

COMMITTEE REPORT

(11)

Date referred: 4/17/86

FURTHER REFERRALS:

DATE: 4-29-86

The FINANCE Committee has considered HB 550

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

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with CS HB 550 (SA) same title
- new title

and recommends DO PASS

further referral to the _____ Committee

- and attaches:
- letter of intent
 - first fiscal note
 - new fiscal note
 - zero fiscal note New 4-28-86

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

Robert P. Adams
John D. ...
Ronald L. ...
For ...
Kirk Kelly - DO PASS
Steve ...
...
...
...

Robert P. Adams
Chairman

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : CS HB 550 (SA)
Title : Extend ABC Board

Sponsor : House Judiciary Committee
Requestor : House Finance Committee
Date of Request : 4/28/86

FISCAL DETAIL

Agency Affected : Revenue
BRU : _____

Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		-0-	-0-	-0-	-0-	-0-
TRAVEL		-0-	-0-	-0-	-0-	-0-
CONTRACTUAL		-0-	-0-	-0-	-0-	-0-
SUPPLIES		-0-	-0-	-0-	-0-	-0-
EQUIPMENT		-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES		0	-0-	-0-	-0-	-0-
GRANTS, CLAIMS		0	-0-	-0-	-0-	-0-
MISCELLANEOUS		-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-

CAPITAL		-0-	-0-	-0-	-0-	-0-
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REVENUE		-0-	-0-	-0-	-0-	-0-
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FUNDING : (Thousands of Dollars)

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

POSITIONS :

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

ANALYSIS : Attach a separate page if necessary

Funds to operate the ABC Board are included in the FY 87 Budget.

Prepared by: Representative Adams - Chairman Phone: 465-3706
Division: House Finance Committee Date: 4/28/86

Approved by Commissioner: _____ Date: _____
Agency: _____

Distribution (by Agency preparing fiscal note):

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

Offered: 4/17/86
Referred: Finance

Original sponsor: Judiciary Committee

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE
2 CS FOR HOUSE BILL NO. 550 (State Affairs)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act amending the qualifications for appointment
7 to the Alcoholic Beverage Control Board and extending
8 the termination date of the Alcoholic Beverage
9 Control Board; and providing for an effective date."

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

11 * Section 1. AS 04.06.020 is amended to read:

12 Sec. 04.06.020. APPOINTMENT AND QUALIFICATIONS. The board
13 consists of five members appointed by the governor and confirmed by a
14 majority of the members of the legislature in joint session. A member
15 of the board may not hold any other state or federal office, either
16 elective or appointive. Two members of the board shall be persons
17 actively engaged in the alcoholic beverage industry, except that no
18 member may hold a wholesale license or be an officer, agent, or em-
19 ployee of a wholesale alcoholic beverage enterprise. One member shall
20 have experience in the field of alcohol abuse treatment or prevention.
21 Two members shall be public members. No three members of the board
22 may be engaged in or retired from the same business, occupation, or
23 profession.

24 * Sec. 2. AS 44.66.010(a)(1) is amended to read:

25 (1) Alcoholic Beverage Control Board (AS 04.06.010) --
26 June 30, 1990 [1986];

27 * Sec. 3. TRANSITION. Notwithstanding the provisions of AS 04.06.020
28 as amended by sec. 1 of this Act, the members of the Alcoholic Beverage
29 Control Board on the effective date of this Act remain on the board until

1 their terms expire or the positions otherwise become vacant.

2 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-

3 10.070(c).

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

August 21, 1985

Audit Control Number

04-1223-86-R

Commissioner, Department
of Revenue

Mary A. Nordale

Deputy Commissioners,
Department of Revenue

Bruce M. Botelho
Milton B. Barker

Members of the
Alcoholic Beverage Control Board

Chairman
Member
Member
Member
Member

William K. Smith
E. L. Holloway
Jane C. Perkins
James McNamee
Jack Griffin

STATE OF ALASKA

AUDIT DIVISION
POUCH W
JUNEAU, ALASKA 99811

THE LEGISLATURE
BUDGET AND AUDIT COMMITTEE

August 21, 1985

Members of the Legislative Budget
and Audit Committee:

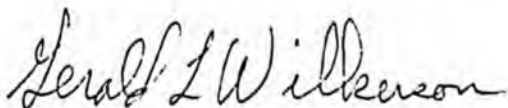
In accordance with the provisions of Title 24 of the Alaska
Statutes, the attached report is submitted for your review.

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

August 21, 1985

Audit Control Number

04-1223-86-R



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

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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 (ABC) 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 ABC Board should be reestablished. Per the 1984 amendment to AS 44.66.010(A)(1), the Board is scheduled to terminate on June 30, 1986.

The policy and audit approach utilized by the Division of Legislative Audit for Performance Reports can best be described as "audit by exception."

This methodology focuses audit effort on areas of an auditee's operations that have been identified by a preliminary survey as having a high degree of probability for needing improvements.

Therefore, by design, finite audit resources are used to identify where and how improvement can be made and little time is devoted to reviewing well run operations or programs. Consequently, this report highlights those areas needing improvement and does not emphasize those operations and programs that are properly functioning.

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 and 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.

