

**ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE**

April 3, 2007

1:35 p.m.

MEMBERS PRESENT

Senator Johnny Ellis, Chair
Senator Gary Stevens, Vice Chair
Senator Bettye Davis
Senator Lyman Hoffman
Senator Con Bunde

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 116

"An Act relating to the Uniform Money Services Act, to money transmission services, and to currency exchange services; and providing for an effective date."

MOVED CSSB 116(L&C) OUT OF COMMITTEE

SENATE BILL NO. 124

"An Act relating to the allocation of money appropriated to the Alaska Workforce Investment Board; and providing for an effective date."

HEARD AND HELD

SENATE BILL NO. 115

"An Act relating to gift certificates and gift cards, and to unclaimed property; and making a violation of certain gift card prohibitions an unlawful trade practice."

HEARD AND HELD

HOUSE BILL NO. 34

"An Act relating to sales of wine by a winery licensee."

HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 116

SHORT TITLE: UNIFORM MONEY SERVICES ACT

SPONSOR(S): SENATOR(S) ELTON

03/14/07 (S) READ THE FIRST TIME - REFERRALS
03/14/07 (S) L&C, FIN
03/27/07 (S) L&C AT 1:30 PM BELTZ 211
03/27/07 (S) Heard & Held
03/27/07 (S) MINUTE(L&C)
04/03/07 (S) L&C AT 1:30 PM BELTZ 211

BILL: SB 124

SHORT TITLE: ALASKA WORKFORCE INVESTMENT BD ALLOCATION

SPONSOR(s): SENATOR(s) OLSON

03/16/07 (S) READ THE FIRST TIME - REFERRALS
03/16/07 (S) L&C, FIN
04/03/07 (S) L&C AT 1:30 PM BELTZ 211

BILL: SB 115

SHORT TITLE: GIFT CARDS

SPONSOR(s): STATE AFFAIRS

03/12/07 (S) READ THE FIRST TIME - REFERRALS
03/12/07 (S) STA, L&C
03/20/07 (S) STA AT 9:00 AM BELTZ 211
03/20/07 (S) Heard & Held
03/20/07 (S) MINUTE(STA)
03/22/07 (S) STA AT 9:00 AM BELTZ 211
03/22/07 (S) Moved CSSB 115(STA) Out of Committee
03/22/07 (S) MINUTE(STA)
03/23/07 (S) STA RPT CS 3DP 2NR SAME TITLE
03/23/07 (S) DP: MCGUIRE, FRENCH, BUNDE
03/23/07 (S) NR: STEVENS, GREEN
03/23/07 (S) FIN REFERRAL ADDED
04/03/07 (S) L&C AT 1:30 PM BELTZ 211

BILL: HB 34

SHORT TITLE: SALES BY WINERY LICENSEE

SPONSOR(s): REPRESENTATIVE(s) LEDOUX

01/16/07 (H) PREFILE RELEASED 1/5/07
01/16/07 (H) READ THE FIRST TIME - REFERRALS
01/16/07 (H) L&C, FIN
01/29/07 (H) L&C AT 3:00 PM CAPITOL 17
01/29/07 (H) Moved Out of Committee
01/29/07 (H) MINUTE(L&C)
01/30/07 (H) L&C RPT 5DP
01/30/07 (H) DP: GARDNER, GATTO, RAMRAS, LEDOUX,
OLSON
02/07/07 (H) FIN AT 1:30 PM HOUSE FINANCE 519

02/07/07 (H) Moved Out of Committee
02/07/07 (H) MINUTE(FIN)
02/08/07 (H) FIN RPT 7DP 3NR
02/08/07 (H) DP: JOULE, THOMAS, GARA, CRAWFORD,
KELLY, MEYER, CHENAULT
02/08/07 (H) NR: HAWKER, NELSON, STOLTZE
02/14/07 (H) TRANSMITTED TO (S)
02/14/07 (H) VERSION: HB 34
02/19/07 (S) READ THE FIRST TIME - REFERRALS
02/19/07 (S) CRA, L&C
03/06/07 (S) CRA AT 3:30 PM BELTZ 211
03/06/07 (S) Moved HB 34 Out of Committee
03/06/07 (S) MINUTE(CRA)
03/07/07 (S) CRA RPT 3DP 1NR
03/07/07 (S) DP: THOMAS, STEVENS, KOOKESH
03/07/07 (S) NR: OLSON
04/03/07 (S) L&C AT 1:30 PM BELTZ 211

WITNESS REGISTER

SENATOR KIM ELTON
Alaska State Capitol
Juneau, AK 99801-1182
POSITION STATEMENT: Sponsor of SB 116.

