

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

March 18, 2020

3:32 p.m.

MEMBERS PRESENT

Representative Ivy Spohnholz, Chair
Representative Louise Stutes
Representative Zack Fields
Representative Sara Hannan
Representative Andi Story

MEMBERS ABSENT

Representative Mel Gillis
Representative Sara Rasmussen

COMMITTEE CALENDAR

CS FOR SENATE BILL NO. 52(FIN) AM

"An Act relating to alcoholic beverages; relating to the regulation of manufacturers, wholesalers, and retailers of alcoholic beverages; relating to licenses, endorsements, and permits involving alcoholic beverages; relating to common carrier approval to transport or deliver alcoholic beverages; relating to the Alcoholic Beverage Control Board; relating to offenses involving alcoholic beverages; amending Rule 17(h), Alaska Rules of Minor Offense Procedure; and providing for an effective date."

- MOVED CSSB 52(FIN) AM OUT OF COMMITTEE

HOUSE BILL NO. 257

"An Act relating to the Alaska Banking Code; relating to mutual savings banks; relating to interstate state banks and international banks; relating to the pledging of bank assets as collateral security to tribal organizations; relating to the pledging of bank assets for interest swap agreements; relating to state business licenses; relating to persons who make loans secured by interests in vessels or facilities; relating to liability for the release or threatened release of hazardous substances; relating to the Model Foreign Bank Loan Act; and providing for an effective date."

- BILL HEARING CANCELED

SENATE BILL NO. 195

"An Act relating to election of a domestic insurer's board of directors."

- BILL HEARING CANCELED

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 146

"An Act relating to an application for a license to operate as a dealer in motor vehicles; and requiring a dealer in motor vehicles to maintain liability and property insurance."

- BILL HEARING CANCELED

PREVIOUS COMMITTEE ACTION

BILL: SB 52

SHORT TITLE: ALCOHOLIC BEVERAGE CONTROL; ALCOHOL REG

SPONSOR(S): SENATOR(S) MICCICHE

02/11/19	(S)	READ THE FIRST TIME - REFERRALS
02/11/19	(S)	L&C, JUD, FIN
03/26/19	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/26/19	(S)	Heard & Held
03/26/19	(S)	MINUTE(L&C)
03/28/19	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/28/19	(S)	Heard & Held
03/28/19	(S)	MINUTE(L&C)
04/02/19	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
04/02/19	(S)	Heard & Held
04/02/19	(S)	MINUTE(L&C)
04/04/19	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
04/04/19	(S)	-- MEETING CANCELED --
04/09/19	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
04/09/19	(S)	Heard & Held
04/09/19	(S)	MINUTE(L&C)
04/11/19	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
04/11/19	(S)	Heard & Held
04/11/19	(S)	MINUTE(L&C)
04/16/19	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
04/16/19	(S)	Moved CSSB 52(L&C) Out of Committee
04/16/19	(S)	MINUTE(L&C)
04/17/19	(S)	L&C RPT CS FORTHCOMING 4DP
04/17/19	(S)	DP: REINBOLD, COSTELLO, BIRCH, BISHOP
04/17/19	(S)	JUD AT 1:30 PM BELTZ 105 (TSBldg)
04/17/19	(S)	-- MEETING CANCELED --
04/17/19	(S)	JUD AT 6:00 PM BELTZ 105 (TSBldg)
04/17/19	(S)	-- MEETING CANCELED --

04/19/19	(S)	L&C CS RECEIVED SAME TITLE	
04/22/19	(S)	JUD AT 6:00 PM BELTZ 105 (TSBldg)	
04/22/19	(S)	Heard & Held	
04/22/19	(S)	MINUTE(JUD)	
04/23/19	(S)	JUD AT 6:00 PM BELTZ 105 (TSBldg)	
04/23/19	(S)	Heard & Held	
04/23/19	(S)	MINUTE(JUD)	
04/24/19	(S)	JUD AT 1:30 PM BELTZ 105 (TSBldg)	
04/24/19	(S)	Heard & Held	
04/24/19	(S)	MINUTE(JUD)	
04/26/19	(S)	JUD AT 1:30 PM BELTZ 105 (TSBldg)	
04/26/19	(S)	Moved CSSB 52(JUD) Out of Committee	
04/26/19	(S)	MINUTE(JUD)	
04/29/19	(S)	JUD RPT CS 2DP 1AM SAME TITLE	
04/29/19	(S)	DP: HUGHES, MICCICHE	
04/29/19	(S)	AM: KIEHL	
02/11/20	(S)	FIN AT 9:00 AM SENATE FINANCE 532	
02/11/20	(S)	Heard & Held	
02/11/20	(S)	MINUTE(FIN)	
02/19/20	(S)	FIN RPT CS FORTHCOMING 2DP 2NR 1AM	
02/19/20	(S)	DP: VON IMHOF, BISHOP	
02/19/20	(S)	NR: WIELECHOWSKI, HOFFMAN	
02/19/20	(S)	AM: WILSON	
02/19/20	(S)	FIN AT 9:00 AM SENATE FINANCE 532	
02/19/20	(S)	Moved CSSB 52(FIN) Out of Committee	
02/19/20	(S)	MINUTE(FIN)	
02/21/20	(S)	FIN CS RECIEVED	SAME
		TITLE	
02/26/20	(S)	TRANSMITTED TO (H)	
02/26/20	(S)	VERSION: CSSB 52(FIN) AM	
02/28/20	(H)	READ THE FIRST TIME - REFERRALS	
02/28/20	(H)	L&C, FIN	
03/09/20	(H)	L&C AT 3:15 PM BARNES 124	
03/09/20	(H)	Heard & Held	
03/09/20	(H)	MINUTE(L&C)	
03/11/20	(H)	L&C AT 3:15 PM BARNES 124	
03/11/20	(H)	Heard & Held	
03/11/20	(H)	MINUTE(L&C)	
03/16/20	(H)	L&C AT 3:15 PM BARNES 124	
03/16/20	(H)	Heard & Held	
03/16/20	(H)	MINUTE(L&C)	
03/18/20	(H)	L&C AT 3:15 PM BARNES 124	

