

# ALASKA STATE LEGISLATURE

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Senate Judiciary Committee  
Senate Special Committee on World Trade,  
Technology, and Innovations

## SENATOR LESIL MCGUIRE

### SPONSOR STATEMENT CS SENATE BILL NO. 78

Committee Substitute for Senate Bill 78 comprises of two sections. The first seeks to treat members of limited liability companies ("LLC") in the same manner as shareholders of corporations for liability purposes under Alaska liquor laws. It seeks to reflect the fact that LLC's are more similar to and used in the business world as alternatives to corporations and are less commonly used as alternatives to sole proprietorships or general partnerships, which pass on general liability to their owners. As it is currently written, AS 04.21.035 provides that a member of a limited liability company ("LLC") or a partner of a limited liability partnership that holds a license under Title 4, governing alcoholic beverages, is not relieved of the liability imposed upon a liquor license holder solely because the license is held by a LLC or a limited liability partnership.

However, businesses have recognized the greater flexibility in internal governance matters afforded by the LLC structure and have increasingly turned to LLC's as a preferred form of entity for doing business. Businesses consciously choose LLC's to have greater management and efficiency without sacrificing the limited liability protection from business creditors afforded to owners of corporations. Therefore CSSB 78 seeks to provide equal treatment to LLCs in the liquor liability context as they are treated in the business world generally.

The committee substitute adds two sections which simply provide a limitation of liability for a taxi or limousine driver who gets in an accident while driving another person's vehicle from a licensed premise. These sections were originally passed in 2004 by a vote of 39-0 in the House and 20-0 in the Senate but had a sunset date of 2007, a fact that was overlooked. This language would correct that oversight and the CS language mirrors the original legislation with some additional language added in the Senate Judiciary Committee.

Everyone is a potential victim of a drunk driver. Therefore everyone will benefit from this program – not only the potential drunk driver, but also every person who may be a victim of that drunk driver. Another basic principal of the program is to remove all physical and psychological barriers to its use. The ride home is completely free to the intoxicated person and confidential.

There are 63 participating establishments in the Anchorage Bowl. Since 2005 when the program began, over 821 individual rides have taken place and over 2379 vouchers have been sold.