

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 6
Bill Version: C SHB 132(2d RLS)
(H) Publish Date: 4/29/01

Revision Date/Time: 04/28/01 5:00 pm. Dept. Affected: Corrections
Title: An Act relating to the possession or distribution BRU: Administration & Operations
of alcohol in a local option area; requiring liquor license... Component: Commissioner's Office
Sponsor: House Judiciary Committee
Requester: House Rules Committee Component Number: 694

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	96.8	96.8	96.8	96.8	96.8	96.8
Travel	2.0	2.0	2.0	2.0	2.0	2.0
Contractual	7.0	7.0	7.0	7.0	7.0	7.0
Supplies	1.0	1.0	1.0	1.0	1.0	1.0
Equipment	6.0					
Land & Structures						
Grants & Claims						
Miscellaneous	1,272.7	1,645.9	2,020.2	2,324.8	2,592.3	2,592.3
TOTAL OPERATING	1,385.5	1,752.7	2,127.0	2,431.6	2,699.1	2,699.1

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	136.8	164.8	164.8	164.8	164.8	164.8
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	1,248.7	1,587.9	1,962.2	2,266.8	2,534.3	2,534.3
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)	136.8	164.8	164.8	164.8	164.8	164.8
TOTAL	1,385.5	1,752.7	2,127.0	2,431.6	2,699.1	2,699.1

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time	2	2	2	2	2	2
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill will improve interdiction in bootlegging operations in the State. It reduces by half the amount of distilled spirits that a person may possess in a restricted community for the application of the presumption of intent to sell. It also reduces by half the amount of distilled spirits a package store is allowed to send in a calendar month to a person in a restricted community. The change in amount of distilled spirits also effectively changes the penalty by lowering the requirement that qualifies for a C felony. Additionally, it changes the penalties for possession in dry communities by reducing the amounts required for felony conviction. This bill also seeks to change attempted offenses to the same level as offenses themselves, thus resulting in the same penalty for an attempt to import as an actual importation.

This legislation would also allow for delivery sites in cities such as Kotzebue and Bethel where the local option exists to allow possession but not sales of alcohol. It would require all transportation of alcohol to go through the delivery sites for distribution.

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Division: Commissioner's Office Date/Time 04/28/01
Approved by: Margaret Pugh Date 4/28/01
Agency: Department of Corrections

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The Department of Law anticipates these changes, along with the increased efforts of State Troopers and the federal authorities will increase the number of felony prosecutions for these offenses. They have anticipated the need for an additional prosecutor as well as a paralegal to pick up the increased workload. The Dept. of Corrections will certainly feel the effect of these increased efforts. Although we may be able to absorb this amount in our facilities, we do not have the workforce in the field to absorb these additional cases. We are requesting an additional Probation Officer and Criminal Justice Technician to write the Pre-sentence investigations required in felony cases as well as to manage the increased caseload for supervision purposes. The new staff will need a one-time computer equipment purchase. Additionally, they will need funding for a vehicle, supplies and travel.

The Department of Law anticipates they will need their staff in Anchorage. We will assume the same thing. If it turns out that the workload is in the rural areas, we would transfer the PCN to the appropriate area.

In addition, this legislation would reduce the threshold for presumption of DWI from .10 to .08 effective September 1, 2001. It is estimated by the Department of Law that although this may not increase arrests by a large amount, it will increase convictions by 10%. In FY00 there were 4118 statewide misdemeanor convictions for DWI and 200 felony convictions.

If we multiply 413 misdemeanants (10% of the total) by the percentages reflected in DMV's 2000 statistics for 1st, 2nd, 3rd, 4th and 5th time offenders, we come up with an estimate of how many of those offenders might be newly convicted under a .08 law. All 1st and 2nd time offenders go to the CRC (if there is one in their community) so the CRC cost of care is utilized for our calculations. Utilizing a snapshot done on 10/25/00 of our DWI population, we averaged the sentenced being served for 3rd, 4th and 5th time offenders and estimated proportions of time served in CRCs and hard beds to come up with a total cost.

Assuming 20 new felons convicted under this threshold, and utilizing the average sentence for DWI felons, we estimated 20 X 352 days X \$88/day = \$619,520. The total for misdemeanants and felons then is \$1,211,134. Since this law takes effect in September. The first year's cost will be decreased by 17%, which totals \$1,005,241.

Felony DWI offenders are usually given an average of 3 years probation. Probation costs will not be incurred until after completion of sentence so the impact will not be felt until the 2nd and subsequent years. The daily cost for probationers is \$5.17/day. If 18 of the 20 felons were on probation the second year, the cost would be \$33,967. It would be necessary to add \$67,934 the third year and \$101,901 the fourth year. After that it would level off as the first probationers drop off.

The Department of Corrections expects a 15% decrease in the incarceration rate for manslaughter/negligent homicides as a result of this legislation, beginning the second year. It will take time for the public to become aware of lowered BAC and to change behaviors. That would result in an annual savings, beginning in FY03, of \$61,320 (or 1.5 persons incarcerated @ \$112/day per year).

Misdemeanant DWI offenders are required to pay the cost of their incarceration up to \$1,000. The Department of Corrections receives approximately 80% of that amount which is collected by the Department of Law. This would net approximately \$164,768 in revenues against the total costs. Taking into account the delayed effective date for .08, the revenues are anticipated to be \$136,800 the first year.

1,005,241	1,245,101	1,279,068	1,313,035	1,313,035	1,313,035	Subtotal		
0	-61,320	-61,320	-61,320	-61,320	-61,320	Less savings for homicide.		
-136,800	-164,768	-164,768	-164,678	-164,678	-164,678	Costs paid by inmates		
868,441	1,019,013	1,052,980	1,087,037	1,087,037	1,087,037			

This legislation also increases the 5-year look-back to a 10-year look-back, phasing it in over a 5-year period. Previously, in order to become a felon, an offender had to have two prior DWI convictions within the preceding 5 years. This will gradually expand the look-back to 10 years, one year at a time over the next five years. This will reduce the fiscal impact that would have been felt if the system had to absorb what would be (by DMV and DOL figures) an estimated 190 new convicted felons in the first year. Utilizing Department of Law's logic, by the end of the five-year period, when the full ten-year look-back is achieved, the system will be adding the full 190 additional felons each year. These will be first time felony offenders. If they receive the 120 day minimum sentence proposed in this legislation, and presuming they receive their good time, they would each serve 80 days of incarceration. This would total \$267,520 for the first year phase-in. We will then assume that each new year of the phase-in will add an additional 38 new felons until the 10 year look-back is satisfied. In FY03 the number of new felons will be 76 at a cost of \$462,080. In FY04 there will be 114 for a cost of \$802,560, FY05 will include 152 new felons for a cost of \$1,070,080 and FY06 reaches full look-back for 190 new felons at a cost of \$1,337,600.