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BILL SHEFFIELD  
GOVERNOR



SB 397

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

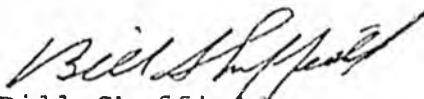
January 31, 1984

The Honorable Jalmar Kerttula  
Alaska State Senate  
Pouch V  
Juneau, AK 99811

Dear Senator Kerttula:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill to extend the life of the Alcoholic Beverage Control Board for four years. The board has gone through four "sunset" reviews in the last five years, and its sunset date was extended from June 30, 1983 to June 30, 1984 during last year's legislative session. I believe that it is time to give the board a four-year extension so that it can continue to fulfill its responsibility for administering our alcoholic beverage control laws.

Sincerely,

  
Bill Sheffield  
Governor

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST

Bill/Resolution No.: 397  
 Title: Extending termination date  
of ABC Board.  
 Sponsor: Governor  
 Requestor: \_\_\_\_\_  
 Date of Request: \_\_\_\_\_

FISCAL DETAIL

Agency Affected: Revenue  
 Program Category Affected: Public Protection  
 BRU, Program or Subprogram(s) Affected:  
Alcoholic Beverage Control Board

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<b>OPERATING</b>						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING						
<b>CAPITAL</b>						
<b>REVENUE</b>						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

The fiscal impact of this bill is reflected in the Governor's FY 85 Executive Budget showing continued funding for the Alcoholic Beverage Control Board. Please see attached.

ANALYSIS: Attach a separate page for analysis

Prepared By: Patrick J. Skovron Phone: 277-8638  
 Division: Alcoholic Beverage Control Board Date: 11/20/84  
 Approved by Commissioner: [Signature] Date: 11/20/84  
 Agency: Revenue

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

10-04-70-01-00 (00-00-0-00-00-00)

