

**ALASKA STATE LEGISLATURE  
HOUSE RULES STANDING COMMITTEE**

March 30, 2006

1:38 p.m.

**MEMBERS PRESENT**

Representative Norman Rokeberg, Chair  
Representative John Coghill  
Representative John Harris  
Representative Vic Kohring  
Representative Ethan Berkowitz  
Representative David Guttenberg

**MEMBERS ABSENT**

Representative Lesil McGuire

**COMMITTEE CALENDAR**

SENATE BILL NO. 210

"An Act relating to the manufacture and transportation of alcoholic beverages; relating to forfeitures of property for violations of alcoholic beverage laws; and relating to violations of alcoholic beverage laws."

- MOVED HCS SB 210(RLS) OUT OF COMMITTEE; ADOPTED A HOUSE  
CONCURRENT RESOLUTION ALLOWING THE TITLE CHANGE

CS FOR SENATE BILL NO. 186(JUD)

"An Act relating to the Alaska Executive Branch Ethics Act; and providing for an effective date."

- HEARD AND HELD

**PREVIOUS COMMITTEE ACTION**

BILL: SB 210

SHORT TITLE: VIOL. OF ALCOHOLIC BEV. LAWS/FORFEITURE

SPONSOR(S): SENATOR(S) THERRIAULT

01/09/06	(S)	PREFILE RELEASED 12/30/05
01/09/06	(S)	READ THE FIRST TIME - REFERRALS
01/09/06	(S)	JUD, FIN
02/02/06	(S)	JUD AT 8:30 AM BUTROVICH 205
02/02/06	(S)	Moved SB 210 Out of Committee
02/02/06	(S)	MINUTE(JUD)

02/03/06 (S) JUD RPT 3DP 1NR  
 02/03/06 (S) DP: SEEKINS, HUGGINS, THERRIAULT  
 02/03/06 (S) NR: FRENCH  
 02/15/06 (S) FIN AT 9:00 AM SENATE FINANCE 532  
 02/15/06 (S) Heard & Held  
 02/15/06 (S) MINUTE(FIN)  
 02/17/06 (S) FIN RPT 4DP 1NR  
 02/17/06 (S) DP: GREEN, BUNDE, DYSON, STEDMAN  
 02/17/06 (S) NR: OLSON  
 02/17/06 (S) FIN AT 9:00 AM SENATE FINANCE 532  
 02/17/06 (S) Moved SB 210 Out of Committee  
 02/17/06 (S) MINUTE(FIN)  
 02/22/06 (S) TRANSMITTED TO (H)  
 02/22/06 (S) VERSION: SB 210  
 02/24/06 (H) READ THE FIRST TIME - REFERRALS  
 02/24/06 (H) FIN  
 03/08/06 (H) FIN AT 1:30 PM HOUSE FINANCE 519  
 03/08/06 (H) Moved Out of Committee  
 03/08/06 (H) MINUTE(FIN)  
 03/09/06 (H) FIN RPT 4DP 4NR  
 03/09/06 (H) DP: HAWKER, FOSTER, MEYER, CHENAULT;  
 03/09/06 (H) NR: STOLTZE, KERTTULA, JOULE, KELLY  
 03/23/06 (H) RLS AT 1:30 PM CAPITOL 106  
 03/23/06 (H) Meeting postponed to 3/30/06  
 03/30/06 (H) RLS AT 1:30 PM CAPITOL 106

