(Words in boldface and underlined indicate language being added; words [CAPITALIZED AND BRACKETED] indicate language being deleted.)

The introductory language of 3 AAC 305.345 is amended to read:

**3 AAC 305.345. Written or electronic orders <u>for shipments subject to a package store shipping endorsement</u>.** (a) A package store licensee with a shipping endorsement issued under AS 04.09.460 [OR A HOLDER OF A MANUFACTURER DIRECT SHIPMENT LICENSE UNDER AS 04.09.370] may sell alcoholic beverages in response to a written or electronic order. The licensee shall retain the original, a clear photocopy, or an electronic copy of one of the following documents that bears the purchaser's signature and shows by date of birth or statement of age that the purchaser is at least 21 years of age:

(1) valid government-issued photographic identification from any state;

(2) a tribal identification card, issued by a federally recognized tribe that meets the following criteria:

(A) the identification card has a photograph, a signature, and a date of birth; and

(B) the identification card has security features as identified in AS 28.15.111(a)(4); or

(3) a foreign or domestic passport.

(b) Alcoholic beverages may be sold in response to a written or electronic order only if the order

(1) is signed and dated by the purchaser;

(2) describes in reasonable detail the type and quantity of alcoholic beverages being ordered;

(3) refers by number to the purchaser's proof-of-age document required by (a) of this section;

(4) bears a signature reasonably determined by the licensee to match that on the proof-of-age document;

(5) states the physical residence address of the purchaser; the address must be sufficient for the licensee to determine whether the residence is within an area that has restricted the sale, importation, or possession of alcoholic beverages under AS 04.11.491;

(6) includes the community delivery site's physical address if delivery is at a community delivery site designated under AS 04.11.491(f); and

(7) is entered into the written and electronic order database established under AS 04.06.095 if the alcoholic beverages are to be shipped to an area that has restricted the sale of alcoholic beverages under AS 04.11.491(a)(1), (2), or (3) or AS 04.11.491(b)(1) or (2); an order subject to this paragraph may not be for an amount of alcoholic beverages that would exceed the amount in a calendar month authorized for the purchaser under AS 04.09.460(e) as indicated in the database.

(c) A written or electronic order, may be modified by the licensee not later than five working days after receipt of the written or electronic order if the modification is in accordance with an oral or written communication from the purchaser; if a modification is made, the licensee shall note on the original order the date of modification and the manner in which the modification was requested by the purchaser; alcoholic beverages shipped in response to a written or electronic order must be packaged and shipped within five working days after receipt of the initial written or electronic order by the licensee or the licensee's agent or employee;

3 AAC 305.045(d) is amended to read:

(d) Notwithstanding (c), a written or electronic order that is required under AS 04.09.460(e) [OR AS 04.09.370] to be entered into the written or electronic order database established under AS 04.06.095 may not be modified after it is entered into the database; a licensee shall calculate whether alcoholic beverages may be shipped to a purchaser under AS 04.09.460(e) by using the date that the order is entered into the database to determine if the amount ordered, combined with the amount already shipped in a calendar month to the purchaser, exceeds the amount authorized under AS 04.09.460(e) as indicated in the database; if the amount ordered under this paragraph

(A) does not exceed the amount authorized under AS 04.09.460(e), alcoholic beverages shipped in response to the written order must be packaged and shipped within five working days after receipt of the written order by the licensee or the licensee's agent or employee; or

(B) exceeds the amount authorized under AS04.09.460(e), the licensee shall

(i) hold the order for up to 72 hours and reenter it into the database for the next month as a new order; or

(ii) return the order to the purchaser unfilled if the licensee cannot reenter the order as a new order within 72 hours after receipt.

(e) In response to a written or electronic order, a licensee

(1) shall provide written or electronic information to the purchaser on fetal alcohol spectrum disorder and fetal alcohol effects resulting from a woman's consumption of alcohol during pregnancy;

(2) may not package or deliver alcoholic beverages, or enter a written order into the written order database established under AS04.06.095, until the licensee has received full payment for the order at the licensed premises;

(3) may personally deliver alcoholic beverages to the purchaser or to an individual who may legally possess alcoholic beverages and who is specifically authorized in the order to receive the purchase and deliver the alcoholic beverages to the purchaser; to verify the identity of the purchaser or the individual specifically authorized in the written order to receive the purchase, the licensee shall require the purchaser or the authorized individual to present an original of one of the forms of identification listed in (a) of this section;

(4) shall ship the alcoholic beverages by a common carrier approved under AS 04.09.750 to the purchaser; under this paragraph, if the order is to be shipped to a community that has specified a delivery site under AS 04.11.491(f) the order must be shipped to the purchaser at that delivery site address; or