The availability of licenses throughout the State is determined by the population within designated areas. Effective June 6, 1985, one license may be issued for every 3,000 in population or fraction thereof. As of June 30, 1985, a total of 1,679 licenses had been issued (see Appendix B).

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, 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.

Enforcement. The ABC Board currently employs six investigators - four operating from the Anchorage central office, one operating from the Fairbanks field office, and one operating from the Juneau field office. 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.

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 document the mitigating circumstances and reasons for not pursuing a suspension or revocation of a license.
2. Alaska Statute 04.11.510(c) should be amended to exclude Board participation in informal conferences.
3. The ABC Board should cease the current practice of terminating a license without cause and seek legal advice for clarification of its authority.
4. The ABC Board should improve documentation of its enforcement efforts.
5. The ABC Board should promulgate regulations for the creation of restaurant designation permits and the establishment of fees.
6. The ABC Board should strengthen controls over liquor license stock.

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FINDINGS AND RECOMMENDATIONS

Recommendation No. 1

The ABC Board should document the mitigating circumstances and reasons for not pursuing a suspension or revocation of a license.

Alaska Statute 04.11.370 provides for the suspension or revocation of a license if one or more of the eleven items listed in the provisions exists. Some of the major items listed include: misrepresentation of a material fact on an application; failure of a licensee to correct defects which constitute violations of Title 4; use of the licensed premises as a resort for illegal possessors or users of narcotics, prostitutes, or pimps; and violation by a licensee of Title 4 or a regulation or ordinance adopted under Title 4.

As prosecutor in the adjudication process, the ABC Board's Director is responsible for filing an accusation against a licensee when the facts show that a violation applicable to AS 04.11.370 has occurred. An accusation is a written statement of charges setting out the acts or omissions with which the licensee is charged and specifies the statute which the licensee is alleged to have violated.

Supporting the accusation is evidence gathered by the ABC Board's investigative staff. Investigative activity includes premise inspections, undercover observations, inquiries of licensee's staff and customers, and a review of local police reports.

Once an accusation has been filed by the Director, the ABC Board members have the responsibility of hearing the case and imposing the penalty upon a determination of the licensee's guilt.

Our review of cases requiring Board action showed that most cases resulted in dismissal of the accusation after an informal conference was held with the licensee. In some cases, the dismissal included a stipulation prohibiting any reoccurrences.

It is the ABC Board's position that it is within their discretion to adopt stipulations with remedial actions rather than to impose suspensions and revocations. Although we recognize that stipulations are within the Board's discretion, the files seldom document the mitigating circumstances or provide an explanation of why the Board chose to dismiss the accusation. In all cases, the files should clearly document the reasons for the Board's actions.

Recommendation No. 2

The Legislature should consider amending Alaska Statute 04.11.510(c) to exclude Board participation in informal conferences.

If an accusation is filed by the Director, the licensee is given the option of requesting an informal conference. Per AS 04.11.510(c), the informal conference may be held with the Director or the Board. If not satisfied with the results of the conference, the licensee may request a formal hearing. The ABC Board may delegate full authority to preside over the case to a hearing officer, or it may hear the case with the hearing officer. If the case is heard by the hearing officer, the officer is required to submit a proposed decision to the Board. The Board has the option of adopting the proposed decision or rendering a different one. If the case is heard by the Board and a hearing officer, the Board renders its final decision upon completion of the hearing.

When hearing a case, the Board should be unbiased and impartial. Evidence presented by the Director (the prosecutor) and the licensee (the defendant) should be weighed equally. Only evidence and testimony presented during the hearing may be considered in reaching a final decision. The Board's participation in informal conferences, prior to a formal hearing, may have a negative effect on their independence. No guidelines have been established to address what type of evidence can be submitted or what rules of law should be adhered to in the conferences.

For the most part, informal conferences are held by the Board without counsel to advise them on matters of law. As noted in Recommendation No. 1, Board action to resolve most cases resulted from informal conferences. If a hearing is requested by the disgruntled licensee after an informal conference, the Board runs the risk of having developed a biased opinion prior to the hearing.

To ensure the Board's independence, informal conferences held on pending cases should be limited to the Director. Any stipulations made by the Director and the licensee should be submitted to the Board for review. Board review of the stipulations should include an evaluation of the fairness of the resolution and an analysis of whether the terms are in compliance with statutory requirements. Final Board action should be documented by a motion and vote of the Board at an open meeting.

In addition, all informal conferences should be recorded to document the matters discussed. A brief summary of the discussion and agreements made should be transcribed and maintained in the licensee's file.

Recommendation No. 3

The ABC Board should cease the current practice of terminating a license without cause and seek legal advice for clarification of its authority.

The ABC Board has established an informal policy of requiring a licensee to surrender an existing license upon the issuance of a new license of a different type. For example, the holder of a restaurant/eating place license would be required to surrender that license upon the issuance of a beverage dispensary license for the same premise. The Board's authority to enforce this policy is questionable.

The ABC Board is governed by Title 4 of the Alaska Statutes. Per AS 04.11.070 the Board has the authority to issue, renew, transfer, suspend, or revoke a license. Alaska Statutes 04.11.360 and 04.11.370 list the conditions under which the Board can deny a transfer or revoke a license. The conditions listed primarily address violations by the licensee, actions which are contrary to statute, and actions which are not in the best interest of the public.

