

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE

February 25, 2010

2:02 p.m.

MEMBERS PRESENT

Senator Joe Paskvan, Chair
Senator Joe Thomas, Vice Chair
Senator Bettye Davis
Senator Kevin Meyer
Senator Con Bunde

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 279

"An Act relating to regulation of residential mortgage lending, including the licensing of mortgage lenders, mortgage brokers, and mortgage loan originators, and compliance with certain federal laws relating to residential mortgage lending; and providing for an effective date."

- SCHEDULED BUT NOT HEARD

SENATE BILL NO. 234

"An Act extending the termination date of the Alcoholic Beverage Control Board; and providing for an effective date."

- MOVED SB 234 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 234

SHORT TITLE: EXTEND ALCOHOLIC BEVERAGE CONTROL BOARD

SPONSOR(s): SENATOR(s) MEYER

01/22/10	(S)	READ THE FIRST TIME - REFERRALS
01/22/10	(S)	L&C, FIN
02/25/10	(S)	L&C AT 2:00 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

PAT DAVIDSON, Legislative Auditor

Division of Legislative Audit
Legislative Affairs Agency
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Answered questions on SB 234.

SHIRLEY GIFFORD, Executive Director
Alcohol Beverage Control Board (ABC Board)

POSITION STATEMENT: Answered questions on SB 234.

ACTION NARRATIVE

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CHAIR JOE PASKVAN called the Senate Labor and Commerce Standing Committee meeting to order at 2:02 p.m. Present at the call to order were Senators Meyer, Thomas, and Paskvan.

SB 234-EXTEND ALCOHOLIC BEVERAGE CONTROL BOARD

[2:02:49 PM](#)

CHAIR JOE PASKVAN announced SB 234 to be up for consideration.

[2:03:42 PM](#)

SENATOR CON BUNDE joined the committee.

SENATOR KEVIN MEYER, sponsor of SB 234, said it extends the Alcoholic Beverage Control Board (ABC Board) for one year. He said in August 2009, the Legislative Budget and Audit Committee (LB&A) findings presented by Auditor Pat Davidson recommended the ABC Board should continue to regulate the manufacture, sale, barter and possession of alcohol beverages in Alaska in order to protect the public health, safety and welfare. He said the board has demonstrated a need for its continuance by providing protection to the general public through the issuance and renewal and suspension of liquor licenses. Protection had also been provided through active investigation of suspected licensing violations and enforcement of state's alcoholic beverage control laws and regulations.

SENATOR MEYER said during the review process in LB&A, concerns were raised about the decision to move the ABC Board from the Department of Revenue (DOR) to the Department of Public Safety (DPS), because it might not be working as it was expected there. Some even thought it should be in the Department of Commerce, Community and Economic Development (DCCED).

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SENATOR DAVIS joined the committee.

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SENATOR MEYER said the issue is if the board should remain in the DPS, and a one-year extension would give people time to work with the members of industry and the ABC Board to review that decision.

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SENATOR BUNDE asked if the sunset is extended to the audit-suggested date, couldn't they still decide to move the board or was the one-year sunset being used as an impetus to speed up that decision.

SENATOR MEYER said it might be awkward to extend it for four more years, but yet in two years move it from the DPS. The one-year extension would force the legislature to deal with the issue by next year. If nothing was done by then, they could just go with the audit's four-year recommendation.

SENATOR BUNDE asked if a decision wasn't made in the next year, would the board be phased out. "Is this kind of an empty threat?"

SENATOR MEYER answered no; they didn't want to phase it out by any means.

CHAIR PASKVAN said it is not his intent to phase it out.

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PAT DAVIDSON, Legislative Auditor, Division of Legislative Audit, Legislative Affairs Agency, recalled the question of moving the board coming up at the Budget and Audit meeting. Members asked if the audit considered that additional analysis needed to be done on the location issue. She had to tell them no. She wasn't necessarily directed to do any additional audit work, but the discussion about the extension went more to whether additional analysis was needed.

SENATOR BUNDE said he knows her shop works hard in coming up with these recommendations, and he didn't want to make them go over it again next year. Whether the board should move is a legitimate question, but it is a policy call and that shouldn't fall in the scope of an audit. He wondered if limiting the extension to just one year is illusory.

SENATOR THOMAS said he hadn't thought much about what their location means one way or the other, but he asked if there is concern that their location influences their role or how they perceive their functions.

MS. DAVIDSON replied that wasn't an audit issue, so she didn't have a very good answer; but the question had come up.

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SENATOR THOMAS said he had other questions about the audit and wanted to know if this was the appropriate time to bring them up.

CHAIR PASKVAN said they intend to explore all the issues over the Interim and then address them on a more global scale one year from now.

SENATOR THOMAS said the audit indicated recurring issues had not been addressed and asked when those would be resolved.

MS. DAVIDSON responded that the audit observed that all the progress that has been made was made basically when the new executive director came on board. The agency's response to the audit identified the actions it is taking, but it didn't provide timeframes.

SENATOR DAVIS said she agreed with Senator Bunde about the policy call, but she wanted to go with the audit's recommendation of a four-year extension.

SENATOR MEYER said the audit's recommendations would remain in place whether the board was extended for one year or four. They didn't want another audit done, but wanted time to look at changing policy.

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SENATOR BUNDE asked Ms. Gifford if she saw any merit in extending the sunset for only one year. Was it to push the board or the legislature to make the location decision?

SHIRLEY GIFFORD, Executive Director, Alcohol Beverage Control Board (ABC Board), said she didn't feel pushed by the legislature, but by the three different audits that found things that needed to be fixed. One was getting a law enforcement plan and a 10-year strategic plan in place; another was having a written policies and procedures manual which they have done.

She thought the rest of the recommendations, like a desk manual for the administrative assistant, could be fulfilled in short order. Her opinion about where the ABC Board resides was that it works really well in the DPS. They have five investigators for the entire state of Alaska and 1800 licensees, and can't do it alone. She explained that the board partners with the State Troopers and has good relationships with the local police departments. However, she pointed out that she had not worked under the Department of Revenue.

SENATOR BUNDE asked if a one-year sunset date adds to their workload or not.

MS. GIFFORD replied that she didn't know. It might speed things up a little bit, but on things that need to get done anyhow.

SENATOR DAVIS remarked even extending it to 2011, there is always one year after a sunset for a board to phase out.

CHAIR PASKVAN, finding no further comments, closed public testimony.

SENATOR DAVIS said she didn't have a problem with moving the board, but asked who wanted it moved.

SENATOR MEYER said it was brought up by the LB&A committee.

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CHAIR PASKVAN congratulated Ms. Gifford on the positive improvements the board had made with resolving its issues under her guidance.

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SENATOR THOMAS moved to advance SB 234 from committee with individual recommendations and attached fiscal note(s).

SENATOR BUNDE objected because he said he has a low tolerance for busy work, and it appears to him extending the board for just one year won't make the ABC Board to do anything, but rather puts pressure on the legislature to do something; and remarked words to the affect that if we're going to do something, let's do it and not make life difficult for a hard-working agency that they are not going to eliminate.

A roll call vote was taken: Senators Meyer, Davis, Thomas, and Paskvan voted yea; Senator Bunde voted nay. Therefore, SB 234 moved from committee.

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Finding no further business to come before the committee, Chair Paskvan adjourned the meeting at 2:27 p.m.