

3 AAC 305

REGULATIONS FOR THE ALCOHOLIC BEVERAGE CONTROL BOARD

UPDATED 12/27/24

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ALCOHOL REGULATIONS CHANGES

(This table was started in January 2024. Any changes to a regulation section are reflected at the end of each regulation section. **Do not rely on the explanation on this page, you must read the regulation, understand it, and know how to apply it to your business**)

Effective Date of Change	Index Number of updated regulation
1/1/2024	New Chapter on Alcohol Regulations- Articles 1-8 (Part 1) (3 AAC 305)
3/3/2024	Technical revisions under AS 44.62.125(b)(6) to 3 AAC 305.345(d) and (e).
6/13/2024	3 AAC 305.025 amended to address special investigator hiring standards.
8/9/2024	New Article, Article 5 added covering trade practices.
8/23/2024	3 AAC 305.345 is amended and 305.347 is added to update licensee, order, and shipping requirements for written and electronic orders for shipments of alcoholic beverages.
10/25/2024	3 AAC 305.070, 305.085, 305.145 are amended to delete references to the transfer of a license with one or more endorsements to a new location, because statute does not authorize the transfer of a license endorsement.
10/25/2024	3 AAC 305.660(c) is amended to expand the overlapping premises available for a holder of a manufacturer direct shipment license by allowing the licensed premises to overlap with the premises of the manufacturer retail license on which their direct shipment license is dependent.
10/25/2024	3 AAC 305.165 is amended to add new fees for submission of a paper application, if the application was otherwise available via the AK-ACCIS online application process.
12/27/2024	3 AAC 305.045(c), 305.050(c) and 305.070(c) are amended to require a business license during the application process. 3 AAC 305.075(a)(2)(B) is amended to require a doing-business-as name is included in the publishers advertisement.

Chapter 305. Alcoholic Beverage Control Board.

Article

1. Board; Administration; Licensing; Fees (3 AAC 305.010 - 3 AAC 305.165)
2. Manufacturer Licenses; Endorsements; Permits (3 AAC 305.200 - 3 AAC 305.230)
3. Retail Licenses; Endorsements; Permits (3 AAC 305.300 - 3 AAC 305.397)
4. Wholesale Licenses (3 AAC 305.400 - 3 AAC 305.420)
5. Trade Practices (3 AAC 305.500 – 3 AAC 305.590)
6. Provisions Applicable to More Than One License Type (3 AAC 305.600 - 3 AAC 305.690)
7. Alcohol Server Education Course (3 AAC 305.700)
8. Enforcement; Civil Penalties (3 AAC 305.800 - 3 AAC 305.895)
9. General Provisions (3 AAC 305.900 - 3 AAC 305.950)

Article 1. Board; Administration; Licensing; Fees.

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- 155. General wholesale and limited wholesale additional fees.
- 160. Processing fees for renewals after late payment of taxes.
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3 AAC 305.010. Conduct of board meetings. (a) The board will select a chair from current board members at the first regular board meeting of each calendar year. The chair will preside over board meetings during the ensuing year.

(b) The board will meet at the call of the chair after reasonable public notice is given.

(c) The director is responsible for preparing an informative agenda for each board meeting. A copy of the agenda will be posted on the Alcohol and Marijuana Control Office's Internet website. (Eff. 1/1/2024, Register 248)

Editor's note: Board meeting agendas posted to the Alcohol and Marijuana Control Office's website may be found at <https://www.commerce.alaska.gov/web/amco/>.

3 AAC 305.015. Submissions to the board. Except as otherwise specifically provided in this chapter, applications and communications of a formal nature must be submitted in writing, upon prescribed forms, as applicable to the board through its online licensing system or at its main office and are not considered timely filed until received by the board's main office. (Eff. 1/1/2024, Register 248)

3 AAC 305.020. Public comment at board meetings. (a) At its regular public meetings held in each judicial district in compliance with AS 04.06.050, the board will receive public comment upon items of agenda business and other issues of the public interest related to alcoholic beverages, including the conduct of business by licensees and others with the statutes and regulations related to alcoholic beverages. Public comment may also be submitted to the board in writing by any person at any time.

(b) The right to be heard provided for in this section does not constitute

intervention in a proceeding or exhaustion of an administrative remedy. (Eff. 1/1/2024, Register 248)

3 AAC 305.025. Duties of director. (a) The director of the board is responsible for the management of the board's offices, the administration of the board's functions, and the enforcement of AS 04 and this chapter.

(b) The director shall employ and supervise necessary administrative, professional, paraprofessional, and investigative personnel and shall prescribe their duties and authority. The director may employ a person to a position with the special investigator job classification only if the person

(1) possesses a certificate issued by the Alaska Police Standards Council demonstrating that the person meets the standards for appointment as a police officer under AS 18.65.240;

(2) provides evidence satisfactory to the director that

(A) the person meets the standards of another state or a federal jurisdiction for appointment as a police officer; and

(B) the standards of the state or federal jurisdiction are equivalent to the standards required for issuance of a certificate by the Alaska Police Standards Council under AS 18.65.240; or

(3) is eligible for appointment as a police officer through reciprocity in accordance with 13 AAC 85.060.

(c) The director will prescribe forms for application for a new license, endorsement, transfer, renewal and for a permit, petition, and other necessary documents as approved by the board.

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

(e) The director shall post information on the Alcohol and Marijuana Control Office's Internet website about fetal alcohol spectrum disorder and fetal alcohol effects resulting from a woman consuming alcohol during pregnancy. (Eff. 1/1/2024, Register 248; am 6/13/2024, Register 250)

3 AAC 305.030. Issuance of license and endorsement. The director will issue an appropriate license or endorsement on

(1) approval of an application for a new license, a new license with one or more endorsements, a renewal or transfer of an existing license, a renewal or transfer of an existing license with one or more endorsements, or an application for an endorsement;

(2) receipt by the board of necessary public health and public safety approvals;
and

(3) completion of any inspection considered necessary by the director. (Eff. 1/1/2024, Register 248)

3 AAC 305.035. Additional delegation of authority. The board shall review delegations of authority to the director made pursuant to AS 04.06.080 or 04.11.395 on an annual basis and upon change of director. (Eff. 1/1/2024, Register 248)

3 AAC 305.040. When licenses become available. Except as provided in 3 AAC 305.100, if the board receives an application at a time when there are no available licenses of the type specified in the application, the board will deny the application. In this chapter, a license becomes available

(1) on the date the director determines the relevant population under 3 AAC 305.900 where the license becomes available because of an increase in the population during the preceding year;

(2) 30 days after a notice of expiration has been sent to a licensee due to non-renewal of the license and not later than April 15 where the license becomes available based upon the count of the relevant population;

(3) on the conclusion of all appeals of the denial of renewal, revocation, or on waiver of appeal by the licensee, whichever is later, where the license becomes available because of the denial or revocation of another license and the license is available based upon the count of the relevant population; or

(4) on the date determined by the board or the director in any other case. (Eff. 1/1/2024, Register 248)

3 AAC 305.045. Application for license and endorsement. (a) Except for an applicant for a manufacturer direct shipment license issued under AS 04.09.370, an applicant for a new alcoholic beverage license, an alcoholic beverage license with one or more endorsements, or an endorsement must file an application. The application may be initiated and completed electronically. An application must be on a form prescribed by the board and include the information and documentation set out in this section, the application fee, license fee, and applicable endorsement fees set out under 3 AAC 305.145. For an applicant applying for a new license, the application must include fingerprint cards required under AS 04.11.295 and fees required under 3 AAC 305.145.

(b) An application for a new alcoholic beverage license, an alcoholic beverage license with one or more endorsements, or an endorsement must contain the information required by AS 04.11.260 and the information required under AS 04.11.295(a) and 04.11.310, if applicable.

(c) An application for a new license must contain the following:

(1) written authorization for release of an applicant's conviction and arrest records, as well as the conviction and arrest records of the applicant's affiliates as defined at 3 AAC 305.950 to the director and the board; the release must include a list of the applicant's and the applicant's affiliates' convictions in any state or territory for a crime or for a violation of alcoholic beverage control laws;

(2) a statement that no person other than the applicant has a financial interest in the business to be licensed;

(3) a copy of the following business entity documents, as applicable:

(A) partnership or joint venture agreement if the applicant is a partnership or joint venture;

(B) certificate of incorporation if the applicant is a corporation;

(C) articles of organization, certificate of organization, or operating agreement if the applicant is a limited liability company; under this paragraph, the applicant must also submit a statement that the limited liability organization is in good standing; or

(D) statement of qualification if the applicant is a limited liability partnership;

(4) a statement that the applicant and the applicant's affiliates as defined at 3 AAC 305.950 have read and are familiar with AS 04 and with this chapter;

(5) copies of any deed, lease agreement, or other documentation that shows the applicant's right or title to, or interest in, the land and buildings at the location of the business to be licensed;

(6) required biennial license fees and applicable endorsement fees as set out under 3 AAC 305.145, if the application is for a new license or endorsement;

(7) a non-refundable application fee as set out under 3 AAC 305.145; and

(8) the doing-business-as name the applicant will use for the proposed alcohol establishment, along with the applicant's state business license number issued under AS 43.70. (Eff. 1/1/2024, Register 248; am 12/27/2024, Register 252)

3 AAC 305.050. Application for renewal of a license and endorsement. (a) Except for an applicant for renewal of a manufacturer direct shipment license issued under AS 04.09.370, an applicant for renewal of an alcoholic beverage license or an alcoholic beverage license with one or more endorsements must file a completed application. The application may be initiated and completed electronically. A complete application must be on a form prescribed by the board and include the information and documentation set out in this section, the application fee, and fees for renewal of licenses and endorsements as set out under 3 AAC 305.145.

(b) An application for renewal of an alcoholic beverage license or an alcoholic beverage license with one or more endorsements must contain the information required under AS 04.11.270.

(c) An application for renewal of an alcoholic beverage license or renewal of an alcoholic beverage license with one or more endorsements must contain the following:

(1) a list of the applicant's convictions for violations of AS 04 and this chapter, or an ordinance adopted under AS 04.21.010, that occurred in the preceding two calendar years;

(2) a written authorization for release of conviction and arrest records to the director and the board, as required by the board;

(3) a statement that no person other than the applicant has a financial interest in the business to be licensed;

(4) any change in business entity documents in the preceding two calendar years;

- (5) any change to proof of possession in the preceding two calendar years;
- (6) required biennial license fees and applicable endorsement fees as set out under 3 AAC 305.145;
- (7) a non-refundable application fee as set out under 3 AAC 305.145; and
- (8) the doing-business-as name the applicant uses for the alcohol establishment, along with the applicant's state business license number issued under AS 43.70.

(d) For the purposes of AS 04.11.270(b), an application for renewal of an alcoholic beverage license or for renewal of an alcoholic beverage license with one or more endorsements is timely if received along with the payment of application and license fees through the board's online licensing system or at the board's main office not later than December 31, or if postmarked not later than December 31.

(e) For the purposes of AS 04.11.540, an application for renewal of an alcoholic beverage license or for renewal of an alcoholic beverage license with one or more endorsements as set out in that section is considered submitted by February 28 if the applicant files the renewal application through the board's online licensing system or at the board's main office not later than February 28, or if postmarked not later than February 28.

(f) If a mailed renewal application has an illegible postmark or an undated postmark, the postmark date is rebuttably presumed to be five calendar days before the board's office received the application.

(g) In this section, "postmark" means the official cancellation stamp used by the United States Postal Service that records the date and place of mailing. (Eff. 1/1/2024, Register 248; am 12/27/2024, Register 252)

3 AAC 305.055. Reinstatement of license. (a) For the purposes of AS 04.11.540, if a license expires because an applicant fails to file a complete application for renewal or fails to pay the required renewal fees and penalty fees by February 28, the board will consider a written request to reinstate the license. A request to reinstate a license must include

- (1) the complete renewal application;
- (2) a license reinstatement fee of \$1,000;
- (3) all other required fees and penalty fees; and

(4) proof of good cause for the applicant's failure to file the renewal application by February 28.

(b) The board will deny a request for reinstatement of a license submitted under (a) of this section if

(1) the license became available in accordance with 3 AAC 305.040 and the license was issued to a different applicant, unless the limit of licenses under AS 04.11.400 has not been reached; or

(2) the board finds that the applicant's failure to timely file or pay was caused by

(A) the applicant's failure to notify the board of a change of the applicant's electronic mail address;

(B) a transfer of ownership of the business for which the license was issued without written approval of the board in violation of AS 04.11.040;

(C) a lease of the licensed business to another person in violation of AS 04.11.450(c); or

(D) any other action of the applicant, whether active or tacit, that the board finds constitutes a failure to lawfully operate the business for which the license was issued. (Eff. 1/1/2024, Register 248)

3 AAC 305.060. Application for transfer of a license to another person. (a) Except for an applicant for a manufacturer direct shipment license issued under AS 04.09.370, an application for transfer of an alcoholic beverage license or an alcoholic beverage license with one or more endorsements to another person under AS 04.11.280 may be initiated and completed electronically. The application must contain the same information about the transferee as is required of an applicant for a new license or endorsement under AS 04.11.260 and 3 AAC 305.045 and the information required under AS 04.11.295(a) and 04.11.310.

(b) In addition to including the information, statements, documentation, and fees required in (a) of this section, an application for transfer of an alcoholic beverage license or an alcoholic beverage license with one or more endorsements under this section must include a statement under oath, executed by the transferor, listing all debts of and taxes due by the business. The office of the board will promptly notify each identified creditor of the application and the amount the transferor shows as owing to the creditor.

(c) If a license is automatically transferred under AS 04.11.280(c) and the office of the board subsequently receives criminal justice information and records obtained under AS 04.11.295 that potentially disqualifies a transferee, the director will file an accusation to suspend or revoke the license under 3 AAC 305.875 so the board may determine if the licensee meets the qualifications for transfer of a license or license with one or more endorsements. (Eff. 1/1/2024, Register 248)

3 AAC 305.065. Application for return of a license to a person with a retained security interest. (a) A licensee who wishes to establish a security interest in an alcoholic beverage license before the license is transferred to another person under 3 AAC 305.060 shall submit the following additional documents with the transfer application:

(1) a leasehold conveyance or contract of sale of real property made in the course of the license transfer;

(2) a list of personal property being conveyed from the transferor to the transferee, including

(A) the value of the property; and

(B) a draft Uniform Commercial Code financing statement in which a security interest in the license is claimed under AS 04.11.670 and 04.11.360(4)(B), containing the following statement: "Under the terms of AS 04.11.670, AS 04.11.360(4)(B), and 3 AAC 305.065, the transferor/lessor retains a security interest in the liquor license that is the subject of this conveyance, and may, as a result, be able to obtain a retransfer of the license without satisfaction of other creditors."; the value of the personal property must be sufficient for the board to determine that the license is not being used as collateral except as provided under AS 04.11.670; and

(3) all transaction and security documents relating to the lease or sale of real property and sale of personal property in conjunction with the license transfer.

(b) The transferor must include the following statement in the published notice of transfer required by AS 04.11.310(a): "Under the terms of AS 04.11.360(4)(B), AS 04.11.670, and 3 AAC 305.065, the transferor/lessor retains a security interest in the liquor license that is the subject of this conveyance, and may, as a result, be able to obtain a retransfer of the license without satisfaction of other creditors."

(c) After board approval, a copy of the recorded leasehold conveyance or contract of sale of real property and the recorded Uniform Commercial Code financing statement must be provided to the director before the transferred license may be operated.

(d) A security interest in a license may not be established when the license transfer contemplates a transfer of less than 100 percent of the interest in the license.

(e) A license with an established security interest may not be transferred to another person, unless all obligations under the security interest are satisfied before or as part of the transfer, except that the board may make an exception in the case of the death of a licensee. (Eff. 1/1/2024, Register 248)

3 AAC 305.070. Application for transfer of location. (a) An applicant to transfer an alcoholic beverage license to a new location shall file an application on a form prescribed by the board. The application must include the information and documentation described in this section. The application may be initiated and completed electronically.

(b) An application to transfer an alcoholic beverage license to a new location must contain the information required by AS 04.11.260 for the new location and be executed as described under AS 04.11.260(a). The application must also contain proof of public notice under AS 04.11.310 and 3 AAC 305.075 for the new location and the petition required under AS 04.11.460, if applicable.

(c) In addition to the requirements set out in (b) of this section, an application for a transfer of an alcoholic beverage license to a new location must contain the following:

(1) a copy of a deed, lease agreement, or other documentation that shows right or title to, or interest in, the land and buildings at the location of the business to be licensed;

(2) a statement identifying whether the transfer to a new location is subject to AS 04.11.400(k) and identifying the involved borough and incorporated city;

(3) a non-refundable application fee under 3 AAC 305.145; and

(4) the doing-business-as name the applicant will use for the alcohol establishment, along with the applicant's state business license number issued under AS 43.70.

(d) If a transfer of an alcoholic beverage license to another location is subject to AS 04.11.400(k), before the application is submitted to the board

(1) not more than 10 business days after the board office determines that the application is complete and the prerequisites of AS 04.11.400(k) are satisfied, the office of the board will notify the affected borough and incorporated city of the transfer of location application, and an accompanying transfer of license to another person, if applicable; the notice will include

- (A) the date the board office received the complete application;
- (B) the license number;
- (C) the present or previous business name of the license to be transferred;
- (D) the names of the transferee and the transferor, if the application

includes a request to transfer a license to another person; and

- (E) the proposed new location of the license;

(2) the borough and incorporated city affected by the transfer request under AS 04.11.400(k) may respond to the notice under (a) of this section not later than 60 days after receipt of the notice; the borough or incorporated city may request that the board grant an extension of up to 120 additional days to respond;

(3) within the notification period, the borough and the municipality must provide written notification that they agree to the transfer under AS 04.11.400(k) to be approved by the office of the board; the board will not approve a transfer of location if the notification required by this paragraph is not received within the time allowed under (d)(2) of this section; if the borough and municipality timely respond, the board may consider whether to approve the relocation under 3 AAC 305.130. (Eff. 1/1/2024, Register 248; am 10/25/2024, Register 252; am 12/27/2024, Register 252)

3 AAC 305.075. Public notice. (a) After initiating an application for a new license or transfer of a license, the applicant must give notice of the application to the public by

(1) posting a copy of the application for 10 days at

- (A) the location of the proposed licensed premises; and
- (B) one other conspicuous location in the area of the proposed premises

accessible to the general public;

(2) publishing an announcement once a week for three consecutive weeks in a newspaper of general circulation as defined in (c) of this section, or arrange for broadcast

announcements twice a week for three consecutive weeks on a radio station serving the local area where the proposed licensee seeks to operate during triple A advertising time; the newspaper or radio notice must include

- (A) the name of the applicant;
- (B) the doing-business-as name and location of the proposed premises;
- (C) the type of license specified in the application and a citation to a provision of this chapter authorizing that type of license; and
- (D) a statement that any comment or objection may be submitted to the board.

