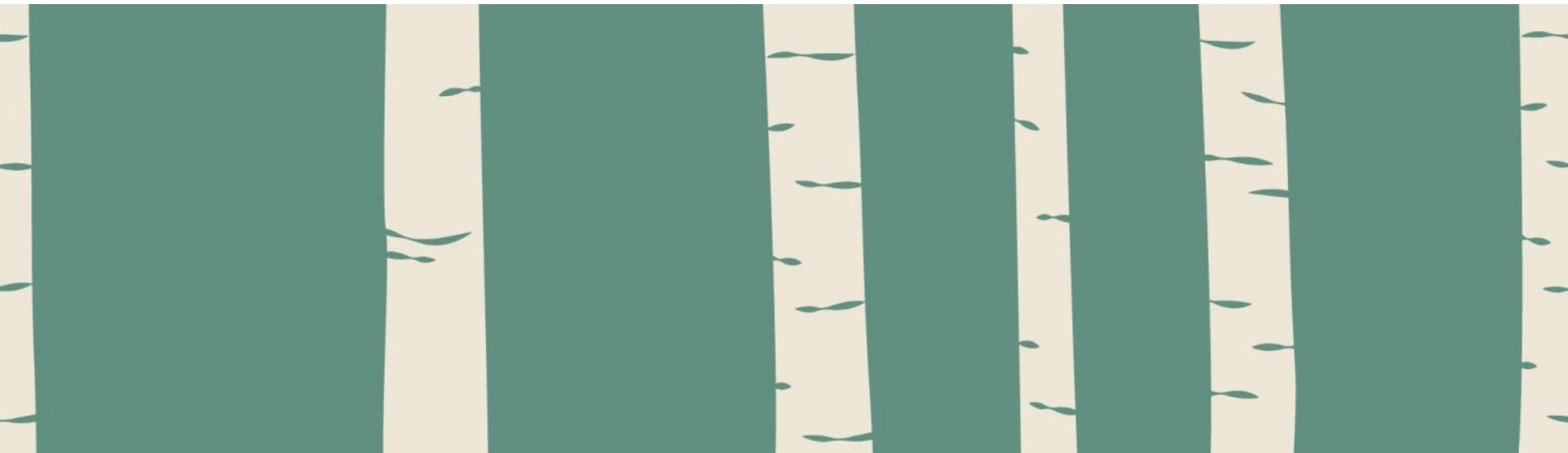


# Alaska Alcoholic Beverage Control (ABC) Board

TITLE 4 REVIEW PROCESS AND  
OVERVIEW OF SB 165

February 1, 2016



# Title 4 Review: Our Funding Partners

The following organizations have provided ongoing grant funding to support the Title 4 Review project:

Trust

Alaska Mental Health  
Trust Authority



MAT-SU HEALTH  
FOUNDATION



# What is Title 4? Why is it important?

- Title 4 of the Alaska Statutes regulates alcoholic beverages.
- The Alcoholic Beverage Control Board, staff and law enforcement carry out the laws.



