2) the transportation of alcoholic beverages for use on premises

1 allowed under AS 04.11.491(a)(2) or (3) or (b)(2) or for use under a permit allowed
2 under AS 04.11.491(a)(2).

3 (i) A common carrier that has not been approved by the board to transport and
4 deliver alcoholic beverages and that transports or delivers alcoholic beverages into or
5 within the state commits the offense of unapproved common carrier transport or
6 delivery of alcoholic beverages.

7 (j) Unapproved common carrier transport or delivery of alcoholic beverages is
8 a violation and is punishable by a fine of \$500.

9 (k) An approved common carrier that violates a provision under (c) or (d) of
10 this section commits the offense of common carrier noncompliance for transport or
11 delivery of alcoholic beverages.

12 (l) Common carrier noncompliance for transport or delivery of alcoholic
13 beverages is a violation.

14 (m) A person who knowingly violates (g) of this section commits the crime of
15 unauthorized transportation of alcoholic beverages by common carrier into a local
16 option area.

17 (n) Unauthorized transportation of alcoholic beverages by common carrier
18 into a local option area is a class A misdemeanor.

19 (o) In this section,

20 (1) "common carrier" means a motor vehicle, watercraft, aircraft, or
21 railroad car available for public hire to transport freight or passengers;

22 (2) "transport" has the meaning given in AS 04.11.499.

23 * **Sec. 105.** AS 04.16.130 is amended by adding new subsections to read:

24 (c) A person who violates this section commits the offense of unauthorized
25 storage of alcoholic beverages.

26 (d) Unauthorized storage of alcoholic beverages is a violation.

27 * **Sec. 106.** AS 04.16.140 is amended by adding new subsections to read:

28 (b) A person who knowingly violates (a) of this section commits the offense
29 of sale or consumption of an alcoholic beverage in a warehouse.

30 (c) Sale or consumption of an alcoholic beverage in a warehouse is a violation.

31 * **Sec. 107.** AS 04.16.150 is amended by adding new subsections to read:

1 (b) Except as provided under AS 04.16.030(f) and 04.16.052(e), a licensee
2 who knowingly violates (a) of this section commits the offense of failure to ensure
3 compliance.

4 (c) Failure to ensure compliance is a violation.

5 * **Sec. 108.** AS 04.16.160 is amended by adding new subsections to read:

6 (c) A person who knowingly fails to comply with a restriction on purchasing
7 alcoholic beverages in violation of (a) of this section commits the crime of failure to
8 comply with a restriction on purchasing alcoholic beverages.

9 (d) Failure to comply with a restriction on purchasing alcoholic beverages is a
10 class A misdemeanor.

11 * **Sec. 109.** AS 04.16.170 is amended to read:

12 **Sec. 04.16.170. Source of alcoholic beverages.** (a) Alcoholic beverages for
13 consumption by the purchaser may only [NOT] be sold by [UNLESS OBTAINED
14 FROM] a person licensed under this title.

15 (b) A person transporting alcoholic beverages into the state may not sell those
16 alcoholic beverages to a person not licensed under this title, unless the alcoholic
17 beverages are used for religious, industrial, pharmaceutical, or medical purposes, or as
18 allowed under AS 04.09.360.

19 * **Sec. 110.** AS 04.16.170 is amended by adding new subsections to read:

20 (c) A licensee who knowingly violates (a) or (b) of this section commits the
21 crime of sale of alcoholic beverages from or to an unlicensed person.

22 (d) Sale of alcoholic beverages from or to an unlicensed person is a class A
23 misdemeanor.

24 * **Sec. 111.** AS 04.16.172 is amended to read:

25 **Sec. 04.16.172. Restrictions on purchase and sale of alcoholic beverages.** A
26 person licensed under AS 04.09.200, 04.09.210, 04.09.220, 04.09.230, 04.09.270,
27 04.09.280, 04.09.290, 04.09.300, 04.09.310, 04.09.320, 04.09.330, 04.09.340, or
28 04.09.350 [AS 04.11.090, 04.11.100, 04.11.110, OR 04.11.150] may not purchase,
29 sell, or offer for sale an alcoholic beverage unless the alcoholic beverage being
30 purchased, sold, or offered for sale was obtained from a person licensed under

31 (1) AS 04.09.100 or 04.09.110 [AS 04.11.160] as a primary source of

1 supply for the alcoholic beverage being purchased, sold, or offered for sale;

2 (2) AS 04.09.230 [AS 04.11.150] and the alcoholic beverage being
3 purchased, sold, or offered for sale was obtained from a person licensed under
4 AS 04.09.100 or 04.09.110 [AS 04.11.160] as a primary source of supply; or

5 (3) AS 04.09.020, 04.09.030, or 04.09.040 [AS 04.11.130, 04.11.140,
6 OR 04.11.170].

7 * **Sec. 112.** AS 04.16.172 is amended by adding new subsections to read:

8 (b) A licensee who knowingly violates (a) of this section commits the crime of
9 licensee obtaining alcoholic beverages from an unlicensed seller.

10 (c) Licensee obtaining alcoholic beverages from an unlicensed seller is a class
11 A misdemeanor.

12 * **Sec. 113.** AS 04.16.175 is amended by adding new subsections to read:

13 (c) A person who knowingly furnishes an alcoholic beverage to a player in
14 violation of (a) of this section commits the crime of furnishing an alcoholic beverage
15 in aid of a gambling enterprise.

16 (d) Furnishing an alcoholic beverage in aid of a gambling enterprise is a class
17 A misdemeanor.

18 * **Sec. 114.** AS 04.16.180(b) is amended to read:

19 (b) A suspension or revocation of a license ordered by the board under
20 AS 04.11.370(a)(4) and (5) shall be as follows:

21 (1) on first conviction, the license of the premises involved may not be
22 revoked, but, except as provided in AS 04.16.030 and 04.16.052, may be suspended
23 for not more than 45 days;

24 (2) on second conviction, the license of the premises involved may not
25 be revoked, but may be suspended for not more than 90 days;

26 (3) on third conviction, the license of the premises involved may be
27 suspended or revoked.