(b) In addition to English, the director will require the announcement set out in (a) of this section to be given in the predominant languages in the area of the proposed premises if

- (1) the board determines that an announcement in multiple languages is necessary to provide adequate public notice; or
- (2) a local governing body or village council requests that announcement be given in multiple languages.

(c) The public notice under this section must be given within the 90 days immediately preceding the filing of the application.

(d) In this section, "newspaper of general circulation" means a publication that

- (1) is published in print or electronic newspaper format;
- (2) is distributed at least bi-weekly each year within the judicial district where the proposed licensed premises is located, excluding a period when publication is interrupted by a casualty that the publisher cannot control;
- (3) is not published primarily to distribute advertising; and
- (4) is not intended primarily for a particular professional or occupational group.

(Eff. 1/1/2024, Register 248; am 12/27/2024, Register 252)

3 AAC 305.080. Petition for licenses. (a) If required by AS 04.11.460, a petition is a necessary part of an application. All petitions must be on forms prescribed by the board. Petition signatures must be obtained within the 90-day period immediately preceding the submission of the application. However, signatures may be added to the petition before an application has been deemed complete.

(b) A person signing a petition relating to a license must be 21 years of age or older and a permanent resident of the geographical area relevant to the petition. A person may have only one permanent residence. Municipal boundaries shall be disregarded when gathering petition signatures.

(c) When submitting a petition under AS 04.11.460, an applicant shall assist in the determination of population by submitting the following information with the application:

(1) a graphic designation on a United States Geodetic Survey map with a scale of at least one inch to the mile showing the population within a circle of the applicable radius, and showing where petition signatures were obtained; and

(2) the population within the applicable area and narrative of how the population was determined. (Eff. 1/1/2024, Register 248)

3 AAC 305.085. Local governing body protest. (a) A local governing body may protest an application filed under this chapter. The protest must be in writing, filed with the board, and copied to the applicant, and must include the governing body's reason for the protest. The reasons stated by a local governing body must be logical grounds for opposing the application or continued operation of the license and have a reasonable basis in fact. Under this section, a protest may be filed for

(1) an application to

(A) issue a new license, a license with one or more endorsements, or endorsement;

(B) renew an existing license, a license with one or more endorsements, or endorsement;

(C) transfer the location of an existing license;

(D) transfer an existing license, or a license with one or more endorsements to another person; or

(2) the continued operation of a license or endorsement issued under this chapter; under this paragraph, a local governing body may only protest the continued operation of a license or endorsement during the second year of the biennial license period if the local governing body files the protest and the reasons for the protest with the board and copies the licensee not later than January 31 of the second year of the license.

(b) The board will not take final action upon an application until at least

(1) 60 days after a local governing body receives the notice issued by the board required by AS 04.11.520, unless the local governing body waives the right to protest the application in writing to the director; and

(2) 15 days after completion of public notice of the application.

(c) A protest received after the 60-day period may not be accepted by the board. A protest may not cause the board to reconsider an approved renewal, transfer of location, or transfer to another person.

(d) A local governing body that protests an application shall allow the applicant a reasonable opportunity to defend the application before a meeting of the local governing body.

(e) A local governing body protest may be based upon facts that render the particular application objectionable to the local body or may be based upon a general public policy. If based on a general public policy, the policy must have a reasonable basis in fact, may not be contrary to law, and may not be patently inapplicable to the particular application being protested. The board will not substitute the board's judgment for that of the local governing body on a matter of public policy that has reasonable factual support.

(f) If the application is denied because of a protest by the local governing body and the applicant requests a hearing, the local governing body must, at the board's request, appear or otherwise meaningfully participate in the hearing and must assist in or undertake the defense of the local governing body's protest.

(g) In addition to the other grounds for protest set out in this section, a local governing body may protest the

(1) renewal or transfer of a license based on nonpayment of delinquent taxes or fees, whether single or in combination, of at least \$1,000 arising in whole or in part from the conduct of the licensed business; and

(2) transfer of a license if the local governing body has adopted an ordinance under which the local governing body may estimate the amount of taxes due in the tax year of the proposed transfer and arising in whole or in part from the conduct of the licensed business, and requires the licensee to pay the estimated amount; and

(3) the licensee fails to pay that amount or give security under AS 04.11.360.

(h) The board may uphold a protest of an application or continued operation with an initial abeyance period of not more than 180 days if the local governing body indicates that the protest is subject to rescission and that it will be withdrawn if the applicant meets conditions set by the local governing body. If the local governing body notifies the board within the period of the abeyance that the protest has been removed, the application or continued operation will be approved when all other applicable requirements have been met. If the local governing body has not notified the board within the period of the abeyance that the local governing body has removed the protest, the application or continued operation is denied. (Eff. 1/1/2024, Register 248; am 10/25/2024, Register 252)

3 AAC 305.090. Procedure for action on a license or endorsement application. (a) The board will decide whether to grant or deny an application not later than 90 days after receiving the complete application. The board will not grant or deny the application before the time allowed for a local governing body to file a protest as set out under 3 AAC 305.085(b) unless the local governing body waives its right to protest.

(b) Not later than seven days before a scheduled meeting that includes board action on applications, the director shall post a meeting agenda that includes a list of matters scheduled for action at that meeting on the office of the board's Internet website. The director shall also send written notification to each applicant with an application scheduled for action at that meeting through the board's online licensing system or to the electronic mail address identified in the application. The board may review an application without additional notice to the applicant.

(c) The board will consider any written objection, protest, suggested condition, or petition, and any testimony received at a hearing on public protest held under 3 AAC 305.095 when considering an application. The director shall retain any written objection, protest, suggested condition, or petition and the hearing record as part of the permanent record of the board's application review. (Eff. 1/1/2024, Register 248)

3 AAC 305.095. Procedure on objection or protest; appeals. (a) If the board receives an objection described in AS 04.11.470, a protest described in AS 04.11.480(a) and 3 AAC 305.085, or a protest described in AS 04.11.480(b), the board will follow the following procedures:

(1) in the case of an objection described in AS 04.11.470, the board will consider the objection at its first regular meeting at which it considers the application after the objection is received and determine whether it is appropriate to hold a public hearing under AS 04.11.510(b)(2) to ascertain the reaction of the public or a local governing body to the application; if the board determines that it is appropriate to hold a public hearing, the board will follow the procedures in (b) of this section;

(2) if the board receives a protest of an application from a local governing body described in AS 04.11.480(a), the board will review the protest at its first regular meeting at which it considers the application after the protest is received and, if the board has any indication that the protest might be arbitrary, capricious, or unreasonable, the board will first determine whether the protest is based on a question of law; if the protest is found to be based in whole or in part on a question of law, the board will schedule the matter for a public hearing under (b) of this section and AS 04.11.510(b)(4); unless a hearing is required by another provision of law, if the protest is found not to be based on a question of law the board may conduct a public hearing under (b) of this section to ascertain the reaction of the public or a local governing body to the application in question; if the board has no indication that the protest is arbitrary, capricious, or unreasonable, it may vote to uphold the protest, and the applicant and the board will follow the procedure set in AS 04.11.510(b)(1); if the board decides to overrule the protest, the local governing body may appeal the board's decision under AS 44.62.

(3) if the board receives a protest described in AS 04.11.480(b), the board will conduct a public hearing as required by AS 04.11.510(b)(3).

(b) A public hearing under this section will, be conducted after proper notice to interested parties and members of the public. The board shall exercise all other powers relating to the conduct of the hearing.

(c) A public hearing conducted under this section will be recorded by a qualified court reporter or the board's staff.

(d) A hearing required to be held under AS 44.62 is delegated to a hearing officer alone, unless the board decides to sit along with a hearing officer for a specific matter. (Eff. 1/1/2024, Register 248)

3 AAC 305.100. Procedure for mutually exclusive and competing applications. (a) If

the board receives an application for a license that requires denial because it would exceed the amount of licenses available for that license type under AS 04.11.400(a), the application will be considered "mutually exclusive."

(b) The board will consider, and grant or deny, mutually exclusive applications in the order in which they are received. However, all "competing applications," as defined under (c) of this section, will be treated as if they were received at the same time, and will be considered together.

(c) For the purpose of this section, competing applications are those mutually exclusive applications for licenses, with or without an endorsement, that

(1) inside a unified municipality, organized borough, or incorporated city;

(A) are for one or more licenses which have become available because of a change of local option or a change in population and are received during the 30-day period beginning on the date the license or licenses first become available; or

(B) are for the last available license other than a license described in (A) of this paragraph and are received during the 30-day period beginning on the date the board received the first application for the license; and

(2) outside a unified municipality, organized borough, or incorporated city, are received not more than 30 days after the immediately preceding application for the license.

(d) Nothing in this section may be interpreted to allow the 90-day time limit for a decision on an application set by AS 04.11.510 to be exceeded. (Eff. 1/1/2024, Register 248)

3 AAC 305.105. Selection among mutually exclusive and competing applications. (a)

Within an incorporated city, organized borough, or unified municipality, all competing applications, as defined in 3 AAC 305.100(c) will be considered together by the board under this section.

(b) If affiliates, or persons who are related by birth or marriage, have filed competing applications for premises at a single location, the board will deny all but one of those applications.

(c) The board will deny any competing applications which are required to be denied under AS 04.11.320, 04.11.340, 04.11.480, or 3 AAC 305.110.

(d) If the denial of one or more competing applications under (b) or (c) of this section

makes any other competing applications no longer mutually exclusive, the board will approve the applications that are no longer mutually exclusive.

(e) If competing applications remain after the board takes action under (b), (c), or (d) of this section, the board may grant any applications the board considers to be most in the public interest. In determining the public interest, the board may consider factors including

(1) the safety, suitability, and proximity of the proposed premises to other licensed premises;

(2) the size of the proposed premises;

(3) community amenities associated with the premises including entertainment, dining facilities, and tourist accommodations; and

(4) preferences or priorities expressed by the local governing body.

(f) If competing applications remain after the board takes action under (b), (c), (d), or (e) of this section, the board may conduct a drawing to determine which remaining competing applications to approve.

(g) A competing application not granted under this section will be denied without prejudice to future application.

(h) A license, with or without an endorsement, granted under this section will be issued after the time within which unsuccessful competing applicants may appeal the denial of their applications, and after all statutory requirements are met by the successful applicant. (Eff. 1/1/2024, Register 248)

3 AAC 305.110. Factors for consideration; denial of application. (a) In determining whether to grant an application for an alcoholic beverage license, alcoholic beverage license with one or more endorsements, or an endorsement, the board may consider the following factors:

(1) the applicant's and the applicant's affiliates' histories of felony conviction in this state, the United States, or another state or territory of the United States during the 15 years immediately preceding the date of application;

(2) the applicant's or the applicant's affiliates'

(A) violation of AS 04 or regulations adopted by the board; or

(B) violation of the alcoholic beverage control laws of another state, as a licensee of that state;

(3) whether the applicant or the applicant's affiliates are untrustworthy, unfit to conduct a licensed business, or a potential source of harm to the public;

(4) whether the applicant or the applicant's affiliates have permitted, on licensed premises belonging to the applicant, the occurrence of sexual contact between persons; for the purpose of this paragraph, "sexual contact" has the meaning given in AS 11.81.900(b);

(5) whether the application is not complete as required by an applicable provision of AS 04 and 3 AAC 305.101 - 3 AAC 305.165 or contains a false or misleading statement;

(6) whether the license or endorsement would violate any requirement of the license or endorsement under AS 04 or this chapter;

(7) whether the license or endorsement would violate any particular restriction applicable to the particular license or endorsement authorized under AS 04 or this chapter;

(8) whether the license or endorsement is prohibited under this chapter as a result of an ordinance or election conducted under AS 04.11.491;

(9) whether a protest by the local governing body is not arbitrary, capricious, or unreasonable;

(10) all other factors identified in AS 04.11.320 that are present and of concern; and

(11) all other factors the board determines relevant to the public interest.

(b) For an application for renewal of a license or for consideration of continued operation of a license, in addition to applicable factors identified in (a) of this section, the board may consider whether

(1) the license or endorsement has been operated in violation of a condition or restriction the board previously imposed;

(2) the applicant has lost the right to possession of the licensed premises;

(3) the applicant has satisfied the minimum operating requirements;

(4) the applicant is delinquent in the payment of taxes due in whole or in part from operation of the licensed business; and

(5) other factors identified at AS 04.11.330 are present.

(c) For an application for transfer of a license to another person, in addition to applicable factors identified in (a) of this section, the board may consider whether

(1) the transferor has not paid all debts or taxes arising from the operation of the business licensed under this chapter, unless the transferor gives security for the payment of the

debts or taxes satisfactory to the creditor or taxing authority;

(2) the transfer of the license to another person would result in violation of the provisions of AS 04 and this chapter relating to identity of licensees and financing of licensees;

(3) the prospective transferee does not have the qualifications of an original applicant required under AS 04 or this chapter; and

(4) other factors identified at AS 04.11.360 are present.

(d) For an application for transfer of location of an alcoholic beverage license, in addition to applicable factors identified in (a) of this section, the board may consider whether

(1) the new location would violate any requirement of the license under AS 04 or this chapter;

(2) the license would violate any particular restriction applicable to the particular license authorized under AS 04 or this chapter;

(3) the license is prohibited under this chapter as a result of an ordinance or election conducted under AS 04.11.491; and

(4) other factors identified at AS 04.11.340 are present.

(e) A local governing body may use the factors set out in (a) of this section to properly protest an alcoholic beverage application under AS 04.11.480 and 3 AAC 305.085.

(f) The board may deny an alcoholic beverage license application if the board finds that any of the applicable discretionary factors set out in (a) - (d) of this section do not support the application's approval. The board will deny an application if

(1) approving the application would violate any mandatory provision of or restriction under AS 04 or this chapter;

(2) if denial is required under AS 04.11.320, 04.11.330, 04.11.340, or 04.11.360;

(3) if denial is required under 3 AAC 305.090, 3 AAC 305.100, 3 AAC 305.120 - .130, or 3 AAC 305.160; or

(4) if the board concludes a protest of a local governing body is not arbitrary, capricious, or unreasonable.

(g) The board has discretion to approve a license application but deny an endorsement application for the approved license. (Eff. 1/1/2024, Register 248)

3 AAC 305.115. Consideration of endorsement. (a) An endorsement is valid only in conjunction with a license. An endorsement may be transferred to another person only if the license for which the endorsement was issued is also transferred to that person. An endorsement expires if the licensed premises are relocated, the license expires, or the license is revoked.

(b) An endorsement is valid for the duration of the license and renews concurrently with the license.

(c) The board will consider the factors identified in 3 AAC 305.105 when determining whether to grant or deny an application for an endorsement.

(Eff. 1/1/2024, Register 248)

3 AAC 305.120. Waiver of annual operating requirement and minimum operating requirements. (a) Except as provided in this section, the board will deny an application for renewal of a license or a license with one or more endorsements if the licensed premises were not operated for the time required under AS 04.11.330(a)(3) or (d).

(b) A licensee may submit a waiver application to the board to request a waiver of the operating requirement in AS 04.11.330 (a)(3) or (d). Under AS 04.11.330(a)(3), the board will determine whether, through no fault of the licensee or because the premises are under construction, the licensed premises could not be operated for the required time during the preceding calendar year.

(c) A waiver application for a calendar year must be made in writing to the board and must be accompanied by the non-refundable application fee of

(1) an amount equal to one-half the applicable biennial license fee if a waiver application was not made for the previous year; or

(2) double the amount of the fee paid for the previous waiver application.

(d) A waiver application must include a statement from the licensee explaining why the licensed premises was not in compliance with AS 04.11.330(a)(3) or (d). The licensee must provide a copy of the waiver application to any local governing body with jurisdiction over the license and licensed premises.

(e) The board may deny a third or subsequent, consecutive application for waiver

(1) unless the licensee clearly shows that the licensed premises were not operated, because the premises were condemned or substantially destroyed by any cause; or

(2) the licensee holds a common carrier dispensary license and is a boat weighing over 1,000 tons;

(f) Absent circumstances to the contrary, the board will deny a third or subsequent, consecutive application for waiver in the event of condemnation or destruction of the premises if the premises identified on an applicant's license are not leased or owned by the licensee. Additionally, a third or subsequent consecutive application for waiver that does not identify a licensed premises location will be denied.

(g) The board may impose conditions along with the approval of a waiver application.

(h) If a waiver application is denied, an application for license renewal for the succeeding license period will be denied by the board under AS 04.11.330(a)(3).

(i) In addition to the application fee under (c) of this section, the applicant shall pay \$1,000 for an application that is received too late for board consideration at its last meeting of the calendar year for which the waiver is requested.

(j) In the event of the death of a licensee, destruction of the premises, or comparable circumstances showing extraordinary hardship, the board may waive the fees required under (c) and (i) of this section.

(k) If a license is exercised only to satisfy the minimum operating requirement under AS 04.11.330(a)(3) or 3 AAC 305.110, a licensee shall operate in a similar fashion to other licensed premises of the same type by meeting the following operating requirements as appropriate for the license type:

(1) provide signage of sufficient size and visibility to show that the premises is open for business, including the business name and hours of operation;

(2) offer a variety of brewed beverages, wines, and distilled spirits for sale at the licensed premises, as appropriate to the type of license,

(3) for a licensed package store premises, visibly display the alcoholic beverages stock;

(4) for a beverage dispensary licensed premises, provide seating for at least one-half of the maximum number allowed by the occupancy permit;

(5) comply with all state or municipal health, fire, and zoning laws or ordinances required for the operation of business;

(6) maintain a record of all purchases of alcoholic beverages for resale on the

licensed premises; and

(7) record sales with a cash register or point of sale system that retains a record of transactions.

