

HOUSE FINANCE COMMITTEE
March 14, 2006
1:42 p.m.

CALL TO ORDER

Co-Chair Chenault called the House Finance Committee meeting to order at [1:42:00 PM](#).

MEMBERS PRESENT

Representative Mike Chenault, Co-Chair
Representative Kevin Meyer, Co-Chair
Representative Bill Stoltze, Vice-Chair
Representative Richard Foster
Representative Mike Hawker
Representative Jim Holm
Representative Reggie Joule
Representative Mike Kelly
Representative Beth Kerttula
Representative Carl Moses
Representative Bruce Weyhrauch

MEMBERS ABSENT

None

ALSO PRESENT

Sharon Kelly, Staff, Representative Mike Chenault; Representative Bob Lynn; Dave Feeken, Alaska Association of Realtors, Kenai, Paul Lisankie, Director, Division of Workers Compensation, Department of Labor and Workforce Development; Tom Boutin, Deputy Commissioner, Department of Revenue; William Green, Project Counsel, Knik Arm Bridge and Toll Authority; Mayor George Wuerch, Chairman, Knik Arm Bridge and Toll Authority; Hope Louise Cermelj, Alaska Elder Voters; Emily Ferry, Alaska Transportation Priorities Project; Representative Harry Crawford

PRESENT VIA TELECONFERENCE

Duane Bannock, Director, Division of Motor Vehicles, Department of Administration; Doug Griffin, Alcohol Beverage Control (ABC) Board

SUMMARY

HB 365 "An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the

constitutional budget reserve fund; and providing for an effective date."

HB 365 was heard and HELD in Committee for further consideration.

HB 366 "An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

HB 366 was heard and HELD in Committee for further consideration.

HB 409 "An Act relating to excluding qualified real estate licensees from workers' compensation coverage."

CSHB 409 (L&C) was REPORTED out of Committee with a "no recommendation" and with zero note #1 by the Department of Commerce, Community and Economic Development and with zero note #2 by the Department of Labor and Workforce Development.

HB 471 "An Act amending the Knik Arm Bridge and Toll Authority Act and the powers and authority of the authority, and making conforming changes to statutes relating to issuance, renewal, or reinstatement of driver's licenses and to levy on permanent fund dividends; and providing for an effective date."

CSHB 471 (FIN) was REPORTED out of Committee with a "no recommendation" and with two new zero fiscal notes by the Department of Transportation and Public Facilities and the Department of Natural Resources.

HB 190 "An Act relating to certain licenses for the sale, distribution, or manufacture of tobacco products; relating to tobacco taxes and sales and cigarette tax stamps; relating to provisions making certain cigarettes contraband and subject to seizure and forfeiture; relating to certain crimes, penalties, and interest concerning tobacco taxes and sales; relating to notification regarding a cigarette manufacturer's noncompliance with the tobacco product Master Settlement Agreement or related statutory provisions and to confiscation of the affected cigarettes; and providing for an effective date."

HB 190 was heard and HELD in Committee for further consideration.

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HOUSE BILL NO. 365

"An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date."

Co-Chair Meyer MOVED to ADOPT the work draft for HB 365, labeled 24-GH2033\I, Bailey, 3/13/06, as the version of the bill before the committee. There being NO OBJECTION, it was so ordered.

HOUSE BILL NO. 366

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

Co-Chair Meyer MOVED to ADOPT the work draft for HB 366, labeled 24-GH2035\G, Bailey, 3/13/06, as the version of the bill before the committee. There being NO OBJECTION, it was so ordered.

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Co-Chair Chenault summarized the committee substitutes for the budget bills. He related that the total general fund reductions by House Committees to the operating bill are \$82,341.7 million from the numbers section and \$32,758.4 million from the language sections, which total \$115,100.1 million in general funds. This comparison assumes the committee will eventually appropriate \$90 million more for K-12 education. Language making that appropriation is not currently in the committee substitute, but is expected to appear as a fiscal note attached to a bill increasing the base student allocation. Agency summary reports dated March 14 show a reduction of \$205 million from the governor's request. Those reports, while technically more accurate than the \$115 million reduction shown in the March 13 reports, distort the expected outcome of the budget process.