28 * **Sec. 115.** AS 04.16.180(e) is amended to read:

29 (e) In this section,

30 (1) "conviction" includes a conviction of a violation, a
31 misdemeanor, and a felony;

1 **(2)** [THE TERMS] "second conviction" and "third conviction" include
 2 only convictions for violations that occur within five years **after** [OF] the first
 3 conviction; **the** [. THE] terms refer to the cumulative number of convictions of a
 4 licensee of any combination of violations of the provisions of this title, regulations
 5 adopted under this title, or ordinances adopted under AS 04.21.010; [. THE TERMS]
 6 "second conviction" and "third conviction" include a conviction of the agent or
 7 employee of a licensee of a violation of a law, regulation, or ordinance if the
 8 conviction constitutes a ground for suspension or revocation under
 9 AS 04.11.370(a)(5).

10 * **Sec. 116.** AS 04.16.180 is amended by adding new subsections to read:

11 (f) In addition to the criminal penalties specified in this title and AS 12.55, a
 12 holder of a license under this title who is convicted of a crime or offense involving the
 13 violation of a provision of this title or a regulation adopted under this title is subject to
 14 suspension or revocation of the license under this section and other administrative
 15 penalties imposed by the board. For purposes of administrative penalties under this
 16 subsection, each violation is a separate offense.

17 (g) The holder of a license subject to suspension or revocation under (b)(2) or
 18 (3) of this section may request a hearing to petition the board to reduce the
 19 administrative penalty. The board may reduce the administrative penalty if the
 20 licensee shows, by a preponderance of the evidence, that

21 (1) the licensee complied with the alcohol server education course
 22 requirement of AS 04.21.025 and adopted and enforced a compliance program and a
 23 disciplinary program for agents and employees of the licensee;

24 (2) the licensee has a pattern and practice of exercising the degree of
 25 care required under AS 04.16.030;

26 (3) the licensee posted warning signs as required under AS 04.21.065;
 27 and

28 (4) in the case of a conviction for a violation of AS 04.16.030 or
 29 04.16.052, the agent or employee convicted under AS 04.16.030 or 04.16.052
 30 completed an alcohol server education course under AS 04.21.025.

31 * **Sec. 117.** AS 04.16.220(a) is amended to read:

1 (a) The following are subject to forfeiture:

2 (1) alcoholic beverages manufactured, sold, offered for sale, possessed
3 for sale, or bartered or exchanged for goods and services in this state in violation of
4 **AS 04.09.060, 04.09.070, 04.09.145, 04.09.370, 04.09.380, or** AS 04.11.010;
5 alcoholic beverages possessed, stocked, warehoused, or otherwise stored in violation
6 of AS 04.21.060; alcoholic beverages sold or offered for sale in violation of a local
7 option adopted under AS 04.11.491; alcoholic beverages transported into the state and
8 sold to persons not licensed under this chapter in violation of AS 04.16.170(b);
9 alcoholic beverages transported in violation of AS 04.16.125;

10 (2) materials and equipment used in the manufacture, sale, offering for
11 sale, possession for sale, or barter or exchange of alcoholic beverages for goods and
12 services in this state in violation of **AS 04.09.060, 04.09.070, 04.09.145, 04.09.370,**
13 **04.09.380, or** AS 04.11.010; materials and equipment used in the stocking,
14 warehousing, or storage of alcoholic beverages in violation of AS 04.21.060; materials
15 and equipment used in the sale or offering for sale of an alcoholic beverage in an area
16 in violation of a local option adopted under AS 04.11.491;

17 (3) aircraft, vehicles, or vessels used to transport or facilitate the
18 transportation of

19 (A) alcoholic beverages manufactured, sold, offered for sale,
20 possessed for sale, or bartered or exchanged for goods and services in this state
21 in violation of **AS 04.09.060, 04.09.070, 04.09.145, 04.09.370, 04.09.380, or**
22 AS 04.11.010;

23 (B) property stocked, warehoused, or otherwise stored in
24 violation of AS 04.21.060;

25 (C) alcoholic beverages imported into a municipality or
26 established village in violation of AS 04.11.499(a);

27 (4) alcoholic beverages found on licensed premises that do not bear
28 federal excise stamps if excise stamps are required under federal law;

29 (5) alcoholic beverages, materials, or equipment used in violation of
30 AS 04.16.175;

31 (6) money, securities, negotiable instruments, or other things of value

1 used in financial transactions or items of value purchased from the proceeds derived
 2 from activity prohibited under AS 04.09.060, 04.09.070, 04.09.145, 04.09.370,
 3 04.09.380, or AS 04.11.010 or in violation of a local option adopted under
 4 AS 04.11.491;

5 (7) a firearm used in furtherance of a violation of this title.

6 * **Sec. 118.** AS 04.16.220(d) is amended to read:

7 (d) Property subject to forfeiture under (a) of this section may be forfeited

8 (1) upon conviction of a person for a violation of AS 04.09.060,
 9 04.09.070, 04.09.145, 04.09.370, 04.09.380, AS 04.11.010, 04.11.499, AS 04.16.125,
 10 AS 04.21.060, or AS 04.11.501 or an ordinance adopted under AS 04.11.501; or

11 (2) upon judgment by the superior court in a proceeding in rem that the
 12 property was used in a manner subjecting it to forfeiture under (a) of this section.

13 * **Sec. 119.** AS 04.16.220(g) is amended to read:

14 (g) It is no defense in an in rem forfeiture proceeding brought under (d)(2) of
 15 this section that a criminal proceeding is pending or has resulted in conviction or
 16 acquittal of a person charged with violating AS 04.09.060, 04.09.070, 04.09.145,
 17 04.09.370, 04.09.380, AS 04.11.010, 04.11.499, or AS 04.21.060.

