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Alaska State Legislature



House of Representatives House Judiciary Committee

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4990

MEMORANDUM
May 10, 1985

TO: Senator Mitch Abood
Chair, Senate State Affairs

FROM: Representative Mike Miller *mm*

RE: CSHB 34 (Finance)

On per capita basis Alaska has over twice the number of licensed liquor outlets as other states. Passage of HB 34 would tend to move Alaska more towards the norm of national experience with respect to the ratio of licenses to population.

Additionally, this legislation should assist in stabilizing Alaska's near nation leading per capita consumption rate of alcohol and it's related problems.

Fiscal Impact: Fiscal notes have been provided by the:

Department of Revenue	\$0.0
Department of HESS	\$0.0
Department of C & RA	\$0.0
Alcohol Beverage Control Board	\$1.5

I have provided you, in your Senate State Affairs packet, the following:

1. Sectional analysis of CSBH 34 (Finance) prepared by legal services.
2. 5/10/85 staff analysis.
3. 4 Fiscal Notes (listed above).
4. Position paper from the Department of Health & Social Services.
5. House Judiciary Committee minutes (hearings: 3/14, 4/8, 4/13).
6. 2/14/85 staff memorandum regarding liquor license fees.
7. Alcohol Beverage Control Board population census and liquor license data.
8. Information regarding population formula used in HB 150/ Liquor Licenses, Governor's version of bill. This language is incorporated in HB 34 in Section 9 and 10.
9. Other related back-up material.

Thank you for your attention on this legislation.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

No. 1

Revision Date: _____

REQUEST CSHB34
 Bill/Resolution No.: (St. Affrs)
 Title: "An Act relating to the
 administration of liquor licenses"
 Sponsor: Rep M.M. Miller/St Affrs.
 Requestor: State Affrs Committee
 Date of Request: 2/21/85

FISCAL DETAIL
 Agency Affected: Community & Regional Affairs
 Program Category Affected: _____
 Community Development
 BRU, Program or Subprogram(s) Affected: _____

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-		

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

The Department remains only remotely affected by this committee substitute bill. The bill does potentially have an affect on local governments and continues to base administration of liquor licenses on population figures issued by C&RA.

Prepared By: Doug Griffin, Deputy Director
 Division: Municipal & Regional Assistance

Phone: 465-4750
 Date: 2-22-85

Approved by Commissioner: _____
 Agency: Community & Regional Affairs

Date: 2-22-85

Distribution (by Agency preparing fiscal note):

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

7/1/84

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 2/22/85

REQUEST No. 2
 Bill/Resolution No.: CSHB 34 (SA)
 Title: AN ACT RELATING TO THE
ADMINISTRATION OF LIQUOR LICENSES
 Sponsor: REP. M. M. MILLER
 Requestor: HOUSE STATE AFFAIRS COM.
 Date of Request: 2/21/85

FISCAL DETAIL
 Agency Affected: DEPARTMENT OF REVENUE
 Program Category Affected: _____
PUBLIC PROTECTION
 BRU, Program or Subprogram(s) Affected: _____
ALCOHOLIC BEVERAGE CONTROL BOARD

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-	-0-
CAPITAL						
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: Patrick L. Sharrock Phone: 277-8638
 Division: Alcoholic Beverage Control Board Date: 2/22/85
 Approved by Commissioner: *Marv A. Nordale* Date: 2/22/85
 Agency: Department Of Revenue

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

Handwritten initials

7/1/84



Alaska State Legislature

House of Representatives

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

M E M O R A N D U M
May 10, 1985

TO: Rep. Mike Miller
FROM: Denise Zachary, A.A. *dz*
RE: staff analysis/ HB 34: Limitation Liquor Licenses

CS for HB 34 (Finance)

Section 1, 2, and 3. AS 04.06.100(b), AS 04.11.040(c), and AS 0.11.055: Partnerships and limited partnerships shall be treated the same as corporations in regards to liquor licensing.

Section 4. AS 04.11.100: Adds new language to restaurant section;
"50% of gross receipts must be from sale of food"
(prior to 1981 statute changes, above language was included as well as
"no alcohol consumption on premises unless served with sale of food")

Section 5 and 6. AS 04.11.260(a) and AS 04.11.260: Adds partnership/ limited partnership language to existing statutes.

Section 7. AS 04.11.310: Community council notification of liquor license application in their areas of jurisdiction and notice of A.B.C. Board proposed action. (This section added by House Judiciary results in a Fiscal Note from the A.B.C. Board in the amount of \$1.5).

