

Fiscal Note

State of Alaska
2015 Legislative Session

Bill Version: HB 116
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB116-DCCED-ABC-03-30-15
Title: EXTEND ALCOHOLIC BEVERAGE CONTROL BOARD
Sponsor: LABOR & COMMERCE
Requester: HOUSE FINANCE

Department: Department of Commerce, Community and Economic Development
Appropriation: Alcoholic Beverage Control Board
Allocation: Alcoholic Beverage Control Board
OMB Component Number: 2690

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2016 Appropriation Requested	Included in Governor's FY2016 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2016	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Personal Services		1,796.0	1,796.0	1,796.0	1,796.0		
Travel		158.9	158.9	158.9	158.9		
Services		1,236.5	1,102.5	1,102.5	1,102.5		
Commodities		159.1	130.7	130.7	130.7		
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	3,350.5	3,188.1	3,188.1	3,188.1	0.0	0.0

Fund Source (Operating Only)

1004 Gen Fund		1,574.4	1,412.0	1,412.0	1,412.0		
1005 GF/Prgm		1,752.4	1,752.4	1,752.4	1,752.4		
1007 I/A Rcpts		23.7	23.7	23.7	23.7		
Total	0.0	3,350.5	3,188.1	3,188.1	3,188.1	0.0	0.0

Positions

Full-time		17.0	17.0	17.0	17.0		
Part-time							
Temporary							

Change in Revenues		1,752.4	1,752.4	1,752.4	1,752.4	0.0	0.0
---------------------------	--	---------	---------	---------	---------	-----	-----

Estimated SUPPLEMENTAL (FY2015) cost: 785.7 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2016) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No.
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Revised to include costs only through FY2019, assuming extension through FY2018 and one-year wind-down of agency operations and including supplemental.

Prepared By: Cynthia Franklin
Division: Alcoholic Beverage Control Board
Approved By: Catherine Reardon, Director
Agency: Division of Administrative Services
Phone: (907)269-0351
Date: 03/30/2015 04:45 PM
Date: 03/30/15

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2015 LEGISLATIVE SESSION

BILL NO. HB116

Analysis

HB 116 extends statutory authorization for the existing Alcoholic Beverage Control (ABC) Board. Adoption of the bill will continue existing activities of the board, and administration by the ABC agency director and staff. Failure to adopt the bill would cause operations of the ABC board to cease as of June 30, 2015.

The ABC Board's mission is to control the manufacture, possession, sale, barter and trade of alcoholic beverages and, as of February 24, 2015, of marijuana in the State of Alaska. The ABC Board and its agency staff, housed in DCCED, issue liquor licenses and permits and enforce laws and regulations regarding alcohol in Alaska. AS 17.38 makes the ABC Board the default agency for regulating marijuana in Alaska as of February 24, 2015, and anticipates the ABC Board completing regulations relating to marijuana by November, 2015 and issuing marijuana business licenses by May 2016.

Currently there are approximately 1,875 active liquor licenses in the State of Alaska. Each of these licensees relies on the ABC Board and agency for administration of and renewal of the licenses that enable them to continue the operation of their business. The voters have assigned the task of developing regulations for similar licensing of marijuana businesses. Continued authority for the board is necessary for continuation of these important activities on behalf of the people of Alaska.

Alcohol regulation activities are primarily funded by licensing fees. Revenue related to marijuana licensing will be collected as licenses are issued. However, at this time the type and quantity of licenses, as well as associated fees, are unknown. Revenues are anticipated to be received starting in late FY2016, and will increase in subsequent years. As marijuana regulation revenues are received and can be projected, budgeted general funds will be incrementally replaced with program receipts. Program receipts collected but not expended by the agency will contribute to the general fund.

If the board is extended through June 30, 2018, there is an assumed one-year wind-down of agency operations.