18 * **Sec. 120.** AS 04.16.220(i) is amended to read:

19 (i) Upon conviction for a violation of AS 04.09.060, 04.09.070, 04.09.145,
 20 04.09.370, 04.09.380, AS 04.11.010, or 04.11.499(a), if an aircraft, vehicle, or
 21 watercraft is subject to forfeiture under (a) of this section, the court shall, subject to
 22 remission to innocent parties under this section,

23 (1) order the forfeiture of an aircraft to the state;

24 (2) order the forfeiture of a vehicle or watercraft if

25 (A) the defendant has a prior felony conviction for a violation
 26 of AS 11.41 or a similar law in another jurisdiction;

27 (B) the defendant is on felony probation or parole;

28 (C) the defendant has a prior conviction for violating
 29 AS 04.11.010 or 04.11.499(a); or

30 (D) the quantity of alcohol transported in violation of this title
 31 was twice the presumptive amounts in AS 04.11.010(c).

1 * **Sec. 121.** AS 04.21 is amended by adding a new section to read:

2 **Sec. 04.21.012. Keg registration.** (a) A person may not purchase an alcoholic
3 beverage in a keg or other container holding four or more gallons unless the person
4 provides proof that the person is over 21 years of age and completes and signs a
5 registration form. The purchaser of an alcoholic beverage in a keg or other container
6 holding four or more gallons may not remove or obliterate the temporary identifying
7 tag on the keg or container.

8 (b) A licensee who sells or offers for sale an alcoholic beverage in a keg or
9 other container holding four or more gallons shall require a purchaser to show
10 acceptable proof of age under AS 04.21.050(b) and sign the sworn statement on a
11 registration form. The licensee shall complete the registration form and affix a
12 temporary tag with a unique identifier to the keg or container before releasing the
13 container to the purchaser. The licensee shall retain a copy of the form for one year
14 and make the form available for inspection.

15 (c) The board shall prescribe a registration form for use by licensees and
16 purchasers. The board may approve for use a registration form adopted by a local
17 governing body. A registration form must include

- 18 (1) the name of the seller;
19 (2) the name of the purchaser;
20 (3) a description of the proof of age provided by the buyer, including
21 the identification number, if any;
22 (4) the unique identifier on the temporary tag attached to the keg or
23 container under (b) of this section.

24 (d) A licensee or an agent or employee of a licensee who sells alcoholic
25 beverages in a keg or other container holding four or more gallons without completing
26 a registration form or affixing a temporary identification tag to the keg or container
27 commits the crime of selling alcoholic beverages in an unregistered keg.

28 (e) A person who is not licensed under this title or the employee or agent of a
29 person who is not licensed under this title who possesses alcoholic beverages in a keg
30 or other container holding four or more gallons without a temporary identification tag
31 commits the crime of possessing alcoholic beverages in an unregistered keg.

1 (f) Selling alcoholic beverages in an unregistered keg is a violation.

2 (g) Possessing alcoholic beverages in an unregistered keg is a violation and is
3 punishable by a fine of \$100.

4 * **Sec. 122.** AS 04.21.020(a) is amended to read:

5 (a) Except as provided under (b) and (d) of this section, a person who provides
6 alcoholic beverages to another person may not be held civilly liable for injuries
7 resulting from the intoxication of that person unless the person who provides the
8 alcoholic beverages holds a license authorized under AS 04.09.010 - 04.09.380
9 [AS 04.11.080 - 04.11.220] or is an agent or employee of [SUCH] a licensee and

10 (1) the alcoholic beverages are provided to a person under [THE AGE
11 OF] 21 years of age in violation of AS 04.16.051, unless the licensee, agent, or
12 employee secures in good faith from the person a signed statement, liquor
13 identification card, or driver's license meeting the requirements of AS 04.21.050(a)
14 and (b), that indicates that the person is 21 years of age or older; or

15 (2) the alcoholic beverages are provided to a drunken person in
16 violation of AS 04.16.030.

17 * **Sec. 123.** AS 04.21.020(b) is amended to read:

18 (b) A person who sells or barter an alcoholic beverage to another person in
19 violation of AS 04.09.060, 04.09.070, 04.09.145, 04.09.370, 04.09.380, or
20 AS 04.11.010 is strictly liable (1) to the recipient or another person for civil damages
21 if, while under the influence of the alcoholic beverage, the person receiving the
22 alcoholic beverage engages in conduct that results in civil damages and the recipient's
23 being under the influence of the alcoholic beverage substantially contributes to the
24 civil damages; and (2) for the cost to the state or a political subdivision of the state to
25 criminally prosecute a person who receives an alcoholic beverage from a person who
26 violates AS 04.11.010 if the prosecution results from the violation of AS 04.11.010
27 described in this subsection.

28 * **Sec. 124.** AS 04.21.025(a) is repealed and reenacted to read:

29 (a) As a condition of issuance or renewal of a license or conditional
30 contractor's permit and selling alcoholic beverages under a license or conditional
31 contractor's permit, the board shall require a licensee or permittee who sells or serves

1 alcoholic beverages and a licensee's or permittee's agents and employees who sell or
 2 serve alcoholic beverages or check the identification of a patron to complete an
 3 alcohol server education course approved by the board. This section applies only to a
 4 conditional contractor's permit under AS 04.09.690 and the following licenses:

5 (1) brewery manufacturer license under AS 04.09.020 with a
 6 manufacturer sampling endorsement;

7 (2) winery manufacturer license under AS 04.09.030 with a
 8 manufacturer sampling endorsement;

9 (3) distillery manufacturer license under AS 04.09.040 with a
 10 manufacturer sampling endorsement;

11 (4) beverage dispensary license under AS 04.09.200;

12 (5) restaurant or eating place license under AS 04.09.210;

13 (6) club license under AS 04.09.220;

14 (7) package store license under AS 04.09.230;

15 (8) pub license under AS 04.09.240;

16 (9) theater license under AS 04.09.250;

17 (10) sporting event license under AS 04.09.270;

18 (11) outdoor recreation lodge license under AS 04.09.280;

19 (12) golf course license under AS 04.09.290;

20 (13) destination resort license under AS 04.09.300;

21 (14) brewery retail license under AS 04.09.310;

22 (15) winery retail license under AS 04.09.320;

23 (16) distillery retail license under AS 04.09.330;

24 (17) beverage dispensary tourism license under AS 04.09.340;

25 (18) seasonal restaurant or eating place tourism license under
 26 AS 04.09.350;

27 (19) a brewery license issued under former AS 04.11.130, if brewed
 28 beverages are offered for sale to the public for consumption on or off the premises
 29 under AS 04.09.020;

30 (20) a winery license issued under former AS 04.11.140, if wine is
 31 offered for sale to the public for consumption on or off the premises under

1 AS 04.09.030;

2 (21) a distillery license issued under former AS 04.11.170, if distilled
3 beverages are offered for sale to the public for consumption on or off the premises
4 under AS 04.09.040.