WITNESS REGISTER

SENATOR PETER MICCICHE
Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: As prime sponsor, provided comments and answered questions during the hearing on SB 52.

ACTION NARRATIVE

[3:32:36 PM](#)

CHAIR IVY SPOHNHOLZ called the House Labor and Commerce Standing Committee meeting to order at 3:32 p.m. Representatives Stutes, Fields, Hannan, Story, and Spohnholz were present at the call to order.

SB 52-ALCOHOLIC BEVERAGE CONTROL; ALCOHOL REG

[3:33:08 PM](#)

CHAIR SPOHNHOLZ announced that the first order of business would be CS FOR SENATE BILL NO. 52(FIN) am, "An Act relating to alcoholic beverages; relating to the regulation of manufacturers, wholesalers, and retailers of alcoholic beverages; relating to licenses, endorsements, and permits involving alcoholic beverages; relating to common carrier approval to transport or deliver alcoholic beverages; relating to the Alcoholic Beverage Control Board; relating to offenses involving alcoholic beverages; amending Rule 17(h), Alaska Rules of Minor Offense Procedure; and providing for an effective date."

[3:33:28 PM](#)

SENATOR PETER MICCICHE, Alaska State Legislature, prime sponsor of SB 52, stated that it's an important bill. He added that it will be more important as the industry works to recover from the impacts [of the coronavirus]. He thanked the committee for hearing the bill.

CHAIR SPOHNHOLZ agreed. She offered her belief that the industry will be devastated over the coming months as a result of mandated social distancing. She said everything [the legislature] can do to provide stability is important.

[3:34:16 PM](#)

REPRESENTATIVE STORY offered her understanding that if SB 52 were to pass, the current recreational site licenses would have seven or eight years - depending on the license number - to

continue operating similarly. She provided an example of a bowling alley whose patrons consume beer and wine by the lanes. Assuming the bowling alley doesn't have any violations and is licensed under the current recreational site license, she asked if they could continue to do so.

SENATOR MICCICHE confirmed that. He said in those seven or eight years there will likely be a transition to another license type, which is an opportunity created by SB 52.

REPRESENTATIVE STORY pointed out that there is a gap in SB 52 concerning bowling alleys. She added that if it goes unchanged, they will either need a full beverage dispensary license (BDL) or a tourism license to operate. She said it's something that needs to be addressed in the next seven years; nonetheless, she expressed her excitement about the bill overall.

SENATOR MICCICHE agreed wholeheartedly. He said there is still additional work to do, adding that this is not the "end-all be-all."

[3:37:50 PM](#)

REPRESENTATIVE STUTES stated that she has significant concerns about the bill. Her primary concern, she said, is the issue of enforcement and who will do it. She expressed concern about the expansion of certain license parameters. She addressed the coronavirus, saying that it will affect everyone, especially the BDL license holders. Nonetheless, she acknowledged the hard work that Senator Micciche, as well as the industry, has put into the bill.

CHAIR SPOHNHOLZ opined that enforcement has been undermined by the severity of some of the current sanctions. She said an important element of SB 52 is that it rationalizes and modernizes the sanctions and includes a fiscal note to allow for enforcement.

SENATOR MICCICHE acknowledged the statement made by Representative Stutes. He explained that SB 52 did not create the competition between licensees and those that have created a new business model. That situation, he said, existed before this legislation came about. He added that the bill attempts to provide a compromise that works for now; however, there is still more to do.

[3:42:12 PM](#)

REPRESENTATIVE HANNAN reflected on her experience regarding SB 52. She acknowledged the hard work of Senator Micciche and his staff, as well as from the industry and stakeholders.

[3:43:31 PM](#)

REPRESENTATIVE STUTES moved to report CSSB 52(FIN) am out of committee with individual recommendations and the accompanying fiscal notes. Without objection, CSSB 52(FIN) am was moved from the House Labor and Commerce Standing Committee.

[3:43:59 PM](#)

REPRESENTATIVE FIELDS inquired about the insurance bill on the agenda. He indicated the committee's interest in moving that legislation forward, whether it's before or after the coronavirus-related recess.

CHAIR SPOHNHOLZ agreed. She explained that the bills on today's calendar were moved, not due to a lack of interest, but because there are time-sensitive issues related to COVID-19 to address.

[3:45:08 PM](#)

CHAIR SPOHNHOLZ announced that the House Labor and Commerce Standing Committee was recessed at 3:45 to a call of the chair.

[7:45:50 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 7:46 p.m.