Our review of the licenses surrendered per the Board's informal policy showed that none of the conditions listed in AS 04.11.360 and AS 04.11.370 existed. In addition, we found that the Board was inconsistent in its application of the policy. The requirement to surrender a license was only imposed if the existing license was originally issued to the holder by the ABC Board. If the existing license was acquired through a transfer (purchase) then, the licensee was allowed to retain the license or transfer it. In the former case, the licensee was deprived of the privilege to transfer the license whereas in the latter case he was not. Our review disclosed three cases in which the licensee was deprived of the transfer option.

Due to the passage of House Bill 34, the population limits for the issuance of licenses was increased from 1,500 to 3,000. As a result, the license quota for the issuance of new licenses has been capped for most areas in the State. The ownership and transferability of a license is more valuable now than ever before. We noted in our review that one of the three licenses was surrendered in November 1984 under protest. The licensees feel their rights of ownership should not be denied. Although the ABC Board has taken no action on the protest to date, we strongly recommend that the Board obtain an Attorney General's opinion prior to taking action on the matter.

Recommendation No. 4

The ABC Board should improve documentation of its enforcement efforts.

This recommendation was made in our prior audit. Primarily, we had found that the ABC Board did not maintain adequate documentation of its enforcement actions from inception to final resolution. In addition, documentation of actions resulting from informal conferences held with the licensee was not adequate. Although the ABC Board staff has made some improvements (especially the Enforcement Section) our current review disclosed the following additional problems:

1. Documentation of the Director's review of investigative reports is not adequate.

The Director is required to review all investigative reports generated by the enforcement staff. However, our review showed that 26 of 46 reports did not have documentation of Director review.

2. Documentation of administrative decisions made by the Director is not adequate.

Not all violations noted by the ABC Board staff are prepared for prosecution. The Director is responsible for making the ultimate decision. Factors considered by the Director include; type of violation, evidence gathered by enforcement staff, prior violations, and the intent of the licensee. Therefore, a violation by one licensee may result in the filing of an accusation whereas a violation by another licensee may not. Our review showed that no documentation is maintained by the Director to show cause for not pursuing a case. As a result, in our review of 35 cases, we found nine cases which were not pursued by the Director although the violation and evidence gathered by the enforcement staff appeared to warrant further action. For example, an investigative report was prepared noting over 140 instances of violence on a licensee's premises over approximately a three year period. The investigators recommended an accusation be filed to suspend or revoke the license. An accusation was not filed and the file did not contain an explanation of why the case was not pursued. Documentation of administrative decisions would ensure proper review and fair treatment of cases.

3. The administrative filing system needs improvement.

An administrative file is established if violations noted by the Enforcement Section require prosecution by the Director. The file contains documentation of actions arising from the Director and/or Board review.

If another action involving the same licensee arises, then a separate file is created. No system has been established to record a historical summary of administrative actions and penalties imposed by the Board per each licensee. Thus, vital information which could be utilized by the Director and the Board in the decision making process is not readily available. In addition, a historical summary could also be utilized by the enforcement staff when conducting routine inspections to identify potential problem areas and ensure compliance to requirements stipulated by the Board.

We encourage the ABC Board to continue its efforts in implementing procedures to resolve the problems noted in our prior audit.

Additionally, we recommend that the ABC Board develop procedures to resolve the problems noted above.

Recommendation No. 5

The ABC Board should promulgate regulations for the creation of restaurant designation permits and the establishment of fees.

Alaska Statute 04.16.049 requires Board designation of a premise as a restaurant in order to allow access by a minor for dining or employment purposes. Approval of the governing body having jurisdiction over the premise is also required, if access of a minor is allowed for employment purposes.

In an effort to comply with the above requirement, the ABC Board required the licensee to submit an application indicating the type of designation requested. Upon receipt of the application a notification is sent to the governing body requesting their review and approval. The governing body is given 30 days to respond. Once reviewed and approved by the Board a notification is sent to the applicant and a permit is issued. The licensee is required to post the designation permit next to the liquor license. The permit is valid for one calendar year. A licensee must reapply for the permit annually.

Due to the process stated above, the ABC Board has created a new class of permits called restaurant designation permits. However, no regulations have been developed to formally establish the classification. In addition, no application fees or permit fees have been assessed to cover the expenses associated with the processing and issuance of the permits. According to the ABC Board staff, processing of the permits is very time consuming. Approximately 250 applications per year were processed in 1983 and 1984. Over 300 applications have been processed since January 1985.

Alaska Statute 04.06.100 gives the Board the authority to adopt regulations relating to the creation of permits and the establishment of fees. We recommend that the ABC Board take the necessary actions to exercise this authority.

Recommendation No. 6

The ABC Board should strengthen controls over liquor license stock.

A control log is maintained by the ABC Board to monitor the issuance of licenses. However, we found that license documents utilized in the renewal of active licenses are recorded by group sequence. No record is maintained to identify to which licensee each license document was issued.

In addition, the control log does not denote which license documents have been voided because of Board denial or revocation of the license.

A good system of internal controls would enable one to determine the status and location of a license at any given point in time.

The ABC Board should review the control over the issuance of licenses and develop procedures to resolve deficiencies.

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 of 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 1-6 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, as noted in Recommendation No. 2, certain provisions should be amended for the elimination of potentially conflicting elements.