5 * **Sec. 125.** AS 04.21.025(b) is amended to read:

6 (b) The subjects that are included in an approved alcohol server education
7 course shall be determined under regulations adopted by the board. In approving
8 alcohol server education courses, the board shall consider the needs of both urban and
9 rural licensees regarding access to an approved alcohol server education course. A
10 licensee, **permittee**, agent, or employee who sells or serves alcoholic beverages shall
11 keep the card described in (c) of this section or other proof acceptable to the board of
12 successful completion of an approved alcohol server education course on the licensed
13 premises during working hours.

14 * **Sec. 126.** AS 04.21.025(c) is amended to read:

15 (c) A licensee, **permittee**, agent, or employee shall complete the course
16 required under (a) of this section and pass a written test demonstrating an
17 understanding of the course subjects not more than 30 days after being licensed,
18 **permitted**, or employed. The course provider shall issue a card to each individual who
19 completes the course and passes the written test. A card issued under this subsection is
20 valid for three years from the date of issue. A licensee, **permittee**, agent, or employee
21 may renew a card issued under this section; to renew the card, the licensee, **permittee**,
22 agent, or employee must pass a written test demonstrating an understanding of the
23 course subjects. **Notwithstanding the 30-day period for completing the course and**
24 **passing the written test under this subsection, a person may not sell or serve**
25 **alcoholic beverages or check the identification of a patron at a permitted event**
26 **under AS 04.09.600 - 04.09.690 unless the person possesses a valid card issued**
27 **before the event.**

28 * **Sec. 127.** AS 04.21.025 is amended by adding new subsections to read:

29 (f) A person who violates (a) - (c) of this section commits the offense of
30 failure to comply with alcohol server education requirements.

31 (g) Failure to comply with alcohol server education requirements is a

1 violation.

2 * **Sec. 128.** AS 04.21.050(a) is amended to read:

3 (a) If a licensee or an agent or employee of the licensee questions or has
4 reason to question whether a person entering licensed premises, or ordering,
5 purchasing, attempting to purchase, or otherwise procuring or attempting to procure
6 alcoholic beverages,

7 (1) has attained the age of 21 years or is entering without consent in
8 violation of AS 04.16.049(a)(2) [AS 04.16.049(a)(3)] and has not attained the age of
9 16 years, that licensee, agent, or employee shall require the person to furnish proof of
10 age acceptable under (b) of this section or proof of consent in a form determined by
11 the board; if the person questioned does not furnish proof of age acceptable under (b)
12 of this section, or if a licensee, agent, or employee questions or has reason to question
13 the validity of the proof of age furnished, the licensee, employee, or agent shall require
14 the person to sign a statement that the person is over the age of 21 or 16 years, as
15 appropriate; this statement shall be made on a form prepared by and furnished to the
16 licensee by the board;

17 (2) is restricted from purchasing alcoholic beverages under
18 AS 04.16.160, the licensee, agent, or employee may, but has no duty or obligation to,
19 require the person to furnish proof acceptable under (b) of this section that the person
20 is not restricted from purchasing alcoholic beverages or require the person to sign a
21 statement that the person is not restricted from purchasing alcoholic beverages under
22 AS 04.16.160; this statement shall be made on a form prepared by and furnished to the
23 licensee by the board.

24 * **Sec. 129.** AS 04.21.060 is amended by adding new subsections to read:

25 (b) A licensee who stores alcoholic beverages elsewhere than on the licensed
26 premises and who fails to comply with (a)(1) - (3) of this section commits the offense
27 of unauthorized warehousing.

28 (c) Unauthorized warehousing is a violation.

29 * **Sec. 130.** AS 04.21.065(a) is repealed and reenacted to read:

30 (a) A holder of one of the following types of licenses or permits shall post on
31 the licensed or designated premises three separate warning signs as described in (b) of

1 this section:

2 (1) brewery manufacturer license under AS 04.09.020 with a
3 manufacturer sampling endorsement under AS 04.09.410;

4 (2) winery manufacturer license under AS 04.09.030 with a
5 manufacturer sampling endorsement under AS 04.09.410;

6 (3) distillery manufacturer license under AS 04.09.040 with a
7 manufacturer sampling endorsement under AS 04.09.410;

8 (4) beverage dispensary license under AS 04.09.200;

9 (5) restaurant or eating place license under AS 04.09.210;

10 (6) club license under AS 04.09.220;

11 (7) package store license under AS 04.09.230;

12 (8) pub license under AS 04.09.240;

13 (9) theater license under AS 04.09.250;

14 (10) common carrier dispensary license under AS 04.09.260;

15 (11) sporting event license under AS 04.09.270;

16 (12) outdoor recreation lodge license under AS 04.09.280;

17 (13) golf course license under AS 04.09.290;

18 (14) destination resort license under AS 04.09.300;

19 (15) brewery retail license under AS 04.09.310;

20 (16) winery retail license under AS 04.09.320;

21 (17) distillery retail license under AS 04.09.330;

22 (18) beverage dispensary tourism license under AS 04.09.340;

23 (19) seasonal restaurant or eating place tourism license under
24 AS 04.09.350;

25 (20) beverage dispensary caterer's permit under AS 04.09.610;

26 (21) restaurant caterer's dining permit under AS 04.09.620;

27 (22) club caterer's permit under AS 04.09.630;

28 (23) art exhibit event permit under AS 04.09.640;

29 (24) nonprofit organization event permit under AS 04.09.650;

30 (25) tasting event permit under AS 04.09.670;

31 (26) conditional contractor's permit under AS 04.09.690;

1 (27) another license or permit issued by the board authorizing
2 consumption of alcoholic beverages.