*Photo: Anchorage Daily News*

# Alaska Alcoholic Beverage Control (ABC) Board

## Mission Statement

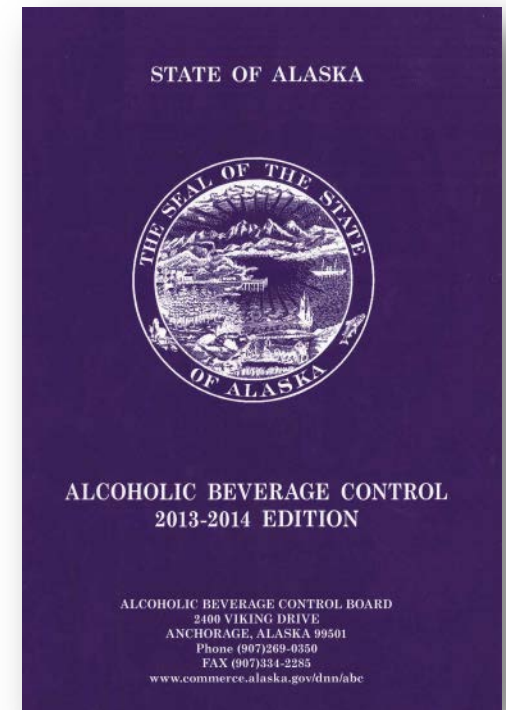


"The board shall control the manufacture, barter, possession, and sale of alcoholic beverages in the state. The board is vested with the powers, duties and responsibilities necessary for the control of alcoholic beverages..."

*AS 04.06.090(a)*

# So, Why review Title 4?

- Most of Title 4 has not been updated since 1980. The laws are outdated and confusing.
- Many existing laws do not reflect current trends or values.
- A systematic review of Title 4 helps the Board carry out its mission and will benefit communities and businesses.



# Goals of Title 4 Review Process

- Promote a fair business climate and protect public health and safety.
  - Create rational regulation for all tiers of the state's alcohol industry.