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 four, including a supervisory agent, in Anchorage. Including the supervisory agent, there are only six agents with inspection and enforcement responsibilities for 1,679 licensed premises.

The amendments to Title 4 by chapter 93, SLA 1985 will also have an effect on the ABC Board's operation. Population limits for the issuance of licenses were increased thereby resulting in a restructuring of license availability throughout the State. Additional filing requirements were also imposed on the Board. Due to the recent passage of the legislation, the overall impact of the changes could not be determined at this time.

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

The ABC Board was instrumental in promoting most of the changes adopted through chapter 93, SLA 1985. In addition, the ABC Board participated in the development of the 1980 revisions to the statutes.

- 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 eleven times during 1984 and 1985. 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 material 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 of interest.

No discrepancies were noted in this area during our review of the ABC Board.

IX. 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

APPENDIX A

STATE OF ALASKA
DEPARTMENT OF REVENUE
ALCOHOLIC BEVERAGE CONTROL BOARD
REVENUE COMPARED WITH EXPENDITURES
Fiscal Years 1983, 1984 and 1985
(UNAUDITED)
(Note 1)

	<u>1983</u>	<u>1984</u>	<u>1985</u>
Revenue (See Schedule 1)	\$1,592,957	\$1,716,950	\$1,701,968
Expenditures	<u>(605,131)</u>	<u>(692,310)</u>	<u>(653,872)</u>
<u>Excess of Revenue</u> <u>Over Expenditures</u>	<u>\$ 987,826</u>	<u>\$1,024,640</u>	<u>\$1,048,096</u>

Schedule 1
Revenue Collected

<u>Types of License</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
Liquor License Application	\$ 86,950	\$ 100,000	\$ 101,850
Pub	400	800	-0-
Beverage Dispensary	799,050	852,825	852,275
Club	41,200	43,750	44,900
Common Carrier	30,500	43,350	36,675
Restaurant	73,550	89,650	91,850
Retail Store	341,500	368,150	373,300
Wholesale General	146,700	141,350	139,100
Wholesale Malt Beverage	27,900	27,300	12,300
Miscellaneous (Note 2)	<u>45,207</u>	<u>49,775</u>	<u>49,718</u>
<u>Total</u>	<u>\$1,592,957</u>	<u>\$1,716,950</u>	<u>\$1,701,968</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.

APPENDIX B

STATE OF ALASKA
DEPARTMENT OF REVENUE
ALCOHOLIC BEVERAGE CONTROL BOARD
NUMBER OF LICENSES BY TYPE
Fiscal Years 1983, 1984, and 1985

<u>Types of License</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
Pub	1	1	1
Beverage Dispensary	645	645	646
Club	65	71	72
Common Carrier	94	124	129
Restaurant	223	270	292
Retail Store	448	473	492
Wholesale General	16	18	20
Wholesale Malt Beverage	8	8	9
Recreational-Site	<u>13</u>	<u>16</u>	<u>16</u>
<u>Total Licenses</u>	<u>1513</u>	<u>1626</u>	<u>1679</u>

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

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>
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

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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>
Caterer	Authorizes the holder of a beverage dispensary license to sell or dispense alcoholic beverages at conventions, picnics, social gatherings, sporting events or similar affairs held off the holder's licensed premises.	\$50
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

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

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

December 30, 1985

RECEIVED

DEC 30 1985

LEGISLATIVE
AUDIT

Mr. Gerald L. Wilkerson
Legislative Auditor
Division of Legislative Audit
Pouch W
Juneau, AK 99811-3300

Dear Mr. Wilkerson:

This letter is in response to your preliminary audit report on the performance of the Alcoholic Beverage Control Board dated August 21, 1985.

We fully agree with your conclusion "...there is a demonstrated need for this control to continue to exist." Following are our comments about your specific recommendations.

Recommendation No. 1

The ABC Board should document the mitigating circumstances and reasons for not pursuing a suspension or revocation of a license.

We agree. Since your remarks in your interim letter the board's staff has assured that concluding notes from informal conferences are reflected in all administrative proceeding files.

Recommendation No. 2

The Legislature should consider amending Alaska Statute 04.11.510(c) to exclude Board participation in formal conferences.

The issues raised in this recommendation are substantive ones and touch on some of the most controversial topics in administrative adjudication. Thus, while we may disagree with specific conclusions you have reached, we recognize that your position finds support among many in administrative law.

As you have noted, AS 04.11.510 permits an accused licensee to request an informal conference before the director or the board. If the licensee is not satisfied with the results of the conference, he/she may request a formal hearing before the board. You correctly note that when reviewing a case, the board should be unbiased and impartial.

This concern is a problematical one. While the United States Supreme Court has authorized board involvement at both the informal conference and adjudicatory stages of a dispute (Withrow v. Larkin, 421 U.S. 35 (1975)), the Alaska administrative practice has been much more circumspect. The board was heavily queried on this matter. I am

Mr. Gerald L. Wilkerson
December 30, 1985
Page 2

satisfied that the board is provided only limited information about the dispute, that the information provided is solely for the purpose of providing sufficient facts to discuss the basis for settlement, and that the board fully understands that its decision on the merits of a case must be limited to evidence presented on the record at hearing. Except for rare unintentional oversights, informal conferences are recorded.