SHARON KELLY, STAFF, CO-CHAIR CHENAULT, shared the process used to arrive at the new committee substitutes. The House Finance subcommittees were appointed and they reviewed the governor's bill plus all operation amendments up to the 45th day. Two amendments received after the 45th day were included: one was a reduction of \$2.3 million to Marine

Transportation for a reduction of fast ferry service, and another was a reduction of \$1.3 million to the Senior Care Fund. Two amendments that were received last week relating to Corrections salary and benefits are not included because they would have delayed drafting of the bill.

Ms. Kelly reported that the subcommittees closed out and made recommendations to the full House Finance Committee. These recommendations were rolled into this committee substitute along with some adjustments made by the co-chair. Some of those adjustments include: fuel increases were deleted for consistency with the rest of the budget; new programs not requested in the governor's bill were removed, but may be considered later through the amendment process; technical adjustments recommended by Legislative Finance were made to adjust the position count correctly; some funding changes were made to allow for sustainability and full utilization of funding sources such as business license receipts, Commercial Fisheries Entry Commission (CFEC), vehicle rental tax, criminal fines, and the commercial loan fund.

Ms. Kelly addressed some additions of general fund to correct some modified adjusted base problems in the Department of Fish and Game and in the Department of Military and Veterans Affairs. There were also other small reductions. The Health, Education, and Social Services subcommittee cut \$10 million more than is reflected on the CS. The co-chair moved this amount from the language section of the Senior Care Fund over to the numbers section. The Senior Care Fund will lapse next year. Federal fund authority was reestablished in the Department of Fish and Game and in the Department of Public Safety. If those funds do become available those departments will not have to go to Legislative Budget and Audit for approval.

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Ms. Kelly related that in the language section of the budget some reordering changes were made. Senior Care was moved to the numbers section and some deletions were taken. Power Cost Equalization was funded at FY 06 levels. Education funding is included in the language section, excluding the \$656,000,000 of FY 06 funds the governor is proposing to use. The \$90 million amount for education will be addressed in another vehicle. There are also \$565 million of FY 06 funds that the governor is proposing to use to fund the FY 07 education budget.

Ms. Kelly pointed out that there are two agency summaries, one dated March 13, which show the actions of the subcommittee and co-chairs, and one dated March 14, which also shows the \$90 million for education reduction since it is not included in the bill.

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Ms. Kelly addressed one change to the Mental Health bill. The item removed was \$550,000 for the Department of Natural Resources' Mental Health Land Trust Development, which comes from Mental Health Trust Receipts. Information regarding these bills will be on the Legislative Finance web site.

Co-Chair Chenault explained that the process would be to accept the committee substitutes today and then take public testimony on Thursday through Saturday. The deadline for amendments will be on Monday at 5:00. He stated that the committee would take up amendments on Tuesday and Wednesday with the intention of passing the bill out no later than Thursday. He requested that those proposing amendments for more money should stipulate where the money will come from in the budget.

CHB 365 and CS HB 366 were heard and HELD in Committee for further consideration.

Co-Chair Meyer took over as chair of the committee.

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HOUSE BILL NO. 409

"An Act relating to excluding qualified real estate licensees from workers' compensation coverage."

REPRESENTATIVE BOB LYNN, sponsor, addressed the purpose of HB 409, which is to exclude real estate licensees from workers' compensation coverage. He noted that he is currently a licensed real estate broker acting as an associate broker. He related that every state has laws governing real estate licenses. Most real estate licensees in Alaska are independent contractors. They are licensed under a broker, but they operate as "independent contractors", paying for all of their own expenses. They do not receive a wage, salary, or benefits. They control and decide what days and hours they will work and pay for business expenses such as licensing fees, continuing education, advertising, long-distance phone calls, and business insurance on their vehicles. They often pay for their own computer and other office equipment, and quarterly estimated income tax and social security tax. Real estate licensees operate an independent business within a business, controlling their own hours of work. The IRS recognizes them as independent contractors and the state should likewise.