STATE OF ALASKA -- COMPONENT\_BUDGET\_SUMMARY

10137

12/29/83

AGENCY: DEPARTMENT OF REVENUE  
CATEGORY: GENERAL GOVERNMENT

PROGRAM: DATA AND WORD PROCESSING  
SUB-PROGRAM: A.D.C. BOARD

EXPENDITURES  
& FUNDING

83 AUTH 83 FINAL 83 ACT 84 AUTH ADJ BASE 85 SL 1 85 SL 2 85 SL 3 85 SL 4 GOVERNOR

01 PERS. SERV.

02 TRAVEL

03 CONTRACTUAL

7.8 7.8

7.8

04 SUPPLIES

05 EQUIPMENT

06 LANDS/BLDGS

07 GRANTS, CLMS

08 MISC.

\*\* TOTAL EXPEND

7.8 7.8

7.8

09 I-A TRANSFER

FED. RECEIPT

M\*GF + MATCH

7.8 7.8

7.8

G. F. MATCH

GENERAL FUND

PGM RECEIPTS

I/A RECEIPTS

OTHER FUNDS

7.8 7.8

7.8

15 FULL-TIME

16 PART-TIME

17 TEMPORARY

000445

AGENCY: DEPARTMENT OF REVENUE  
 CATEGORY: PUBLIC PROTECTION

PROGRAM: ALCOHOL BEVERAGE CONTROL BOARD  
 SUB-PROGRAM: ALCOHOL BEVERAGE CONTROL BOARD

## EXPENDITURES

EXPENDITURES & FUNDING	83 AUTH	83 FINAL	83 ACT	84 AUTH	ADJ	BASE	85 SL 1	85 SL 2	85 SL 3	85 SL 4	GOVERNOR
1 PERS. SERV.	461.5	471.5	473.6	487.8		516.8	534.5	534.5	569.0		534.5
2 TRAVEL	50.1	50.1	43.1	40.1		40.1	47.2	37.6	57.8		47.2
3 CONTRACTUAL	117.7	103.4	92.1	111.2		103.4	78.2	54.4	109.3		78.2
4 SUPPLIES	3.2	4.7	4.2	7.2		7.2	7.6	7.6	8.5		7.6
5 EQUIPMENT		2.8	.4						1.4		
6 LANDS/BLDGS			.4								
7 GRANTS, CLMS											
8 MISC.											
* TOTAL EXPEND	632.5	632.5	613.8	646.3		667.5	667.5	634.1	746.0		667.5
9 I-A TRANSFER	12.4										
FED. RECEIPT											
**GF + MATCH	632.5	632.5	613.8	646.3		667.5	667.5	634.1	746.0		667.5
G. F. MATCH											
GENERAL FUND	632.5	632.5	613.8	646.3		667.5	667.5	634.1	746.0		667.5
PGM RECEIPTS											
I/A RECEIPTS											
OTHER FUNDS											
5 FULL-TIME	12.0	12.0	12.0	12.0		12.0	12.0	12.0	13.0		12.0
6 PART-TIME											
7 TEMPORARY											

000005

A PERFORMANCE REPORT ON THE  
DEPARTMENT OF REVENUE  
ALCOHOLIC BEVERAGE CONTROL BOARD

January 30, 1984

Audit Control Number

04-1149-84-R

Commissioner, Department  
of Revenue

Robert D. Heath

Deputy Commissioners,  
Department of Revenue:

Taxation  
Treasury

Bruce M. Botelho  
Milton B. Barker

Members of the  
Alcoholic Beverage Control Board

Chairman  
Member  
Member  
Member  
Member

William K. Smith  
Wesley D. Wallace  
Donald J. House  
E. L. Holloway  
Jane C. Perkins

**THE LEGISLATURE**

BUDGET AND AUDIT COMMITTEE

JUNEAU, ALASKA 99811

January 30, 1984

Members of the  
Legislative Budget and Audit Committee.

In accordance with the provisions of Title 24 of the Alaska  
Statutes, the attached report is submitted for your review.

A PERFORMANCE REPORT ON THE  
DEPARTMENT OF REVENUE  
ALCOHOLIC BEVERAGE CONTROL BOARD

January 30, 1984



Gerald L. Wilkerson, CPA  
Legislative Auditor  
Division of Legislative Audit

TABLE OF CONTENTS

	<u>Page</u>
Purpose of the Report . . . . .	1
Organization and Function . . . . .	3
Report Conclusion . . . . .	5
Findings and Recommendations . . . . .	7
Analysis of Public Need . . . . .	11
Appendixes:	
A. Revenue Compared with Expenditures . . . . .	17
B. Number of Licenses by Type . . . . .	19
C. Description of License Type and Fees . . . . .	21
Agency Response:	
Department of Revenue . . . . .	25

## PURPOSE OF THE REPORT

In accordance with the provisions of Alaska Statutes 24.20.271(1) and 44.60.050 (Sunset legislation) an examination of the Alcoholic Beverage Control Board was conducted to determine if the Board has been operating in an efficient and effective manner and if the Board should be reestablished.

As required by legislative intent, this report should be considered during the legislative oversight function in determining if the Alcoholic Beverage Control Board should be reestablished. Per the 1983 amendment to AS 44.66.010(A)(1), the Board is scheduled to terminate on June 30, 1984.

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Enforcement. The ABC Board currently employs five investigators - three operating from the Anchorage central office, one operating from the Fairbanks field office, and one operating from the Juneau field office. One Anchorage Investigator position is vacant. Services provided include (1) surveillance and inspections of licensed premises, (2) investigations to obtain information to be used in criminal and civil proceedings and investigations into suspected licensing violations, (3) public appearances relating to ABC laws and regulations, and (4) assisting the licensing staff in handling inquiries from the general public.

## ORGANIZATION AND FUNCTION

The Alcoholic Beverage Control Board (hereinafter referred to as the ABC Board or the Board) was established in 1959 by Title 4 of the Alaska Statutes as a regulatory, quasi-judicial agency. The Board is vested with the powers, duties, and responsibilities for the control of alcoholic beverages, including the power to propose and adopt regulations, and to hear appeals.