  - Limit youth access to alcohol, while ensuring youth are not criminalized
  - Promote responsible alcohol use and reduce the harms of overconsumption.



*Photo: Anchorage Daily News*

# Goals of Title 4 Review Process

- Make Title 4 a clear and consistent legal framework.
  - Increase swiftness, proportionality and consistency of penalties.
  - Increase local law enforcement of Title 4.
  - Increase licensee accountability before the ABC Board for Title 4 violations.



*Photo: Anchorage Daily News*

# Stakeholders



Youth



Public Health



Business



Public Safety



Rural Communities

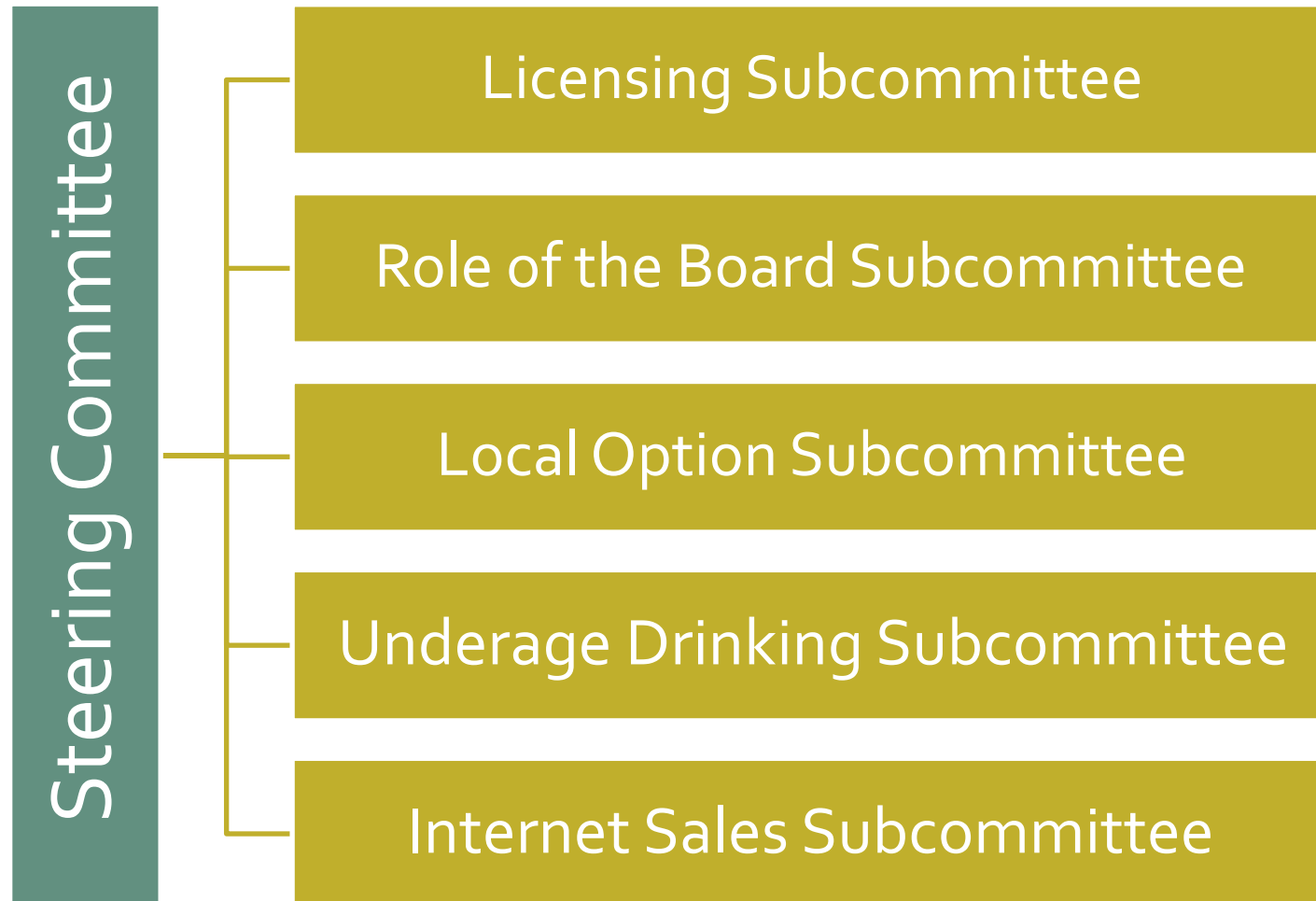
- ABC Board
- Public Safety and Law Enforcement
- Industry
  - Wholesalers
  - Manufacturers
  - Retailers
- Public Health
  - Department of Health and Social Services
  - Alaska Mental Health Trust Authority
  - Rasmuson Foundation
- Community Advocates
- Local Governments