JESSE KIEL
Staff to Senator Elton
Alaska State Capitol
Juneau, AK 99801-1182
POSITION STATEMENT: Commented on SB 116 for the sponsor.

SENATOR OLSON
Alaska State Capitol
Juneau, AK 99801-1182
POSITION STATEMENT: Sponsor of SB 124.

MIKE ANDREWS, Director
Alaska Works Partnership, Inc.
Anchorage AK
POSITION STATEMENT: Supported SB 124.

JEFF SELVEY, Director
Northwestern Alaska Career and Technical Center (NACTEC)
Nome AK
POSITION STATEMENT: Supported SB 124.

PHIL REESE, Director

Post-Secondary Program
Galena City Schools
Galena AK

POSITION STATEMENT: Supported SB 124.

WENDY REDMAN
University of Alaska
Anchorage AK

POSITION STATEMENT: Supported SB 124.

MARIT CARLSON-VAN DORT
Staff to Senator McGuire
Alaska State Capitol
Juneau, AK 99801-1182

POSITION STATEMENT: Commented on SB 115 for the sponsor.

RACHAEL LEWIS
Unclaimed Property Administrator
Department of Revenue (DOR)

POSITION STATEMENT: Commented on SB 115.

REPRESENTATIVE GABRIELLE LEDOUX
Alaska State Capitol
Juneau, AK 99801-1182

POSITION STATEMENT: Sponsor of HB 34.

CHRISTINE MARASIGAN
Staff to Representative LeDoux
Alaska State Capitol
Juneau, AK 99801-1182

POSITION STATEMENT: Commented on HB 34 for the sponsor.

DOUG GRIFFIN, Director
Alcoholic Beverage Control Board (ABC)
Anchorage AK

POSITION STATEMENT: Commented on HB 34.

ACTION NARRATIVE

CHAIR JOHNNY ELLIS called the Senate Labor and Commerce Standing Committee meeting to order at [1:35:56 PM](#). Present at the call to order were Senators Hoffman and Ellis. Senator Stevens arrived at 1:36 Senator Davis at 1:38; and Senator Bunde at 1:39.

SB 116-UNIFORM MONEY SERVICES ACT

CHAIR ELLIS announced SB 116 to be up for its second committee hearing and that it had a new CS.

1:36:55 PM

SENATOR STEVENS joined the committee.

SENATOR KIM ELTON, sponsor of SB 116, and his staff, Jesse Kiel, took the committee through the CS.

SENATOR ELTON said the money transfer industry brought this to his attention. It provides regulations of the industry to induce good behavior. It has as its purpose, not only consumer protection and guaranteeing good services to people who use money transfers, but an element of homeland security. It allows better tracking of money that is transferred from the U.S. to foreign countries.

1:38:11 PM

SENATOR BETTYE DAVIS joined the committee.

SENATOR KIM ELTON said SB 116 is supported by consumer protection agencies and industry as well as the Department of Commerce, Community & Economic Development. It has a fiscal note of \$80,000, but the fees collected from industry support the function and there is no general fund impact.

1:39:22 PM

SENATOR BUNDE joined the committee.

SENATOR STEVENS asked if the consumer would be paying more to cover the costs and what other impacts would be on the consumer if this bill passes.

SENATOR ELTON said this should not cost the consumer anything, but if it does, it won't be much and in return the consumer gets a guarantee that the money they are transferring is going to get there and will have the value they expect it to have when it does arrive.

CHAIR ELLIS asked Mr. Kiel to review the proposed CS to SB 116, Bannister 4/3/07 version K.

1:41:09 PM

JESSE KIEL, staff to Senator Elton, reviewed version K, starting with the significant changes. The first was a question of interpretation that was brought to their attention by the Department of Commerce, Community & Economic Development staff

who noted that the Uniform Money Services Act was subject to a possible interpretation that a money transmitter who originally gets his licensure in another jurisdiction that has adopted this uniform act might not have to pay fees in Alaska. According to the National Conference of Commissioners on Uniform State Laws as well as Mr. Levine, who testified last week on behalf of the large money transmitters, both of them said that was never their intent. So, this CS makes it clear that a money transmitter who gets his license by virtue of prior licensure in another state with this law is subject to the fees and all the requirements for filing and renewals and is potentially subject to investigation just as though they were originally licensed in Alaska. It will be a much less cumbersome initial licensure process for them, because another state under comparable law has done the due diligence and the homework; however it won't be free ride. Changes were also made to the definition section to address that and make it very clear.