Members are appointed for three-year terms by the Governor and serve at his pleasure subject to confirmation by the Legislature. Membership is limited by statute to five persons (two liquor industry representatives, three non-industry representatives). A director, also appointed by the Governor, serves as executive officer and is responsible for enforcement of Title 4 liquor laws and regulations developed by the Board. Although he is not a member of the Board, the director may cast a tie-breaking vote. Under the direction of the Board, the director may issue, renew, transfer, revoke or suspend licenses or permits.

Title 4 prescribes the type of licenses, fees, and specific activities allowed under each license classification (see schedule of license types and fees in Appendix C). Fees are payable at the time of application. To renew an already existing liquor license, the application must be filed (and the corresponding fees paid) on or before February 28. On January 1, 1984 the Board adopted emergency regulations to set a moratorium on the issuance of certain new license within the State. The primary purpose of the moratorium is to avail time to the Board to reevaluate its current criteria for license application approvals. This moratorium will be in effect until April 30, 1984.

The staff of the ABC Board is divided into three major functions: administration, licensing, and enforcement. A brief description of the services provided by those functions follows.

Administration. The director of the ABC Board provides all administrative support needed by the Board including overseeing all staff functions, preparing budget documents, and directing the preparation and implementation of administrative and public hearings, and directing special enforcement investigations.

Licensing. The licensing staff currently consists of three full-time employees responsible for issuing and receiving application forms, maintaining records and files for all licenses, collecting fees, issuing all licenses and permits authorized by the Board, and answering inquiries from the general public on routine licensing matters.

## REPORT CONCLUSION

### Policy Issues

This review contains policy issues raised as a result of our evaluation of various Board practices. The final policy decisions affecting those practices are not within the scope of this review but require legislative consideration. In debating these decisions the legislative oversight committees should take into consideration the findings and recommendations presented in this report, so that the potential impact of the policy changes can be evaluated.

### Report Conclusions

Title 4 of the Alaska Statutes established the ABC Board to control the manufacture, barter, possession and sale of alcoholic beverages in the State in order to protect the public's health, safety, and welfare. We believe that there is a demonstrated need for this control to continue to exist. In order to operate in a more efficient and effective manner the following recommendations should be implemented:

1. The ABC Board should improve documentation of its enforcement efforts.
2. The ABC Board should strengthen communications with law enforcement officers.
3. The ABC Board should establish procedures to monitor license fee refunds.
4. The ABC Board should improve its activity reporting system.
5. The Department of Revenue should review the ABC Board's transmittal of receipt procedures and establish procedures to transmit funds more efficiently.

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## FINDINGS AND RECOMMENDATIONS

### Recommendation No. 1

The ABC Board should improve documentation of its enforcement efforts.

The ABC Board is mandated by statute to control the manufacture, barter, possession, and sale of alcoholic beverages in the State. When a violation is observed or reported, the ABC Board staff would issue a notice of violation, initiate an investigation, or file a criminal complaint. An enforcement file is maintained by the ABC Board to document actions taken. Our review of these files disclosed weaknesses in the following areas:

#### Investigations

Upon completion of an investigation by the enforcement staff a written report is prepared. The report is reviewed by the enforcement supervisor and submitted to the Director and/or Board for final action. Our review disclosed that adequate documentation is not maintained on enforcement activity. For instance, 16 of 25 enforcement files reviewed did not contain documentation of final action resulting from the Director and/or Board review. In addition, a review of 25 administrative files maintained by the Director showed that 17 files did not contain documentation of the informal conference held with the licensee and final resolutions made.

In order to improve the efficiency and effectiveness of operations, the ABC Board should implement procedures to ensure files are complete. Enforcement files should contain documentation of enforcement activity from inception to final resolution.

#### Notice of Violation (NOV)

The ABC Board utilizes an NOV to communicate to licensees that a violation allegedly occurred. NOVs of an by themselves carry no penalty, and present regulations do not require the licensee to respond to the NOV. Our review of 25 NOVs showed only 9 responses were received from licensees.