Because there is legal authority for the present practice and because the board strongly believes that its involvement at the informal conference level has reached expeditious and just results in the past, I am compelled to disagree with Recommendation No. 2.

Recommendation No. 3

The ABC Board should cease the current practice of terminating a license without cause and seek legal advice for clarification of its authority.

In an opinion dated September 27, 1985 from the board's assistant attorney general, the board finds its practice to be unwarranted. The matter will not be pursued.

Recommendation No. 4

The ABC Board should improve documentation of its enforcement efforts.

1. Documentation of the Director's review of investigative reports is not adequate.
2. Documentation of administrative decisions made by the director is not adequate.

Nos. 1 and 2. We agree. The director has instituted a more formalized review of investigative reports. The procedure includes a director's review sheet with provision for his signature rather than initials on investigative reports. The review sheet is intended to reflect a written record of the director's review of reports.

3. The administrative filing system needs improvement.

Filing of administrative/adjudicative recommended and completed actions will be supplemented with computerized summary information when computer programs are corrected or appropriate software obtained.

Recommendation No. 5

The ABC Board should promulgate regulations for the creation of restaurant designation permits and the establishment of fees.

We agree. The board has drafted a proposal for designation permits and is preparing to provide public notice for public hearing on a regulation.

Mr. Gerald L. Wilkerson
December 30, 1985
Page 3

We agree. The board has drafted a proposal for designation permits and is preparing to provide public notice for public hearing on a regulation.

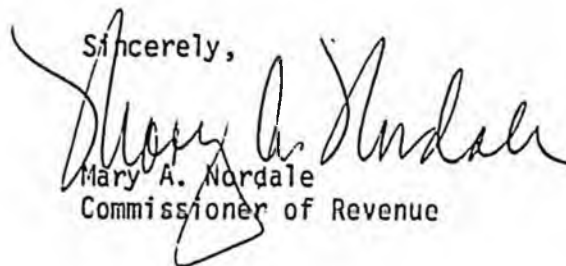
Recommendation No. 6

The ABC Board should strengthen controls over liquor license stock.

A license document control number file is established which also contains original licenses if they are voided or not used.

Thank you for your courtesy and the opportunity to respond. If we can provide any additional information, please do not hesitate to let us know.

Sincerely,



Mary A. Nordale
Commissioner of Revenue

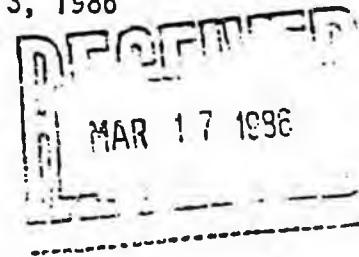
BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

P.O. BOX 5
JUNEAU, ALASKA 99811-0400
PHONE: (907) 465-2300

March 13, 1986



The Honorable Joe Josephson
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Senator Josephson:

Enclosed is language which we suggest be substituted for Section 1 of your bill or for Section 1 of HB 549. You will note that in addition to expertise in the treatment of alcohol abuse, we suggest also that qualification in the area of alcohol abuse prevention also be available to the board.

I understood your concerns to arise from three principal areas:

1. Public concern for greater sensitivity to the location of alcohol sales points, especially retail sales.
2. Public concern for greater sensitivity in the board's actions affecting alcohol abuse and the prevention of abuse.
3. Public concern for compliance with conditions of licensure.

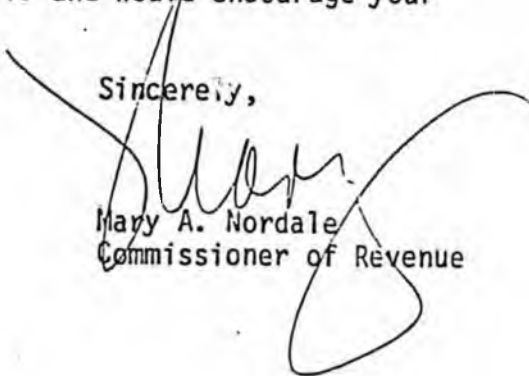
As I indicated to the committee, a change in qualifications for board members was not of great concern to this department. What is of concern is that applicants for licensure be properly dealt with and that community concerns as to location be appropriately addressed. The participation of community councils, pursuant to the 1985 amendments, has been actively sought. We would like to see their participation commence at the time the local governing body deliberates the question of approval of the license. Because we have less than a year's experience, we are as yet uncertain of the most effective means of insuring such participation.

Although the board has an admirable record of accommodation to community concerns, the system does not guarantee that everyone's concerns will be fully alleviated. However, with changing views relating to sales of alcohol and with the dynamic growth of some communities, the board's responsibilities become more complex and dealing with community

The Honorable Joe Josephson
March 13, 1986
Page 2

concerns more imperative. We believe that alcohol abuse prevention is of great and wide interest among the public and would encourage your adoption of that qualification.

Sincerely,



Mary A. Nordale
Commissioner of Revenue

MAN:m11
86-69

Enclosure

HOUSE STATE AFFAIRS
STANDING COMMITTEE
April 9, 1986
3:00 p.m.

