

# FISCAL NOTE

**STATE OF ALASKA**  
**2006 LEGISLATIVE SESSION**

Fiscal Note Number: 3  
 Bill Version: CSHB 276(JUD)  
 (H) Publish Date: 4/10/06

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: LAW  
 Title "An Act relating to business license endorse- RDU CIVIL  
ments for tobacco products, to holders of business license..." Component Commercial and Fair Business  
 Sponsor Representative Kott Collections and Support  
 Requester House Judiciary Component No. \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>*****</b>	<b>*****</b>	<b>*****</b>	<b>*****</b>	<b>*****</b>	<b>*****</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>*****</b>	<b>*****</b>	<b>*****</b>	<b>*****</b>	<b>*****</b>	<b>*****</b>

Estimate of any current year (FY2006) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This bill amends AS 43.70.075 (Alaska Business License Act) in several respects. First, it creates a structure of civil penalties for agents or employees of a holder of a business license tobacco endorsement, if that agent or employee is convicted of selling tobacco to a minor. (Under current law, the agent or employee would be subject to a fine for violating AS 11.76.100, but not subject to a an additional civil penalty). The Department of Law expects an additional workload may be created by passage of this legislation because low-wage employees will not be able to pay the civil penalties and will as a result, want to take the matter to a hearing. The Collections and Support Section may become responsible for collecting the unpaid fines, increasing an already overburdened section with additional collection responsibility. Second, the bill adds a new section to AS 43.70.075 that would impose a structure of sanctions on license-holders: license-holders who have a training program addressing

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 Agency Department of Law

**FISCAL NOTE #3**

**STATE OF ALASKA  
2006 LEGISLATIVE SESSION**

**BILL NO. CSHB 276(JUD)**

**ANALYSIS CONTINUATION**

tobacco sales would be subject to monetary penalties if their agents or employees sell to minors; license-holders without a program would be subject to suspensions of their tobacco endorsements as well as civil penalties. The Department anticipates an increase in the number of hearings requested by license holders of tobacco endorsements. In addition, because the bill expands the issues that are considered at a hearing requested by a license-holder, the Department also expects that these hearings could require increased time for preparation and participation in the hearing process. The Department of Law currently has an RSA with Health and Social Services to assist with enforcing existing tobacco sales laws. It is expected that the increased workload resulting from passage of this legislation would be paid for by that client.