# Steering Committee

Committee Member	Organization	Sector
Bob Klein <i>chair</i>	ABC Board (Chair)	Industry Board Member
Cynthia Franklin	ABC Board (Staff)	ABC Board Director/ Public Safety
L. Diane Casto	Alaska Department of Corrections, <i>formerly Division of Behavioral Health</i>	Public Health/Public Safety
Ellen Ganley	ABC Board (Member)	Public Board Member/Public Health
Jeff Jessee	Alaska Mental Health Trust Authority, Recover Alaska	Funding Partner/ Public Health
Aleesha Towns-Bain	Rasmuson Foundation, Recover Alaska	Funding Partner
Jan Hill	Mayor, Haines Borough	Local Government
<i>Chris Simon, resigned</i>	<i>formerly Alaska Department of Education &amp; Early Development</i>	<i>Education/Rural</i>

# Title 4 Review Process: Committees



# Title 4 Review Process

MAY 2012

2016



More than 70 stakeholders and staff spent over 8,000 hours of dedicated time to craft recommendations and develop the current bill.

# Title 4 Revisions: Interim Deep-Dive in 2015

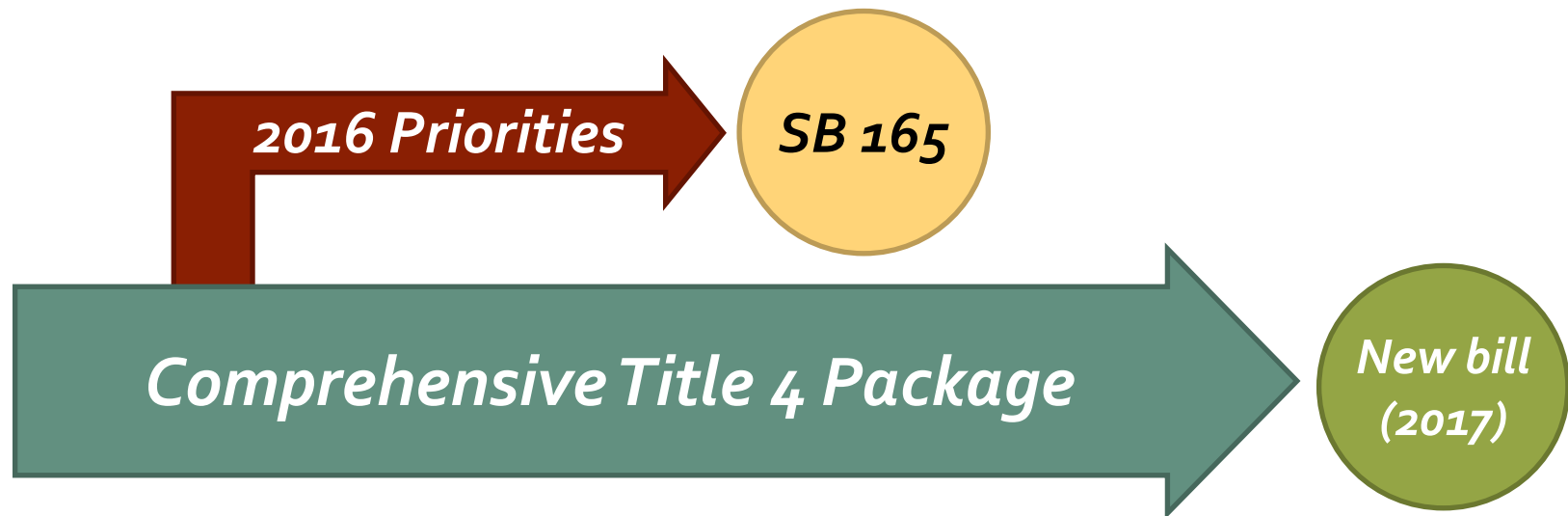
Let's get everyone up to speed on activities over the interim

# Title 4 Revisions: Interim Deep-Dive in 2015

- **Spring 2015:** Industry stakeholders volunteered to review the comprehensive bill to ensure it reflected consensus.
- **Summer and Fall 2015:** Alaska CHARR's Government Affairs Committee worked to flag language in the comprehensive bill that may benefit from refinement.
- **December 2015:** The Steering Committee recommended a new, two-track process for Title 4 rewrite, with a streamlined new bill

# Title 4 Revisions: 2016 and Beyond

**A new, two-track process for Title 4 Revisions:**



1. Streamline certain elements of SB99 into a new bill with priority items that can be implemented now
2. Further refinement of the comprehensive package and introduction as a new bill next session

# Title 4 Revisions: 2016 and Beyond

*Strategic reasons for this midcourse adjustment:*

- This session will be very busy with budget issues
- The priorities in this bill could be implemented now and begin to benefit young Alaskans
- Holding the comprehensive package gives additional time for the Steering Committee to:
  - Re-engage with stakeholders and the five subcommittees on many important items
  - Continue to work with private sector business interests to refine bill language

## Stakeholder work continues in the following areas:

- Licensing & Permits
- Local Option
- Role of the ABC Board
- Underage Drinking
- Internet Sales



The remaining recommendations produced by these five committees are important subjects, and are still part of the comprehensive package.

SB 99 & HB 185 will be retired. This year's focus is SB 165.

The comprehensive package will benefit from additional work over the 2016 interim.

# Title 4 Revisions: SB 165

The new Senate bill (and House companion) focuses on discrete recommendations that have consensus and can be implemented this year:

1. ABC Board Composition and Qualifications (04.06.020)
2. Minor on Licensed Premises (04.16.049)
3. Minor Consuming Alcohol (MCA) (04.16.050)

# Composition of the ABC Board

## **ABC Board Composition and Qualifications (AS 04.06.020)**

- Designate ABC Board seats to ensure consistent representation (2 industry, 1 public health, 1 public safety, 1 rural public member)
- Factor in Director's expertise and background when filling vacant seats to provide balanced perspectives

# Underage Drinking and Access to Alcohol

Reform underage drinking sanctions so that **minors do not become criminals for making one poor decision.**

- Restore the minor consuming alcohol (MCA) offense to a true violation.
- Clarify warning signs' language of the legal consequences of a minor on licensed premises.
- Minors' violations of these two offenses will never appear on CourtView.