3 * **Sec. 131.** AS 04.21 is amended by adding new sections to read:

4 **Sec. 04.21.072. Fines and other criminal penalties.** (a) A violation under this
5 title, unless otherwise specified in the provision of this title defining the offense, is
6 punishable by a fine of \$250.

7 (b) A misdemeanor or felony under this title, unless otherwise specified in the
8 provision of this title defining the offense, is punishable as provided in AS 12.55.

9 **Sec. 04.21.074. Bail forfeiture schedule.** The supreme court shall establish by
10 rule or order a schedule of bail amounts for violations under this title that allow the
11 disposition of a citation without a court appearance. The bail amount may not exceed
12 the maximum penalty prescribed by law for the violation.

13 **Sec. 04.21.076. Suspension of fine or sentence.** The court may not suspend a
14 fine for an offense other than a misdemeanor or felony under this title, or suspend
15 imposition or execution of sentence for an offense other than a misdemeanor or felony
16 under this title, unless otherwise expressly provided in this title.

17 * **Sec. 132.** AS 04.21.078 is amended to read:

18 **Sec. 04.21.078. Court records of persons under 21 years of age.** The Alaska
19 Court System may not publish on a publicly available website the court records of a
20 violation of AS 04.16.049, [OR] 04.16.050, 04.16.060(g), or a similar ordinance of a
21 municipality, if the violation was charged separately and was not joined with any other
22 minor offense or criminal charge at the time of filing.

23 * **Sec. 133.** AS 04.21.080(b)(6) is amended to read:

24 (6) "designated premises" means any or all designated portions of a
25 building or structure, rooms or enclosures in the building or structure, or real estate
26 leased, used, controlled, or operated by a licensee or permittee for the purpose for
27 which the license or permit is issued by the board at the location of the site for which
28 the license or permit is issued;

29 * **Sec. 134.** AS 04.21.080(b)(15) is amended to read:

30 (15) "licensed premises" means any or all designated portions of a
31 building or structure, rooms or enclosures in the building or structure, or real estate

1 leased, used, controlled, or operated by a licensee in the conduct of business for which
 2 the licensee is licensed by the board at the specific address for which the license **or an**
 3 **endorsement to the license** is issued;

4 * **Sec. 135.** AS 04.21.080(b) is amended by adding new paragraphs to read:

5 (21) "bona fide restaurant" means an establishment or a portion of an
 6 establishment where, during all times alcoholic beverages are served or consumed,

7 (A) the patron's principal activity is consumption of food; and

8 (B) a variety of types of food items appropriate for meals is
 9 prepared on site and available for sale as shown on a menu provided to patrons
 10 and filed with the board;

11 (22) "brewed beverage" means an alcoholic beverage made by
 12 fermenting cereal grains, including beer and malt beverages, sake, and kombucha;

13 (23) "calendar year" means the period beginning January 1 and ending
 14 December 31;

15 (24) "cider" means a type of wine made primarily from fermented
 16 apples, apple juice, or concentrate;

17 (25) "distilled spirit" means an alcoholic beverage that is first
 18 fermented and then distilled;

19 (26) "golf course" means a course that is open to the public, having at
 20 least nine holes and covering at least 2,950 yards;

21 (27) "kombucha" means a brewed beverage made from fermented tea
 22 and containing at least one-half percent alcohol by volume;

23 (28) "mead" means a type of wine made primarily from honey;

24 (29) "sake" means a type of brewed beverage made primarily from
 25 fermented rice;

26 (30) "school grounds" has the meaning given in AS 11.71.900;

27 (31) "wine" means an alcoholic beverage made from fermented grapes
 28 or other fruit or honey.

29 * **Sec. 136.** AS 05.15.690(48) is amended to read:

30 (48) "vendor" means a business whose primary activity is not regulated
 31 by this chapter but that

1 (A) is engaged in the sale of pull-tabs on behalf of a permittee;

2 (B) holds a business license under AS 43.70; and

3 (C) is an establishment holding a

4 (i) beverage dispensary license under **AS 04.09.200**
 5 [AS 04.11.090] that has not been designated by the Alcoholic Beverage
 6 Control Board under **AS 04.16.049(a)(2)** [AS 04.16.049(a)(2) - (3)],
 7 has not been exempted by the Department of Labor and Workforce
 8 Development under AS 04.16.049(c) and AS 23.10.355, and if the
 9 establishment is a hotel, motel, resort, or similar business that caters to
 10 the traveling public as a substantial part of its business, does not allow
 11 the sale of pull-tabs in a dining room, banquet room, guest room, or
 12 other public areas other than a room in which there is regularly
 13 maintained a fixed counter or service bar **that has plumbing**
 14 **connections to permanent plumbing** at which alcoholic beverages are
 15 sold or served to members of the public for consumption;

16 (ii) package store license under **AS 04.09.230**
 17 [AS 04.11.150];

18 * **Sec. 137.** AS 09.65.315(b) is amended to read:

19 (b) A person licensed under **AS 04.09.010 - 04.09.380** [AS 04.11.080 -
 20 04.11.255], or an agent or employee of the person, is not liable for damages resulting
 21 from a motor vehicle accident described under (a) of this section. A person or entity
 22 that participates in making arrangements for transportation of a vehicle under (a) of
 23 this section is not liable for damages resulting from a motor vehicle accident described
 24 in (a) of this section.

25 * **Sec. 138.** AS 11.76.100(b) is amended to read:

26 (b) Notwithstanding the provisions of (a) of this section, a person who
 27 maintains a vending machine is not in violation of (a)(3) of this section if the vending
 28 machine is located

29 (1) on premises licensed as a beverage dispensary under **AS 04.09.200**
 30 [AS 04.11.090], licensed as a club under **AS 04.09.220** [AS 04.11.110], or licensed as
 31 a package store under **AS 04.09.230** [AS 04.11.150]; and

1 (A) as far as practicable from the primary entrance; and

2 (B) in a place that is directly and continually supervised by a
3 person employed on the licensed premises during the hours the vending
4 machine is accessible to the public; or

5 (2) in an employee break room or other controlled area of a private
6 work place that is not generally considered a public place and the room or area
7 contains a posted warning sign at least 11 inches by 14 inches indicating that
8 possession of tobacco by a person under 19 years of age is prohibited under
9 AS 11.76.105.