(l) The licensee has the burden of proof to show that the licensed premises were operated for the minimum required period of time and met the operating requirements under (k) of this section. The licensee may provide receipts, invoices, photographs, permits, timecards, and other records to meet the burden of proof. If the licensee fails to provide proof that one or more of the operating requirements was met, the board may consider additional documentation provided by the licensee to determine whether the licensee has met the burden of proof.

(m) If a new license is issued between November 20 and December 31, the licensee is exempt from filing a waiver of annual operating requirement for that year. (Eff. 1/1/2024, Register 248)

3 AAC 305.125. Compelled transfer of a license to the prior licensee with a security interest in the license. (a) If a former licensee seeks to compel the transfer of a license because of a promise given as collateral by the current licensee under AS 04.11.670 to the former licensee during an earlier transfer of the license, followed by a default in payment related to property conveyed or a lease made as part of the previous transfer, the board will deny the transfer if the creditors are not satisfied under AS 04.11.360(4)(A). The board may approve the transfer if circumstances clearly show that

(1) the security interest was established in the previous transfer in accordance with 3 AAC 305.065.

(2) the former licensee operated the license that was transferred for at least 240 hours; and

(3) the term of a security interest in a license to secure payment for personal property did not exceed 10 years.

(b) The director may identify applications for transfer of ownership that are secured as described in this section in board meeting agendas.

(c) After the foreclosure of real property that secures payment of debt that is also secured by a promise under AS 04.11.670, a license may not be retransferred without satisfaction of creditors under AS 04.11.360(4)(A) unless

(1) the board approved an application for retransfer before the foreclosure; or
(2) the amount owed to the former licensee for the real property at the time of foreclosure exceeds the fair market value of the property; the former licensee carries the burden of proof to show that the fair market value is less than the amount owed. (Eff. 1/1/2024, Register 248)

3 AAC 305.130. Consideration of transfer of location of a license under AS 04.11.400(k). (a) An application to transfer a license under AS 04.11.400(k) in a borough with a population of 50,000 or more into or within an incorporated city in the borough must comply with the notice requirements set out in AS 04.11.280, 04.11.290, and 3 AAC 305.070(d), as applicable. The criteria for denial of an application to transfer an alcoholic beverage license to another location as set out in AS 04.11.340 and denial of an application to transfer an alcoholic beverage license to another person as set out in AS 04.11.360 also apply to an application to transfer a license under AS 04.11.400(k). The notice requirements set out in this section apply to an application to transfer

(1) an alcoholic beverage dispensary license issued under AS 04.09.200 to a restaurant, eating place, hotel, motel, resort, or similar business that contains a restaurant or eating place,

(2) a package store license issued under AS 04.09.230;

(3) a brewery retail license issued under AS 04.09.320;

(4) a winery retail license issued under AS 04.09.330; or

(5) a distillery retail license issued under AS 04.09.340.

(b) If the board approves an application to transfer a license issued under AS 04.11.400(k), the license becomes a license of the municipality in the new location. The license may be transferred to a new location and new person within the receiving municipality. If a license is transferred with a security interest under AS 04.11.360(4)(B) and 04.11.670, the retransfer back to the previous owner may not be made to the location of the former municipality.

(c) A license located in a municipality as a result of annexation is not counted as a new license for the purposes of AS 04.11.400(k).

(d) When the board receives multiple applications to relocate a license under AS 04.11.400(k) and the board has not allowed three relocations in that decade, the board will

approve the completed application that the board received first, if the application meets other applicable requirements of AS 04 and this chapter. (Eff. 1/1/2024, Register 248)

3 AAC 305.135. Permits. (a) With the exception of a conditional contractor's permit issued under AS 04.09.690, an applicant must submit the proper permit application form and the permit fee to the office of the board to apply for a permit. The applicant must submit the application and fee not fewer than three business days before the first day of the event. The application must include

- (1) a description of the proposed premises;
- (2) a drawing that designates which areas are for storage, service, and consumption;
- (3) a statement of the specific hours of intended operation;
- (4) a copy of the approval from the proper local authority
- (5) a statement that every person who will serve or sell alcohol or check patron identification during the event will have successfully completed an approved alcohol server education course before the first day of the event; and
- (6) other information required by the application form.

(b) To apply for a conditional contractor's permit, an applicant must submit the proper application form, written permission from the commanding officer of the military or naval reservation and the prime contractor of the remotely situated site, and the application and permit fees to the office of the board. The application must include

- (1) a description of the proposed premises;
- (2) a drawing that designates which areas are for storage, service, and consumption; and
- (3) a statement of the specific hours of intended operation.

(c) All other conditions for approval, removal, and expiration for a permit under this section are set out in AS 04.09.690.

(d) The director will approve or deny all applications for permits. If an application is denied, the applicant may appeal the denial to the board.

(e) A permit is not transferable. However, the holder of an approved permit subject to (a) of this section may submit a written amendment not fewer than three business days before the

first date of the event to change the event date, site, designated area, or designated time. Any submission must include approval of the law enforcement agency with jurisdiction over the site. Except for a conditional contractor's permit issued under AS 04.09.690, a permit may not be renewed.

(f) The holder of a permit shall comply with all statutes, ordinances, and regulations pertaining to the possession and sale of alcoholic beverages as it applies to the permit or the licensed premises of the alcoholic beverage licensee to which the permit attaches. (Eff. 1/1/2024, Register 248)

3 AAC 305.140. Application for and board consideration of common carrier approval. (a) An applicant for a common carrier approval to transport and deliver alcoholic beverages to a person in the state must file an application on a form prescribed by the board. The application must include the information and documentation set out in this section, along with the approval fee. A common carrier described under this section must certify it will meet the requirements of AS 04.09.750(c) and (d).

(b) The board will approve a common carrier who meets the definition of common carrier under AS 04.09.750(g) and who provides the certifications required under AS 04.09.750(c) and (d).

(c) The board may remove a previously approved common carrier under this section from the list maintained by the board as required in AS 04.09.750(e) if the common carrier transports or delivers alcoholic beverages in violation of AS 04.09.750(c) or (d). (Eff. 1/1/2024, Register 248)

3 AAC 305.145. License and endorsement application and biennial fees. (a) A non-refundable application fee of \$500 must accompany an application for a

- (1) new license;
- (2) new license with one or more endorsements;
- (3) transfer of an existing license to another location; or
- (4) a transfer of an existing license or an existing license with one or more endorsements to another person.

(b) A non-refundable application fee of \$300 must accompany an application to renew a license or a license with one or more endorsements.

(c) Except for an application for a multiple fixed counter endorsement, a non-refundable application fee of \$25 must accompany an application for a new endorsement when the endorsement application is not submitted as part of a new, renewal, or transfer application. The initial non-refundable application fee for a multiple fixed counter endorsement is set out in AS 04.09.420(c).

(d) The biennial license fees are as follows:

- (1) for a brewery manufacturer license, the amount set out in AS 04.09.020(b);
- (2) for a winery manufacturer license, the amount set out in AS 04.09.030(b);
- (3) for a distillery manufacturer license, the amount set out in AS 04.09.040(b);
- (4) for a general wholesale license, the amount set out in AS 04.09.100(b);
- (5) for a limited wholesale brewed beverage and wine license, the amount set out in AS 04.09.110(b);
- (6) for a brewery retail license, the amount set out in AS 04.09.320(b);
- (7) for a winery retail license, the amount set out in AS 04.09.330(b);
- (8) for a distillery retail license, the amount set out in AS 04.09.340(b);
- (9) for a brewery dispensary tourism license, the amount set out in AS 04.09.350(b);
- (10) for a beverage dispensary license, the amount set out in AS 04.09.200(b);
- (11) for a restaurant or eating place license, the amount set out in AS 04.09.210(b);
- (12) for a club license, the amount set out in AS 04.09.220(b);
- (13) for a package store license, the amount set out in AS 04.09.230(b);
- (14) for a pub license, the amount set out in AS 04.09.240(b);
- (15) for a theater license, the amount set out in AS 04.09.250(b);
- (16) for a common carrier dispensary license, the amount set out in AS 04.09.260(b) or AS 04.09. 260(c);
- (17) for a sporting activity or event license, the amount set out in AS 04.09.270(b);

- (18) for an outdoor recreation lodge license, the amount set out in AS 04.09.280(b);
 - (19) for a fair license, the amount set out in AS 04.09.290(b);
 - (20) for a golf course license, the amount set out in AS 04.09.300(b);
 - (21) for a destination resort license, the amount set out in AS 04.09.310(b);
 - (22) for a seasonal restaurant or eating place tourism license, the amount set out in AS 04.09.360(b);
 - (23) for a manufacturer direct shipment license, the amount set out in AS 04.09.370(b).
- (e) The biennial fee for an endorsement is as follows:
- (1) for a manufacturer sampling endorsement, the amount set out in AS 04.09.410(b);
 - (2) for a multiple fixed counter endorsement: the amount set out in AS 04.09.420(b);
 - (3) for a hotel or motel endorsement, the amount set out in AS 04.09.430(b);
 - (4) for a large resort endorsement, the amount set out in AS 04.09.440(b);
 - (5) for a restaurant endorsement, the amount set out in AS 04.09.450(b);
 - (6) for a package store shipping endorsement, the amount set out in AS 04.09.460(b);
 - (7) for a package store delivery endorsement, the amount set out in AS 04.09.470(b);
 - (8) for a package store repackaging endorsement, the amount set out in AS 04.09.480(b);
 - (9) for a package store sampling endorsement, the amount set out in AS 04.09.490(b);
 - (10) for a bowling alley endorsement, the amount set out in AS 04.09.500(b);
 - (11) for a golf course endorsement, the amount set out in AS 04.09.510(b);
 - (12) for a brewery repackaging endorsement, the amount set out in AS 04.09.520(b). (Eff. 1/1/2024, Register 248, am 10/25/2024, Register 252)

3 AAC 305.150. Permits and common carrier approval fees. (a) Permit fees are as follows:

(1) a beverage dispensary caterer's permit issued under AS 04.09.610 is \$100 for the first two days and \$50 for each additional day;

(2) a restaurant caterer's dining permit issued under AS 04.09.620 is \$100 for the first two days and \$50 for each additional day;

(3) a club caterer's permit issued under AS 04.09.630 is \$100 for the first two days and \$50 for each additional day;

(4) an art exhibit event permit issued under AS 04.09.640 is \$100 for the first two days and \$50 for each additional day;

(5) a music festival permit issued under AS 04.09.645 is \$100 for the first two days and \$50 for each additional day;

(6) a nonprofit organization event permit issued under AS 04.09.650 is \$100 for the first two days and \$50 for each additional day;

(7) an alcoholic beverage auction permit issued under AS 04.09.660 is \$50 per day;

(8) a package store tasting event permit issued under AS 04.09.670 is \$100 for the first two days and \$50 for each additional day;

(9) an inventory resale permit fee is set out in AS 04.09.680;

(10) a live music or entertainment permit issued under AS 04.09.685 is \$100 per event;

(11) a conditional contractor's permit fee is set out in AS 04.09.690;

(12) a de-designation permit application fee under 3 AAC 305.655(b) is \$50; for certification required under 3 AAC 305.655(e) the fee is \$50.

(b) If an application for a permit described in (a) of this section is subject to AS 04.09.600(b) and is received less than three days before the first day of the event, the application may be approved under the director's discretion. If the application is approved, the fee is twice the amount set out in (a) of this section.

(c) The fee for a common carrier approval issued under AS 04.09.750 is a one-time fee per business entity of \$1,250. (Eff. 1/1/2024, Register 248)

3 AAC 305.155. General wholesale and limited wholesale additional fees. (a) In addition to the biennial license fee set out in AS 04.09.100(b) and 3 AAC 305.145, the holder of a general wholesale license shall pay the biennial declaration fee as set out in AS 04.09.130(b) and an annual fee based on total business transacted as set out in AS 04.09.100 and 04.09.120.

(b) In addition to the biennial license fee set out in AS 04.09.110(b) and 3 AAC 305.145, the holder of a limited wholesale brewed beverages and wine license shall pay the biennial declaration fee as set out in AS 04.09.130(b) and an annual fee based on the total business transacted as set out in AS 04.09.110 and 04.09.120. (Eff. 1/1/2024, Register 248)

3 AAC 305.160. Processing fees for renewals after late payment of taxes. (a) After a local governing body protests a license renewal under 3 AAC 305.085(g)(1), a licensee shall pay an additional license renewal fee as follows:

(1) if the delinquent taxes are paid after the local governing body files a protest with the board and before the board denies license renewal under AS 04.11.510(a), \$50;

(2) if the delinquent taxes are paid after the board denies a license renewal but before a hearing officer is appointed to hear an appeal of the board's denial, \$500;

(3) if the delinquent taxes are paid after a hearing officer is appointed but before an administrative hearing is held on appeal of the board's denial of license renewal, \$1,000; or

(4) if the delinquent taxes are paid after an administrative hearing but before the board adopts a hearing officer's recommendation to deny license renewal, \$2,000.

(b) A fee under (a) of this section will not be charged or will be refunded if the board finds that the local governing body has withdrawn the protest on the basis that the protest was made in error.

(c) Failure to remit fees under this section within 10 days following receipt of written notice from the director is additional grounds for the board to deny an application for renewal. (Eff. 1/1/2024, Register 248)

3 AAC 305.165. Miscellaneous fees. An applicant shall pay the following fees:

(1) \$250 for a diagram change application under 3 AAC 305.630(d);

(2) \$250 for a business name change application under 3 AAC 305.630(d);

- (3) \$250 for a seasonal alternating premises application under 3 AAC 305.630(f)(1);
- (4) \$250 for an alternating licensed premises application under 3 AAC 305.650;
- (5) \$250 for a change of officers application required under AS 04.11.045 - 04.11.055;
- (6) \$250 for an off-site warehouse storage application required under AS 04.21.060;
- (7) \$250 for a proof of minimum operations application required under AS 04.11.330(a)(3);
- (8) \$800 for a new alcohol server education course under 3 AAC 305.700(b);
- (9) \$250 for review of an existing alcohol server education course under 3 AAC 305.700(g);
- (10) excluding a permit application submitted under 3 AAC 305.135, a non-refundable \$150 for an application submitted on a paper form that was otherwise available to the applicant for submission through an Internet application process via the Alaska – Alcohol & Cannabis Control Information System (AK-ACCIS);
- (11) effective January 1, 2025, a non-refundable \$50 for an application for a permit under 3 AAC 305.135 submitted on a paper form that was otherwise available to an applicant for submission through an Internet application process via the Alaska Alcohol & Cannabis Control Information System (AK-ACCIS). (Eff. 1/1/2024, Register 248; am 10/25/2024, Register 252)

Article 2. Manufacturer Licenses; Endorsements; Permits.

Section

- 200. License required.
- 210. Manufacturer sampling endorsement.
- 220. Brewery repackaging endorsement.
- 230. Inventory resale permit.

3 AAC 305.200. License required. A license is required to manufacture, package, store, and sell a manufacturer's brewed beverages, wine, or distilled spirits as set out in AS 04.09.020 - 04.09.040. (Eff. 1/1/2024, Register 248)

3 AAC 305.210. Manufacturer sampling endorsement. An application to obtain a manufacturer sampling endorsement as required under AS 04.09.410 must identify by a line drawing the area of the licensed premises to which the manufacturer sampling endorsement attaches. (Eff. 1/1/2024, Register 248)

3 AAC 305.220. Brewery repackaging endorsement. A brewery manufacturer who was licensed as a brewpub under the former AS 04.11.135 may hold a repackaging endorsement to permit the sale of its brewed beverages for off-the-licensed premises consumption as set out under AS 04.09.520 if the manufacturer

(1) operated as a brewpub on December 31, 2023; and

(2) holds, wholly or in part, a

(A) beverage dispensary license;

(B) a beverage dispensary tourism license'

(C) a restaurant or eating place license; or

(D) a seasonal restaurant or eating place tourism license. (Eff. 1/1/2024, Register 248)

3 AAC 305.230. Inventory resale permits. The director may approve an inventory resale permit under the conditions set out in AS 04.09.680. (Eff. 1/1/2024, Register 248)

Article 3. Retail Licenses; Endorsements; Permits.

Section

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3 AAC 305.300. License required. (a) Except for manufacturer sampling endorsements issued under AS 04.09.410, a license is required to sell or serve alcoholic beverages for consumption only on the licensed premises as set out in AS 04.09.200 (beverage dispensary license), AS 04.09.220 (club license), AS 04.09.250 (theater license held by a beverage dispensary licensee), AS 04.09.260 (common carrier dispensary license), AS 04.09.310 (destination resort license), and AS 04.09.350 (beverage dispensary tourism license).

(b) Except for manufacturer sampling endorsements issued under AS 04.09.410, a license is required to sell or sell and serve brewed beverages or wine for consumption only on the licensed premises under AS 04.09.210 (restaurant or eating place license), AS 04.09.240 (pub license), AS 04.09.250 (theater license held by a restaurant or eating place licensee), AS 04.09.270 (sporting activity or event license), AS 04.09.290 (fair license) , AS 04.09.300 (golf course license), and AS 04.09.360 (seasonal restaurant or eating place tourism license).

(c) Except for manufacturer sampling endorsements issued under AS 04.09.410, a license is required to store, sell, or serve brewed beverages, wine, or distilled spirits on the licensed premises for consumption on and off the licensed premises under AS 04.09.320 (brewery retail license), AS 04.09.330 (winery retail license), and AS 04.09.340 (distillery retail license).

(d) A license is required to operate a package store to store and sell alcoholic beverages for consumption off the licensed premises under AS 04.09.230 (package store license).

(e) A license is required for the holder of a brewery retail license under AS 04.09.320, a winery retail license under AS 04.09.330, a distillery retail license under AS 04.09.340, or the holder of a manufacturer license issued in another state to sell the holder's product in response to an order for shipment to a person located in this state for personal use only and not for resale, as set out in AS 04.09.370. (Eff. 1/1/2024, Register 248)

3 AAC 305.305. Seasonal restaurant or eating place tourism license. (a) Subject to the limitations of licenses as set out under 3 AAC 305.900, the board may approve an application for a seasonal restaurant or eating place tourism license under AS 04.09.360. The board may approve an application for the transfer of ownership of a seasonal restaurant or eating place tourism license to a person who files a license application under AS 04.11.260, if the applicant's licensed premises qualify as a bona fide restaurant or eating place under the sole control of the applicant and is

(1) located in a municipality or established village that has a population of 40,000 or less; and

(2) receives more than 4,000 visitors a year as determined under 3 AAC 305.910.