# Underage Drinking and Access to Alcohol

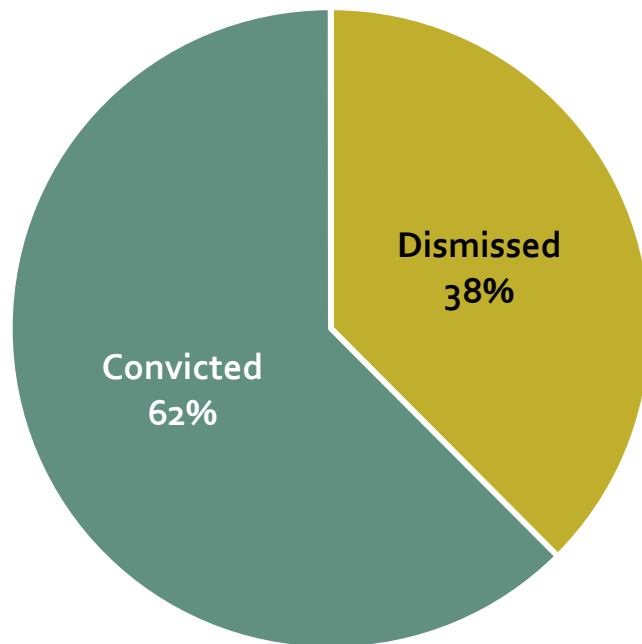
- **Minor on Licensed Premises (04.16.049)**
  - Penalty consistent with new MCA penalty
  - Clarify ambiguous language on signage
- **Minor Consuming Alcohol (MCA)**  
(04.16.050)
  - Reduce the minor consuming alcohol penalty to a true violation; no repeat or habitual MCA
  - Encourage alcohol education or treatment if convicted of Minor on Premises or MCA.

# Why reduce penalties for minors?

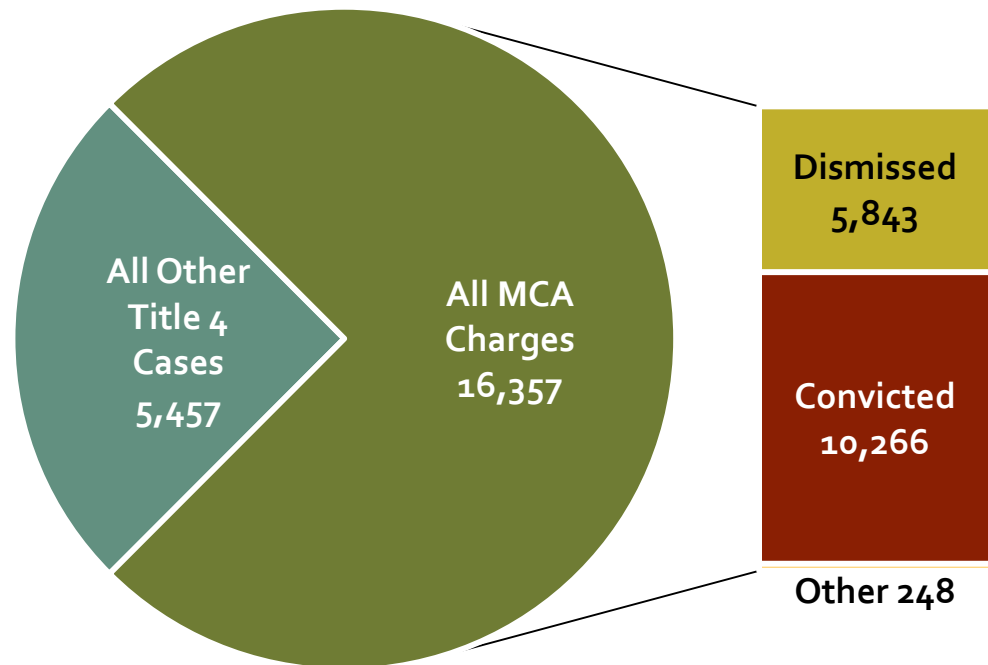
Prosecutors are dismissing MCA charges; penalties are seen as too high for the offense, or not worth the resources.