BILL: SB 186

SHORT TITLE: EXECUTIVE BRANCH ETHICS

SPONSOR(s): SENATOR(s) SEEKINS

04/22/05 (S) READ THE FIRST TIME - REFERRALS  
 04/22/05 (S) STA, JUD  
 04/26/05 (S) STA AT 3:30 PM BELTZ 211  
 04/26/05 (S) Moved CSSB 186(STA) Out of Committee  
 04/26/05 (S) MINUTE(STA)  
 04/27/05 (S) JUD AT 8:30 AM BUTROVICH 205  
 04/27/05 (S) Scheduled But Not Heard  
 04/28/05 (S) STA RPT CS 3NR 1DNP  
 NEW TITLE  
 04/28/05 (S) NR: THERRIAULT, WAGONER, HUGGINS  
 04/28/05 (S) DNP: ELTON  
 04/28/05 (S) JUD AT 8:30 AM BUTROVICH 205  
 04/28/05 (S) Scheduled But Not Heard  
 04/29/05 (S) JUD AT 8:30 AM BUTROVICH 205  
 04/29/05 (S) LEGISLATIVE ETHICS/MEETINGS  
 04/30/05 (S) JUD AT 9:00 AM BUTROVICH 205  
 04/30/05 (S) Scheduled But Not Heard

05/01/05 (S) JUD AT 4:00 PM BUTROVICH 205  
 05/01/05 (S) Moved CSSB 186(JUD) Out of Committee  
 05/01/05 (S) MINUTE(JUD)  
 05/02/05 (S) JUD RPT CS FORTHCOMING 1DP 1DNP 2NR  
 1AM  
 05/02/05 (S) DP: SEEKINS  
 05/02/05 (S) DNP: FRENCH  
 05/02/05 (S) NR: THERRIAULT, HUGGINS  
 05/02/05 (S) AM: GUESS  
 05/02/05 (S) JUD AT 8:30 AM BUTROVICH 205  
 05/02/05 (S) Moved Out of Committee 5/1/05  
 05/02/05 (S) MINUTE(JUD)  
 05/03/05 (S) JUD CS RECEIVED  
 NEW TITLE  
 05/04/05 (S) RETURNED TO RLS COMMITTEE  
 05/08/05 (S) TRANSMITTED TO (H)  
 05/08/05 (S) VERSION: CSSB 186(JUD)  
 05/09/05 (H) READ THE FIRST TIME - REFERRALS  
 05/09/05 (H) STA, JUD  
 01/31/06 (H) STA AT 8:00 AM CAPITOL 106  
 01/31/06 (H) Heard & Held  
 01/31/06 (H) MINUTE(STA)  
 02/14/06 (H) STA AT 8:00 AM CAPITOL 106  
 02/14/06 (H) Heard & Held  
 02/14/06 (H) MINUTE(STA)  
 02/16/06 (H) STA AT 8:00 AM CAPITOL 106  
 02/16/06 (H) Moved HCS CSSB 186(STA) Out of  
 Committee  
 02/16/06 (H) MINUTE(STA)  
 02/21/06 (H) STA RPT HCS(STA) 2DP 3NR 1AM  
 02/21/06 (H) DP: GARDNER, SEATON;  
 02/21/06 (H) NR: GRUENBERG, ELKINS, RAMRAS;  
 02/21/06 (H) AM: GATTO  
 02/23/06 (H) JUD AT 10:00 AM CAPITOL 120  
 02/23/06 (H) Moved HCS CSSB 186(JUD) Out of  
 Committee  
 02/23/06 (H) MINUTE(JUD)  
 02/24/06 (H) JUD RPT HCS(JUD) NT (TECHNICAL) 3DP 2NR  
 1AM  
 02/24/06 (H) DP: WILSON, ANDERSON, MCGUIRE;  
 02/24/06 (H) NR: COGHILL, GRUENBERG;  
 02/24/06 (H) AM: GARA  
 03/14/06 (H) RLS AT 11:00 AM BELTZ 211  
 03/14/06 (H) Moved HCS SB 186(RLS) Out of Committee  
 03/14/06 (H) MINUTE(RLS)  
 03/15/06 (H) RLS RPT HCS(RLS) NT (TECHNICAL) 1DP 3NR  
 2AM

03/15/06 (H) DP: ROKEBERG;  
03/15/06 (H) NR: COGHILL, KOHRING, HARRIS;  
03/15/06 (H) AM: BERKOWITZ, GUTTENBERG  
03/30/06 (H) RLS AT 1:30 PM CAPITOL 106

#### **WITNESS REGISTER**

SENATOR GENE THERRIAULT  
Alaska State Legislature  
Juneau, Alaska  
POSITION STATEMENT: Spoke as the sponsor of SB 210.