(5) shall package an order that is delivered or shipped under this subsection in a shipping container that

(A) bears a non-removable label that

(i) identifies the licensee;

(ii) shows the written order number assigned under (g) of this section; and

(ii) contains the words "alcoholic beverages" in letters at least two inches high and drawn in lines one-quarter inch wide;

(B) contains one copy of the sales invoice must be enclosed in a non-removable, sealed envelope securely attached to the shipping container; the sales invoice

(i) must be legibly handwritten or typed;

(ii) must be prepared by the licensee, licensee's agent, or employee; and

(iii) must show the description, quantity, unit price, extended price, and total value of the alcoholic beverages in the container;

(iv) may be retained by a municipality if the container is addressed to a delivery site in a municipality that imposes a sales and use tax on alcoholic beverages under AS 04.21.010(c)(4), or controls the quantity that may be imported under AS 04.21.010(a)(1).

(e) A community delivery site must be secure from unauthorized access, reasonably located for access by the public, clean and heated, and controlled by the local governing body to assure protection of orders for purchasers. The site must be open for pick-up by purchasers at least once a week, for three hours between 8:00 a.m. and 8:00 p.m. Alcoholic beverages may be claimed from the community delivery site only by the purchaser named on the container. The purchaser shall sign for the order on a form stating that the beverages are not for resale. The local governing body may impose reasonable storage and handling fees chargeable to the purchaser and may label or mark alcoholic beverage containers processed through the community delivery site. Upon approval of a community delivery site, the board will notify licensees that written or electronic orders for shipment into the community may only be shipped to the community delivery site.

3 AAC 305.045(f) is amended to read:

(f) The board will maintain a list of persons who, under AS 04.16.200, are convicted after October 24, 1987, of a violation of AS 04.11.010 and will provide this list to package store

[AND MANUFACTURER DIRECT SHIPMENT] licensees. A licensee who receives the list may not sell alcoholic beverages by written or electronic order to a person whose name appears on it until the board gives written notice to the licensee that sales to that person are no longer prohibited.

(g) The licensee shall fasten together the documents pertaining to each written order and shall keep them on file with the purchaser's proof-of-age document. The licensee shall retain order documents for at least one year after the order is delivered. The licensee shall maintain a log of written orders in a manner that

(1) allows cross-reference to the documents for each order;

(2) assigns an order number to each written order; and

(3) shows, for each order,

(A) the purchaser's name;

(B) dates the order was received, modified, and shipped or delivered; and

(C) the address to which shipment was made.

(h) A licensee who sells alcoholic beverages in response to written or electronic orders

(1) shall promptly notify the board of

(A) a person who places one or more written orders in a single week for, in the aggregate,

(i) more than 36 gallons of brewed beverages;

(ii) more than 12 cases of wine; or

(iii) more than 36 liters of distilled spirits; and

(B) a customer who engages in a regular practice of ordering alcoholic beverages in similarly large quantities;

(2) shall, if the alcoholic beverages are to be shipped to an area that has restricted the sale of alcoholic beverages under AS 04.11.491(a)(1), (2), or (3) or (b)(1) or (2),

(A) enter a written or electronic order into the written order database established under AS 04.06.095 not more than 24 hours after receiving full payment; and

(B) notify the board not more than 24 hours after calculating that the amount ordered exceeds the amount authorized under AS 04.09.460 as indicated in the database when added to the amount already shipped in a calendar month to the purchaser.

(i) If alcoholic beverages are not delivered to the purchaser personally on the licensed premises, title to the alcoholic beverages passes from the licensee to the purchaser at the time the alcoholic beverages are packed and addressed to the purchaser and payment is received, and these actions are sufficient to constitute a sale on the licensed premises.

(j) The licensee may not ship alcoholic beverages

(1) to a person other than the purchaser;

(2) in response to a telephonic order; or

(3) by taxicab.

(k) After a local option municipality submits written notification to the board that the municipality has imposed a sales and use tax on alcoholic beverages under AS 04.21.010(c)(4), a

licensee that sells alcoholic beverages by written solicitation under AS 04.09.460 may not ship or deliver alcoholic beverages to that municipality until payment for the taxes is collected at the licensed premises in accordance with the ordinances of that municipality. The licensee shall remit the payments of taxes to the municipality for which the tax was collected. (Eff. ____/____/_____, Register _____)

| **Authority:** | AS 04.06.090 | [AS 04.09.370] | AS 04.09.480 |
|---|---|---|---|
| | AS 04.06.100 | AS 04.09.460 | AS 04.09.490 |
| | AS 04.09.230 | AS 04.09.470 | |

3 AAC 305 is amended by adding a new section to read:

**3 AAC 305.347. Shipments from a manufacturer direct shipment licensee.** (a) A holder of a manufacturer direct shipment license issued under AS 04.09.370 may sell alcoholic beverages in response to a written, telephonic, or electronic order.