[1:43:11 PM](#)

MR. KIEL said the significant changes to AS 06.55.810 begin on page 25, line 7. This section of the bill would require a notice to consumers anywhere money services are provided whether through an authorized delegate or directed by a licensee. A sign needs to go up showing the business is regulated and giving contact information for the department in case there are complaints or questions.

Section 06.55.820 simply requires timely transmission. He explained that the industry has been trending more and more in recent years towards instant transfers where money is transmitted immediately to a bank account. This takes in to account the possibility the consumer might order a faster service through a money transmitter, but in the more traditional money transmission services, it's got to be available to the destination within 10 days.

MR. KIEL explained that the receipt and refund portions work together and they say that a consumer needs to get on paper a statement that says how much money was transmitted, what the fees were and either what the exchange rate is if it's being transmitted and will be picked up in a different currency or if the exchange rate floats, it's got to say (on page 26, line 4) how that works. He said the bill doesn't interfere with how money service businesses choose to set their exchange rates - whether they are fixed or whether they float. "It simply says the consumer has got to know."

[1:45:22 PM](#)

SENATOR BUNDE said 10 days seems like an inordinately long time for a transfer of funds. He asked how that time frame was chosen.

MR. KIEL replied that both Hawaii and Washington states adopted that language. Many small money transmitters specialize in a particular region of the world and offer extremely competitive rates. Ten days should be the absolute outside extreme for any money transmission. Customers might be willing to accept a slower service for a lesser fee.

SENATOR ELTON wanted to standardize this licensure as much as possible, so that people don't have to review individual state laws and deal with them differently. The 10 day time frame is a ceiling and in these days of hyperinflation, you do want it to happen as fast as possible. "It's not arbitrary; it's kind of what the standard is out there that other states have established."

[1:47:57 PM](#)

SENATOR STEVENS moved to adopt CSSB 116(L&C), version K. There were no objections and it was so ordered.

[1:48:39 PM](#)

SENATOR STEVENS moved to pass CSSB 116(L&C) from committee with individual recommendations and attached fiscal notes. There was no discussion or objection and CSSB 116(L&C) moved from committee.

SB 124-ALASKA WORKFORCE INVESTMENT BD ALLOCATION

CHAIR ELLIS announced the first committee hearing for SB 124.

SENATOR OLSON, sponsor of SB 124, said Alaska Works Partnership (AWP) originally asked him to introduce SB 124 that reauthorizes the adult voc/tech training programs and raises the rate of contribution to pipeline training programs. This bill was expanded to address training needs throughout Alaska in forthcoming pipeline construction. This will insure that a greater number of Alaskans will participate in building the gas line through the state's trade union apprenticeship program.

In this regard, the AWP has put together a program that offers the training expertise for all trades operating under one umbrella organization. He said that AWP has effectively reached out to bring residents from all areas of Alaska into its

program. It has extended its training program and expertise to other voc/tech programs in Alaska through cooperative arrangements. These efforts have proven to be very effective in providing skilled workers for public construction projects from residents of the community.

[1:52:04 PM](#)

SENATOR OLSON explained that the CS, version M, reflects the recommendations Alaska Works Partnership had put forth in its March 16 letter. It essentially increases the employee contribution rate to the technical vocational education program by .005 percent. It enacts a new allocation listing for the program funds for a five-year period between FY08 and FY13. The new allocation of funds adds the Northwestern Alaska Career and Technical Center (NACTEC) in Nome, Delta Career Advancement Career Advancement Center in Delta Junction and the Alaska Works Partnership to its list.

SENATOR STEVENS asked if line 10 on page 2 of the CS, version M, meant a reduction in funds to the Alaska Vocational Technical Center.

SENATOR OLSON asked the chair if he wanted to work off of version M.

[1:53:34 PM](#)

CHAIR ELLIS said no; he wanted to work off the original bill. He also stated that he didn't want to damage the existing programs at the University and had asked folks to discuss this together in the hopes of bringing another CS to the committee. He wanted it to allow them to use some monies without hurting the UI trust fund, which he thought was doable at a certain level, to pump up some of these programs that might be justified across the state.