Members Present:

Representative Katie Hurley
Representative Miller
Representative Cato
Representative Boucher
Representative Navarre
Representative Jenkins

Members Absent:

Representative Collins

COMMITTEE CALENDAR

HB 550:

An Act extending the termination date of the Alcoholic Beverage Control Board.

HB 549:

An Act relating to membership on the Alcoholic Beverage Control Board.

HB 692:

An Act relating to the issuance, renewal, transfer of ownership, and relocation of liquor licenses.

WITNESS REGISTER

Pat Sharrock
Director, Alcoholic Beverage Control Board
550 W 7th AVE. Suite 350
Anchorage, Alaska 99501
277-8638
Position Statement: Testified in support of HB 550 and HB 692. Testified in support of HB 549 if amended.

Peter Froehlich
Department of Law
Pouch K
Juneau, Alaska
465-3600
Position Statement: Provided testimony

Howard Scammon
Mothers Against Drunk Drivers

Pouch 3-6500 #154
Juneau, AK 99802
364-2205

Position Statement: Testified in support of HB 550 and HB 549 and suggested amendments to HB 692

PREVIOUS ACTION

ACTION NARRATIVE
TAPE #102 SIDE 1

Number 003

Chair Hurley called the meeting to order at 3:20 p.m. and noted the presence of Representatives Miller, Cato, and Boucher. HB 550, extending the Alcohol Beverage Control Board, was brought before the Committee for consideration. Chair Hurley introduced Pat Sharrock, Executive Director of the ABC Board and explained that the hearing was a sunset review requiring the activities of the Board be examined. She brought the committee's attention to the findings of the Legislative Budget and Audit Report.

Number 086

Chair Hurley noted the specific recommendation made in the audit that the Board should document the mitigating circumstances and reasons for not pursuing a suspension or revocation of a license. Pat Sharrock responded by saying that the recommendation was directed to the staff of the Board rather than the Board itself in that he is required to enforce the law. He stated that a lot of things come into play in making decisions in determining how the executive director should proceed. He stated that in any potential action except for conviction of a licensee, the director has to make a decision as to whether or not to pursue a charge against a licensee. In order to proceed the director must file an accusation in writing against a licensee. He explained that filing an accusation for any alleged violation would be extremely costly and that the preferred approach has been to issue a notice of violation, putting a licensee on notice that an incident occurred on his or her premise. He pointed out that in past audits this issue has been brought forth. Mr. Sharrock further explained that his policy in initiating action has been to determine whether or not the alleged violation is serious enough to warrant prosecution and then to write an accusation for review by the Attorney General's Office. He stated that through that process a decision would be made on whether or not to proceed. He discussed the procedure that the ABC Board staff has instituted to address Legislative Budget and Audit's concerns. He explained that first notices of violation are issued the Board follows up by determining whether or not the licensee has

responded to that notice of violation. He further explained that this information is recorded on a review sheet compiled from investigative reports. Notes on the sheet are made as to the status of the case. The signing of the sheet concludes the case.

Number 240

Representative Cato asked Mr. Sharrock if Legislative Budget and Audit was asking the ABC Board staff to document mitigating circumstances on cases which have not led to revocation or suspension of a license.

Number 273

Mr. Sharrock explained that Legislative Budget and Audit was trying to identify the circumstances that showed there was not an adequate formal procedure for pursuing a notice of violation. He further explained that the Legislative Budget and Audit also recommended that Board participation in informal conferences be excluded since written accusations by the director may be dismissed by the Board.

Number 281

Representative Miller asked whether or not the Board had instituted its current documentation system after the report came out. Mr. Sharrock replied that the system was instituted after the audit and was a result of the fact that he did not initial 30% or 40% of the investigative reports because he forgot to. The conclusion by the auditor was that he was not reviewing the work done by the staff. He stated that this was not true. He added that the director's review sheet is used to pass notes back and forth between himself and his staff on cases.

Number 322

Chair Hurley asked Mr. Sharrock what his opinion was on the recommendation that the Board's participation in informal conferences be excluded. Mr. Sharrock stated that the recommendation was important but should not be perceived as critical due to present statute. He explained that the informal conference provision was enacted in order to accomplish quick determination or resolution of a problem. He stated that he personally believed that the provision has been very effective in allowing for swift decision making but agreed that there was room for improvement through regulation. He noted the appeals process which would eventually result in formal action by the Board.

Number 377

Chair Hurley expressed concern with the recommendation that final Board action should be documented by a motion and vote of the Board at an open meeting. Mr. Sharrock replied that the recommendation referred to informal conference proceedings and stated that there were one or two occasions in the last several years where the Board neglected to take a decision on the record. He explained that this occurred due to an oversight. He stated that when decisions are reached, the Board will come out of informal conference and place that decision on the record. He added that often a closed file did not contain written concluding comments but that the outcome of all informal decisions were on tape.

Number 400

Chair Hurley commented that the Legislative Budget and Audit report made broad statements and that it would be beneficial to discuss its findings with the auditor.

Number 431

Representative Miller discussed the Board's participation informal conferences. Mr. Sharrock explained that the licensee can specifically request an informal conference with the director or the Board. He stated the director can only explain the board's previous decisions in an informal conference but can not make a decision himself. Mr. Sharrock explained that his role is to suggest that an informal conference be placed on the agenda.

Number 452

Chair Hurley noted the presence of Representative Navarre. Mr. Sharrock explained that the Board had offered HB 34 last year and HB 692 this year as legislation to benefit the public interest.