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Representative Holm asked for more information about how the real estate business works with brokers and their associates. Representative Lynn responded that brokers can list themselves independently. A sales associate must operate under a broker. A broker receives a commission, such as 40 percent of the sales. Representative Holm asked what the broker offers to the associate broker for their cut. Representative Lynn replied that the broker oversees transactions as they apply to state law.

Representative Holm asked how workers' compensation applies to the hierarchical nature of the industry. He wondered, if real estate licensees cannot work on their own, why they wouldn't qualify for workers' compensation. Representative Lynn explained the difference between a broker's license and a sales associate license. He emphasized that sales associates are not employees. Representative Holm restated the question to compare a sales associate's job to a car salesman who gets a percentage of the sales. Representative Lynn clarified that a real estate sales associate does not get a salary, only a commission.

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Representative Kerttula wondered if there has ever been a workers' compensation claim filed by a licensee. Representative Lynn said he does not know.

Representative Hawker noted that this situation regarding independent contractors and workers' compensation is a pervasive problem. He wondered why the bill was limited to the real estate industry. Representative Lynn agreed that other areas could be looked at later. He chose to limit the bill to real estate licensees.

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DAVE FEEKEN, ALASKA ASSOCIATION OF REALTORS, KENAI, stated that the bill would clarify a confusing issue that his organization has been working on. He noted that the Department of Labor recognizes the status of independent contractors and exempts them from workers' compensation coverage. The relationship in a brokerage firm between the broker and licensee meets the standards of independent contractor. The IRS recognized this relationship for tax purposes in the 70's as self-employed. The broker does not withhold taxes on commissions earned by the licensees. The licensee is responsible for filing quarterly returns. This does not mean that a brokerage firm would not carry workers' compensation insurance for staff, personal assistants, and hourly employees. It only exempts licensees with a written independent contract agreement with the broker. He concluded that the Department of Labor, the director of

workers' compensation, and the real estate commission support the bill.

Representative Kerttula asked if there had ever been any workers' compensation claims by licensees against realtors. Mr. Feeken said there have only been a few. He recalled one instance of a person slipping on the ice when showing a house and collecting compensation for two weeks. Representative Kerttula summarized that it seems to be related to the type of work done, rather than the job title.

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PAUL LISANKIE, DIRECTOR, DIVISION OF WORKERS COMPENSATION, DEPARTMENT OF LABOR, agreed to answer questions.

Representative Kerttula asked if Mr. Lisankie thought there was a risk, with the passage of this bill, of leaving employees out who qualified for workers' compensation. Mr. Lisankie replied that part of the problem is there has to be a written agreement that identifies the relationship between the worker and the employee. What happens sometimes is that people believe, due to the paperwork that they have filled out, that they have an independent contractor relationship. But at some later point, someone is unsatisfied with that view and may want an injury considered by the workers' compensation board. Another example would be if an insurance company audits premiums on the office staff insurance and determines that the associate brokers are employees and should be subject to a back premium. It is the uncertainty that causes problems.

Representative Kerttula asked if that is true for many professions. Mr. Lisanke agreed that it applies to other occupations as well.

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Representative Foster MOVED to REPORT CSHB 409 (L&C) with individual recommendations and with the accompanying zero fiscal notes. There being NO OBJECTION, it was so ordered.

CSHB 409 (L&C) was REPORTED out of Committee with a "no recommendation" and with zero note #1 by the Department of Commerce, Community and Economic Development and with zero note #2 by the Department of Labor and Workforce Development.

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HOUSE BILL NO. 471

"An Act amending the Knik Arm Bridge and Toll Authority Act and the powers and authority of the authority, and

making conforming changes to statutes relating to issuance, renewal, or reinstatement of driver's licenses and to levy on permanent fund dividends; and providing for an effective date."