10 * **Sec. 139.** AS 11.76.107(a) is amended to read:

11 (a) A person commits the offense of failure to supervise a cigarette vending
12 machine if the person owns premises licensed as a beverage dispensary under
13 AS 04.09.200, [AS 04.11.090 OR] licensed as a club under AS 04.09.220,
14 [AS 04.11.110] or licensed as a package store under AS 04.09.230 [AS 04.11.150] and
15 with criminal negligence fails to have an employee supervise a vending machine on
16 those premises that dispenses cigarettes, cigars, tobacco, or products containing
17 tobacco as required by AS 11.76.100(b)(1)(B).

18 * **Sec. 140.** AS 12.62.400(a) is amended to read:

19 (a) To obtain a national criminal history record check for determining a
20 person's qualifications for a license, permit, registration, employment, or position, a
21 person shall submit the person's fingerprints to the department with the fee established
22 by AS 12.62.160. The department may submit the fingerprints to the Federal Bureau
23 of Investigation to obtain a national criminal history record check of the person for the
24 purpose of evaluating a person's qualifications for

25 (1) a license or conditional contractor's permit to manufacture, sell,
26 offer for sale, possess for sale or barter, traffic in, or barter an alcoholic beverage
27 under AS 04.09 [AS 04.11];

28 (2) licensure as a mortgage lender, a mortgage broker, or a mortgage
29 loan originator under AS 06.60;

30 (3) admission to the Alaska Bar Association under AS 08.08;

31 (4) licensure as a collection agency operator under AS 08.24;

- 1 (5) a certificate of fitness to handle explosives under AS 08.52;
 2 (6) licensure as a massage therapist under AS 08.61;
 3 (7) licensure to practice nursing or certification as a nurse aide under
 4 AS 08.68;
 5 (8) certification as a real estate appraiser under AS 08.87;
 6 (9) a position involving supervisory or disciplinary power over a minor
 7 or dependent adult for which criminal justice information may be released under
 8 AS 12.62.160(b)(9);
 9 (10) a teacher certificate under AS 14.20;
 10 (11) a registration or license to operate a marijuana establishment
 11 under AS 17.38;
 12 (12) licensure as a security guard under AS 18.65.400 - 18.65.490;
 13 (13) a concealed handgun permit under AS 18.65.700 - 18.65.790;
 14 (14) licensure as an insurance producer, managing general agent,
 15 reinsurance intermediary broker, reinsurance intermediary manager, surplus lines
 16 broker, or independent adjuster under AS 21.27;
 17 (15) serving and executing process issued by a court by a person
 18 designated under AS 22.20.130;
 19 (16) a school bus driver license under AS 28.15.046;
 20 (17) licensure as an operator or an instructor for a commercial driver
 21 training school under AS 28.17;
 22 (18) registration as a broker-dealer, agent, investment adviser
 23 representative, or state investment adviser under AS 45.55.030 - 45.55.060.

24 * **Sec. 141.** AS 18.56.230(b) is amended to read:

25 (b) The corporation may not authorize the commercial use of space in a multi-
 26 unit residential housing development owned or financed by the corporation for

- 27 (1) a business that offers adult entertainment;
 28 (2) the sale of alcoholic beverages, unless the sale [IS IN A
 29 RESTAURANT OR EATING PLACE LICENSED UNDER AS 04.11.100 OR] is in
 30 premises covered by a restaurant endorsement issued [DESIGNATED] by the
 31 Alcoholic Beverage Control Board under AS 04.09.450 [AS A RESTAURANT

1 UNDER AS 04.16.049];

2 (3) substance abuse treatment; or

3 (4) a business that primarily sells, transfers, or stores cigarettes or
4 tobacco-related products.

5 * **Sec. 142.** AS 18.65.085(c) is amended to read:

6 (c) The Department of Public Safety may establish and administer a reward
7 program, and provide grants to municipalities, established villages, and, at the request
8 of a municipality or established village, to a nonprofit association that administers a
9 village public safety officer program, for reward programs leading to the apprehension
10 and conviction of persons who violate AS 04.09.060, 04.09.070, 04.09.145, 04.09.370,
11 04.09.380, or AS 04.11.010 by selling, importing, or possessing alcoholic beverages
12 in violation of a local option adopted by a municipality or established village under
13 AS 04.11.491.

14 * **Sec. 143.** AS 18.80.230(b) is amended to read:

15 (b) Notwithstanding (a) of this section, a physical fitness facility may limit
16 public accommodation to only males or only females to protect the privacy interests of
17 its users. Public accommodation may be limited under this subsection only to those
18 rooms in the facility that are primarily used for weight loss, aerobic, and other
19 exercises, or for resistance weight training. Public accommodation may not be limited
20 under this subsection to rooms in the facility primarily used for other purposes,
21 including conference rooms, dining rooms, and premises licensed under AS 04.09
22 [AS 04.11]. This subsection does not apply to swimming pools or golf courses.

23 * **Sec. 144.** AS 39.50.200(b) is amended by adding a new paragraph to read:

24 (65) Marijuana Control Board (AS 17.38.080).

25 * **Sec. 145.** AS 43.60 is amended by adding a new section to read:

26 **Sec. 43.60.060. Winery direct shipment tax; statement; audit.** A holder of a
27 winery direct shipment license under AS 04.09.360 who sells wine in the state or who
28 consigns shipments of wine into the state shall

29 (1) be subject to the taxes provided under AS 43.60.010(a);

30 (2) provide monthly statements and other information required under
31 AS 43.60.020 with the remittance of a tax collected under this section;

1 (3) allow the Department of Revenue to perform an audit of the
2 holder's records upon request; and

3 (4) consent to the jurisdiction of a state court concerning enforcement
4 of this section relating to the collection of taxes and other money owed by the holder,
5 including interest and penalties.