(b) The holder of a seasonal restaurant or eating place tourism license may provide entertainment as set out and identified in AS 04.09.360. (Eff. 1/1/2024, Register 248)

3 AAC 305.310. Determining available seasonal restaurant or eating place tourism licenses. (a) The board will not issue seasonal restaurant or eating place tourism licenses in municipalities or established villages that qualify for this license type if the issuance results in more than one seasonal restaurant or eating place tourism license per 1,500 visitors per visitor day.

(b) Visitor count or fraction of visitor per visitor day is calculated by dividing the total annual visitor count as set out under 3 AAC 305.910 by 182.

(c) The board may further limit the available seasonal restaurant or eating place tourism licenses upon application if the number of restaurant and eating place licenses issued under AS 04.09.210 exceed the restaurant and eating place licenses permissible under AS 04.11.400(a), or as public interest requires. (Eff. 1/1/2024, Register 248)

3 AAC 305.312. Unlicensed portion of business holding restaurant or eating place or seasonal restaurant or eating place tourism licenses. (a) In considering an application for issuance, transfer, or relocation of a restaurant or eating place license or a seasonal restaurant or eating place tourism license, the board will determine the portion of the premises or proposed

premises that constitutes a restaurant or eating place and will license only that portion for the sale and consumption of alcoholic beverages.

(b) The board may require the licensed premises to be separated from the unlicensed portion of the business in a manner acceptable to the board. The board must approve changes in the structure, layout, or use of any portion of the licensed premises before a licensee may begin those changes.

(c) Gross receipts generated from business conducted on unlicensed portions of a licensed business are excluded from the calculation of gross receipts for the of this section, AS 04.09.210, and 04.09.360. (Eff. 1/1/2024, Register 248)

3 AAC 305.315. Club license. The holder of a club license issued under AS 04.09.220 may not allow a club member who is working as a bartender or server of alcoholic beverages to sign in a non-member of the club as a guest. (Eff. 1/1/2024, Register 248)

3 AAC 305.320. Common carrier dispensary license. (a) For the purposes of AS 04.09.260, "train" means a set route traveled by a series of one or more passenger cars owned or operated by a common carrier.

(b) An applicant for issuance or renewal of a common carrier dispensary license for an airline shall indicate whether the fee for the license is to be calculated under AS 04.09.260(b) or (c).

(c) The fee for a common carrier dispensary license for an airline under AS 04.09.260(b) requires payment of the specified fee for each aircraft in which alcoholic beverages are served on an intrastate flight operated by the airline.

(d) The fee for a common carrier dispensary license for an airline under AS 04.09.260(c) requires payment of the specified fee for each community served. For the purposes of AS 04.11.260(c) and this subsection, "each community served" means each community in which an airport is located at which the airline has an incoming or outgoing intrastate flight segment on which alcoholic beverages are served. (Eff. 1/1/2024, Register 248)

3 AAC 305.325. Beverage dispensary tourism licenses. (a) For the purposes of AS 04.09.350(c)(1), an applicant for the issuance, transfer of location, or renewal of a beverage

dispensary tourism license shall include a description of how the requested license encourages the tourist trade by promoting the construction or improvement of a hotel, motel, or business as set out under AS 04.09.350(c)(1) or an airport terminal as set out under AS 04.09.350(c)(2).

(b) For purposes of AS 04.09.350(c)(2)(A), "operates" means the holder of the beverage dispensary tourism license controls the functioning of the hotel, motel, resort, or similar business relating to the tourist trade, unless the license was approved before January 1, 2024.

(c) For the purposes of AS 04.09.350(c)(1)(A) and AS 04.09.350(c)(1)(2), "hotel" or "motel" excludes establishments that substantially provide long-term rental units or who are not subject to bed taxes if the local government in which it is located collects bed taxes, unless the license was approved prior to January 1, 2024. (Eff. 1/1/2024, Register 248)

3 AAC 305.330. Endorsements available to beverage dispensary and beverage dispensary tourism licenses. (a) A beverage dispensary licensee or a beverage dispensary tourism licensee may hold the following endorsements:

(1) a multiple fixed counter endorsement as set out under AS 04.09.420; multiple fixed counters must be located in the same building under the same contiguous premises; unless

(A) a beverage dispensary or beverage dispensary tourism licensee also holds a large resort, hotel or motel endorsement; or

(B) a beverage dispensary or beverage dispensary tourism licensee held a duplicate beverage dispensary or duplicate beverage dispensary tourism license on non-contiguous licensed premises before January 1, 2024;

(2) a hotel or motel endorsement as set out under AS 04.09.430, if the licensee is a hotel, motel, resort, or similar business premises that caters to the traveling public as a substantial part of its business; under this paragraph,

(A) the endorsement permits the holder to sell or serve alcoholic beverages on the licensed premises, including a dining room, banquet room, other public areas approved by the board, and in guest rooms;

(B) the endorsement holder shall also hold a multiple fixed endorsement for secondary locations located in different buildings from the primary premises as described under AS 04.09.430(c); and

(C) subject to the requirements for provision of alcoholic beverages by employees who are 21 and older as set out under AS 04.09.430(d), the holder of the hotel and motel endorsement may stock alcoholic beverages in guest rooms for sale and consumption only in the guest room;

(3) a large resort endorsement, if the licensee is a large resort as defined at AS 04.09.440(h), under this paragraph

(A) the endorsement permits the holder to sell or serve alcoholic beverages on the licensed premises, including in a dining room, banquet room, open air venue, and ingress or egress routes between those areas;

(B) the endorsement holder shall also apply for a multiple fixed counter endorsement to sell or serve alcoholic beverages from multiple locations within the large resort's property as set out under AS 04.09.440(c) - (f); and

(C) subject to the requirements for provision of alcoholic beverages by employees who are 21 and older as described under AS 04.09.440(g), the holder of the hotel and motel endorsement may stock alcoholic beverages in guest rooms for sale and consumption only in the guest room;

(4) a restaurant endorsement as set out under AS 04.09.450, if the establishment or portion of establishment for which the endorsement is sought is a bona fide restaurant as defined at AS 04.21.080(b);

(5) a bowling alley endorsement as described under AS 04.09.500; the endorsement permits the license holder to sell or serve alcoholic beverages in the concourse or lane areas of the bowling alley that are adjacent and contiguous to the primary licensed premises of the beverage dispensary or beverage dispensary tourism license;

(6) a golf course endorsement as described under AS 04.09.510; the endorsement permits the license holder to sell or serve alcoholic beverages on the golf course, driving range, club house, and other buildings located on the course and by vending cart on, to, and from the course, excluding the parking lot; a person under the age of 21 years of age may be present on the premises subject to the endorsement for the purpose of playing golf or attending golf-related events as described under AS 04.16.049(g).

(b) For the purposes of this section,

(1) "contiguous" means having contact on all or most of one side.

(2) "adjacent" means next to or adjoining something else or having a common vertex and a common side. (Eff. 1/1/2024, Register 248)

3 AAC 305.333. Guest room restocking for licensees with a hotel or motel endorsement or a large resort endorsement. (a) A licensee with a hotel or motel endorsement or a large resort endorsement may sell the following alcoholic beverages in their original closed containers from a secured unit in a guest room:

(1) distilled spirits in containers of not less than one ounce and not more than two ounces;

(2) wine or vinous liquors in containers of not more than 13 fluid ounces;

(3) brewed beverages in containers of not more than 12 fluid ounces.

(b) A licensee, licensee's agent, or licensee's employee subject to this section may not stock or restock a supply of alcoholic beverages in a secured unit in a guest room if that licensee, agent, or employee determines that

(1) a drunken person is in the room;

(2) a person under the age of 21 is consuming alcohol in the room;

(3) illegal gambling, illegal drug use or sales, or prostitution is occurring in the room; or

(4) the amount of alcoholic beverages in the guest room, including that in the secured unit, would exceed the capacity of the secured unit.

(c) A person who purchases an alcoholic beverage stocked in a secured unit in a guest room may not remove the alcoholic beverage from that guest room.

(d) The secured unit may not be a coin-operated machine or similar device. (Eff. 1/1/2024, Register 248)

3 AAC 305.335. Restaurant endorsements. (a) A restaurant endorsement as described in AS 04.09.450 is available in addition to a license identified at 3 AAC 305.330(a)(4) to holders of a club license, sporting activity or event license, outdoor recreation lodge license, fair license, golf course license, or destination resort license if the establishment or portion of the

establishment for which the endorsement is sought is a bona fide restaurant as defined at AS 04.21.080(b).

(b) An application for a restaurant endorsement must include a premises diagram specifying the establishment or portion of the premises to be subject to the endorsement and a security plan that demonstrates how the endorsement holder will comply with AS 04.09.450(d)(2) - (3) and AS 04.16.049, as applicable. (Eff. 1/1/2024, Register 248)

3 AAC 305.340. Endorsements available to package store licenses. (a) A package store licensee may hold

- (1) a package store shipping endorsement as set out in AS 04.09.460;
- (2) a package store delivery endorsement as set out in AS 04.09.470;
- (3) a package store repackaging endorsement as set out in AS 04.09.480; and
- (4) a package store sampling endorsement as set out in AS 04.09.490.

(b) The holder of a package store shipping endorsement shall utilize only common carriers approved under AS 04.09.750 for the purposes of shipping and shall follow the requirements for written orders as set out under at 3 AAC 305.345. A delivery to a purchaser under a shipping endorsement shall not occur within 24 hours of entry of the written order.

(c) A package store delivery endorsement authorizes the holder to deliver alcoholic beverages between the hours of 8:00 a.m. and 5:00 p.m. to a responsible adult at the location of a social event. A delivery under this section may be made only after a sale by written or electronic order received from a person who makes payment in full not less than 48 hours before the delivery. A delivery authorized under this section must

- (1) be made following a written or electronic order that includes
 - (A) the name and address of the purchaser;
 - (B) the date, time, and address of the delivery; and
 - (C) the name and address of the responsible adult who will receive the delivery of alcoholic beverages;
- (2) be made by the licensee or an employee of the licensee who has completed alcohol server training as required under AS 04.21.025;
- (3) only be made to a responsible adult at the delivery address on the written order; the responsible adult shall

(A) provide identification and proof of age as defined in AS 04.21.050;

and

(B) acknowledge receipt of the alcoholic beverages in writing.

(d) The package store endorsement holder shall retain the written or electronic order and the responsible adult's written acknowledgment for at least one year after delivery.

(e) For the purposes of AS 04.09.490(e), the holder of a package store sampling endorsement may notify its existing customers of sampling activities by electronic mail or by short message service or multimedia message service for telephone numbers gathered from existing customers while the existing customers are on the licensed premises. No other means of electronic notification is permissible.

(f) For the purposes of this section, a "social event" means a catered event if the delivery of alcoholic beverages is to another licensee responsible for alcoholic beverage service at the event, or to a non-licensee for a private, by-invitation-only event, including a wedding, memorial, graduation, or holiday celebration. (Eff. 1/1/2024, Register 248)

3 AAC 305.345. Shipments from a package store licensee with a shipping endorsement. (a) A package store licensee with a shipping endorsement issued under AS 04.09.460 may sell alcoholic beverages in response to a written or electronic order.

(b) The licensee shall verify the age of the person who submitted the order by

(1) retaining a clear photocopy or an electronic copy of one of the following documents that includes the purchaser's signature and shows by date of birth or statement of age that the purchaser is at least 21 years of age:

(A) valid government-issued photographic identification from a state or territory of the United States;

(B) a tribal identification card issued by a federally recognized tribe with physical security features, as identified in AS 28.15.111(a)(4);

(C) a foreign or domestic passport; or

(2) using an Internet age and identification verification service; a licensee that uses an Internet age and identification verification service to verify the age of the purchaser shall retain a clear photocopy or an electronic copy of one of the identification documents described in (b)(1) of this section.

(c) A package store licensee with a shipping endorsement under AS 04.09.460 may only sell alcoholic beverages in response to a written or electronic order if the order

(1) is signed and dated by the purchaser;

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

(3) includes the license or identification number of the purchaser's proof-of-age document required by (b) of this section;

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

(5) states the physical residential address of the purchaser in a manner that is sufficient for the licensee to determine whether the zip code of the purchaser 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 exceeds the amount authorized for the purchaser in a calendar month under AS 04.09.460(e), as indicated in the database.

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

(e) Except as provided under (d) of this section, a written or electronic order that is required under AS 04.09.460(e) 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 that calendar month to the purchaser, exceeds the amount authorized under AS 04.09.460(e) as indicated in the database. If the amount ordered

(1) does not exceed the amount authorized under AS 04.09.460(e), alcoholic beverages shipped in response to the written or electronic order must be packaged and shipped not later than five working days after the licensee, licensee's agent, or licensee's employee receives the written or electronic order; or

(2) exceeds the amount authorized under AS 04.09.460(e), the licensee shall

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

(B) return the order to the purchaser unfilled if the licensee cannot reenter the order as a new order within 72 hours after the licensee, licensee's agent, or licensee's employee receives the order.

(f) 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 only package or deliver alcoholic beverages or enter a written or electronic order into the electronic or written order database established under AS 04.06.095 if the licensee has received full payment for the order at the licensed premises;

(3) may personally deliver alcoholic beverages on the licensed premises to a purchaser or an individual who may legally possess alcoholic beverages and 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 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 (b) of this section;

(4) unless the licensee personally delivers alcoholic beverages on the licensed premises under paragraph (3) of this subsection, the licensee shall ship the alcoholic beverages to

the purchaser by a common carrier approved under AS 04.09.750; if the order is to be shipped to a community that has specified a delivery site under AS 04.11.491(f), the licensee shall ship the order to the purchaser at that deliver site address;

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

(A) is affixed with labelling that

(i) identifies the licensee;

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

(iii) contains the words “alcoholic beverages”; and

(B) contains one copy of the sales invoice enclosed in a sealed envelope that is securely attached to the shipping container; the sales invoice

(i) must be legibly handwritten or types;

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

(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).

(g) 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 a purchaser’s order. The site must be open for the purchaser to pick-up the order at least once a week for three hours between 8:00 a.m. and 8:00 p.m. Only the purchaser named on the container may claim alcoholic beverages from the community delivery site. The purchaser shall sign for the order on a form that states 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.

(h) The board shall maintain a list of persons convicted after October 24, 1987 of a violation of AS 04.11.010 under AS 04.16.200 and provide the list to package store licensees. A licensee may not sell alcoholic beverages by written or electronic order to a person whose name appears on the list unless the board gives written notice to the licensee that sales to that person are no longer prohibited.

(i) A package store licensee with a shipping endorsement issued under AS 04.09.460 shall keep a physical or electronic copy of the documents pertaining to a written order, including the purchaser's proof-of-age document, on file for not less than one year after the order is delivered. The licensee shall maintain a log of written orders that

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

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

(3) shows, for each order, the

(A) purchaser's name;

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

(C) address to which shipment or delivery was made.

(j) A licensee who sells alcoholic beverages in response to a written or electronic order

(1) shall promptly notify the board of a person who

(A) places one or more written or electronic 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; or

(B) engages in a regular practice of ordering alcoholic beverages in similarly large quantities to those listed under (A) of this paragraph;

(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), 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 that calendar month to the purchaser.

(k) If alcoholic beverages are not delivered to a 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, addressed to the purchaser, and payment is received, which constitutes a sale of the alcoholic beverages on the licensed premises.

(l) 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 a common carrier not approved by the board under AS 04.09.750.

(m) If 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 04.21.0109(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 payment of taxes to the municipality for which the tax was collected. (Eff. 1/1/2024, Register 248; am 8/23/2024, Register 251)

Editor's note: As of Register 250 (July 2024), the regulations attorney made technical revisions under AS 44.62.125(b)(6), to 3 AAC 305.345(d) and (e).

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 and ship alcoholic beverages in response to a written, telephonic, or electronic order.

(b) A manufacturer direct shipment licensee shall verify the age of a person who submitted an order and, if the recipient of the shipment is not the same person as the person who submitted the order the age of the recipient, by

(1) retaining a clear photocopy or an electronic copy of one of the following documents that includes the person's signature and shows by date of birth or statement of age that the person is at least 21 years of age:

(A) valid government-issued photographic identification from a state or territory of the United States;

(B) a tribal identification card issued by a federally recognized tribe with

physical security features, as identified in AS 28.15.111(a)(4);

(C) a foreign or domestic passport; or

(2) using an Internet age and identification verification service.

(c) A manufacturer direct shipment licensee may only sell alcoholic beverages in response to a written, telephonic, or electronic order if the order

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

(2) does not exceed the limits of AS 04.09.370(e)(2); and

(3) states the physical residential address of the purchaser and, if the recipient is not the same person as the purchaser, the recipient, in a manner that is sufficient for the licensee to determine whether the zip code of the purchaser or recipient is within an area that has restricted the sale, importation, or possession of alcoholic beverages under AS 04.11.491.

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

(1) shall provide written or electronic information to the person who submitted 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 package or ship alcoholic beverages only if the licensee has received full payment for the order at the licensed premises;

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

(4) shall package an order that is sold or shipped under this subsection in a shipping container that is affixed with labelling that

(A) identifies the licensee; and

(B) contains the words "alcoholic beverages" and a statement that upon delivery, the order requires signature by a person who is at least 21 years of age.

(e) A licensee shall keep a physical or electronic copy of the documents pertaining to an order, including the purchaser's and, if applicable, the recipient's proof-of-age document or proof of Internet-based age and identification verification service for not less than two years after the order is delivered. The licensee shall maintain a log of orders that

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

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

- (3) shows, for each order, the
- (A) purchaser's name and, if different from the purchaser, recipient's name;
 - (B) dates the order was received, paid for, modified, and shipped or delivered; and
 - (C) address to which shipment or delivery was made. (Eff. 8/23/2024, Register 251)

3 AAC 305.350. Wine clubs. (a) A package store licensee with a shipping endorsement may enter into a standing written or electronic shipment order agreement with a purchaser for periodic shipment of wine of the licensee's choice to the purchaser if

(1) the endorsement holder retains the original, a clear photocopy, or an electronic copy of the proof-of-age document in accordance with 3 AAC 305.345(b);

(2) the agreement is signed and dated by the purchaser and contains the information required for written orders under 3 AAC 305.345(c); and

(3) the agreement requires that the endorsement holder receives payment for the wine not fewer than five working days before the date of shipment and allows the endorsement holder or purchaser to terminate the agreement by giving five days' written notice of termination.