[1:56:06 PM](#)

MIKE ANDREWS, Director, Alaska Works Partnership Inc., said AWP is a statewide not-for-profit dedicated to construction industry workforce development. He stated that this legislation could significantly contribute to increasing the number of Alaskans who are attracted to construction jobs and career training in the state. He looked forward to working with the committee on a positive resolution.

CHAIR ELLIS said they were open to his suggestions.

[1:57:20 PM](#)

JEFF SELVEY, Director, Northwestern Alaska Career and Technical Center (NACTEC) said that it had existed in Nome for four years and that they worked with AWP, the University of Alaska Northwest and Norton Sound Health Corp. in developing a program for training high school students and supported educational services for adults throughout the region. He stated he would like to continue using his facilities to train a workforce for his area.

CHAIR ELLIS asked how many people use the NACTEC facilities now.

MR. SELVEY recapped that in its first year the high school program had 112 students, the second year - 224, and last year it had 239. This year their goal is to have 250 students. NACTEC has served over 500 students so far. Alaska Works Program and students from the Northwest campus use their facilities after hours and they have trained about 70 people.

CHAIR ELLIS responded that he appreciated that cooperative attitude in sharing resources.

[1:59:07 PM](#)

PHIL REESE, Director, Post-Secondary Program, Galena City Schools, supported SB 124. He said they had been in existence for five years. He is always looking for opportunities to extend training opportunities.

[2:00:29 PM](#)

WENDY REDMAN, University of Alaska, thanked Senator Olson for introducing this bill. She said they are very close to finding a solution without hurting other programs.

SENATOR OLSON closed his comments relating that their efforts are on track.

CHAIR ELLIS held SB 124.

SB 115-GIFT CARDS

CHAIR ELLIS announced SB 115 to be up for consideration.

MARIT CARLSON-VAN DORT, staff to Senator McGuire, sponsor of SB 115, explained this bill was crafted in response to a dramatic increase in consumer demand for gift options and increasing consumer frustration with hidden or poorly disclosed fees and restrictions.

She said in the last few years, several states have begun to adopt measures to limit or restrict expiration dates and fees associated with these gift cards. This bill will insure gift cards that are purchased will retain their full purchase value in perpetuity and will not be subject to a variety of fees such as dormancy, latency, administrative and periodic fees - any fee that will have the effect of reducing the total amount for which the holder may redeem the card.

The bill excludes gift cards that are issued under an awards, loyalty or promotional program that is donated to a non-profit or a charitable organization or a card that is used to purchase gifts or services through numerous sellers or vendors. This bill also excludes bank-issued gift cards and telephone cards.

In addition, she said, gift cards that are issued in the ordinary course of an issuer' business that remain unclaimed by the owner for more than three years are presumed abandoned and may be subject to reporting to the State of Alaska Department of Revenue as unclaimed property.

[2:05:55 PM](#)

SENATOR STEVENS asked where they stand on the perpetuity issue.

MS. VAN DORT replied that "in perpetuity" was left in the bill, because the sponsor and committee both felt that subjecting it to the unclaimed property reporting requirement provided a "nice balance" for consumers and for businesses. The business can get it off their books and the consumer can still go to the state for a redemption.

[2:06:17 PM](#)

SENATOR STEVENS asked if the state receives something eventually for handling unclaimed property. How asked how it works.

[2:06:32 PM](#)

MS. VAN DORT replied if the issuer of the gift card reported the balance of the gift to the state as unclaimed property, a consumer could click on the Department of Revenue's website and find it and the state would send him a check for the value of the gift card. If it was not reported, his other option would be to go directly to the vendor of the card.

[2:07:27 PM](#)

SENATOR STEVENS said at some point the state might have to balance with the vendor.

MS. VAN DORT replied that one would receive the value of the gift card from the State of Alaska if the vendor qualified and reported it.

CHAIR ELLIS asked how this bill is similar to the bill introduced by Representative Gardner.

MS. VAN DORT replied that it is identical to Representative Gatto's legislation and Representative Gardner was a co-sponsor.

2:09:20 PM

RACHAEL LEWIS, Unclaimed Property Administrator, Department of Revenue (DOR), gave the committee an overview of her department's duties. She explained that in 1986 Alaska adopted the Uniform Unclaimed Property Act. This means that any uncashed payroll check, any uncashed health insurance reimbursement check, stocks, bonds, bank accounts that have inactivity for certain periods of time, rather than the business retaining that money, it turns it over to the State of Alaska that acts as the custodian. "We never take full title. We just hold it in perpetuity 'til an owner or their heir comes forward."