HEATHER BRAKES, Staff  
to Senator Gene Therriault  
Alaska State Legislature  
Juneau, Alaska  
POSITION STATEMENT: During hearing of SB 210, answered questions.

DOUGLAS GRIFFIN, Director  
Alcoholic Beverage Control Board ("ABC Board")  
Department of Public Safety  
Anchorage, Alaska  
POSITION STATEMENT: During hearing of SB 210, answered questions.

ANNE CARPENETI, Assistant Attorney General  
Legal Services Section - Juneau  
Criminal Division  
Department of Law  
Juneau, Alaska  
POSITION STATEMENT: During hearing of SB 210, answered questions.

DAN WAYNE, Attorney  
Legislative Legal Counsel  
Legislative Legal and Research Services  
Legislative Affairs Agency  
Juneau, Alaska  
POSITION STATEMENT: During hearing of SB 210, explained the need for Amendment 1.

#### **ACTION NARRATIVE**

**CHAIR NORMAN ROKEBERG** called the House Rules Standing Committee meeting to order at [1:38:08 PM](#). Representatives Rokeberg,

Coghill, Harris, Kohring, Berkowitz, and Guttenberg were present at the call to order.

[1:38:26 PM](#)

CHAIR ROKEBERG announced that the first order of business would be SENATE BILL NO. 210, "An Act relating to the manufacture and transportation of alcoholic beverages; relating to forfeitures of property for violations of alcoholic beverage laws; and relating to violations of alcoholic beverage laws."

[1:39:52 PM](#)

SENATOR GENE THERRIAULT, Alaska State Legislature, sponsor, explained that the idea behind SB 210 arose from the work of the Alaska Rural Justice and Law Enforcement Commission, which identified a number of inconsistencies in state law that make it difficult to help control the alcohol problem in rural Alaska. Senator Therriault then provided a sectional analysis and highlighted that Section 1 amends the allowable quantities of alcohol from 12 liters of distilled spirits to 10.5 liters as it relates to a presumption of possession for the purpose of selling alcohol. Section 2 of the legislation allows for the seizure of alcohol from common carriers when it's being transported in violation of the law and allows the forfeiture of property that was purchased from the illegal proceeds from bootlegging activities. Section 3 adds language similar to that of the drug control statutes in order to provide a streamlined process when property is seized and an innocent party claims an ownership interest in that property. Senator Therriault pointed out that Section 4 relates to the common carrier statutes and Section 5 provides a definition for "the manufacture of alcohol."

[1:42:19 PM](#)

SENATOR THERRIAULT thanked Chair Rokeberg for bringing the need for an amendment to his attention and allowing time to check with impacted communities, which are boroughs in which there is a city. He highlighted an e-mail from the mayors of the City of North Pole, the City of Fairbanks, and the Fairbanks North Star Borough that relates support for the amendment. Senator Therriault mentioned that he was supportive of Chair Rokeberg's [amendment].

[1:43:45 PM](#)

CHAIR ROKEBERG thanked the sponsor for allowing him to utilize SB 210 to correct a minor problem in state commerce.

[1:44:27 PM](#)

REPRESENTATIVE BERKOWITZ asked if all of the recommendations from the Alaska Rural Justice and Law Enforcement Commission were incorporated in SB 210.

[1:44:45 PM](#)

HEATHER BRAKES, Staff to Senator Gene Therriault, Alaska State Legislature, acknowledged that were other recommendations. The recommendations included in SB 210 are mainly cleanup of current statute while the other recommendations not included in SB 210 were larger policy issues that the sponsor chose not to include. In further response to Representative Berkowitz, there is no set date for the report to be issued from the Alaska Rural Justice and Law Enforcement Commission.