Representative Stoltze MOVED to ADOPT the work draft to HB 471, labeled 24-LS1670\Y, Kane, 3/3/06. There being NO OBJECTION, it was so ordered.

REPRESENTATIVE BILL STOLTZE, sponsor, reported that this bill sets up the mechanisms for when money is provided for the Knik Arm Bridge project. It does not request funds for the project, but sets up the bonding and toll mechanisms. He termed it an innovative means of achieving this public project by leveraging private sector funds to construct a toll bridge across the Knik Arm and connect the municipality of Anchorage and the Matanuska-Susitna.

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GEORGE WUERCH, EXECUTIVE DIRECTOR, KNIK ARM BRIDGE & TOLL AUTHORITY (KABATA), introduced the others who were available to answer questions. He congratulated the legislature for adopting the state's first toll authority in 2003. He spoke of a specific responsibility related to that legislation which requires KABATA to set a debt ceiling. KABATA requested a \$500 million cap on its debt, an amount in response to the governor's budget. He suggested it is a workable number to finance that which is needed to begin the project.

WILLIAM GREEN, PROJECT COUNSEL, KNIK ARM BRIDGE & TOLL AUTHORITY, referred to a packet made available to the members of the committee entitled "Knik Arm Bridge and Toll Authority Presentation" (copy on file). HB 471 is a product of several efforts. The CS contains recommendations and additions made by the State Bond Council. In 2003 the legislature charge KABATA to build a bridge across Knik Arm. Federal funds have been made available to this project, which includes the bridge and all access approaches. It has always been understood by KABATA that other funding would be necessary, such as revenue bonds. Visits with other state Departments of Transportation and toll facilities, and discussions with senior representatives with the Federal Highway Administration and their loan programs, have provided information about other funding sources. He termed the bill a good and unique toll authority statute. He offered clear and specific suggestions for financing options.

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Mr. Green clarified the purposes of the bill: to clean up language in state statutes and to assure and give competence

to public and private financing sectors that KABATA has the authority it needs to enter into financing arrangements. The bill serves to "fill in the blank" of the original statute to request the level of revenue bonds to be issued. He offered to review the proposed bill: It provides authority to KABATA to set the amount of the bridge tolls. It provides authority to enter into public-private partnerships for the construction, maintenance and operation of the toll bridge. It authorizes obtaining non-recourse loans from the U.S. DOT's TIFIA loan program. It sets the dollar of non-recourse revenue bonds that may be issued and refunded. It provides means for the collection of tolls and other obligations owing KABATA in the operation of the toll bridge. He concluded that it is a housekeeping bill.

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TOM BOUTIN, DEPUTY COMMISSIONER, DEPARTMENT OF REVENUE, offered to answer questions.

Representative Kerttula noted that the statute says that the bonds issued by the Authority are not going to be a liability of the state. She wondered what happens if there was not enough funding within the Authority. Mr. Boutin described the language as standard, stand-alone, revenue bond language. The bond holders and KABATA would not have the ability to give the bond holders a pledge of anything other than the rates and fees and reserve funds associated with the facility. There would not be a way to penetrate the revenues and funds on hand for a bondholder to get the general fund or any other funds of the state. These bonds would not carry the moral obligation of the state. They are stand-alone revenue bonds of a state agency that are independent.

Representative Kerttula asked for an example of a bond that does not carry a moral obligation by the state. Mr. Boutin related that International Airport Revenue Bonds are an example of stand-alone revenue bonds.

Representative Stoltze summarized that the risk is to the investor who is buying the bonds. Mr. Boutin agreed.

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HOPE LOUISE CERMELJ, ALASKA ELDER VOTERS, spoke about her participation on the Petition Trail Campaign. She testified in opposition to HB 471. She termed it a \$600 million project of which \$94 million will be appropriated by the federal government, a large decrease from \$240 million. She referred to the last page of the bill, which states that persons can lose their permanent fund if their toll is unpaid. She suggested that the toll could be as high as \$12 round trip. She proposed that seniors and veterans receive

a toll exemption or compensation to use this facility. She spoke about the loss of the longevity bonus.