An NOV or an accumulation of NOVs could lead to the filing of an accusation or could initiate an investigation. In addition, NOVs may be reviewed by the Board in considering whether to suspend, revoke, or renew a license.

To provide for fair and balanced consideration by the Board, Director or enforcement officers, all licensees should be required to provide a written response to an NOV. The response should become a part of the decision on whether or

not additional action is warranted. Consideration should also be given to the assessment of a penalty to the licensee when no response is received after the issuance of an NOV.

Recommendation No. 2

The ABC Board should strengthen communications with law enforcement officers.

Our review of the ABC Board's law enforcement activities showed that the staff relies primarily on the services of local law enforcement officers to aid in enforcing liquor laws. To promote local enforcement, annual license fees, excluding wholesale fees, collected from licenses issued within a municipality are refunded semi-annually to the municipality.

Total license fees refunded to 40 municipalities in Fiscal Year 1983 was \$809,980. According to the ABC Board staff, they are unsure of what services are provided by several municipalities. No reports have been submitted by 20 of the 40 municipalities.

Alaska Statute 04.11.610(b) states that if the officers of a municipality fail to actively enforce local ordinances, laws of the United States and the State, and the regulations relating to the manufacture and sale of alcoholic beverages, the Commissioner of Revenue may deny the refund, until the Board finds the enforcement of the ordinances, laws and regulations is resumed. Alaska Statute 04.11.610(c) also provides for the recovery of any amount erroneously refunded.

As of January 1984, the ABC Board implemented procedures to monitor the number of reports received from law enforcement officers. We encourage the Board to continue this effort. In addition, the Board should review its enforcement requirements and inform all municipalities of the types of reports and/or services expected from each to ensure liquor law enforcement.

Recommendation No. 3

The ABC Board should establish procedures to monitor license fee refunds.

If an application for an alcoholic beverage license or permit is denied by the ABC Board, the applicant is required by Board procedures to submit a claim for a refund of the license fee paid. Upon receipt, the claim is reviewed and endorsed by the ABC Board's staff. The claim is then forwarded to the Department of Revenue for processing.

A review of the ABC Board's records showed that no reconciliation is performed between the amount requested and the amount disbursed. In addition, no accounting is maintained of the number and amount of unclaimed refunds. Discussion with the ABC Board's staff disclosed that several applicants are long overdue in submitting their claims. For example, four claims processed in Fiscal Year 1983 totalling \$2,200 were for refunds resulting from denials made prior to 1979.

Unclaimed refunds are a liability to the State and should be accounted for accordingly. Therefore, we recommend that the ABC Board establish procedures to automatically refund licensee fees when the denial action taken by the Board is known to be final. Supervisory review and approval should be required on all refunds processed. Refunding procedures should also include a summary of outstanding refunds, and a reconciliation of the amount requested to the amount disbursed.

Recommendation No. 4

The ABC Board should improve its activity reporting system.

Statistical information summarizing Board actions, licensing activities and enforcement activities is compiled annually by ABC Board's staff. These statistics are utilized as performance indicators for in-house and budgetary reporting. Our review of Fiscal Year 1983 summaries disclosed the following weaknesses:

- A. Enforcement activity summaries do not adequately reflect staff performance. For example, investigations are reported when completed. The man-hours required to conduct each investigation varies directly with the purpose and scope of the investigation. One investigation may take several months to complete, however no accounting is maintained on the man-hours required.
- B. Activity summaries are not accurate. Two material reporting errors were found as a result of our review. Total licenses revoked by the Board were erroneously reported at thirty-seven instead of four. The reported figure included thirty-three actions which should have been classified as denials or non-renewals. In addition, total investigations were reported at seventy-four, however only fifty were recorded.

The ABC Board should develop and implement policies and procedures to adequately measure staff performance and to promote accurate reporting of its activities.

Recommendation No. 5

The Department of Revenue should review the ABC Board's transmittal of receipt procedures and establish procedures to transmit funds more efficiently.