6 * **Sec. 146.** AS 43.70.105(a) is amended to read:

7 (a) This chapter does not apply to

8 (1) a fisheries business;

9 (2) the sale of liquor under a license issued under **AS 04.09**
10 [AS 04.11];

11 (3) an insurance business;

12 (4) a mining business;

13 (5) supplying services as an employee;

14 (6) furnishing goods or services by a person who does not represent to
15 be regularly engaged in furnishing goods or services;

16 (7) the activities of an investment club; in this paragraph,

17 (A) "investment club" means a group of individuals,
18 incorporated or otherwise organized, that engages primarily in investing in
19 securities, that does not sell investment services to another person, that does
20 not advertise, and the primary purpose of which is educational;

21 (B) "security" has the meaning given in AS 45.55.990.

22 * **Sec. 147.** AS 45.45.590(1) is amended to read:

23 (1) "business proprietor" means a person who owns a place of business
24 in which the public may assemble and in which copyrighted musical works may be
25 performed, broadcasted, or otherwise transmitted; in this paragraph, "place of
26 business" includes a store, professional office, sports facility, entertainment facility,
27 restaurant, hotel, or [AN] alcoholic beverage establishment licensed under **AS 04.09**
28 [AS 04.11];

29 * **Sec. 148.** The uncoded law of the State of Alaska is amended to read:

30 DIRECT COURT RULE AMENDMENT. Rule 17, Alaska Rules of Minor
31 Offense Procedure, is amended by adding a new subsection to read:

1 (g) A prosecutor may not join a minor offense for a violation of AS 04.16.049,
2 [OR] 04.16.050, or 04.16.060(g) with a related criminal offense.

3 * **Sec. 149.** AS 04.11.070, 04.11.080, 04.11.090, 04.11.100, 04.11.110, 04.11.115,
4 04.11.120, 04.11.130, 04.11.135, 04.11.140, 04.11.150, 04.11.160, 04.11.170, 04.11.180,
5 04.11.200, 04.11.210, 04.11.220, 04.11.225, 04.11.230, 04.11.240, 04.11.250, 04.11.255,
6 04.11.400(d), 04.11.400(h), 04.11.400(j); AS 04.16.070, 04.16.100, 04.16.180(a),
7 04.16.180(d), 04.16.210; and AS 04.21.080(b)(3) are repealed.

8 * **Sec. 150.** AS 04.11.400(e) and 04.11.400(g) are repealed.

9 * **Sec. 151.** AS 04.09.270(f) and 04.09.320(k) are repealed January 1, 2027.

10 * **Sec. 152.** Section 155 of this Act is repealed January 1, 2019.

11 * **Sec. 153.** The uncodified law of the State of Alaska is amended by adding a new section
12 to read:

13 APPLICABILITY. (a) The provisions of secs. 9 - 19, 28, 72 - 75, 77 - 121, 126 - 129,
14 131, 138, and 139 of this Act apply to offenses committed on or after the effective date of
15 each of those respective sections.

16 (b) References to previous convictions in AS 04.11.270(a), as amended by sec. 22 of
17 this Act, AS 04.16.180(b), as amended by sec. 114 of this Act, AS 04.16.180(e), as amended
18 by sec. 115 of this Act, and AS 04.16.220(i), as amended by sec. 120 of this Act, apply to
19 convictions occurring before, on, or after the effective date of each of those respective
20 sections.

21 * **Sec. 154.** The uncodified law of the State of Alaska is amended by adding a new section
22 to read:

23 TRANSITION: CONVERSION OF APPLICATIONS AND LICENSES. (a)
24 Notwithstanding AS 04.11.400(a), the Alcoholic Beverage Control Board shall convert,
25 within 90 days after the effective date of sec. 154 of this Act,

26 (1) a license issued or renewed as necessary for the public convenience under
27 former AS 04.11.400(e) or 04.11.400(g), repealed by sec. 150 of this Act, into a restaurant or
28 eating place license under AS 04.09.210, added by sec. 9 of this Act, if the license was issued
29 as a restaurant or eating place license, or into a beverage dispensary license under
30 AS 04.09.200, added by sec. 9 of this Act, if the license was issued as a beverage dispensary
31 license under former AS 04.11.400(j);

1 (2) notwithstanding AS 04.11.400(a) and (b), an application submitted to the
 2 board that meets all of the requirements under former AS 04.11.400(e) or 04.11.400(g),
 3 repealed by sec. 150 of this Act, into an application for a restaurant or eating place license
 4 under AS 04.09.210, added by sec. 9 of this Act, if the license was issued as a restaurant or
 5 eating place license;

6 (3) a license issued or renewed as a bottling works license under former
 7 AS 04.11.120, repealed by sec. 149 of this Act, into a brewery manufacturer license under
 8 AS 04.09.020, added by sec. 9 of this Act, or into a winery manufacturer license under
 9 AS 04.09.030, added by sec. 9 of this Act;

10 (4) a license issued or renewed as a brewpub license under former
 11 AS 04.11.135, repealed by sec. 149 of this Act, into a brewery manufacturer license under
 12 AS 04.09.020, added by sec. 9 of this Act;

13 (5) a license issued or renewed as a theater license under former
 14 AS 04.11.090, repealed by sec. 149 of this Act, or under former AS 04.11.100, repealed by
 15 sec. 151 of this Act, into a theater license under AS 04.09.250, added by sec. 9 of this Act;

16 (6) a license issued or renewed as a wholesale license under former
 17 AS 04.11.160(a), repealed by sec. 149 of this Act, into a general wholesale license under
 18 AS 04.09.100, added by sec. 9 of this Act;

19 (7) a license issued or renewed as a wholesale license under former
 20 AS 04.11.160(b), repealed by sec. 149 of this Act, into a limited wholesale brewed beverage
 21 and wine license under AS 04.09.110, added by sec. 9 of this Act;

22 (8) a license issued or renewed as a beverage dispensary license under former
 23 AS 04.11.400(d), repealed by sec. 149 of this Act, into a beverage dispensary tourism license
 24 under AS 04.09.340, added by sec. 9 of this Act;

25 (9) a duplicate license issued or renewed as a duplicate beverage dispensary
 26 license under former AS 04.11.090(e), repealed by sec. 149 of this Act, into a multiple fixed
 27 counter endorsement under AS 04.09.420, added by sec. 9 of this Act.