Co-Chair Meyer noted that gas prices are high, which makes the toll seem reasonable.

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EMILY FERRY, ALASKA TRANSPORTATION PRIORITIES PROJECT, stated relief that the contract is being tightened down, but voiced concern about strengthening KABATA's authority to bond. She referred to a handout of KABATA's 2005 Annual Report (copy on file) that shows a graph of anticipated project spending. \$200 million would be from the bond revenue, which is one-third of the cost of the bridge if it is \$600 million. She mentioned that there have been estimates of up to \$1.5 billion for the same project. She noted \$94 million from the federal government and \$50 million from the general fund for Mat-Su road improvements. That still leaves \$256 million unfunded. She questioned where that money would come from. She suggested that other projects that depend on general fund money may be left short.

Co-Chair Meyer closed public testimony.

Mr. Wuerch concluded that the issue before the committee is to grant KABATA the authority to proceed with private and public financing. The rest of the funding issue would come later. There will be roughly \$100 million in public money. He pointed out that toll facilities are subject to rigorous public scrutiny.

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Representative Kerttula asked why the right to garnish the permanent fund dividend was included. Mr. Wuerch replied that is just a mechanism of collecting debt to the state. KABATA is not asking for police power, but to set fees. Agencies can enforce collection of the tolls. Representative Kerttula cautioned to use good sense when dealing with permanent funds.

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Mr. Green addressed the permanent fund concern and speculated how high the toll bill would have to be before collection was enacted. He suggested that discretion would be used for leans against the PFD. The PFD provisions do provide for use as a lean for all debts. Representative Kerttula said she would check into how many state agencies have that authority.

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Representative Foster MOVED to REPORT CSHB 471 (FIN) out of Committee with individual recommendations and with the accompanying two new zero fiscal notes. There being NO OBJECTION, it was so ordered.

[2:41:30 PM](#)

HOUSE BILL NO. 190

"An Act relating to certain licenses for the sale, distribution, or manufacture of tobacco products; relating to tobacco taxes and sales and cigarette tax stamps; relating to provisions making certain cigarettes contraband and subject to seizure and forfeiture; relating to certain crimes, penalties, and interest concerning tobacco taxes and sales; relating to notification regarding a cigarette manufacturer's noncompliance with the tobacco product Master Settlement Agreement or related statutory provisions and to confiscation of the affected cigarettes; and providing for an effective date."

Representative Foster MOVED to ADOPT the work draft for HB 190, labeled 24-LS0617\S, Luckhaupt, 3/10/06. There being NO OBJECTION, it was so ordered.

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REPRESENTATIVE HARRY CRAWFORD, sponsor, spoke strongly in support of HB 190 because of its potential to save so many lives. He shared a personal story about a car accident involving his wife and a repeat offender drunk driver. He emphasized that this bill focuses on prevention, rather than punishment. As a matter of routine, a judge will issue an order for the defendant not to buy or consume alcohol, or enter a licensed establishment. Many offenders immediately purchase alcohol upon their release. He related that he has borrowed language from other previous bills to draft this bill, which would provide for a physical display on state issued ID's if a person has been prohibited from purchasing alcohol by a court. It also allows for a civil penalty, paid to the licensee if a person restricted from purchasing alcohol is on their premises.

Representative Crawford acknowledged that "change" is always difficult. There are many amendments that were incorporated into the committee substitute.

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Representative Crawford provided a sectional analysis of HB 190 (copy on file.)

Section 1 amends AS 04.16 by adding a new section that provides that a person who purchases alcohol may not enter or remain on licensed premises, provides a civil remedy for licensees against persons who violate this section.

Section 2 amends AS 04.16 by adding a new section that the purchasing of alcoholic beverages by a person of legal age is a privilege that can be revoked for the conviction of a crime or as a condition of probation or parole.

Section 3 provides a conforming amendment to Section 2.