[1:46:32 PM](#)

REPRESENTATIVE COGHILL moved that the committee adopt Amendment 1, labeled 24-LS1232\G.1, Luckhaupt, 3/21/06, which read:

Page 1, line 1, following "**beverages;**":

Insert "**relating to relocation of existing licenses within a borough;**"

Page 2, following line 3:

Insert new bill sections to read:

"\* **Sec. 2.** AS 04.11.400(a) is amended to read:

(a) Except as provided in (d) - (h), (k), [AND] (l), and (n) of this section, a new license may not be issued and the board may prohibit relocation of an existing license

(1) outside an established village, incorporated city, unified municipality, or organized borough if after the issuance or relocation there would be (A) more than one restaurant or eating place license for each 1,500 population or fraction of that population, or (B) more than one license of each other type, including licenses that have been issued under (d) or (e) of this section, for each 3,000 population or fraction of that population, in a radius of five miles of the licensed premises, excluding the populations of established villages, incorporated

cities, unified municipalities, and organized boroughs that are wholly or partly included within the radius;

(2) inside an established village, incorporated city, or unified municipality if after the issuance or relocation there would be inside the established village, incorporated city, or unified municipality

(A) more than one restaurant or eating place license for each 1,500 population or fraction of that population; or

(B) more than one license of each other type, including licenses that have been issued under (d) or (e) of this section, for each 3,000 population or fraction of that population;

(3) inside an organized borough but outside an established village or incorporated city located within the borough, if after the issuance or relocation there would be inside the borough, but outside the established villages and incorporated cities located within the borough,

(A) more than one restaurant or eating place license for each 1,500 population or fraction of that population; or

(B) more than one license of each other type, including licenses that have been issued under (d) or (e) of this section, for each 3,000 population or fraction of that population excluding the population of those established villages that have adopted a local option under AS 04.11.491(b)(1), (3), or (4), and excluding the population of incorporated cities located within the organized borough.

**\* Sec. 3.** AS 04.11.400 is amended by adding a new subsection to read:

(n) Without regard to (a) of this section, the board may allow the relocation of a license within a borough, including within an incorporated city within a borough, if the governing body of the borough approves of the relocation and, if the license is being relocated into or within an incorporated city, the governing body of the incorporated city approves of the relocation."

Renumber the following bill sections accordingly.

REPRESENTATIVE HARRIS objected for purposes of discussion.

[1:46:53 PM](#)

CHAIR ROKEBERG explained that Amendment 1 would allow the transfer of a Title IV license from a borough into a city or another Title IV entity and vice versa. He informed the committee that some major restaurant chains want to locate in the Wasilla area, but they are restricted from doing so because they can't obtain a beverage dispensary license due to the population restrictions and the lack of available licenses. However, there are available licenses in the borough. Therefore, the primary caveat is that in order to have any transfer from one jurisdiction to another, both political subdivisions have to approve it, which he characterized as a safety valve.

[1:49:01 PM](#)

REPRESENTATIVE COGHILL asked if the appeal process would remain the same.

[1:49:21 PM](#)

DOUGLAS GRIFFIN, Director, Alcoholic Beverage Control Board ("ABC Board"), Department of Public Safety, in response to Representative Coghill, specified that this won't change any of the appeals processes. Of course, when a license moves from the borough to the city, it becomes a city license and thus the renewal would go through the governmental entity to which the license was transferred. This, in effect, makes boroughs with cities within them operate much like a unified municipality in regard to the movement of liquor licenses and in both cases local government approval is required for the transfer.

