

COMMITTEE REPORT

HOUSE

(11)

4/25/85

FURTHER:

Date:

5-9-85

The Committee on FINANCE has had HB 373

"An Act repealing the regulation of concert promoters."

under consideration and recommends:

do pass do not pass

do pass with attached amendments(s)

replace with CS for _____ same title
 new title

and recommends No Recommendation

AND attaches a "Letter of Intent" ^{4-24-85 (same)} New Fiscal Note

reports it back without recommendation Zero Fiscal Note Attached

referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Ronald J. ...
Pat ...
...
...
...
...
...
...

Mike ...
...
...
...
...
...
...

...
Acting CHAIRMAN

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HB 373
 Title: Repealing the regulation
of Concert Promoters
 Sponsor: Rep. Marrou
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Commerce & Economic Dev.
 Program Category Affected: _____
Consumer Protection
 BRU, Program or Subprogram(s) Affected: _____
Occupational Licensing

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE	[.1]	[.1]	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS		-0-	-0-	-0-	-0-	-0-
OTHER						
TOTAL		-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME		-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Because of the required documents that must be submitted for licensing, the time of one staff person has been a necessity in only a minimal amount. The person assigned also has the responsibility of licensing construction contractors and geologists.

(See continuation attached)

Prepared By: Jennifer Strickler, Management Analyst. Phone: 465-2144

Division: Occupational Licensing Date: April 23, 1985

Approved by Commissioner: Loren H. Lounsbury Date: 4/24/85
 Agency: Commerce and Economic Development

Distribution (by Agency preparing fiscal note):

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

HB 373 Analysis, continued

The statute as written requires posting of a cash deposit or bond in the amount of \$5,000.00. This account must be reconciled by an individual other than the person posting the account. At present, there are five licensees which are subject to biennial license renewal, two occurring in FY '85, and three in FY '86.

Introduced: 4/12/85
Referred: Labor & Commerce
and Finance

1 IN THE HOUSE

BY MARROU

2

HOUSE BILL NO. 373

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act repealing the regulation of concert pro-
7 moters."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 08.92 is repealed.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

HB 373

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Alaska State Legislature

COMMITTEES:

Committee on Community and Regional Affairs
Committee on Transportation
Special Committee on Oil and Gas
Special Committee on Fisheries
Finance Sub-committee on Fish and Game




District 5

Kenai	Sterling
Soldotna	Anchor Point
Homer	Port Graham
Seldovia	English Bay
Kachemak	Nikolaevsk
Kaslof	Halibut Cove
Ninilchik	Clam Gulch

Andre Marrou
Representative

April 24, 1985

To: Al Adams, Chairman House Finance
From: Andre Marrou 

Subject: HB 373, Deregulation of Concert Promoters

HB 373 was introduced to alleviate a glaring and ludicrous application of the law. As of April 23, there are 5 licensed concert promoters in the state of Alaska. The Department of Commerce and Economic Development estimates that the annual cost of regulating this occupation is \$21,000. If HB 78, Occupational Licensing Fees Set by DCED, is signed into law, it can be deduced that some larger portion of these administration costs will be born by these 5 promoters.

This will probably result in fewer than 5 licensed concert promoters in the State. Thus, in the name of "consumer protection", we will have made it virtually impossible to promote stage performances legally. However, the demand for quality entertainment will not diminish. It will otherwise most likely be provided by those very people whom we seek to protect the public from; that is, people who are willing to break the law to provide this service.

On a broader, more philosophical perspective, occupational licensing just doesn't work as it is intended to. In fact, what really happens is just the thing we were trying to avoid in the first place--that is, higher prices and poorer service. Anything that limits competition will have this effect. The best way to protect the consumer is to maximize competition and to encourage promoters to stand upon their reputations as professionals. As Milton Friedman, Nobel Laureate in 1977 so eloquently states:

"Perfection is not of this world. There will always be shoddy products, quacks, con artists. But on the whole, market competition, when it is permitted to work, protects the consumer better than do the alternative government mechanisms which have been increasingly superimposed on the market." *

In researching the origins of this law, my staff quoted some interesting comments made by the Senate Commerce Committee on May 13, 1977. While they were deliberating this legislation (HB 185), Chairman Brad Bradley made the following comments (and I quote): "Hippy concerts"; "A rowdy hippy bunch that got out of hand"; "legitimate performers". Senator Kay Poland said we should "get the dope act."

* Free To Choose; by Milton Friedman, 1979, page 222.

It appears from the content of these tapes that the Senate Commerce Committee was more interested in controlling behavior than they were in protecting consumers. Tapes from the House Judiciary Committee were indecipherable. Floor action tapes were unavailable due to time constraints. From what I have been able to learn, this law is a knee-jerk reaction to a promotion sponsored by the Anchorage Jaycees in which somebody absconded with the money.

There are currently 14 members of the current Legislature who voted on both sides of this law. Perhaps they could be contacted for more information.

Passing this bill would provide for more entertainment opportunities as well as saving the State some money. I urge its passage.

Introduced: 4/12/85
Referred: Labor & Commerce
and Finance

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