Section 4 amends AS 28.15.111(a) by requiring that drivers' licenses must be designed to allow the license to be electronically read so as to display whether a person has privilege to purchase alcoholic beverages under AS 04.16.160.

New Section 5 requires DMV to cancel and re-issue a marked license if an individual's privilege to purchase alcohol has been revoked under Section 2 of HB 190.

New Section 6 requires the surrender of a license when an individual has been ordered not to consume alcohol and establishes the obligation of the court and the Department of Corrections to notify DMV when an order is issued.

New Section 7 permits DMV to establish a fee for issuing the marked licenses established by HB 190.

Representative Crawford offered to answer questions of the committee.

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DUANE BANNOCK, DIRECTOR, DIVISION OF MOTOR VEHICLES, DEPARTMENT OF ADMINISTRATION, noted appreciation for the work done on this legislation. He said DMV recognizes the trouble that drunk driving has caused Alaskans. He reminded members about previous legislation addressing deaths and accidents involving younger drivers.

He apologized to the committee for the submission of an indeterminate fiscal note. The DMV has not been able to get a grip on the number of persons that would be affected by passage of the legislation. The Division does not know how much it will cost to develop an accurate real time exchange between the Court System and the Department of Corrections. There is no direct link between the Department of Corrections and DMV. He stressed the worthwhile goal of the legislation.

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Mr. Bannock questioned the tie-in between the bill and drinking while driving. He asked how the tragic story could change for drinking while driving as a result of the passage of this bill.

Co-Chair Meyer asked how the courts and other departments could link up to see that the driver's licenses are marked. Mr. Bannock replied that court-ordered revocations are usually sent by mail. The systems are not intra-agency connected. In the future, the agencies would like to have that type of system for intra-agency communication. The state is millions of dollars away from such a system.

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Co-Chair Meyer posed a hypothetical situation involving the transfer of information. Mr. Bannock acknowledged that his example was correct, and added that there remains an open end in the circuit concerning the vendor selling the alcohol.

Representative Kerttula assumed that the court system could relay that information by email. Mr. Bannock replied that under the bill, Section 6, addresses that. He agreed that email would be the most efficient way at this time, but is not the cure-all of the overall purpose of the bill.

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Representative Crawford stated that even he is capable of emailing. He said he believes that Mr. Bannock's assessment that this would cost millions of dollars was creating a "road-block". He disagreed with Mr. Bannock's opinion. There are financial incentives associated with the legislation. He emphasized that the state must do something to interrupt the current situation.

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Co-Chair Meyer asked about the constitutionality of labeling the ID of a person for drinking concerns.

ANNE CARPENETI, ASSISTANT ATTORNEY GENERAL, LEGAL SERVICES SECTION-JUNEAU, CRIMINAL DIVISION, DEPARTMENT OF LAW, replied that it could raise constitutional issues. She thought there would be ways to get information without carrying a "scarlet letter" for that person.

Co-Chair Meyer suggested it could impact DMV. Ms. Carpeneti thought that there may have to be a bar code reader involved.

Co-Chair Meyer commented on the financial incentive to check the identification. Ms. Carpeneti responded that the

current drafting would not allow for buying or drinking alcohol on the premise.

Representative Stoltze asked if the consequences would apply only to those that who commit an offense after the passage of the bill. Ms. Carpeneti suggested adding an applicability section to the bill to clarify that.

Representative Stoltze voiced concern with the registration of sex offenders previous to the passage of the sex offender bill. If that logic was followed in this legislation, there could be problems. Ms. Carpeneti advised that generally criminal statutes apply into the future, not the past.

Representative Stoltze commented that there would be no "looking back" at offenses. Ms. Carpeneti discussed how the application works post facto and said it could be applied as a condition of parole.

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Co-Chair Meyer noted that when a person does buy alcohol, any ID is ok to use. Ms. Carpeneti agreed. Representative Crawford pointed out that the bill addresses both the ID and driver's license. Ms. Carpeneti added that it does not mention a passport.