Number 481

Chair Hurley read the auditor's recommendation that the ABC Board should cease the practice of terminating a license without cause and seek legal advice for clarification of its authority. Mr. Sharrock responded that the Board had sought legal advice and was informed that it should cease that practice. Mr. Sharrock stated, however, that he supported the Board's intent which was to eliminate licenses that it had granted because a person obtained another license.

Number 500

Discussion on the recommendation that the Board should provide documentation on its enforcement efforts. Mr. Sharrock stated that the Board had 6 investigators and not

much clerical support. Chair Hurley agreed that documentation difficulties could be attributed to the lack of clerical support. Mr. Sharrock stated that he agreed with the recommendations in the report but that practically it is difficult to meet the suggested administrative or recording efforts. Chair Hurley added that the report also suggested that there were not enough notes being taken on individual cases. Discussion followed on the importance of leaving a written record on a case.

Number 602

Representative Hurley commented on the budget for the ABC Board and the fact that a large portion of it was spent for travel since the Board met once a month except for December. Mr. Sharrock stated that the Board met for an average of two days. Chair Hurley asked how many licenses were revoked this year. Mr. Sharrock replied that 5 or 6 licenses had been revoked.

Number 618

Chair Hurley asked Mr. Sharrock to explain an incident which occurred at Red Devil. He explained that Sleetmute had voted to ban the sale and importation of alcohol but that the Mercury Inn package store 7 miles up river continued to sell alcohol to Sleetmute residents. He stated that many accidents occurred as a result of that source of alcoholic beverages and Sleetmute residents had requested the ABC Board investigate the situation. Mr. Sharrock stated that from the subsequent hearing in Sleetmute, he had filed an accusation to the licensee asking for revocation of his license. The attorney for the licensee then asked for an informal conference. An informal conference was held among Mr. Sharrock, the ABC Board's attorney and the licensee's attorney where it was decided to explore ideas to mitigate the problems and concerns in Sleetmute. The licensee's attorney then submitted proposals to the ABC Board to curtail store hours, limit the quantity and keep a log of sales to Sleetmute residents. Mr. Sharrock stated that he has replied to the attorney that the proposed quantity provisions did not seem appropriate and suggested that if he wanted to pursue it further, an informal conference would be continued at Board level. The Board met with the licensee's attorney and made several proposals which have not been accepted at this time.

Number 628

Representative Cato returned at 3:50 p.m. and Representative Jenkins arrived.

Number 697

Committee discussion on the boundaries limiting the sale of alcohol. Representative Navarre left at 4:00 p.m.

Number 750

Representative Miller commented on recommendation #5 in the audit dealing with the promulgation of regulations on the creation of restaurant designation permits. Pat Sharrock stated that he agreed with the recommendation.

Number 757

Representative Miller noted recommendation #6 which called for the ABC Board to strengthen control over liquor license data. Mr. Sharrock stated that that was being done and explained the log procedure where all licenses were kept track of in numerical order.

Number 782

Pat Sharrock responded to a question by Chair Hurley about the regulatory and statutory changes the board had suggested to improve its mandate. He noted HB 34 and HB 692.

Number 788

Chair Hurley asked Mr. Sharrock how the Board could be improved. He suggested extending the Board for four more years since yearly extensions have impacted the staff. He stated that as controversial as the Board is, he thought the Board needed a vote of confidence.

Number 804

Chair Hurley asked if regulations are being enforced by police officials at the local level to ensure compliance with Title 4. Mr. Sharrock replied that directly the answer was no because local police officers don't enforce the Board's regulations; they enforce their own ordinances. Mr. Sharrock stated that in his mind he thought they were. He commented that historically liquor law violations have not been a priority of local police departments or the state troopers. He pointed out that the violations are misdemeanors, they take a lot of time and prosecutors will not prosecute. He said the only entity that is left to do anything in a given neighborhood is the Board.

Number 816

Chair Hurley asked Mr. Sharrock if, in fact, communities don't receive license renewal fees collected by the Board

to enforce Title 4. She suggested that it was the responsibility of the Board to inform municipal police departments that they are using the fees to do other things than what they were intended. She noted that the fees were established to aid the local municipalities with their police efforts in enforcing Title 4. Pat Sharrock replied he has informed the Board that the law requires license fees be refunded if local officials enforce the law. He noted the active participation of local communities and pointed out that it fulfilled part of the requirement to receive license fee monies. He stated that he thinks it is both local police efforts and license reviews by local government that come into play for refund of those license fees.

Number 838

Chair Hurley asked whether or not more education was needed on the local level to clarify municipal responsibilities in accepting those fees. Pat Sharrock agreed that there was. He stated that in meeting with local governing bodies, the biggest area of discussion is in explaining local responsibilities.

Number 846

Chair Hurley asked what the justification was for continuation of the Board as outlined in the required questions for sunset reviews. Representative Cato commented that if the Board was not continued, chaos would result.

TAPE #102 SIDE TWO

Number 026

Chair Hurley noted the presence of Representative Jenkins. Representative Jenkins commented that he did not think the Board needed to be reviewed as often as other Boards and Commissions and questioned why it was put under the sunset review.