(b) A licensee shall consult the database maintained by the board under AS 04.06.095 in the manner required under AS 04.09.460(e) before shipping wine 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). Shipment of the wine must be in compliance with applicable provisions of 3 AAC 305.345(d), (e), and (f).

(c) For each standing shipment order agreement, an endorsement holder shall keep a hard copy or electronic file that contains the agreement and a copy of all documents required under this section. The endorsement holder shall retain the agreement file for at least one year after termination of the agreement. The endorsement holder shall maintain a log of monthly shipments of wine in a manner that

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

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

(3) for each order, shows the date payment for the shipment was received, the date the order was shipped, and the address to which the shipment was made.

(d) If an agreement under this section requires the endorsement holder to ship wine 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), the licensee shall enter a written order not later than 24 hours after receiving full payment into the written order database established under AS 04.06.095.

(e) After a 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), an endorsement holder may not ship wine under a standing shipment order agreement 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. 1/1/2024, Register 248; am 8/23/2024, Register 251)

3 AAC 305.355. Caterer's permits. (a) A beverage dispensary licensee or a beverage dispensary tourism licensee may hold a caterer's permit to sell or dispense alcoholic beverages at a convention, picnic, sporting activity or event, concert, street festival, or similar affair held off the holder's licensed premises for which a beverage dispensary license or a beverage dispensary tourism license would not otherwise be required. The permit may only be issued for designated premises for a specific occasion and for a limited period. The caterer, or a specified employee or agent of the caterer, shall be present on the catered premises at all times alcoholic beverages are possessed, served, or consumed at the premises under the permit.

(b) A restaurant and eating place licensee or a seasonal restaurant or eating place tourism licensee may hold a restaurant caterer's permit to sell brewed beverages and wine before and during the service of food provided by the licensee at a single dining event held off the holder's licensed premises. The licensee shall comply with the requirements for gross receipts from food sales for a restaurant or eating place license under AS 04.09.210(e) or a seasonal restaurant or eating place tourism license under AS 04.09.360(g).

(c) A club licensee may hold a club caterer's permit to sell or dispense alcoholic beverages at an event held off the club's licensed premises. A restriction or prohibition under AS 04.09.630 regarding a club member or guest of a club member applies to the premises covered by the permit. The director may not issue more than three club caterer's permits to a club license in a calendar year.

(d) Violation of a statute, ordinance, or regulations pertaining to alcoholic beverages by a caterer is grounds for disciplinary action, including suspension or revocation of the caterer's alcoholic beverage license. (Eff. 1/1/2024, Register 248)

3 AAC 305.360. Art exhibit permits. (a) A beverage dispensary licensee, a beverage dispensary tourism licensee, a restaurant or eating place licensee, or a seasonal restaurant or eating place tourism licensee may hold an art exhibit permit to sell and serve brewed beverages or wine for consumption at a specific art exhibit event as set out in AS 04.09.640. Food must be provided in conjunction with the service of brewed beverages and wine. Brewed beverages and wine may not be transported between specified sites.

(b) An art exhibit permit may not be exercised for an event that is expected to attract an audience under 21 years of age.

(c) Only one art exhibit permit may be exercised at any specified site on a single date.

(d) The art exhibit permit or an exact copy must be posted conspicuously at each specified site at each art exhibit event during times when brewed beverages or wine is served and consumed.

(e) An application for an art exhibit permit must be on a form prescribed by the board and be accompanied by the appropriate fee. An applicant must obtain and submit with the application written approval from the law enforcement agency with jurisdiction over the specified sites of the art exhibit events for which the permit is sought.

(f) An application for an art exhibit permit must clearly identify

(1) each art exhibit event date;

(2) each specified site for each event date;

(3) the designated areas for the service and consumption of brewed beverages and wine at each specified site for each event date; and

(4) the time during which brewed beverages and wine will be served and consumed at each specified site for each event date.

(g) The holder of a multiple events art exhibit permit may submit a written request for amendment of the permit to change event dates, specified sites, designated areas, or designated times where alcoholic beverage consumption is allowed. The request must be submitted to the

director in writing not fewer than three days before the event and must include written approval of the law enforcement agency with jurisdiction over the specified sites.

(h) An art exhibit permit may not be transferred, relocated, or renewed.

(i) For the purposes of this section, "art exhibit event" or "event" means a public event involving an art display or similar activity approved by the board that is held for a limited period at one or more art galleries, art studios, art stores, art dealer stores, or museums. (Eff. 1/1/2024, Register 248)

3 AAC 305.365. Music festival permits. A restaurant or eating place licensee may hold a musical festival permit to sell or dispense brewed beverages and wine for consumption at a festival with multiple live music performances not held on the holder's licensed premises as set out in AS 04.09.645. (Eff. 1/1/2024, Register 248)

3 AAC 305.370. Colleges and universities. (a) For the purpose of granting a beverage dispensary caterer's permit, a restaurant caterer's permit, or a nonprofit organization event permit under AS 04.09.650 where prohibitions are imposed under AS 04.11.410 and AS 04.16.080, "school" does not include an accredited college or university as defined in AS 04.09.240(f).

(b) Along with other approvals required by statute or regulation, an application for a permit for a designated premises at a college or university event must be approved by the board of regents or a similar governing body of the college or university, or the board's or body's designee.

(c) A holder of a sporting activity or event license under AS 04.09.270 or a recreational site license issued under AS 04.11.210 for a site where college or university sporting events are held may petition the board for designation of premises at the site where brewed beverages and wine may be sold during a college or university sporting event. (Eff. 1/1/2024, Register 248)

3 AAC 305.375. Permits available to package store licensees. A package store licensee may hold a tasting event permit as set out in AS 04.09.670. (Eff. 1/1/2024, Register 248)

3 AAC 305.380. Permits available to brewery retail, winery retail, and distillery retail licensees. A brewery retail licensee, a winery retail licensee, or a distillery retail licensee

may hold a live music or entertainment event permit as set out in AS 04.09.685. (Eff. 1/1/2024, Register 248)

3 AAC 305.385. Inventory resale permits. An inventory resale permit authorizes the sale of a business's remaining inventory of alcoholic beverages when the owner of the business no longer has a valid license under AS 04 and as set out in AS 04.09.680. An inventory resale permit sought by a non-licensee shall be brought to the board for approval. (Eff. 1/1/2024, Register 248)

3 AAC 305.390. Permits available to nonprofit organizations. (a) A nonprofit organization may hold a nonprofit organization event permit as set out in AS 04.09.650.

(b) a nonprofit organization may hold an alcoholic beverage auction permit as set out in AS 04.09.660. (Eff. 1/1/2024, Register 248)

3 AAC 305.395. Conditional contractor's permit. A prime contractor may hold a conditional contractor's permit on construction sites as described under AS 04.09.690 and AS 04.11.680. (Eff. 1/1/2024, Register 248)

3 AAC 305.397. Definitions. For the purposes of AS 04.21.080(b) "a variety of types of food items appropriate for meals is prepared on site" means that the meals are prepared on site in a commercial kitchen and that the majority of meal preparation involves more than warming or rewarming food in movable kitchen appliances, such as slow-cookers and microwave ovens. (Eff. 1/1/2024, Register 248)

Article 4. Wholesale Licenses.

Section

400. License required.

410. Permissible sales to seasonal retail licenses.

420. Donations to permittees.

3 AAC 305.400. License required. An alcoholic beverage license is required to sell alcoholic beverages at wholesale as set out in AS 04.09.100. A license is required to sell solely brewed beverages and wine at wholesale as set out in AS 04.09.110. (Eff. 1/1/2024, Register 248)

3 AAC 305.410. Permissible sales to seasonal retail licenses. In response to an order, the holder of a general wholesale license may sell or deliver alcoholic beverages and the holder of a limited wholesale brewed beverage and wine license may sell or deliver brewed beverages or wine to the holder of a seasonal license during the seasonal licensee's off-season. (Eff. 1/1/2024, Register 248)

3 AAC 305.420. Donations to permittees. The holder of a general wholesale license may donate alcoholic beverages and the holder of a limited wholesale brewed beverage and wine license may donate brewed beverages or wine to holders of nonprofit organization events permits issued under AS 04.09.650 for the purposes of the event, or to holders of nonprofit organization alcoholic beverage auction permits issued under AS 04.09.660 for the purposes of the auction. (Eff. 1/1/2024, Register 248)

Article 5. Trade Practices.

Section

- 500. Trade practices prohibitions.
- 510. Tied house prohibitions.
- 515. Exceptions to tied house prohibitions.
- 520. Exclusive outlet prohibitions.
- 525. Practices that do not amount to commercial bribery.
- 530. Exceptions to consignment sales prohibitions.
- 540. Administrative penalties.
- 550. Adulteration, misbranding, and false advertising of alcoholic beverages.
- 560. Pricing and marketing of alcoholic beverages.
- 590. Definitions.

3 AAC 305.500. Trade practices prohibitions. (a) Except as provided in 3 AAC 305.500 – 3 AAC 305.590, a person holding a brewery manufacturer license under AS 04.09.020, a person holding a winery manufacturer license under AS 04.09.030, a person holding a distillery manufacturer license under AS 04.09.040, a person holding a general wholesale

license under AS 04.09.100, a person holding a limited wholesale brewed beverage and wine license under AS 04.09.110, a person engaged in the alcoholic beverage industry in another state or country as a brewer, vintner, distiller, wholesaler, or importer, or a person engaged in the alcoholic beverage industry in another state or country as an agent of a brewer, vintner, distiller, wholesaler, or importer may not induce a person holding a license under AS 04.09 to

- (1) operate a tied house;
- (2) operate as an exclusive outlet;
- (3) engage in commercial bribery; or
- (4) engage in consignment sales.

(b) In this section, “commercial bribery,” “consignment sales,” “exclusive outlet,” and “tied house” have the meaning set out in AS 04.16.017(d). (Eff. 8/9/2024, Register 251)

3 AAC 305.510. Tied house prohibitions. In addition to the prohibitions set out under AS 04.16.017(a)(1), a person described in 3 AAC 305.500(a) may not induce a person holding a retail license under AS 04.09.200 – 04.09.370 to purchase products from an entity to the exclusion, in whole or in part, of products sold or offered for sale by other entities by

- (1) providing, purchasing, or supplying the retailer with advertising services, including all forms of print, media, or Internet advertising;
- (2) paying or crediting the retailer for an advertising, display, or distribution service;
- (3) requiring the retailer to condition the purchase of product by requiring the purchase of any other product or a minimum quantity of any brand;
- (4) building, constructing, or otherwise erecting permanent or semi-permanent shelving, refrigeration, or other fixtures for stocking and displaying alcohol beverages at the retailer’s premises, or moving retailer fixtures in a manner that obscures or hides other alcoholic beverage products from view;
- (5) serving alcohol to the general public on a retailer’s premises; or
- (6) rearranging or resetting the alcoholic beverages of a competing manufacturer or wholesaler or resetting the retailer’s premises. (Eff. 8/9/2024, Register 251)

3 AAC 305.515. Exceptions to tied house prohibitions. (a) The practices set out in this section are exceptions to the practices listed under AS 04.16.017(a)(1) or 3 AAC 305.510.

(b) The practices prohibited under AS 04.16.017(a)(1) or 3 AAC 305.510 do not apply to

(1) an entity that holds both a brewery manufacturer license under AS 04.09.020 and a brewery retail license under AS 04.09.320;

(2) an entity that holds both a winery manufacturer license under AS 04.09.030 and a winery retail license under AS 04.09.330; or

(3) an entity that holds both a distillery manufacturer license under AS 04.09.040 and a distillery retail license under AS 04.09.340.

(c) Under this section, an entity may

(1) furnish equipment, inside signage, supplies, services, or other things of value to a person holding a retail license under AS 04.09.200 – 04.09.370 if the entity furnishing those items maintains records, including commercial records or invoices, of all items furnished to the person holding the retail license, for a three-year period; the entity's records must show

(A) the retailer's name and address;

(B) the date the item was furnished to the retailer;

(C) a description of the item furnished to the retailer;

(D) the entity's cost of the furnished item, calculated at the invoice price and landed price to the entity's licensed premises in the state; and

(E) charges to the retailer for the furnished item;

(2) give a product display to the person holding a retail license under AS 04.09.200 – 04.09.370, if

(A) the total value of the product display given by the entity to the retailer does not exceed \$800 per brand at any one time in any single licensed premises or \$4,800 per brand if the retailer has six or more licensed premises, excluding installation costs; under this subparagraph, entities may not pool or combine dollar limitations to provide a retailer a product display valued at more than \$800 per brand;

(B) the product display identifies the featured product or information about the product's manufacturer in a manner that is conspicuous, identifiable, and securely affixed; the name and address of the retailer may also appear on the product display; and

(C) a conditioned purchase of the alcoholic beverage on the product display does not exceed the quantity necessary for the initial completion of that display; under this subparagraph, the entity may not impose any other condition on the retailer for the retailer to receive or get the product display;

(3) give, sell, or loan indoor signage, indoor posters, table tents, place mats, menus, pamphlets, writing utensils, product description sheets, light fixtures, and other non-consumable similar items to a person holding a retail license under AS 04.09.200 – 04.09.370 if

(A) the item identifies the featured product or information about the product's manufacturer in a manner that is conspicuous, identifiable, and securely affixed; the name and address of the retailer may also appear on the item; and

(B) the entity does not directly or indirectly pay or credit the retailer for using or distributing the item or for an expense incidental to the item's use;

(4) give or sell outside signage to a person holding a retail license under AS 04.09.200 – 04.09.370 if

(A) the sign bears information about a featured product or the product's manufacturer in a manner that is conspicuous, identifiable, and securely affixed;

(B) the retailer is not compensated, directly or indirectly, for displaying the sign; and

(C) the cost of a single exterior sign does not exceed \$400 per location;

(5) furnish things of value to a temporary retailer;

(6) except as provided in (7) of this subsection, provide equipment, consumable supplies, or service ware to a person holding a retail license under AS 04.09.200 – 04.09.370 if

(A) the equipment, supplies, or service ware are sold at a price not less than the cost to the entity who initially purchased them and the landed price to the entity's registered address in the state; and

(B) the purchase cost is collected from the retailer not later than 30 days after the date of delivery or installation of the equipment, supplies, or service ware;

(7) provide or install an alcoholic beverage dispensing system, including alcoholic beverage taps or drafting equipment, to a person holding a retail license under AS 04.09.200 – 04.09.370, if

(A) the cost of the original purchase or installation is billed to the retailer at a price not less than the cost to the entity who initially purchased them and the landed price to the entity's registered address in the state;

(B) the purchase or installation cost is collected from the retailer not later than 30 days after the date of the purchase or installation; and

(C) the purchase or installation is not conditioned on the exclusion, in part or whole, of other entities' products;

(8) provide for the maintenance or cleaning of an alcoholic beverage dispensing system, including alcoholic beverage taps or drafting equipment, to a person holding a retail license under AS 04.09.200 – 04.09.370; maintenance costs exceeding \$50 shall be billed to the retailer and collected not later than 30 days after the date of performance of the service; cleaning may be provided free of cost to the retailer;

(9) provide traditional or digital artwork to a person holding a retail license under AS 04.09.200 – 04.09.370 for use in advertising that features the entity's products;

(10) package and distribute alcoholic beverages in combination with other non-alcoholic items for sale to consumers at a retailer's premises;

(11) give or sponsor educational seminars for employees of a person holding a retail license holder under AS 04.09.200 – 04.09.370; seminars may be held at the entity's facility, a third-party location, or the retailer's facility; the entity may not pay the retailer's expenses for attendance, including travel and lodging costs; an entity may provide nominal hospitality during the event, including non-alcoholic beverages or hors d'oeuvres;

(12) provide a presentation to the general public on the licensed premises of a person holding a retail license under AS 04.09.200 – 04.09.370, including describing featured products during consumer-sampling activities;

(13) furnish coupons at the licensed premises of a person holding a retail license under AS 04.09.200 – 04.09.370 to consumers to redeem for alcoholic beverages or related accessories, if

(A) all licensed retailers within the market where the coupon offer is made may redeem those coupons;

(B) the entity does not reimburse a retailer for more than the face value of all coupons redeemed;

(C) the coupons are only created and provided by a manufacturer of an alcoholic beverage; and

(D) the coupons are only offered for products sold for off-premises consumption;

(14) list the names and addresses of two or more unaffiliated retailers licensed under AS 04.09.200 – 04.09.370 that are selling the products of an entity in an advertisement of the entity if

(A) the advertisement does not also contain the retail price of the product;

(B) the listing is the only reference to the retailers in the advertisement and is relatively inconspicuous in relation to the advertisement as a whole; and

(C) the advertisement does not refer only to one retailer or only to retail establishments controlled directly or indirectly by the same retailer;

(15) manage display space at the licensed premises of a person holding a retail license under AS 04.09.200 – 04.09.370 on a nondiscriminatory basis; that display-space management may include

(A) product rotation of alcoholic beverages, either on retail shelves or in displays or from storage areas to retail shelves and display;

(B) storage area, retail shelf, and display stocking;

(C) construction of freestanding, special, and nonpermanent floor displays; and

(D) delivery and placement of products to the retailer-designated storage areas;

(16) recommend a shelf plan or shelf schematic for alcoholic beverages to a person holding a retail license under AS 04.09.200 – 04.09.370, if the final decision of the placement of product is made by the retailer;

(17) reset the licensed premises of a person holding retail license under AS 04.09.200 – 04.09.370 if

(A) the retailer sends notice by mail or electronic mail to all entities from which the retailer received alcoholic beverages within the past 12 months or distributors of those entities; notice under this subparagraph must

(i) include the date and time of the contemplated movement or reset; and

(ii) be sent not less than two weeks before the contemplated reset date;

(B) employees of an entity are not used as employees of, or required to provide services to, the retailer on any basis;

(C) the resultant movement of products or reset does not exclude a competing entity from the premises; and

(D) all entities are allowed to participate in the reset;

(18) extend credit to a person holding a retail license under AS 04.09.200 – 04.09.370 for the purchase of alcoholic beverages at standard market price on credit with a line of credit provided by a third-party financial institution, including finance charges and processing fees; and

(19) sell other merchandise, including groceries or pharmaceuticals, to a person holding a retail license under AS 04.09.200 – 04.09.370, if the entity is also in business as a bona fide producer or vendor of that merchandise and

(A) the merchandise is sold at the manufacturer's invoice price and if applicable, landed price to the entity in the state;

(B) the merchandise is not sold in combination with alcoholic beverages, except for packaging and distributing alcoholic beverages in combination with other non-alcoholic items for sale to consumers;

(C) the normal manufacturer's invoice price of the merchandise appears on the retailer's purchase invoices or other records; and

(D) the individual selling prices of merchandise and the alcoholic beverages sold in a single transaction can be determined from commercial documents covering the sales transaction.