Revenues collected by the ABC Board consisting of application and license fees are deposited approximately once a week in a non-interest bearing bank account. Due to staff limitations and time allotted for bank verification, a check for the amount deposited is not prepared until several days later and forwarded to the Division of Treasury.

A review of the ABC Board's bank statements showed that the average monthly balance for Fiscal Year 1983 was \$87,828. Interest income is lost as a result of transmittal delays by the ABC Board. The Department of Revenue should establish procedures to have funds wire transferred to the Division of Treasury upon deposit or authorize the establishment of an interest bearing depository account to be maintained by the ABC Board.

## ANALYSIS OF PUBLIC NEED

### Limited Analysis

The following analysis indicates both positive and negative attainments of the ABC Board and how its activities relate to the public need factors defined by AS 44.66.050. This analysis is not intended to be comprehensive in nature.

I. The extent to which the board, commission or program has operated in the public interest.

Public protection gained through licensing to control the manufacture, possession and sale of alcoholic beverages has been adequately provided by the ABC Board. However, operational efficiency and effectiveness should be improved. See Recommendations 1 through 5 of this report.

II. The extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices which it has adopted, and any other matter, including budgetary, resource, and personal matter.

The 1980 revisions to Title 4 have, for the most part, been beneficial to the operation of the ABC Board. However, those sections which deal with suspension and revocation of licenses and permits place severe restrictions upon the ability of ABC to suspend and revoke licenses for the illegal act of licensee employees.

The Board is also restricted in meeting its statutory responsibilities in protecting the public health, safety and welfare by the size of the enforcement staff which consists of one agent in Juneau, one in Fairbanks and three, including a supervisory agent in Anchorage. Including the supervisory agent, there are only five agents with inspection and enforcement responsibilities for 1,513 licensed premises. However, one other Anchorage Investigator position is vacant.

III. The extent to which the board, commission or agency has recommended statutory changes which are generally of benefit to the public interest.

The last major revisions to Title 4 of the Alaska Statutes were the result of action by the 1980 session of the Legislature. The ABC Board participated in the process of developing those revisions

- IV. The extent to which the board, commission or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service which it has provided.

The ABC Board has met an average of ten times during 1982 and 1983. During each year they have met at least once in each of the four judicial districts. Each meeting has been adequately advertised and open to all interested persons. Staff of the ABC Board are located in Anchorage, Juneau and Fairbanks and are available to answer inquiries of the general public during all normal business hours. We believe this has provided an adequate forum for allowing public input on Board regulations and decisions.

- V. The extent to which the board, commission, or agency has encouraged public participation in the making of its regulations and decisions.

As noted in IV above, the Board has provided an adequate forum for obtaining input from the public.

- VI. The efficiency with which public inquiries or complaints regarding the activities of the board, commission or agency filed with it, with the department to which a board or commission is administratively assigned, or with the office of the ombudsman have been processed and resolved.

As noted in past reviews the number of formal hearings continue to be few in number. However, the ABC Board has the authority to hold its own hearings on protests which it exercises as a part of its regularly scheduled meetings. Hearings in this manner have been accomplished in a timely manner since the Board meets at least ten times each year.

- VII. The extent to which a board or commission which regulates entry into an occupation or profession has presented qualified applicants to serve the public.

Our review of licensing activity of the ABC Board to determine whether all statutory qualifications of licensees were being met revealed no exceptions. The Board has therefore, presented qualified applicants to serve the public.

VIII. The extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission, or agency to its own activities and the area of activity or interest.

No discrepancies were noted during our review of the ABC Board affirmative action program.

IV. The extent to which statutory, regulatory, budgeting, or other changes are necessary to enable the agency, board or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.

Please refer to I and II above and to the previous section, Findings and Recommendations.