Representative Stoltze suggesting looking a list of all possible ID's. Ms. Carpeneti said a person could get around it by using another form of ID.

Co-Chair Meyer implied that a habitual offender would try to get around the law.

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Representative Crawford noted that the bill is not perfect. He said he did not want to prohibit a person with an out-of-state license or an ID from another country from buying alcohol. The bill is just trying to prohibit habitual offenders in Alaska; it is not trying to be all-inclusive.

Co-Chair Meyer expressed a concern about loopholes. He asked if there is a way to educate owners of liquor establishments.

DOUG GRIFFIN, DIRECTOR, ALCOHOL BEVERAGE CONTROL (ABC) BOARD, responded that Co-Chair Meyer is correct in saying that any kind of government issued ID, which would include a passport, military ID, or a driver's license from other states or territories could be used.

Co-Chair Meyer asked for comments on the bill. Mr. Griffin said the removal of the requirement that everyone purchasing

alcoholic beverages must show identification, removes the direct interest the ABC Board would have in this matter. He spoke of his board's concern about the abuse of alcohol.

Co-Chair Meyer noted previous bills regarding this subject. He spoke of the success of those bills. He asked Mr. Griffin if businesses have taken advantage of civil lawsuits to sue persons who use a fake ID. Mr. Griffin said he does not know if they are taking the "civil action" step. He noted most come from Brown Jug and Chilkoote Charlie's.

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Representative Kerttula pointed out that in Juneau when Co-Chair Meyer's bill on underage drinking passed, a lot of education related information went out. The programs were successful in rural areas due to this education.

Mr. Griffin responded that there are differences between underage drinking and HB 190, which deals with the alcohol abuser. He agreed that we must take a multifaceted approach.

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Co-Chair Chenault MOVED to ADOPT Amendment #1:

Page 3, line 27

Following "license," delete "the person must obtain a new license that lists" and insert "when the person obtains a new license, the license must list"

Page 4, line 2

Delete "the person must obtain a new license that lists" and insert "when the person obtains a new license, the license must list"

Representative Stoltze OBJECTED for discussion purposes.

Representative Crawford addressed the amendment. He stated that the language change was requested by DMV.

Co-Chair Chenault asked for Mr. Duane Bannock's opinion.

Duane Bannock stated that DMV concurs with the amendment. He summarized that when a person applies for a new license, then the new license must be marked.

Representative Joule asked how the mark would be removed when the penalty ends. Representative Crawford replied that the day the penalty ends, a new license could be obtained.

Representative Crawford shared that in Minnesota, a person's car license plate is marked and that is not

unconstitutional. Co-Chair Meyer responded that he has no problem with that. He stated a concern about discrimination when trying to rent a car. Representative Crawford thought it would be up to the car rental company's discretion. He said he does not want to address that situation in this bill.

Representative Stoltze REMOVED his OBJECTION to adopting Amendment #1. There being NO OBJECTION, Amendment #1 was adopted.

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Co-Chair Meyer stated his intent to hold the bill due to the indeterminate fiscal note, and because he does not believe that the bill targets the intended person.

Representative Crawford replied that the cost would be born by the offenders, not the state. The fiscal note must be indeterminate because the numbers of offenders are not known. He emphasized that it would not be a direct cost to the state. He addressed targeting the offender. He explained his intent to give tools to the people who are willing to help "end this carnage". He admitted that it is not a perfect bill, but he strongly asked for passage of the bill.

Co-Chair Meyer suggested talking to Brown Jug about this bill. He said he is not sure licensed premises would agree to take this step. Representative Crawford reported that in his discussions with licensed establishments, he found offers of support.

Representative Stoltze suggested finding a way to make offenders pay the cost.

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Co-Chair Meyer said that a bar coding system could be used. Representative Crawford disagreed with that concept. He said he prefers a marking system.

CSHB 190 (FIN) was heard and HELD in Committee for further consideration.

ADJOURNMENT

The meeting was adjourned at 3:34 PM