MR. GRIFFIN highlighted that SB 210 doesn't contemplate nor create any more liquor licenses. Upon review of this issue, it was determined that fewer restrictions [on the transfer of licenses] reduces the restriction on commerce. Overall the philosophy of the ABC Board, he related, is to try to regulate alcoholic beverages in a manner that best serves the public. Mr. Griffin related that the ABC Board doesn't have a problem with Amendment 1.

[1:54:55 PM](#)

REPRESENTATIVE GUTTENBERG related his understanding that the ABC Board has final approval over these licenses. He then posed a situation in which one city within the Fairbanks North Star Borough transfers a liquor license to another city in the

borough. In such a case, would the city from which the license is leaving have the ability to protest/disapprove the transfer, he asked.

MR. GRIFFIN deferred to the Department of Law representative.

REPRESENTATIVE HARRIS removed his objection.

[1:56:37 PM](#)

ANNE CARPENETI, Assistant Attorney General, Legal Services Section - Juneau, Criminal Division, Department of Law, said that a city-to-city transfer wasn't considered with Amendment 1. However, she related her understanding that when a liquor license leaves a city, the city doesn't have an occasion to protest. Therefore, the language of Amendment 1 would seem to mean that the area where the license is going to be relocated would have to approve.

[1:57:31 PM](#)

CHAIR ROKEBERG asked if Amendment 1 would allow the transfer of a license from one city to another city under the same borough.

MS. CARPENETI replied yes.

[1:57:59 PM](#)

REPRESENTATIVE COGHILL surmised then that if a business is moved from Fairbanks to North Pole, the business would still have to apply in North Pole for the liquor license and go through the regular public hearing process.

MS. CARPENETI confirmed that whatever municipal process in place would apply.

[1:58:40 PM](#)

CHAIR ROKEBERG, upon determining no one else wished to testify, closed public testimony.

[1:58:44 PM](#)

REPRESENTATIVE HARRIS moved to report SB 210, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HCS SB 210(RLS) was reported from the House Rules Standing Committee.

[1:59:08 PM](#)

REPRESENTATIVE HARRIS moved to adopt a proposed House Concurrent Resolution, Version A, Luckhaupt, 3/21/06, as the working document. There being no objection, it was so ordered.

REPRESENTATIVE HARRIS moved to report the proposed House Concurrent Resolution, Version A, Luckhaupt, 3/21/06, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, it was so ordered.

SB 186-EXECUTIVE BRANCH ETHICS

[1:59:48 PM](#)

CHAIR ROKEBERG announced that the final order of business would be CS FOR SENATE BILL NO. 186(JUD), "An Act relating to the Alaska Executive Branch Ethics Act; and providing for an effective date."

The committee took a brief at ease.

[2:01:12 PM](#)

REPRESENTATIVE COGHILL moved that the committee adopt Amendment 1, labeled 24G-2, 3/24/06, 9:30 AM, which read:

Page 6, lines 20-21:

Delete "until the personnel board makes a finding of probable cause"

Page 7, line 13:

Delete "personnel board"  
Insert "attorney general"

Page 7, line 22:

Delete "board"  
Insert "attorney general"

Page 7, line 28:

Delete "personnel board"  
Insert "attorney general"

CHAIR ROKEBERG announced that there was an objection for discussion purposes.

[2:01:40 PM](#)

DAN WAYNE, Attorney, Legislative Legal Counsel, Legislative Legal and Research Services, Legislative Affairs Agency (LAA), explained that the legislation contains a reference to "probable cause termination by the personnel board" and that notion was carried throughout the legislation. However, the probable cause termination is actually performed by the attorney general and thus the legislation should have referred to the "attorney general" in the locations specified in Amendment 1.

[2:03:47 PM](#)

CHAIR ROKEBERG announced that the objection to the amendment was withdrawn and there being no further objection, Amendment 1 was adopted.

CHAIR ROKEBERG then announced that SB 186 would be held over.

[2:04:16 PM](#)

**ADJOURNMENT**

There being no further business before the committee, the House Rules Standing Committee meeting was adjourned at 2:04 p.m.