(d) For the purposes of this section,

(1) "product display" means custom fixtures or special presentations that are used to attract and entice the buying public;

(2) "temporary retailer" means a person who does not hold a retail license under AS 04.09.200 – 04.09.370, but who is supplied with an alcoholic beverage permit not more than

five times in a calendar year and where each event does not exceed four days. (Eff. 8/9/2024, Register 251)

3 AAC 305.520. Exclusive outlet prohibitions. For the purposes of AS 04.16.017(a)(2), an entity may not induce a person holding a retail license under AS 04.09.200 – 04.09.370 to operate as an exclusive outlet for an entity by requiring the retailer to purchase alcoholic beverages for an entity to the exclusion in whole or in part, of alcoholic beverages sold or offered for sale from other entities, where a required transaction operates by one or more of the following:

- (1) an oral promise or written contract;
- (2) requiring the retailer to purchase a specific or minimum quantity during the term of an oral promise or written contract; or
- (3) a third-party arrangement that does not directly involve the entity, which compels a retailer to purchase alcoholic beverages, in whole or in part, to the exclusion of products for sale by other entities. (Eff. 8/9/2024, Register 251)

3 AAC 305.525. Practices that do not amount to commercial bribery. The practices set out in this section do not constitute commercial bribery under AS 04.16.017(a)(3). Under this section, an entity may

- (1) participate in an association activity of a person holding a retail license under AS 04.09.200 – 04.09.370 by
 - (A) displaying the entity’s products at a convention or trade show;
 - (B) renting display booth space, if the rental fee is the same as that charged and paid for by all exhibitors at the event;
 - (C) providing hospitality independent from an association-sponsored activity;
 - (D) purchasing tickets to a function;
 - (E) paying registration fees for an entity’s participation in a conference, event, or tradeshow, if the payment or fee is the same as those paid by all attendees, participants, or exhibitors at the event; or

(F) paying for an advertisement in a program or brochure issued by the association at the convention or trade show, if the total payments made by an entity for all such advertising do not exceed \$25,000 per year for any retailer association;

(2) provide a sample of alcoholic beverages to a person holding a retail license under AS 04.09.200 – 04.09.370, in not more than the following sizes:

(A) one gallon per brand of brewed beverage

(B) one liter per brand of wine; and

(C) one liter per brand of distilled spirits;

(3) if a brand of brewed beverage, wine, or distilled spirits is not available in the sample size set out in (2) of this subsection, furnish the next larger size of that brand to a retailer as a sample;

(4) offer a contest prize, premium offer, or like item not more than 12 times per year, per brand, to the consumers of a person holding a retail license under AS 04.09.200 – 04.09.370 if

(A) the event at which the prize, premium offer, or like item is featured does not exceed 30 days in length;

(B) the contest prize, premium offer, or like item does not exceed \$400 in value on any single licensed premises and that dollar value may not be pooled or combined across multiple licensed premises;

(C) officers, employees, or representatives of the entity and the retailer are excluded from participation;

(D) the entity determines the winner of the contest prize, premium offer, or like item and the name of the winner is posted on the licensed premises of the retailer where the event occurred for a period of 30 days; and

(E) the entity keeps records of prize, offer, or like item winners for a period of three years. (Eff. 8/9/2024, Register 251)

3 AAC 305.530. Exceptions to consignment sales prohibitions. Notwithstanding the practices set out in AS 04.16.017(a)(4), an entity may accept returned merchandise for ordinary and usual commercial reasons arising after the merchandise has been sold, including return of products that are

(1) unmarketable because of product deterioration, leaking containers, damaged labels, or missing or mutilated tamper evident closures; under this paragraph, products may be exchanged for an equal quantity of identical products or may be returned for cash or credit against outstanding indebtedness, except if the products were damaged after delivery to the retailer;

(2) in error, because of a discrepancy between products ordered and products delivered if the return of products occurs within a reasonable period after delivery, not to exceed 30 days; under this paragraph, delivered products may be exchanged for products that were originally ordered or returned for cash or credit against outstanding indebtedness;

(3) no longer lawfully sold, including due to change in regulation or administrative procedure; under this paragraph, products may be returned for cash or credit against outstanding indebtedness;

(4) an inventory stock on the licensed premises when a retailer terminates operations, excluding seasonal shutdowns; under this paragraph, products may be returned for cash or credit against outstanding indebtedness;

(5) in inventory stock on the licensed premises when a retailer's distribution agreement with an entity has terminated; under this paragraph, products may be returned for cash or credit against outstanding indebtedness;

(6) subject to 27 C.F.R. 11.46 (seasonal products), changed in formula, proof, label, or container; under this paragraph, products may be exchanged for equal quantities of the new version of that product;

(7) from a discontinued production or importation of a product; under this paragraph, products may be returned for cash or credit against outstanding indebtedness;

(8) on the licensed premises of a retailer that operates only seasonally; under this paragraph, products may be returned for cash or for credit against outstanding indebtedness; or

(9) from a permittee approved by the Alcohol and Marijuana Control Office, who is not also licensed under AS 04. (Eff. 8/9/2024, Register 251)

3 AAC 305.540. Administrative penalties. (a) The board may levy administrative penalties for violation of this section against all participants in an unlawful trade practice at not

less than two times the value of the inducement. The penalty imposed may be joint or severable against one or more participants. If applicable,

(1) the value of the inducement permitted under this section may be included in the calculation of the value of the administrative penalty; and

(2) the value of the inducement may include the identifiable market value of the inducement or comparable market value, or reasonable estimated market value.

(b) Administrative penalties will be levied in addition to any other fines levied by another governmental entity of the United States.

(c) The board may calculate the penalty allowed under (a) of this section by considering the severity of the violation and the prior violations of 3 AAC 305.500 – 3 AAC 305.590 by the parties involved in the inducement. (Eff. 8/9/2024, Register 251)

3 AAC 305.550. Adulteration, misbranding, and false advertising of alcoholic beverages. (a) Adulteration, misbranding, or false advertising of alcoholic beverages is prohibited.

(b) If a person holding a retail license under AS 04.09.200 – 04.09.370 or the retailer’s employee or agent sells or serves a mixed alcoholic beverage made with a wine product instead of a distilled spirit, the entity or retailer that furnished the product shall disclose that the alcoholic beverage is “wine based” in all advertising, labeling, or descriptions of the mixed alcoholic beverage made with a wine product. It is prohibited to advertise label, or make any written or oral representation, about an alcoholic beverage containing wine in a manner that may imply that the alcoholic beverage contains a distilled spirit. (Eff. 8/9/2024, Register 251)

3 AAC 305.560. Pricing and marketing of alcoholic beverages. For the purpose of AS 04.16.015, except as provided for the holder of a package store sampling endorsement under AS 04.09.490, a person holding a retail license under AS 04.09.200 – 04.09.370 or the retailer’s employee or agent may not set a period of time during a day that an alcoholic beverage drink or a brand of alcoholic beverage is sold or delivered that is less than the hours that the licensed premises is open to the general public. (Eff. 8/9/2024, Register 251)

3 AAC 305.590. Definitions. For the purposes of 3 AAC 305.500 – 3 AAC 305.590,

(1) “brand” means a type of product manufactured by a particular company under a particular name;

(2) “entity” means

(A) a person holding a

(i) brewery manufacturer license under AS 04.09.020;

(ii) winery manufacturer license under AS 04.09.030;

(iii) distillery manufacturer license under AS 04.09.040;

(iv) general wholesale license under AS 04.09.100; or

(v) limited wholesale brewed beverage and wine license under AS 04.09.110;

(B) a brewer, vintner, distiller, wholesaler, or importer that is located outside of the state; or

(C) an agent of a brewer, vintner, distiller, wholesaler, or importer that is located outside of the state;

(3) “product” means any alcoholic beverage;

(4) “retailer” means an entity licensed under AS 04.09.200 – 04.09.370. (Eff. 8/9/2024, Register 251)

Article 6. Provisions Applicable to More Than One License Type.

Section

600. Exercise of authority.

605. Surrender of license.

610. Prohibited financial interest; representative or owner; management agreements.

615. Death of a sole licensee.

620. Death of an individual with a controlling interest in a license issued to a business entity.

625. Death of an individual with less than a controlling interest in a license issued to a business entity.

630. Licensed premises.

640. Seasonal license.

650. Alternating licensed premises.

655. Temporary de-designation of licensed premises.

660. Overlapping licensed premises.

665. Resealing wine served with a meal for removal from the licensed premises.

670. Storing, warehousing, and transporting.

680. Keg registration.

690. Definitions.

3 AAC 305.600. Exercise of authority. A licensee shall personally or through employees and agents exercise actual authority and responsibility over the conduct of business upon the licensed premises. Until the licensee surrenders the license to the board, and so long as business is conducted under the license upon the licensed premises, the licensee is solely responsible and liable for the conduct of the business. A person not acting as an agent or employee of the licensee or operating under a management services agreement under 3 AAC 305.610(a) may not exercise actual authority over the conduct of business upon the licensed premises without transfer of the license upon approval of the board. (Eff. 1/1/2024, Register 248)

3 AAC 305.605. Surrender of license. Not later than 10 days after the loss or surrender of the licensed premises, or if a licensee ceases to conduct business upon the licensed premises for a period expected to continue for one month or more, the licensee shall inform the board and surrender the license to the director. The license will be reissued upon request when the conduct of business is resumed or upon transfer of the license. (Eff. 1/1/2024, Register 248)

3 AAC 305.610. Prohibited financial interest; representative or owner; management agreements. (a) For the purposes of AS 04.11.450, an alcoholic beverage licensee may enter into a management agreement with a person who does not have an ownership interest in the alcoholic beverage license for the purpose of giving that person responsibility for the day-to-day operations of an alcoholic beverage license.

(b) A management agreement under this section must be in writing and signed by a licensee or transferor whose name is required to be provided with an application for a new or transfer license under AS 04.11.260 or 04.11.280, and by the non-licensee or transferee agreeing to manage the operation of the business. A copy of the signed, written management agreement must be filed with the Alcohol & Marijuana Control Office. The licensee who signs the management agreement shall notify the board of any change to the management agreement, including expiration, termination, or amendment not later than 10 days after each change to the management agreement occurs.

(c) A management agreement may not create a mechanism for a manager who is not a licensee to derive profit from the sale of alcohol in violation of AS 04.11.450, including an

agreement for a manager to keep all profit above a certain amount of income when that profit may be derived from the sale of alcoholic beverages.

(d) The director shall review a management agreement for compliance with this section, and any errors or omissions must be corrected by the licensee not later than 10 days after receipt of notification of the error or omission. The director may declare a management agreement that does not comply with this section void. A management agreement must comply with AS 04.11.450(a), AS 04.21.030, and 3 AAC 305.600 and contain language that indicates both parties to the agreement have read, understand, and agree to comply with those statutes and regulations. (Eff. 1/1/2024, Register 248)

3 AAC 305.615. Death of a sole licensee. (a) Upon the death of an individual who is the sole owner of a license or the sole owner of the licensed entity, the business operating the license shall cease operation unless and until a personal representative of the estate files the following written documentation with the director:

(1) proof that the personal representative has authority to act on behalf of the licensee or the estate of the deceased; and

(2) a request to continue operations.

(b) Upon the director's validation of the personal representative's authority licensee's estate and if the director has not filed or will not file an accusation seeking suspension or revocation of the license, the director will grant permission to operate the business upon the licensed premises as permitted under AS 04.11.030. Under this subsection, permission to operate the business upon the licensed premises expires upon

(1) legal appointment of a different personal representative of the licensee's estate;

(2) approval of an application for transfer of the license submitted in accordance with 3 AAC 305.060; or

(3) license forfeiture in accordance with AS 04.11.030(b).

(c) An application for transfer of a license from a deceased licensee must comply with the time limitations set out in AS 04.11.030(b). An applicant who fails to comply with the provisions of AS 04.11.030(b) forfeits the license unless the board approves a written request to extend the applicable deadline from the personal representative of the licensee's estate. If the board grants a deadline extension, the extension may not exceed the time reasonably necessary to close the

affairs of the deceased individual, as determined by the board. A written request to extend the applicable deadline must

(1) be submitted to the board before the applicable deadline expires; however, the board may approve a request that is submitted after the deadline if

(A) there is good cause to approve the deadline extension; and

(B) the license is still available for transfer; and

(2) include an estimated length of time required for the extension from the personal representative and a description of the factors that support the requested timeline.

(d) In this section, " personal representative " includes an agent within the meaning given in AS 13.06.050. (Eff. 1/1/2024, Register 248)

3 AAC 305.620. Death of an individual with a controlling interest in a license issued to a business entity. (a) Upon the death of an individual who owns a controlling interest in a partnership, including a limited partnership, a limited liability company, or a corporation that holds a license under AS 04 and this chapter, the business entity may continue to operate the licensed business but shall file a transfer application as required under AS 04.11.040 and 3 AAC 305.060 or a time extension request under (b) of this section not later than 180 days after the individual's death. If the business entity fails to file a transfer application or time extension by the 180-day deadline the business shall stop operation until the business entity files a transfer application.

(b) A business entity may submit a time extension request. If the board grants a time extension, the extension may not exceed the time reasonably necessary to close the affairs of the deceased individual, as determined by the board; however, the board may extend an extension for good cause. A written request to extend the applicable deadline must

(1) be submitted to the board before the applicable deadline expires; however, the board may approve a request that is submitted after the deadline if there is good cause to approve the deadline extension; and

(2) include an estimated length of time required for the extension from the business entity and a description of the factors that support the requested timeline. (Eff. 1/1/2024, Register 248)

3 AAC 305.625. Death of an individual with less than a controlling interest in a license issued to a business entity. (a) Upon the death of an individual who owns less than a controlling interest in a partnership, including a limited partnership, a limited liability company, or a corporation that holds a license under AS 04 and this chapter, the business entity may continue to operate the licensed business but shall complete one of the following not later than 180 days after the individual's death:

- (1) a change of ownership report under AS 04.11.045, 04.11.050, or 04.11.055;
- (2) a transfer application if required by AS 04.11.040 and 3 AAC 305.060;
- (3) a time extension request under (b) of this section.

(b) A business entity may submit a time extension request. If the board grants a time extension, the extension may not exceed the time reasonably necessary to close the affairs of the deceased individual, as determined by the board; however, the board may extend an extension for good cause. A written request to extend the applicable deadline must

(1) be submitted to the board before the applicable deadline expires; however, the board may approve a request that is submitted after the deadline if there is good cause to approve the deadline extension; and

(2) include an estimated length of time required for the extension from the business entity and a description of the factors that support the requested timeline. (Eff. 1/1/2024, Register 248)

3 AAC 305.630. Licensed premises. (a) A license is issued for a specific place which is the licensed premises, and which must be clearly designated in a line drawing accompanying an application. The address of the proposed licensed premises and the business name under which the licensee is going to conduct business must be indicated on the license application.

(b) With the exception of a recreational site license, sporting activity or event license, destination resort license, or outdoor seating area under (g) of this section, the licensed premises must be one area. A licensed premises may include separate rooms if the rooms are contiguous and connected to one another or if they are rooms designated as the licensed premises of a destination resort lodge, beverage dispensary tourism license, or beverage dispensary licensee that holds a hotel or motel endorsement. If the licensed premises consist of more than one room in which a fixed counter is regularly maintained, a multiple fixed counter endorsement is

required for the additional rooms. A recreational site license, destination resort license, or licensee with an outdoor seating area under (g) of this section may have multiple separate licensed premises areas with the approval of the board.

(c) A licensee shall conspicuously post the license within the licensed premises.

(d) A licensee may not alter the functional floor plan, reduce, or expand the area, or change the business name of the licensed premises without the prior written approval of the director. The licensee shall provide a new line drawing showing the proposed changes in the premises. A licensee shall pay a fee of \$250 to change the business name or line drawing of the licensee's licensed premises if the name or line drawing change is not part of an application for transfer of ownership or location. A request for a business name or line drawing change for a licensed premises that is not part of a license transfer application must be made on a form prescribed by the board.

(e) If a business establishment or facility consists of both licensed premises and an unlicensed area, the licensee shall clearly segregate the licensed premises and the unlicensed area.

(f) A licensee may request to have a portion of its licensed premises alternate as licensed or unlicensed premises on a seasonal basis under the following conditions:

(1) the request is made on a form prescribed by the board, accompanied by a detailed premises diagram and \$250 fee;

(2) a debt that is incurred during times when the identified area is unlicensed will be considered a debt incurred in the operation of the licensed business for purposes of transfer of license under AS 04.11.360;

(3) at any time with written notice to the licensee, the board may withdraw its approval of use of the identified area as alternating premises; and

(4) during times the identified area is designated as an unlicensed premises, all alcoholic beverages must either be removed from the identified area or be stored in a location approved by the board to be secure from the public.

(g) A licensed premises may include an outdoor seating area located on the portion of a public street or sidewalk contiguous with a building or structure licensed by the board, if the licensee is granted sole control of the public street or sidewalk by the local government during the licensee's business hours.

(h) Notwithstanding (a) - (f) of this section, a licensee with an approved outdoor seating area under (g) of this section may permit an agent or employee to take an alcoholic beverage across the portion of the public right of way that is still open to the public to access the outdoor seating area. Under this subsection, the local government with jurisdiction over the licensee must grant the licensee sole control of the outdoor seating area during the licensee's business hours.

(i) Notwithstanding (a) - (f) of this section, a licensee with an approved licensed premises that includes non-contiguous rooms may permit an agent or employee to take an alcoholic beverage through a passage linking non-contiguous areas during the licensee's business hours if the passage is part of the undesignated portion of the premises during its regular business hours.

(j) Notwithstanding the definitions set out under (a) of this section, the board may approve a non-contiguous, non-adjacent, or non-adjoining licensed premises as it existed before January 1, 2024. The board may also approve the transfer of ownership of a license subject to this section and maintain the non-contiguous, non-adjacent, or non-adjoining licensed premises. (Eff. 1/1/2024, Register 248)

3 AAC 305.640. Seasonal license. (a) Except as provided in this section, the rights, privileges, and restrictions of a license issued under AS 04 are limited to the interval stated on the seasonal license.