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APPENDIXES

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APPENDIX A

STATE OF ALASKA  
DEPARTMENT OF REVENUE  
ALCOHOLIC BEVERAGE CONTROL BOARD  
REVENUE COMPARED WITH EXPENDITURES  
Fiscal Years 1981, 1982 and 1983  
(UNAUDITED)  
(Note 1)

	<u>1981</u>	<u>1982</u>	<u>1983</u>
Revenue (See Schedule 1)	\$1,494,489	\$1,548,393	\$1,592,957
Expenditures	<u>(556,589)</u>	<u>(562,178)</u>	<u>(605,131)</u>
<u>Excess of Revenue Over Expenditures</u>	<u>\$ 937,900</u>	<u>\$ 986,215</u>	<u>\$ 987,826</u>

Schedule 1  
Revenue Collected

<u>Types of License</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
Liquor License Application	\$ 83,250	\$ 86,350	\$ 86,950
Pub	100	400	400
Beverage Dispensary	771,050	773,200	799,050
Club	39,500	39,300	41,200
Common Carrier	25,800	29,050	30,500
Restaurant	60,750	69,600	73,550
Roadhouse	-0-	-0-	-0-
Retail Store	330,700	335,400	341,500
Wholesale General	138,500	156,000	146,700
Wholesale Malt Beverage	13,200	21,600	27,900
Miscellaneous (Note 2)	<u>31,639</u>	<u>37,493</u>	<u>45,207</u>
<u>Total</u>	<u>\$1,494,489</u>	<u>\$1,548,393</u>	<u>\$1,592,957</u>

Note 1

This revenue/expenditure comparison was prepared from available records and discussions with ABC Board personnel. The records were not audited by us and accordingly we do not express an opinion on the ABC Board Revenue Compared with Expenditures, nor the Schedule of Revenue Collected.

Note 2

Includes recreational-site licenses, caterer's special events and conditional contractor's permits.

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APPENDIX B

STATE OF ALASKA  
DEPARTMENT OF REVENUE  
ALCOHOLIC BEVERAGE CONTROL BOARD  
NUMBER OF LICENSES BY TYPE  
Fiscal Years 1981, 1982, and 1983

<u>Types of License</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
Pub	1	1	1
Beverage Dispensary	620	634	645
Club	63	65	65
Common Carrier	72	88	94
Restaurant	182	215	223
Roadhouse	-0-	-0-	-0-
Retail Store	438	445	448
Wholesale General	15	16	16
Wholesale Malt Beverage	7	7	8
Miscellaneous (Note 1)	<u>9</u>	<u>12</u>	<u>13</u>
<u>Total</u>	<u>1407</u>	<u>1483</u>	<u>1513</u>

Note 1

Includes recreational-site licenses, caterer's special events and conditional contractor's permits.

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APPENDIX C

STATE OF ALASKA  
DEPARTMENT OF REVENUE  
ALCOHOLIC BEVERAGE CONTROL BOARD  
DESCRIPTION OF LICENSE TYPES AND FEES

<u>Source</u>	<u>Description</u>	<u>Annual Fee</u>
Application Fee	For each license application.	\$ 50
Beverage Dispensary	To sell or serve on the licensed premises alcoholic beverages for consumption on the licensed premises only.	1,250
Restaurant or Eating Place	To sell beer and wine for consumption only on the licensed premises.	300
Club	To sell alcoholic beverages for consumption only on the licensed premises.	600
Bottling Works	To operate a bottling works where beer and wine may be bottled and sold.	250
Brewery	To operate a brewery where beer is manufactured and bottled or barreled for sale.	500
Winery	To operate a winery where wine is manufactured and bottled or barreled for sale.	250
Package Store	To sell alcoholic beverages to a person in response to a verbal solicitation for purchase received from the person present on the licensed premises or in response to a written solicitation made by a person known to the license for a purchase to be received by the person making the solicitation.	750
Retail Stock	To sell the remaining stock of a package liquor store when the owner wishes to close or terminate business. Sale may only be to licensed persons.	100