MS. LEWIS said that gift cards and certificates are already in the Act. This bill doesn't really change that; but it adds definitions to the Unfair Trade Practices. She found that people do not realize how much money adds up from just small uncashed payroll checks. Since 1986, \$88 million has been turned over as unclaimed property. She has returned \$23 million of unclaimed property to people in Alaska and about \$56 million has been put into the general fund because it's an excess she doesn't believe the owners will come forward to claim. So, they return about 30 percent and all Alaskans get to benefit from the state acting as custodian.

2:11:26 PM

CHAIR ELLIS asked what efforts the department went through to contact people to claim property.

MS. LEWIS replied that the department make efforts annually and pools its searchable database with 38 other states. She doesn't advertise in newspapers any more, because it costs \$33,000 in Alaska to advertise 1,100 claims. They list seven times the claims on the Internet for free.

2:13:05 PM

SENATOR STEVENS asked what dollar amount they are talking about in gift cards.

[2:13:36 PM](#)

MS. LEWIS replied that she is holding about \$56,000 in gift cards and certificates for 1,000 Alaskans. Last year an estimated \$58 billion worth of gift cards were sold nationwide and 5 - 10 percent of those became unclaimed, lost or not redeemed.

CHAIR ELLIS asked if passing the bill would be a net gain or a net drain for her office.

MS. LEWIS replied it would be good public policy.

[2:14:54 PM](#)

MS. VAN DORT returned to the table and the chair asked her who else had weighed in.

MS. VAN DORT replied no one.

CHAIR ELLIS asked her to contact Alaska Public Interest Research Group (AKPIRG) and other consumer groups for their opinions.

MS. VAN DORT added that she had a conversation with Mr. Glen Peterson, District Manager of Carrs/Safeway, who expressed support. His one concern was whether or not the gift cards would be redeemable for cash - language on page 3, lines 29 - 31. The drafter said the language could stand clarification, but the sponsor didn't think it took away the individual discretion of the business owner. At this time they state whether or not their certificate is redeemable at full cash value for cash or just for goods and services. Her opinion was to let it lie.

[2:17:07 PM](#)

CHAIR ELLIS announced SB 115 would be held over.

HB 34-SALES BY WINERY LICENSEE

CHAIR ELLIS announced HB 34 to be up for consideration.

REPRESENTATIVE LEDOUX, sponsor of HB 34, explained that it allows wine to be shipped from a place in Alaska to another place in Alaska. Currently, Alaskans can only receive shipped wine from out of state. She said that Kodiak has two wineries and visiting Alaskans are not able to order its product.

[2:18:22 PM](#)

CHAIR ELLIS asked why this is needed.

CHRISTINE MARASIGAN, staff to Representative LeDoux, explained that people never thought that Alaska would be a hub of wine production and the language in the law was an unintended mistake. Specialty wines have become a niche industry with value added products in Kodiak.

[2:21:45 PM](#)

SENATOR HOFFMAN noticed the legislation wouldn't allow shipments to dry villages and asked how that would be enforced.

MS. MARASIGAN replied that she wasn't totally sure, but as with people who ship liquor, there is a list of communities that don't allow it. You simply don't ship to them.

SENATOR HOFFMAN asked again how that is enforced if someone wants to make profit more than follow a community's wishes.

[2:23:18 PM](#)

DOUG GRIFFIN, Director, Alcoholic Beverage Control Board (ABC), said that in terms of enforcement, the Board would share its list of dry communities with wineries on the ABC website. They do provide some oversight over wineries. The biggest penalty would be taking away the shipping part of their business, which would be a death knell. He thought the wineries would be conscientious, because rural villages are not their market. Also, he remarked that specialty wines are a national trend.

[2:25:48 PM](#)

SENATOR HOFFMAN said he understands rural villages aren't their targeted market, but even if they are talking about specialty wine, they would be considerably cheaper than bootlegged products. He asked how that is being handled for wineries outside the state of Alaska.

[2:28:51 PM](#)

MR. GRIFFIN replied that the ABC Board doesn't regulate outside wineries right now, although the legislature could choose to give it that power. Some states prohibit shipments from out of state wineries, but allowed instate wineries to ship instate. That practice was struck down by a Supreme Court decision in 2005.