(b) The holder of a seasonal package store license or a seasonal retail license that serves alcohol for consumption on the premises may purchase alcohol intended for resale not more than 30 days before the seasonal license is effective. The holder of a general wholesale license or a limited wholesale brewed beverage and wine license may sell or deliver alcoholic beverages to a seasonal license holder during the licensee's off-season as applicable to the license.

(c) The holder of a seasonal package store license or a seasonal retail license that serves alcohol for consumption on the premises may store alcohol in accordance with AS 04.21.060 during the period of the year when the seasonal license is not effective. (Eff. 1/1/2024, Register 248)

3 AAC 305.650. Alternating licensed premises. Upon a licensee's written request accompanied by a detailed premises diagram, the board may approve a portion of a premises of a

retail license licensed for onsite consumption to alternate as a licensed or unlicensed premises under the following conditions:

- (1) the request is made on a form prescribed by the board, accompanied by a detailed premises diagram and \$250 fee;
- (2) approval will be granted only if the board finds that use of the identified area as alternating premises will stimulate tourism or promote activities open to the general public;
- (3) a debt that is incurred during times when the identified area is unlicensed will be considered a debt incurred in the operation of the licensed business for purposes of transfer of the license under AS 04.11.360;
- (4) at any time with written notice to the licensee, the board may withdraw its approval of use of the identified area as alternating premises.
- (5) a permit issued under AS 04.09.610, 04.09.620, 04.09.630, 04.09.645, 04.09.650, 04.09.660, and 04.09.685 may be exercised in the alternating area during the times the identified area is unlicensed premises;
- (6) during times the identified area is designated as an unlicensed premises, all alcoholic beverages must either be removed from the identified area or be stored in a location approved by the board to be secure from the public;
- (7) a licensee may apply hours that it is operating as an alternating unlicensed premises to meet the operating requirement described under AS 04.11.330(a)(3). (Eff. 1/1/2024, Register 248)

3 AAC 305.655. Temporary de-designation of licensed premises. (a) A de-designation permit allows the holder of a retail license for onsite consumption to use the licensed premises or a portion of the licensed premises on a temporary basis for an event at which persons under 21 years of age will be present. Alcoholic beverages may not be sold, served, or consumed on the licensed premises two hours before and one hour after the times identified in the permit during which the persons under 21 years of age will be on the premises. A permit may not be exercised during hours of closure under AS 04.16.010.

(b) Application for a de-designation permit must be made on a form provided by the board and include a non-refundable application fee of \$50, the information required in (c) of this

section, and a certification as set out in (e) of this section. A permit may be approved by the director for not more than three consecutive days for an event.

(c) An application for a de-designation permit must include information about the relevant event as required by the board and must include proof of written notice to the law enforcement agency having jurisdiction over the designated premises of the event for which the permit is sought.

(d) An application for a de-designation permit must be filed with the director not later than three business days before the event for which the permit is requested unless the director grants an exception to address a more immediate need for an event.

(e) A licensed premises must be certified as suitable for the purposes of this section before applying for a de-designation permit. Certification must be requested by the licensee on an application form provided by and filed with the board. An application for certification must include a detailed diagram showing the proposed de-designated area, provide a security plan to keep unaccompanied minors separated from the designated licensed premises, and payment of a non-refundable \$50 application fee.

(f) The director may place limitations or restrictions on the premises certification and the permit as necessary to assure adequate security and control in the public interest.

(g) The de-designation permit and a copy of the approved application for certification must be conspicuously posted at the main entrance to the licensed premises during the time a permit is exercised. The licensee shall submit a copy of the approved application for certification to the law enforcement agency with jurisdiction over the designated premises of the event for which the permit is sought.

(h) A de-designation permit may not be transferred, relocated, or renewed.

(i) A person who possesses or consumes alcoholic beverages, is suspected of possessing or consuming alcoholic beverages, or exhibits characteristics of intoxication on the de-designated premises during the permit period must be removed immediately from the entire licensed premises for the duration of the event.

(j) The director or a peace officer whose jurisdiction includes the licensed premises may terminate a permit at any time in the public interest if any conditions on the de-designation permit are violated.

(k) The event premises are still a licensed premises under AS 04 during the time when a de-designation permit is exercised under this section. Violation of a statute, regulation, or local ordinance governing alcoholic beverages on the licensed premises is grounds for suspension or revocation of the licensee's premises certification and license. A debt that is incurred for or during an event for which a de-designation permit is granted is considered a debt incurred in the operation of the license for the purposes of transfer of ownership of the holder's license under AS 04.11.360. (Eff. 1/1/2024, Register 248)

3 AAC 305.660. Overlapping licensed premises. (a) Except as provided in (h) of this section, the board may approve an application for overlapping premises for two or more licenses owned by the same person or group of persons required to be identified in an application submitted under AS 04.11.260. The application must be in writing and include a detailed premises diagram. The board may approve an overlapping premises application under the following conditions:

(1) licensed premises for manufacturer licenses issued under AS 04.09.020 (brewery manufacturer), AS 04.09.030 (winery manufacturer), and AS 04.09.040 (distillery manufacturer) may overlap with each other as permissible under federal law;

(2) licensed premises for a manufacturer license issued under AS 04.09.020 (brewery manufacturer); AS 04.09.030 (winery manufacturer), and AS 04.09.040 (distillery manufacturer) may overlap with a manufacturer direct shipment license issued under AS 04.09.370;

(3) licensed premises for a manufacturer license issued under AS 04.09.020 (brewery manufacturer), AS 04.09.030 (winery manufacturer), and AS 04.09.040 (distillery manufacturer) may overlap with the following retail licenses for consumption on the licensed premises:

- (A) beverage dispensary licenses issued under AS 04.09.200;
- (B) restaurant or eating place licenses issued under AS 04.09.210;
- (C) beverage dispensary tourism licenses issued under AS 04.09.350;
- (D) brewery retail licenses issued under AS 04.09.320;
- (E) winery retail licenses issued under AS 04.09.330;
- (F) distillery retail licenses issued under AS 04.09.340;

(G) seasonal restaurant or eating place tourism licenses issued under AS 04.09.360.

(b) Unless provided otherwise in AS 04.09.520, overlapping licensed premises may not be utilized to offer the license holder's alcoholic beverages for sale for consumption off the licensed premises or to subdivide and sell the license holder's alcoholic beverages from original packages with federally compliant labels to smaller containers with the standard federal government warnings and the product name.

(c) In addition to overlapping premises permissible under (b) of this section, licensed premises for a brewery retail license issued under AS 04.09.320, winery retail license issued under AS 04.09.330, or distillery retail license issued under AS 04.09.340 may overlap with a manufacturer direct shipment license issued under AS 04.09.370 or with the following retail licenses for consumption on the licensed premises:

- (1) beverage dispensary licenses issued under AS 04.09.200;
- (2) restaurant or eating place licenses issued under AS 04.09.210;
- (3) seasonal restaurant or eating place tourism licenses issued under AS 04.09.360;
- (4) beverage dispensary tourism licenses issued under AS 04.09.350.

(d) Licensed premises for a package store issued under AS 04.09.230 may overlap with the following retail licenses for consumption off the licensed premises:

- (1) beverage dispensary licenses subject to the requirements described under AS 04.09.230(d);
- (2) brewery retail licenses issued under AS 04.09.320;
- (3) winery retail licenses issued under AS 04.09.330;
- (4) distillery retail licenses issued under AS 04.09.340.

(e) Licensed premises for manufacturer licenses issued under AS 04.09.020 (brewery manufacturer), AS 04.09.030 (winery manufacturer), and AS 04.09.040 (distillery manufacturer) may overlap with a package store license as described under AS 04.09.230.

(f) Licensed premises for a package store issued under AS 04.09.230 may overlap with the licensed premises of a restaurant or eating place license or a seasonal restaurant or eating place tourism license, subject to the controlled access conditions required by the board.

(g) Licensed premises for general wholesalers issued under AS 04.09.100 or limited wholesale brewed beverage and wine licenses issued under AS 04.09.110 may share overlapping premises.

(h) For all overlapping licensed premises permitted under this section, the permissible consumption on premises, permissible sales for off premises consumption, and compliance with AS 04.16.049 is determined by the specific combination of licenses.

(i) The restriction that both licenses must be held by the same person or group of persons as described in (a) of this section does not apply to an overlapping premises for two or more licenses approved by the board before January 1, 2024. (Eff. 1/1/2024, Register 248; am 10/25/2024, Register 252)

3 AAC 305.665. Resealing wine served with a meal for removal from the licensed premises. For the purposes of AS 04.16.120(c), one opened bottle of wine served with a meal may be removed from licensed premises if

(1) the licensee reinserts the original cork or a similar type of cork so that the top of the cork is flush with the bottle opening and can only be removed by a corkscrew or other similar device; or

(2) the licensee replaces the original or a similar screw-on cap on the bottle tightly and seals the cap with tamper-evident tape; and

(3) the licensee places the resealed bottle in a single-use bag that has a tamper-evident seal and that is manufactured expressly for the removal of partially consumed bottles of wine from licensed premises. (Eff. 1/1/2024, Register 248)

3 AAC 305.670. Storing, warehousing, and transporting. (a) Except as provided in AS 04.21.060, an alcoholic beverage licensee may not stock, warehouse, or otherwise store alcoholic beverages in a place other than the licensed premises.

(b) Alcoholic beverages may not be sold or consumed at an approved storage facility. Alcoholic beverages may not be removed from the facility except at the direction of the licensee. (Eff. 1/1/2024, Register 248)

3 AAC 305.680. Keg registration. (a) On a registration form prescribed by the director or a local governing body with jurisdiction over the sale or offer, a licensee or an agent or employee of a manufacturer license described under AS 04.09.020, AS 04.09.030, or AS 04.09.040 or a package store license issued under AS 04.09.230 who sells or offers for sale a keg or similar container holding four or more gallons of an alcoholic beverage shall require a purchaser to show acceptable proof of age under AS 04.21.050(b) and sign a sworn statement.

(b) The licensee shall complete the registration form required under (a) of this section and affix to the keg or container a temporary tag with a unique identifier before releasing the keg or container to the purchaser.

(c) The licensee shall retain a copy of the registration form for one year and make the form available for inspection.

(d) A keg or container donated to a permittee under AS 04.09.650 or 04.09.660 is exempt from the requirements of (a) - (c) of this section.

(e) A keg or container owned and supplied by a purchaser is exempt from the requirements in (a) - (c) of this section.

(f) The temporary tag required under AS 04.21.012 shall be provided by the licensee. The tag must

(1) consist of plastic metal, paper, or durable material that is not easily damaged or destroyed;

(2) be attached to a keg at the time of sale with a nylon tie or cording, wire tie, other metal attachment device, or other durable means of tying or attaching the tag to the keg;

(3) contain:

(A) the licensee's name, address, and telephone number;

(B) a prominently visible warning that intentional removal or defacement of the tag is a violation of AS 04.21.012; and

(C) the unique identifying number from the accompanying keg registration form. (Eff. 1/1/2024, Register 248)

3 AAC 305.690. Definitions. (a) For the purposes of 3 AAC 305.600 - 3 AAC 305.690:

(1) "adjacent" means on the same legal property, on a property adjoining the legal property containing the licensed premises, or across a single public right of way from the legal property containing the licensed premises;

(2) "adjoining" means meeting and touching at some point or line;

(3) "contiguous" means having contact on all or most of one side;

(4) "passage" means a hallway or defined pathway between adjoining rooms of licensed premises;

(5) "purchaser" means a patron or customer of a licensee who does not also hold an alcoholic beverage license or permit issued under AS 04.09.650 or 04.09.660.

(Eff. 1/1/2024, Register 248)

Article 7. Alcohol Server Education Course.

Section

700. Alcohol server education course.

3 AAC 305.700. Alcohol server education course. (a) Unless exempt under AS 04.21.025(f), a licensee, employee, or agent of a licensee selling or serving alcoholic beverages shall successfully complete an alcohol server education course. The person or the on-duty supervisor shall carry or have available to show current course cards or photocopies of the cards certifying completion of an approved alcohol server education course. The card is effective for three years from the date of issuance during which time the person shall complete another approved course or successfully complete a written test demonstrating an understanding of the course subjects as required by AS 04.21.025(c). The card must include the name and date of birth of the card holder, the name of the course, and the date of expiration of the card. If the card does not include a photograph of the holder, the person shall also carry a valid identification under 3 AAC 305.800(b). The card or a photocopy of the card must be shown upon request of a peace officer or board representative. If the person cannot show a current card or a copy of it on file on the premises or show a date of hire less than 30 days earlier, the person shall immediately cease selling or serving alcoholic beverages or checking identification.

(b) State or nationally recognized organizations or associations that address the subject of responsible alcoholic beverage service may obtain approval of an alcohol server education course by making written application on forms provided by the board. The application must

include the course book or digital materials to be provided to students, any video or audio presentations that will be used, the written test required, or online written test required under (d) of this section, detailed lesson plans, and a description of the qualifications of and training provided to course instructors. The application must identify the communities where the course will be presented and the frequency of the presentation.

(c) In addition to written materials and audio and video presentations provided to students, an instructor shall be available during an alcohol server education course to answer questions from students. Subjects covered by alcohol server education courses must include:

- (1) function of Alcoholic Beverage Control Board, licensing procedures, and types of licenses;
- (2) server responsibilities to the employer, patron, and law;
- (3) criminal, administrative, and civil liability, including discussion of criminal negligence standard;
- (4) effects of alcohol consumption, including
 - (A) effect of food on alcohol consumption;
 - (B) blood alcohol levels;
 - (C) identifying a drunken person; and
 - (D) fetal alcohol spectrum disorder and fetal alcohol effects;
- (5) drunken persons and intervention;
- (6) underage persons;
 - (A) checking identification;
 - (B) identifying valid identification; and
 - (C) obtaining "statement of proof;
- (7) state and local hours of service and cutting off service;
- (8) pricing, marketing, and trade practice prohibition laws;
- (9) endorsements;
- (10) permits;
- (11) local option provisions;
- (12) warning signs;
- (13) gambling, drugs, and prostitution;
- (14) adulteration;

- (15) penalties for licensees and their agents and employees; and
- (16) sale by package stores in response to written orders.

(d) A provider of an alcohol server education course shall issue a card as described under (a) of this section to a student who successfully completes the course. Before issuing the card, the course provider shall require the student to pass a written test that demonstrates that the student understands the course subjects. The test may be an online written test if the course is in an Internet-based webinar or video teleconference format as provided in (j) of this section.

(e) The board will issue a certificate of approval for each alcohol server education course the board approves. Certificates of approval may not be transferred.

(f) A course provider shall

- (1) maintain records of each student's participation, and completion of server training, including rural training;
- (2) use, at a minimum, the course approved by the board; and
- (3) make its records available to peace officers or board investigators.

(g) An organization or association that has received board approval for an alcohol server education course shall apply for board reapproval within 33 months of last board approval. Application must be made on a form provided by the board. If application for reapproval is not approved by the board within 36 months after last board approval, training must cease. The application for reapproval must state the following for training provided since the last application:

- (1) the number and names of students trained,
- (2) the location and dates of training, and
- (3) the names of instructors.

(h) The board will, in its discretion, terminate approval of a course if the board determines that the course is not being presented as approved, that records are not being maintained as required, that students are being certified who have not successfully completed the course, or for other reasons in the public interest. The board will, in its discretion, make its termination of approval effective immediately, if the board determines that immediate termination is in the public interest.

(i) A provider of an alcohol server education course approved by the board under this section shall advise the board of the methods used to train and certify the instructors providing the training.

(j) A provider of an alcohol server education course may obtain approval from the board to provide its course to students in an Internet-based webinar or video teleconference format by making a request with an application required under (b) of this section. An Internet-based or video teleconference alcohol server education course provider shall:

(1) have a live instructor present the approved alcohol server education course material and be available throughout the course to answer questions from students;

(2) check the identity of each student while maintaining the confidentiality of personally identifiable information;

(3) provide a printable certificate of completion to each student who passes the written test required under (d) of this section to be used as temporary proof of completion until the student receives the course card described under (a) of this section;

(4) mail the course card not later than five business days after the date the student passed the test; in this paragraph, "business day" means a day other than Saturday, Sunday, or a federal or state holiday;

(5) certify that each instructor has maintained knowledge of current alcoholic beverage statutes and regulations in the state;

(6) update the course material with any applicable change to AS 04 and this chapter not later than 10 days after the effective date of the change; and

(7) provide a printable digital copy of the written course materials to each student.

(k) For purposes of this section, "licensee, employee, or agent of a licensee" includes every permittee, employee, or agent of permittees who will serve or sell alcohol or check identification of a patron during the following permitted events:

(1) a beverage dispensary caterer's permit issued under AS 04.09.610;

(2) a restaurant caterer's dining permit issued under AS 04.09.620;

(3) a club caterer's permit issued under AS 04.09.630;

(4) an art exhibit event permit issued under AS 04.09.640;

(5) a music festival permit issued under AS 04.09.645;

(6) a nonprofit organization event permit issued under AS 04.09.650;

- (7) an alcoholic beverage auction permit issued under AS 04.09.660;
- (8) a package store tasting event permit issued under AS 04.09.670;
- (9) an inventory resale permit issued under AS 04.09.680;
- (10) a live music or entertainment permit issued under AS 04.09.685; and
- (11) a conditional contractor's permit issued under AS 04.09.690.

(I) The fee for a new alcohol server education course and the fee for review of an existing alcohol server education course are set out in 3 AAC 305.165. (Eff. 1/1/2024, Register 248)

Article 8. Enforcement; Civil Penalties.

Section

- 800. Determining the age of a patron.
- 810. Recordkeeping requirements.
- 820. Powers of investigative personnel.
- 830. Communications and inspection.
- 840. Verbal warning.
- 850. Advisory notice.
- 860. Violations.
- 870. Administrative notice of violation.
- 875. Suspension and revocation of licenses, endorsements, and conditional contractor permits.
- 880. Fines for trade practice prohibition violations.
- 885. Other civil fines.
- 890. Probation, suspended time, and fines.
- 895. Effect of revocation.