<u>Source</u>	<u>Description</u>	<u>Annual Fee</u>
General Wholesale	To sell alcoholic beverages in the original package, and wine in bulk, in quantities of not less than five gallons to holders of licenses.	\$1,000 First \$100,000 of sales plus \$500 - 10,000 on additional sales
Wholesale Malt Beverage and Wine	To sell malt beverages and wine in the original packages in quantities of not less than five wine gallons to holders of licenses.	200 First \$20,000 of sales plus \$300 - 10,000 based on additional sales
Distillery	To operate a distillery where alcoholic beverages are distilled and bottled or barreled for sale.	500
Community Liquor	Authorizes a municipality to operate a beverage dispensary or a package store or both subject to the same conditions and fees applicable to beverage dispensary or package liquor store licenses.	1,250 Beverage Dispensary 750 Package Store
Common Carrier Dispensary	To sell alcoholic beverages for consumption aboard a vehicle, boat, aircraft, or railroad buffet car licensed by the State or federal agency for passenger travel.	350 Per vehicle, boat, aircraft or railroad car
Recreational Site	To sell beer and wine at a recreational site during and one hour before and after a recreational event which is not a school event, for consumption on designated areas at the site.	400
Pub	To sell beer and wine for consumption only at designated premises located on the campus of an accredited college or university.	400
Caterer	Authorizes the holder of a beverage dispensary license to sell or dispense alcoholic beverages at conventions, picnics, social gatherings,	50

<u>Source</u>	<u>Description</u>	<u>Annual Fee</u>
	sporting events or similar affairs held off the holder's licensed premises.	
Special Events	To sell or dispense beer or wine for consumption at designated premises for a specific occasion and limited period of time. Only a nonprofit organization may acquire the permit.	\$50 Per day
Conditional Contractor	To sell beer or wine for consumption only on designated premises for one year from the date of issuance of the permit at construction sites which are located outside a city and inside the boundaries of a military or naval reservation.	600

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**DEPARTMENT OF REVENUE**

OFFICE OF THE COMMISSIONER

POUCH S  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-2300

February 24, 1984

Mr. Gerald L. Wilkerson, CPA  
Legislative Auditor  
Division of Legislative Audit  
Pouch W  
Juneau, AK 99811



Dear Mr. Wilkerson:

This letter is in response to recommendations contained in your Performance Report of the Alcoholic Beverage Control Board dated January 30, 1984.

Recommendation No. 1 - The A.B.C. Board should improve documentation of its enforcement efforts.

We agree. Conclusions from and final actions from investigations, informal conferences and administrative hearings will be more precisely documented and recorded in pertinent files.

Recommendation No. 2 - The A.B.C. Board should strengthen communications with law enforcement officers.

We agree. This is an ongoing task for the board and its staff. We hope the monitoring procedures implemented recently will produce improved communications with other agencies.

Recommendation No. 3 - The A.B.C. Board should establish procedures to monitor license fee refunds.

We agree. Procedures to process and assess disposition of denied applications and related refund of license fees will be established.

Recommendation No. 4 - The A.B.C. Board should improve its activity reporting system.

We agree.

Item A. A man-hour reporting system for investigators is in place.

Item B. The discrepancy for total investigations reported resulted from "information only" notations by investigators on their daily reports erroneously recorded by clerical staff as "completed" investigations. Improved communication and control within the enforcement staff has begun to prevent this kind of error from reoccurring.

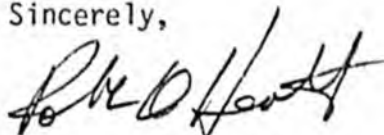
Mr. Gerald L. Wilkerson, CPA  
Legislative Auditor  
February 24, 1984  
Page 2

Recommendation No. 5 - The Department of Revenue should review the A.B.C. Board's transmittal of receipt procedures and establish procedures to transmit funds more efficiently.

We agree. The department is vigorously reviewing cash receipt management in all departments at the present time.

On behalf of the A.B.C. Board and its staff we commend your staff who performed this audit for their professionalism and conduct. Thank you for your constructive and appropriate recommendations.

Sincerely,



Robert D. Heath  
Commissioner of Revenue

RDH:PLS:m11

cc: Patrick L. Sharrock, Director  
A.B.C Board  
A.B.C Board Members