He said the Board works with the state troopers to do the best job they can with policing the bootlegging problem - with mixed results. He said the Kodiak winery wants to operate under the

law and that could theoretically be a problem, but they would police it the best they could.

SENATOR BUNDE said under the current system if the wineries sold to an alcohol retailer, then the wine could be shipped to a community and the same kind of enforcement would be in existence.

[2:29:25 PM](#)

MR. GRIFFIN replied that is correct if the retailer is one of the 19 package stores that have permission to ship by written order. The shipping quantities are limited, however, just as package stores have quotas on how much they can ship on a monthly basis by written order.

SENATOR BUNDE asked if there are 19 package stores that can ship would this bill would add another 8 wineries.

MR. GRIFFIN replied that is correct.

SENATOR HOFFMAN asked if package liquor stores use common carriers like Northern Air Cargo and Alaska Airlines, but the wineries would ship through a completely different means of transport like UPS and others that are harder to monitor.

MR. GRIFFIN replied the wineries could use UPS or any of the others, but they can't legally use the U.S. Mail. So, they would have to form some type of a relationship with a delivery company, which could be a common carrier.

SENATOR HOFFMAN asked if the common carriers normally have a minimum weight limit of 100 lbs. and it doesn't make financial sense to ship that way. UPS can ship smaller parcels.

MR. GRIFFIN said he was correct.

SENATOR STEVENS said he likes the fact that this bill attempts to level the playing field in that out-of-state wineries can now ship in, but it doesn't truly level it because outside wineries don't have to comply with our laws. A local one would. This local winery is putting itself on the line if it makes the mistake of shipping to a community that is dry. So, the state is still asking more of in-state wineries.

[2:33:23 PM](#)

CHAIR ELLIS asked Mr. Griffin if he anticipated the ABC Board providing the do-not-ship list or was it up to each winery to get it.

MR. GRIFFIN replied the Board is pro-active. Every time there is a change, it sends that list to the 19 package stores that sell by written order. These wineries would be added to the list; but it would take a few days.

[2:34:35 PM](#)

CHAIR ELLIS asked if under existing state statute the ABC Board has the authority to punish wineries that ship to the do-not-ship list.

MR. GRIFFIN replied that a regulation is already in place that allows them punitive authority, but they would probably have to add these wineries to the category, which could be done by regulation. The Board would also want to provide adequate due process by having at least one fair hearing before taking away someone's rights to ship by written order.

CHAIR ELLIS asked him to find out for sure that he has the authority now.

[2:36:40 PM](#)

SENATOR BUNDE asked if there is a state law that an out of state winery would be subject to in terms of shipping to a dry village.

MR. GRIFFIN replied that out of state wineries aren't totally immune from the long arm of the law. Some provisions in federal law allow states to go after wineries that violate the state's laws. He never uses them, but they are there. The State of Florida, for instance, prosecuted someone in another state for shipping wine to a customer in Florida (a felony) working with the U.S. Attorney General.

CHAIR ELLIS said if there is a fear among a lot of people that under-aged folks would order alcoholic beverages through the Internet and there would be no checking of ages. He asked Mr. Griffin to remind them of requirements for proof of age when the orders are placed.

MR. GRIFFIN replied that hadn't been addressed other than very generally under Title 4 that deals with providing alcohol to someone who is not 21 years of age. This issue is a nationwide controversy. He thought that DHL, UPS and others since they are

in the delivery business, have safeguards in place to make sure that it is accepted and signed for by someone over 21 years of age. He didn't know if that was impeccably enforced, but he hadn't received any complaints about it in Alaska.

SENATOR STEVENS pointed out that they are talking about high quality wines from niche market wineries. There are only nine of them in the state and their wines are very expensive - maybe \$40 a bottle. An under-aged kid would probably not have the palette or the money to order it. They need to keep perspective on this.

[2:43:47 PM](#)

SENATOR BUNDE said he was afraid the economic argument wouldn't work, because there is proof that some people in some parts of Alaska will pay \$200 - \$300 for very cheap spirits.

[2:44:32 PM](#)

REPRESENTATIVE LEDOUX wrapped up by reading a quote from a Supreme Court case on minors drinking. The staff of the FTC found that of the 26 states currently allowing direct shipments, none of them reported increased access to wine by minors.

CHAIR ELLIS said he would keep the public hearing open and that he would hold HB 34 for a further hearing. There being no further business to come before the committee, he adjourned the meeting at [2:46:20 PM](#).