28 (b) The Alcoholic Beverage Control Board may

29 (1) convert a license issued or renewed as a brewery license under former
 30 AS 04.11.130, repealed by sec. 149 of this Act, into a brewery manufacturer license under
 31 AS 04.09.020, added by sec. 9 of this Act, and a brewery retail license under AS 04.09.310,

1 added by sec. 9 of this Act, upon application by the licensee;

2 (2) notwithstanding AS 04.11.400(a) or (b), convert an application submitted
3 to the board that meets all of the requirements under former AS 04.11.130, repealed by sec.
4 149 of this Act, into an application for a brewery manufacturer license under AS 04.09.020,
5 added by sec. 9 of this Act, and a brewery retail license under AS 04.09.310, added by sec. 9
6 of this Act;

7 (3) convert a license issued or renewed as a winery license under former
8 AS 04.11.140, repealed by sec. 149 of this Act, into a winery manufacturer license under
9 AS 04.09.030, added by sec. 9 of this Act, and a winery retail license under AS 04.09.320,
10 added by sec. 9 of this Act, upon application by the licensee;

11 (4) notwithstanding AS 04.11.400(a) or (b), convert an application submitted
12 to the board that meets all of the requirements under former AS 04.11.140, repealed by sec.
13 149 of this Act, into an application for a winery manufacturer license under AS 04.09.030,
14 added by sec. 9 of this Act, and a winery retail license under AS 04.09.320, added by sec. 9 of
15 this Act;

16 (5) convert a license issued or renewed as a distillery license under former
17 AS 04.11.170, repealed by sec. 149 of this Act, into a distillery manufacturer license under
18 AS 04.09.040, added by sec. 9 of this Act, and a distillery retail license under AS 04.09.330,
19 added by sec. 9 of this Act, upon application by the licensee;

20 (6) notwithstanding AS 04.11.400(a) or (b), convert an application submitted
21 to the board that meets all of the requirements under former AS 04.11.170, repealed by sec.
22 149 of this Act, into an application for a distillery manufacturer license under AS 04.09.040,
23 added by sec. 9 of this Act, and a distillery retail license under AS 04.09.330, added by sec. 9
24 of this Act;

25 (7) convert a license issued or renewed as a recreational site license under
26 former AS 04.11.210, repealed by sec. 149 of this Act, into a sporting event license under
27 AS 04.09.270, added by sec. 9 of this Act, upon application by the licensee;

28 (8) establish an application form and procedure for conversion applications
29 under this section.

30 * **Sec. 155.** The uncodified law of the State of Alaska is amended by adding a new section
31 to read:

1 TRANSITION: SEASONAL RESTAURANT OR EATING PLACE LICENSE. (a)
2 Notwithstanding AS 04.11.080, the Alcoholic Beverage Control Board may issue a seasonal
3 restaurant or eating place tourism license to a person who files an application under
4 AS 04.11.260.

5 (b) A seasonal restaurant or eating place license authorizes a restaurant or eating place
6 to sell brewed beverages and wine for consumption only on the licensed premises for a period
7 not to exceed six months in each calendar year.

8 (c) The biennial seasonal restaurant or eating place tourism license fee is \$1,250.

9 (d) The board may issue a license under this section only if

10 (1) the board determines that the licensed premises is a bona fide restaurant or
11 eating place; and

12 (2) the sale and service of food and alcoholic beverages and any other
13 business conducted on the licensed premises of the restaurant or eating place is under the sole
14 control of the licensee.

15 (e) The board may issue a license under this section only in a municipality or
16 established village that

17 (1) has a population of 20,000 or less; and

18 (2) includes a community that receives more than 4,000 visitors a year, as
19 determined by the Department of Commerce, Community, and Economic Development.

20 (f) The board may issue a license or approve an application for the transfer of
21 ownership of a license under this section if it appears that issuance or transfer will encourage
22 the tourism trade.

23 (g) The holder of a seasonal restaurant or eating place tourism license shall ensure
24 that gross receipts from the sale of food for consumption on the licensed premises are not less
25 than the total amount of the gross receipts from the sale of alcoholic beverages for
26 consumption on the licensed premises in each calendar year.

27 (h) The board shall adopt a regulation establishing a formula to limit the number of
28 seasonal restaurant or eating place tourism licenses.

29 (i) The holder of a seasonal restaurant or eating place tourism license may not provide
30 entertainment on or adjacent to the licensed premises before 3:00 p.m. or after 11:00 p.m.
31 except with the approval of the director. The director may grant approval for entertainment at

1 other times only upon the written request of the licensee, and only for a specific occasion. The
2 director may not grant approval for entertainment on or adjacent to the licensed premises of
3 an individual licensee more than five times in a calendar year.

4 (j) A license issued under this section may be renewed under AS 04.09.350, added by
5 sec. 9 of this Act, on or after the effective date of sec. 9 of this Act.

6 * **Sec. 156.** The uncodified law of the State of Alaska is amended by adding a new section
7 to read:

8 **TRANSITION: REGULATIONS.** The Department of Commerce, Community, and
9 Economic Development and the Alcoholic Beverage Control Board may adopt regulations
10 necessary to implement the changes made by this Act. The regulations take effect under
11 AS 44.62 (Administrative Procedure Act), but not before the effective date of the law
12 implemented by the regulation.

13 * **Sec. 157.** Sections 30, 34, 36, 41, 45, 48, 97, 132, 150, 155, and 156 of this Act take effect
14 immediately under AS 01.10.070(c).

15 * **Sec. 158.** Except as provided in sec. 157 of this Act, this Act takes effect January 1, 2019.