Much fewer Minor on Premises cases; 47% were dismissed.

All Title 4 Charges, 2009-2013



Minor Consuming Alcohol, 2009-2013



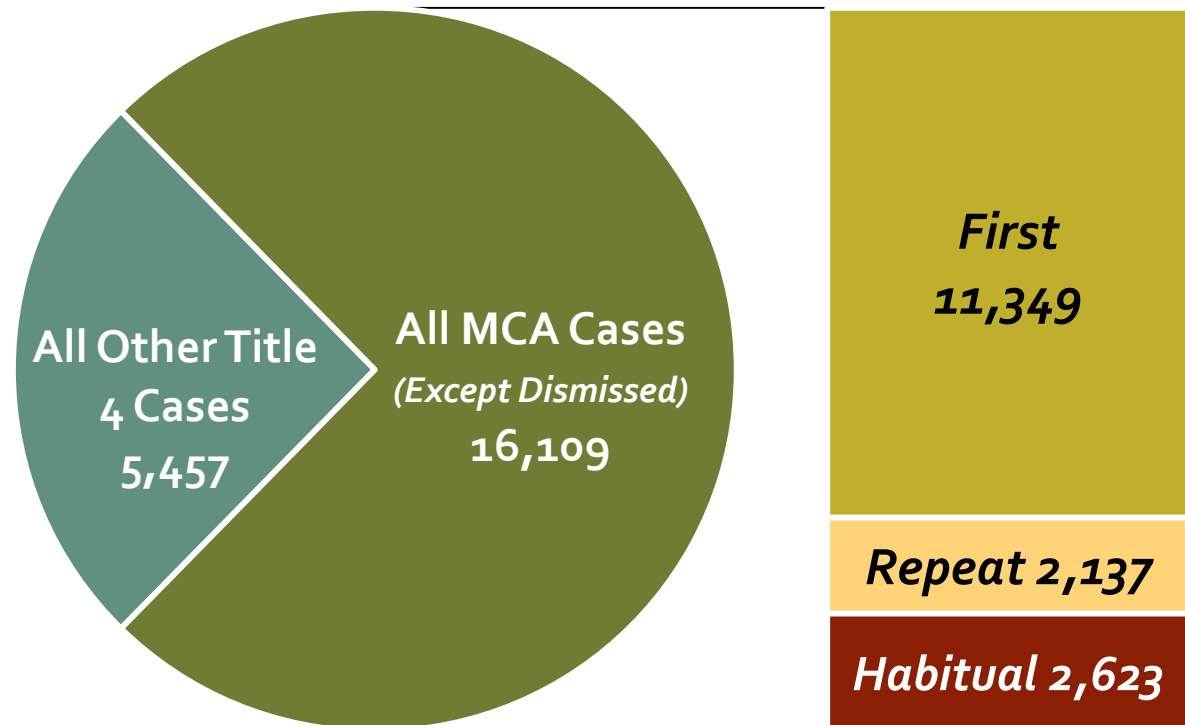
Source Data: Alaska Court System Data, 2009-2013

# Why reduce penalties for minors?

Most MCA cases (over 70%) are first offenses: most youth do not return to court for another MCA.