Number 054

Representative Miller stated for the record that it was definitely necessary to continue the Board but that the sunset review was a valuable opportunity to review and evaluate the performance of the Board.

Number 075

Chair Hurley asked a question regarding public convenience licenses and the public criticism directed at them. Mr. Sharrock replied that passage of HB 34 last year totally changes, limits and clarifies public convenience licenses.

Chair Hurley brought HB 692 before the committee for its consideration. Representative Miller stated that the Judiciary Committee had introduced the bill at the request of the Board and that it was primarily geared towards improving efficiency. He suggested that the bill be amended to include a window of protest for municipalities during years where a licensee did not have to renew their license. He pointed out that the main provision of the bill was to change annual license renewal to biannual license renewal. Committee discussion on the bill.

Number 442

Howard Scammon representing Mother's Against Drunk Drivers and the Alaska Coalition for Moderate Alcohol Consumption, testified in support of HB 550, HB 549 and HB 692. He stated that the only action that local police officers really can do to enforce Title 4 is to prohibit liquor establishments from serving intoxicated persons. He supported using the 900,000 dollars collected annually to hire more investigators at the state level. He suggested changing wholesalers fees to 1% of the total business transacted over 1 million dollars. He noted that currently all wholesalers who gross over a million dollars pay 10,000 dollars a year whether or not they gross one million or 43 million. Committee discussion followed.

Number 527

Mr. Scammon praised the ABC Board for its work and pointed out their staff and budget limitation in ensuring they comply with their mandate. He noted the original intent of 4.11.610 was to allow municipalities to go out and hire people to do the same job that ABC Board investigators are supposed to be doing in rural areas of the state. He stated that the original intent of the statute was not meant to dump money into local police departments so they could enforce drunk driving laws. He stated that the current 6 investigators were supposed to be for rural Alaska which did not receive any revenue sharing from license fees.

Number 545

Peter Froehlich, Assistant Attorney General, testified on the proposed amended version of HB 549 in two distinct capacities. One on behalf of the Governor's Office and one representing the Department of Law. He explained that the Governor's position on the amended version of bill is essentially neutral. He stated the Governor's Office would strongly be against increasing the membership of the Board due to the fiscal impact. He noted that the Governor was supportive of maximizing public membership on the Board and

maintaining breadth of cross section in representation. He explained, however that the Governor is concerned about measures which restrict his flexibility in exercising appointment power. Mr. Froehlich testified that from the department level, three departments were involved: the Department of Revenue, the Department of Health and Social Services, and the Department of Law. He noted the letter of support from the Department of Revenue in changing the composition of the Board without increasing the membership. He explained that the Department of Health and Social Services was strongly in favor of the proposal. He stated that it was also the consensus of the attorneys in the Department of Law who have worked with the ABC Board that the amended version of the bill is a good idea because it improves the breadth of representation on the Board. He pointed out that it gives the Board the benefit of more diversity, broader perspective and ability to better deal with the issues it has to work with. He stated that the Department of Law has nothing negative to say about any particular member of the Board or any particular boards but that the requirement of diversity would ensure that that actually takes place. He observed that the ABC Board lent itself to a greater public membership than other licensing boards.

Number 620

Chair Hurley adjourned the meeting at 4:35 p.m.

Offered: 4/17/86
Referred: Finance

Original sponsor: Judiciary Committee

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE
2 CS FOR HOUSE BILL NO. 550 (State Affairs)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL
6 For an Act entitled: "An Act amending the qualifications for appointment
7 to the Alcoholic Beverage Control Board and extending
8 the termination date of the Alcoholic Beverage
9 Control Board; and providing for an effective date."

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

11 * Section 1. AS 04.06.020 is amended to read:

12 Sec. 04.06.020. APPOINTMENT AND QUALIFICATIONS. The board
13 consists of five members appointed by the governor and confirmed by a
14 majority of the members of the legislature in joint session. A member
15 of the board may not hold any other state or federal office, either
16 elective or appointive. Two members of the board shall be persons
17 actively engaged in the alcoholic beverage industry, except that no
18 member may hold a wholesale license or be an officer, agent, or em-
19 ployee of a wholesale alcoholic beverage enterprise. One member shall
20 have experience in the field of alcohol abuse treatment or prevention.
21 Two members shall be public members. No three members of the board
22 may be engaged in or retired from the same business, occupation, or
23 profession.

24 * Sec. 2. AS 44.66.010(a)(1) is amended to read:

25 (1) Alcoholic Beverage Control Board (AS 04.06.010) --
26 June 30, 1990 [1986];

27 * Sec. 3. TRANSITION. Notwithstanding the provisions of AS 04.06.020
28 as amended by sec. 1 of this Act, the members of the Alcoholic Beverage
29 Control Board on the effective date of this Act remain on the board until

1 their terms expire or the positions otherwise become vacant.

2 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-

3 10.070(c).

Introduced: 2/7/86
Referred: State Affairs
and Finance

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2

HOUSE BILL NO. 550

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act extending the termination date of the Alco-
7 holic Beverage Control Board; and providing for an
8 effective date."

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

10 * Section 1. AS 44.66.010(a)(1) is amended to read:

11 (1) Alcoholic Beverage Control Board (AS 04.06.010) --
12 June 30, 1990 [1986];

13 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
14 10.070(c).