3 AAC 305.800. Determining the age of a patron. (a) For the purposes of AS 04.21.050, a "valid identification card" means an unexpired, unaltered passport or an unexpired, unaltered driver's license or identification card issued by a federal or state agency or federally recognized tribe authorized to issue driver's licenses or identification cards that meet the requirements under AS 04.21.050(b). If a licensee, licensee's employee, or licensee's agent has reason to believe that an identification card presented by a person is fraudulent, the licensee, licensee's employee, or licensee's agent shall refuse to the person entrance to the licensed premises and service or sale.

(b) A licensee, licensee's employee, or licensee's agent may elect to not accept a passport, military identification card, or other identification as proof that the person is not restricted from purchasing alcoholic beverages and may require the person to furnish a valid driver's license or state identification card or otherwise furnish proof that the person is not a resident of the state.

(c) A licensee shall obtain a statement of proof-of-age form as required under AS 04.21.050. The licensee shall retain completed forms for 90 days and make them available for inspection upon the request of the board or a peace officer. (Eff. 1/1/2024, Register 248)

3 AAC 305.810. Recordkeeping requirements. (a) Except for a holder of a manufacturer direct shipment license subject to the record-keeping requirements under 3 AAC 305.347(e), a licensee shall retain records of the sales, purchases, and expenses of the business for not less than 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).

(b) A licensee shall maintain records of the purchase and sale of alcoholic beverages separate from records of the sale of other goods or services.

(c) A wholesale licensee shall retain a record of all sales and donations made in the conduct of the business for three years. (Eff. 1/1/2024, Register 248; am 8/23/2024, Register 251)

3 AAC 305.820. Powers of investigative personnel. (a) The board's investigative personnel may

(1) conduct inspections of licensed premises, issue inspection reports, and investigate licensees, applicants, transferees, and other persons with respect to applications, the possession and sale of alcoholic beverages, or licensed premises;

(2) issue verbal warnings under 3 AAC 305.840;

(3) issue advisory notices under 3 AAC 305.850;

(4) issue citations for violations under 3 AAC 305.860 and subject to AS 04.21.072;

(5) issue administrative violation notices under 3 AAC 305.870;

(6) seize alcoholic beverages subject to forfeiture under AS 04.16.220;

(7) serve subpoenas issued by a hearing officer in a board adjudicative proceeding;

(8) execute search and arrest warrants;

(9) exercise specified peace officer powers upon the written concurrence of the commissioner of public safety filed with the lieutenant governor and the director, but only if

necessary to enforce the criminally punishable provisions of AS 04 and regulations adopted under AS 04;

(10) file accusations for suspension or revocation of licenses, endorsements, or conditional contractor permits on the grounds listed under AS 04.11.370; and

(11) take such other action considered necessary by the director to assure the enforcement of AS 04 and this chapter.

(b) Consistent with federal, state, and local law, the board's investigative personnel may carry firearms in the performance of their duties, if individually authorized by the board. (Eff. 1/1/2024, Register 248)

3 AAC 305.830. Communications and inspection. (a) The board recognizes that compliance by a licensee is a necessary ingredient for the enforcement of alcoholic beverage statutes, regulations, and local laws and that communication with licensees is necessary to assist licensees in conducting the licensee's licensed business in the public interest and in conformity with existing statutes and regulations. Investigative personnel shall memorialize an inspection in a written inspection report on a form approved by the board.

(b) Licensees are considered to consent to the entry upon the licensed premises and inspection of the licensed premises at all reasonable times and in a reasonable manner by investigative personnel of the board or by a peace officer acting in an official capacity.

(c) A licensee shall do all things reasonably necessary and appropriate to cooperate with investigative personnel and employees of the board and peace officers acting in an official capacity to enforce the statutes, regulations and ordinances related to alcoholic beverages, including permitting entry upon and inspection of the licensed premises and providing access, upon request at reasonable times, to business records at the written direction of the director. (Eff. 1/1/2024, Register 248)

3 AAC 305.840. Verbal warning. (a) A verbal warning addresses the violation of a statute, regulation, or local law on a licensed premises that is quickly correctable and does not pose an immediate risk to public safety or health.

(b) Issuing a verbal warning is at the discretion of investigative personnel of the board. A verbal warning must be documented in the licensee's enforcement file maintained by the director.

Logging or documentation of the warning must be made available to the licensee upon request.

(c) The board's investigative personnel may issue verbal warnings to any individual affiliated with a license, endorsement, or permit. (Eff. 1/1/2024, Register 248)

3 AAC 305.850. Advisory notice. (a) The board's investigative personnel may issue a written advisory notice to a licensee when an incident occurs, or a defect is identified, that results in the violation of a statute, regulation, or local laws. Investigative personnel may choose to issue a written advisory instead of providing a verbal warning under 3 AAC 305.840.

(b) The notice may be issued from information recorded on an inspection report other documents memorialized by the Board's investigative personnel. An advisory notice may be grounds for issuance of a notice of violation or accusation if the incident or defect continues uncorrected. Issuing an advisory notice is at the discretion of investigative personnel of the board. An advisory notice must be documented in the licensee's enforcement file maintained by the director. A copy of the advisory report must be delivered to the licensee when issued and made available to the licensee at a later time, upon request.

(c) The board's investigative personnel may issue an advisory notice to any individual affiliated with a license, endorsement, or permit. (Eff. 1/1/2024, Register 248)

3 AAC 305.860. Violations. (a) The board's investigative personnel or a peace officer may issue a citation for any violation identified under AS 04. The board's investigative personnel may issue a citation to any individual affiliated with a license, endorsement, or permit.

(b) A person who receives a citation for a violation of AS 04 subject to AS 04.21.074 may dispose of the violation without court appearance upon payment and forfeiture of the bail amount.

(c) For the purposes of this section, "violation" has the meaning given in AS 11.81.900(b). (Eff. 1/1/2024, Register 248)

3 AAC 305.870. Administrative notice of violation. (a) An administrative notice of violation addresses serious or repetitive violations of AS 04, 3 AAC 305, or other law relating to the manufacture and sale of alcoholic beverages that have occurred or are occurring on the licensed premises. An administrative notice of violation is issued at the discretion of the board's

investigative personnel or director.

(b) An administrative notice of violation must be in writing on a form approved by the board and must include

(1) a description of the violation or violations;
(2) a description of applicable violated statutes, regulations, or local law;
(3) prior disciplinary history over the preceding five years relevant to the violation or ownership of the license, including

- (A) verbal warnings;
- (B) advisory notices;
- (C) notices of violation and accusation;
- (D) fines subject to AS 04.21.074; and
- (E) criminal history of the licensee and of the licensed premises; and

(4) the investigating officer's signature.

(c) An administrative notice of violation may be issued as a stand-alone document or from circumstances described in an inspection report or a citation issued under 3 AAC 306.860 or AS 04.21.074. An administrative notice of violation may be issued without a prior inspection report, citation, verbal warning, or advisory notice and may include conduct identified in AS 04.11.370 as grounds for suspension or revocation of a license or permit.

(d) A licensee, endorsement holder, any affiliate, or conditional contractor permittee who receives an administrative notice of violation may request an appearance before the director regarding the administrative notice of violation. The request must be made not more than 10 days after the licensee, endorsement holder, or conditional contractor permittee receives the notice. The director shall grant an appearance not more than 10 days after the request is received. A licensee, endorsement holder, affiliate, or conditional contractor permittee shall respond in writing to the notice of violation.

(e) In considering whether to suspend, revoke, or renew a license, the board may review an administrative notice of violation and a licensee's response to the notice. An administrative notice of violation alone does not constitute grounds for a suspension, revocation, or refusal to renew an alcoholic beverage license; however, if the violation is proven by evidence at a hearing, the violation constitutes grounds for suspension, revocation, or refusal to renew a license.

(f) An administrative notice of violation is issued at the discretion of the board's investigative personnel and becomes part of the licensee's permanent record. A notice must be in writing on a form approved by the board. The director may withdraw a notice.

(g) The board's investigative personnel may issue an administrative notice of violation to any individual affiliated with a license, endorsement, or permit.

(h) Nothing in this section limits the authority of the board to suspend or revoke a license, endorsement, or conditional contractor's permit on grounds stated in AS 04.11.370. (Eff. 1/1/2024, Register 248)

3 AAC 305.880. Fines for trade practice prohibition violations. In addition to administrative penalties, civil fines for violations of 3 AAC 305.500 – 3 AAC 305.590 will be determined by the board on a case-by-case basis. (Eff. 8/9/2024, Register 251)

3 AAC 305.875. Suspension and revocation of licenses, endorsements, and conditional contractor permits. (a) The board may suspend or revoke a license, endorsement, or conditional contractor's permit on the grounds set out in AS 04.11.370 or if a licensee is convicted of a felony.

(b) If a licensee's employee or licensee's agent is convicted of a felony, the board may find under AS 04.11.370(5) that the licensee, endorsement holder, or conditional contractor permittee knowingly allowed the conduct, or recklessly or with criminal negligence failed to act in accordance with the duty prescribed under AS 04.21.030, if that licensee, endorsement holder, or conditional contractor permittee

(1) was physically present when the conduct occurred and knew or should have known the conduct was occurring and took no action to stop it;

(2) failed to adequately supervise the agent or employee;

(3) failed to adequately train the agent or employee in the requirements of AS 04 and 3 AAC 305 relating to alcoholic beverages; or

(4) was reckless or careless in hiring the agent or employee.

(c) For the purposes of this section, if a licensee, endorsement holder, or conditional contractor permittee is a corporation, a conviction of any of the following individuals constitutes a conviction of the licensee:

- (1) the director of the corporation;
- (2) an officer of the corporation;
- (3) a shareholder holding 10 percent or more of the outstanding common stock of the corporation.

(d) For the purposes of this section, if a licensee, endorsement holder, or conditional contractor permittee is a limited liability organization, the conviction of a manager or a member who holds 10 percent or more of the limited liability organization's ownership interest constitutes a conviction of the licensee.

(e) A licensee, endorsement holder, or conditional contractor permittee may request an informal conference with the director not later than 10 days after the individual is served with an accusation under this section, unless the grounds for suspension or revocation are the grounds set out in AS 04.11.370(a)(4). A licensee, endorsement holder, or conditional contractor permittee requesting an informal conference under this section tolls the time for filing a notice of defense required under AS 44.62.390. (Eff. 1/1/2024, Register 248)

3 AAC 305.885. Other civil fines. (a) Except as provided in (b) of this section and in addition to fines subject to AS 04.21.074, the board may impose a civil fine on a licensee in accordance with AS 04.11.575 in a proceeding under AS 04.11.510(c). The civil fine may not exceed the greater of

- (1) an amount three times the monetary gain realized by the licensee as a result of the violation as determined by the board;

- (2) \$10,000 for the first violation;

- (3) \$30,000 for the second violation; or

- (4) \$50,000 for the third or subsequent violation.

(b) In a proceeding under AS 04.11.510(c) against a general wholesale licensee or a limited wholesale brewed beverage and wine licensee for a violation of AS 04.16.160 pertaining to the sale of alcoholic beverages to unlicensed persons, the board may impose a civil fine of \$5,000 for each illegal sale. The board may suspend all or part of the fine based on the circumstances of the illegal sales. For the purpose of this section, "sale" means a single delivery on a single date to a single purchaser. (Eff. 1/1/2024, Register 248)

3 AAC 305.890. Probation, suspended time, and fines. (a) The board may elect to place a licensee or permittee on probation for a period of not more than three years in addition to suspending or revoking a license permitted under AS 04.11.370. The board may suspend any portion of time of suspension ordered or civil fines owed to ensure good faith performance of a licensee's or permittee's obligations while under probation. The board may elect to fine the licensee or permittee a portion of or the remainder of the suspended fine or time for any violation of the conditions of probation or additional violation of AS 04 or this chapter.

(b) Nothing in this section limits the authority of the board to suspend or revoke a license or permit on grounds stated in AS 04.11.370. (Eff. 1/1/2024, Register 248)

3 AAC 305.895. Effect of revocation. A person whose license or permit is revoked by the board may not apply for a license of any type until at least one year after the effective date of the revocation. (Eff. 1/1/2024, Register 248)

Article 9. General Provisions.

Section

900. Determining population criteria.

910. Determining visitor population.

920. Allocations to municipalities.

930. Colleges and universities.

940. Community prohibitions on alcoholic beverages.

950. Definitions

3 AAC 305.900. Determining population criteria. (a) The board will use population figures generated by the Department of Commerce, Community, and Economic Development to establish a population figure for determining the quota of licenses available under AS 04.11.400(a)(2). The Department of Commerce, Community, and Economic Development figures will be adjusted, however, in the following respects:

(1) prison populations will be excluded;

(2) populations of colleges and universities will be discounted by the number of students who, according to best available information, are domiciled outside of the applicable population area;

(3) populations of military bases and installations will be discounted by the

number of military personnel and their families who, according to best available information, are domiciled outside of the applicable population area.

(b) The population of incorporated cities and unified municipalities will be determined annually by the director, within a reasonable time after the figures generated by the Department of Commerce, Community, and Economic Development are made available to the director.

(c) If figures of the Department of Commerce, Community, and Economic Development are not available to the director by July 31 of any year, the director shall employ the best available information to establish the population figures under AS 04.11.400(m) to determine the quota of available licenses not later than August 31. (Eff. 1/1/2024, Register 248)

3 AAC 305.910. Determining visitor population. (a) For the purposes of determining whether a municipality or established village receives more than 4,000 visitors a year, the board may rely on visitor statistics generated annually by a reliable government, trade association, non-profit, or commercial source presented by

(1) the municipality or established village;

(2) an applicant that would qualify for a seasonal restaurant or eating place tourism license; or

(3) an applicant for a transfer of ownership of a seasonal restaurant or eating place tourism license.

(b) The board will apply the same annual visitor count to every application filed under AS 04.11.260 for a seasonal restaurant or eating place tourism license in a specific qualifying municipality or established village during each calendar year. The board may reconsider that visitor count and how it calculates that visitor count each calendar year. (Eff. 1/1/2024, Register 248)

3 AAC 305.920. Allocations to municipalities. (a) For the purposes of AS 04.11.610. a municipality's failure to actively enforce local ordinances, laws of the United States and the state, and the provisions of this chapter relating to the manufacture and sale of alcoholic beverages in the state includes the municipality's peace officers' failure to comply with AS 04.21.070.

(b) If the director determines that the municipality's peace officers have not provided the director with quarterly reports of violations of AS 04 occurring on licensed premises within the

municipality or with quarterly reports that evidence a lack of active enforcement of local ordinances, laws of the United States and the state, and the provisions of this chapter relating to the manufacture and sale of alcoholic beverages in the state, the director shall recommend that the commissioner of commerce, community, and economic development deny the allocations of biennial license fees under AS 04.11.610. (Eff. 1/1/2024, Register 248)

3 AAC 305.930. Colleges and universities. (a) Where prohibitions are imposed under AS 04.11.410 and AS 04.16.080, "school" does not include an accredited college or university as defined in AS 04.09.240 for the granting of a beverage dispensary caterer's permit, nonprofit organization event permit, or restaurant caterer's dining permit under AS 04.09.610, 04.09.650, or 04.09.620.

(b) Along with other approvals required by statute or regulation, the board of regents or similar governing body of the college or university or its designee must approve an application for a permit for a designated premises at a college or university event.

(c) A holder of a recreational site license issued under AS 04.11.210 or a sporting activity or event license under AS 04.09.270 for a site where college or university sporting events are held may petition the board for designation of premises at the site where brewed beverages and wine may be sold during a college or university sporting event. (Eff. 1/1/2024, Register 248)

3 AAC 305.940. Community prohibitions on alcoholic beverages. The director shall maintain a list of the established villages and municipalities that have adopted a local option under AS 04.11.491. (Eff. 1/1/2024, Register 248)

3 AAC 305.950. Definitions. (a) Except as provided under AS 04.11.450(h)(2), in this chapter, "affiliate" means

(1) an individual's general partners and joint venturers, including

(A) any corporation of which the individual owns 10 percent or more of the stock;

(B) any corporation of which the individual is an officer or director;

(C) any limited liability organization of which the individual is a member who holds 10 percent or more of the limited liability organization's ownership interest; and

(D) any limited liability organization of which the individual is a manager;

(2) a partnership's partners or joint venturers, including

(A) any affiliates of a partnership's partners or joint venturers;

(B) any corporation of which the partnership or any individual partner holds 10 percent or more of the stock;

(C) any corporation of which any individual partner is an officer or director;

(D) any limited liability organization of which the partnership or any individual partner is a member who holds 10 percent or more of the limited liability organization's ownership interest; and

(E) any limited liability organization of which any individual partner is a manager;

(3) for a corporation,

(A) the corporation's shareholders who hold 10 percent or more of the corporation's stock;

(B) the corporation's officers and directors;

(C) the corporation's partners or joint venturers;

(D) any affiliates of the corporation's partners or joint venturers;

(E) any other corporation of which the subject corporation owns 10 percent or more of the stock;

(F) any other corporation for which the subject corporation appoints one or more directors;

(G) any other corporation of which 10 percent or more of the stock is held by a shareholder holding 10 percent or more of the subject corporation's stock;

(H) any limited liability organization of which the subject corporation is a member and of which the subject corporation holds 10 percent or more of the limited liability organization's ownership interest;

(I) any limited liability organization for which the subject corporation appoints a manager;

(J) any limited liability organization of which a shareholder holding 10 percent or more of the subject corporation's stock is a member who holds 10 percent or more of the limited liability organization's ownership interest; and

(K) any limited liability organization of which a shareholder holding 10 percent or more of the subject corporation's stock is a manager;

(4) other persons who have significant control or influence over a person as determined by the board;

(5) for a limited liability organization,

(A) the limited liability organization's manager

(B) a limited liability organization's members who hold 10 percent or more of the limited liability organization's ownership interest;

(C) a limited liability organization's partners or joint venturers;

(D) any affiliates of a limited liability organization's partners or joint venturers;

(E) any other limited liability organization of which the subject limited liability organization is a member;

(F) any corporation of which the limited liability organization owns 10 percent or more of the stock;

(G) any corporation for which the limited liability organization appoints one or more directors;

(H) and any corporation of which 10 percent or more of the stock is held by a member holding 10 percent or more of the subject limited liability organization's ownership interest.

(b) For the purposes of sec. 169, ch. 8, SLA 2022, a "license issued" means a license in active status or in approved delegated status before January 1, 2024. (Eff. 1/1/2024, Register 248)