Minor Consuming Alcohol Cases by Offense Type, 2009-2013

**35%** of First MCA, **One-third** of Repeat MCA, and **42%** of Habitual MCA cases were dismissed.



# Current MCA Penalties (04.16.050)

Offense	Penalty (including mandatory court actions)
<b><i>First:</i></b> <b><i>Statutory Violation</i></b>	<ul style="list-style-type: none"><li>• Up to <b>1 year probation</b>; may receive suspended imposition of sentence (SIS)</li><li>• Referred to <b>Community Diversion</b> (e.g. Youth Court) for counseling, education, treatment, and community work</li><li>• <b>\$200 to \$600 Fine</b>; \$200 can be applied to ASAP</li><li>• Must complete <b>alcohol education program</b></li></ul>
<b><i>Repeat (2nd):</i></b> <b><i>Statutory Violation</i></b>	<ul style="list-style-type: none"><li>• <b>1 year probation</b> or until age 21, whichever later</li><li>• <b>\$1,000 fine</b>; \$500 can be suspended if on probation</li><li>• <b>48 hours community work service</b></li><li>• <b>Revoke &amp; confiscate driver's license</b> for 3 months</li></ul>
<b><i>Habitual (2+ prev):</i></b> <b><i>Misdemeanor</i></b>	<ul style="list-style-type: none"><li>• Arrest and imprisonment</li><li>• <b>1 year probation</b> or until age 21, whichever later</li><li>• <b>96 hours community work service</b></li><li>• <b>Revoke &amp; confiscate driver's license</b> for 6 months</li></ul>



# Proposed MCA Penalties (SB 165)

Offense	Penalty (including mandatory court actions)
<b>One Type: TRUE Violation</b>	<ul style="list-style-type: none"><li>• <b>\$500 fine</b>; if not paid, can be deducted from PFD</li><li>• <b>Fine reduced to \$50</b> with proof of <b>alcohol education</b> completed within <b>6 months</b></li><li>• From issuance of ticket to completion of case, <b>never appears on minor's Court View record</b></li><li>• <del>Up to 1 year probation</del></li><li>• <del>Referred to Community Diversion (e.g. Youth Court) for counseling, education, treatment, and community work</del></li><li>• <del>\$200 to \$600 Fine; \$200 can be applied to education program</del></li><li>• <del>Must complete alcohol education program</del></li></ul>
<b>Repeat (2nd): Statutory Violation</b>	<ul style="list-style-type: none"><li>• <del>1 year probation or until age 21, whichever later</del></li><li>• <del>\$1,000 fine; \$500 can be suspended if on probation</del></li><li>• <del>48 hours community work service</del></li><li>• <del>Revoke &amp; confiscate driver's license for 3 months</del></li></ul>
<b>Habitual (3+): Misdemeanor</b>	<ul style="list-style-type: none"><li>• <del>Arrest and imprisonment</del></li><li>• <del>1 year probation or until age 21, whichever later</del></li><li>• <del>96 hours community work service</del></li><li>• <del>Revoke &amp; confiscate driver's license for 6 months</del></li></ul>

# Needed Reform for Minor on Premises

## Current Law (04.16.049)

### Class A Misdemeanor

#### *Penalties include:*

- Up to **\$10,000** fine
- Up to **1 year** imprisonment
- Up to **10 years** probation
- Community Work Service
- Case appears on Court View record and is **never expunged**, even upon reaching age 21

## Proposed (SB 165)

### Violation (Minor Offense)

- **\$500 fine**; if not paid, deducted from PFD
- **Fine reduced to \$50** with proof of **alcohol education** completed within **6 months**
- From issuance of ticket to completion of case, **never appears on minor's Court View record**

Please help advance Title 4  
Review elements this session  
that have been introduced in  
SB 165.

We will be back next year with  
the remaining elements of the  
comprehensive package.

# For more information

## ***About SB 165:***

### **Office of Sen. Peter Micciche**

Chuck Kopp, Chief of Staff

(907) 907-465-2828

chuck.kopp@akleg.gov

## ***About the Title 4 Review Process:***

### **Alcoholic & Marijuana Control Office**

<https://www.commerce.alaska.gov/web/amco/>

Cynthia Franklin, Director

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