(b) Manufacturer direct shipment licensees shall verify that the person submitting the order and that the named recipient of the shipment, if not the same person as the person submitting the order, is at least 21 years of age, using the method set out at 3 AAC 305.345(a) or an internet age verification service approved by the director. Approved internet age verification programs are located on the Alcohol and Marijuana Control Office's website at https://www.commerce.alaska.gov/web/amco/.

(c) Alcoholic beverages may be sold in response to a written, telephonic, or electronic order only if the order

(1) is signed and dated by the purchaser;

(2) describes in reasonable detail the type and quantity of alcoholic beverages being ordered;

(3) refers by number to the purchaser's proof-of-age document required by (b) of this section;

(4) bears a signature reasonably determined by the licensee to match that on the proof-of-age document; and

(5) states the physical residence address of the purchaser and if not the same person as the person submitting the order, the physical residence address of the recipient; the recipients residence address must be sufficient for the licensee to determine whether the recipient's residence is within an area that has restricted the sale, importation, or possession of alcoholic beverages under AS 04.11.491. A manufacturer direct shipment licensee may not ship to any local option community; and

(6) is entered into the written and electronic order database established under AS 04.06.095.

(c) In response to a written, telephonic, or electronic order, a licensee

(1) shall provide written or electronic information to the person submitting the order and the named recipient of the alcoholic beverages on fetal alcohol spectrum disorder and fetal alcohol effects resulting from a woman's consumption of alcohol during pregnancy;

(2) may not package or deliver alcoholic beverages until the licensee has received full payment for the order at the licensed premises;

(3) shall ship the alcoholic beverages by a common carrier approved under AS 04.09.750; and

(4) shall package an order that is delivered or shipped under this subsection in a shipping container that

(A) bears a non-removable label that

(i) identifies the licensee;

(ii) shows the written order number assigned under (e) of this section; and

(ii) contains the words "alcoholic beverages" in letters at least two inches high and drawn in lines one-quarter inch wide;

(B) contains one copy of the sales invoice enclosed in a non-removable, sealed envelope securely attached to the shipping container; the sales invoice

(i) must be legibly handwritten or typed;

(ii) must be prepared by the licensee, licensee's agent, or employee; and

(iii) must show the description, quantity, unit price, extended price, and total value of the alcoholic beverages in the container;

delivery site.

(d) The board will maintain a list of persons who, under AS 04.16.200, are convicted after October 24, 1987, of a violation of AS 04.11.010 and will provide this list to manufacturer direct shipment licensees. A licensee who receives the list may not sell or deliver alcoholic beverages-by written, electronic, or telephonic order to a person whose name appears on it until the board gives written notice to the licensee that sales to that person are no longer prohibited.

(e) The licensee shall fasten together the documents pertaining to each order and shall keep them on file with the purchaser's proof-of-age document or proof of age verification service. The licensee shall retain order documents for at least two years after the order is delivered. The licensee shall maintain a log of orders in a manner that

(1) allows cross-reference to the documents for each order;

(2) assigns an order number to each written order; and

(3) shows, for each order,

(A) the purchaser's name and the recipient's name if different from the purchaser;

(B) dates the order was received, modified, and shipped or delivered; and

(C) the address to which shipment was made.

(f) If alcoholic beverages are not delivered to the purchaser personally on the licensed premises, title to the alcoholic beverages passes from the licensee to the purchaser at the time the alcoholic beverages are packed and addressed to the purchaser and payment is received, and these actions are sufficient to constitute a sale on the licensed premises.

(g) The licensee may not ship alcoholic beverages

(1) to a person other than the purchaser or purchaser's named recipient; or

(2) by taxicab. (Eff. ____/____/_____, Register _____)

**Authority:** AS 04.06.090 AS 04.06.100 AS 04.09.370

3 AAC 305.810(a) is amended to read:

**3 AAC 305.810. Recordkeeping requirements.** (a) **Except for the holder of a manufacturer direct shipment license under AS 04.09.370,** a[A] licensee shall retain records of the sales, purchases, and expenses of the business for at least one year, including records sufficient to show the license was actively exercised for at least 240 hours during each of the two preceding calendar years as set out in AS 04.11.330(a)(3).

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(Eff. ____/____/_____, Register _____)

**Authority:** AS 04.06.090 AS 04.06.100 AS 04.11.330