Section 8. AS 04.11.340: Amended adding relocation [TRANSFER OF LOCATION] to make language consistent throughout bill.

Section 9 and 10. AS 04.11.400(a) and (b): CRUX OF BILL. Adds language from HB 150 (Gov's) but ups population limits to 3000 for all license types except beer and wine licenses which will remain at current 1500 limit. Adds areas outside of a city, municipality, or village, but inside an organized borough --- provides that such areas will be governed by same quota formula as inside established villages, incorporated cities, and unified municipalities.

**** SHORT TERM EFFECT:** no package store or beverage dispensary licenses will be available in immediate future or until areas have sufficient population growth. The Board may, in their discretion, continue to issue special licenses for public convenience or to promote tourism.

Section 11. AS 04.11.400(e): Changes date for determining population where "5 Mile Rule" is used. Current law = use population statistics from Dec. 31, preceding the year of date of application. CSHB 34(Fin) = population will be determined as of the date application is filed with A.B.C. Board, or another date not more than 60 days earlier.

Section 12. AS 04.11.400(f): Technical changes adding HB 150 amendments.

Section 13. AS 04.11.400(g): Issue or transfer of beverage dispensary or restaurant license may be approved by Board if it appears to encourage tourist trade by construction or improvement of hotel, motel, or resort.

Sets up population standards for Board determination of hotel-motel licenses. (uses 1/25/85 A.B.C. Board draft regulations but increases by 5 rooms each population unit.)

Section 14. AS 04.11.400(h): Technical changes.

Section 15. AS 04.11.400(i): Ups population limits to 3000 [1500].

Relocation allowed if less than one mile from original location. No ground for Board denial if relocation necessary due to termination of lease agreement, condemnation, or destruction of premises by any cause.

Section 16. AS 04.11.400(j): Pertains to issuance or transfer of restaurant or eating place licenses. Board has public convenience discretion.

Section 17. AS 04.11.430(a): Partnership/ limited partnership licensing language.

Section 18. AS 04.11.504(a) (in original HB 34): Regards issuance or relocation of liquor licenses by majority vote at local elections.

If local governing body requests fewer licenses than population limit, Board may only issue that amount. If city is "dry" and local vote changes to allow alcohol, priority shall be given to liquor licenses previously issued although applicants have no legal right to license and Board is not required to approve application.

Section 19. AS 04.21.010: Regards notification to community councils.

Section 20. Adds Immediate Effective Date.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

May 10, 1985

SUBJECT: Liquor Licenses; CSHB 34 (Fin)
TO: Representative M. Mike Miller
Chairman, House Judiciary Committee
FROM: George W. Edwards *gwe*
Legislative Counsel

This is in response to your request for a sectional analysis of CSHB 34 (Fin) offered on May 1, 1985.

Section 1 AS 04.06.100(b) is amended by adding a new paragraph permitting the Alcoholic Beverage Control Board (the board) to adopt regulations that require partnerships that hold liquor licenses, including limited partnerships, to submit reports that include notice of any change of a partnership interest of 10 percent or more.

Section 2 AS 04.11.040(c) is amended to prohibit transfer of controlling interest in a liquor license held by a partnership except with the written consent of the board.

Section 3 AS 04.11 is amended by adding a new section 04.11.055, REPORTS REQUIRED OF PARTNERSHIPS. Subsection (a) requires that a partnership holding a liquor license report a transfer of a partnership interest of 10 percent or more or a change of general partners.

Subsection (b) provides that such a report be submitted to the board in duplicate within 10 days of the change in interest or change of general partners.

Section 4 AS 04.11.100 is amended by adding a new subsection that permits renewal of a restaurant or eating place license only if the licensee provides evidence to the board's satisfaction that gross receipts from the sale of food on the licensed premises constitute no less than 50

percent of the gross receipts of the premises for the preceding license year.

Section 5 AS 04.11.260(a) is amended by replacing the pronoun "him" with the sex-neutral term "applicant's" and by providing that the application for a liquor license for a partnership shall be executed by an authorized general partner.

Section 6 AS 04.11.260 is amended by adding a new subsection that requires partnerships applying for a liquor license to provide information required by the board including the names and addresses of all general partners and all other partners with an interest of 10 percent or more.

Section 7 AS 04.11.310 is amended by adding a new subsection requiring that upon receipt of an application for issuance, renewal, relocation, or transfer of ownership of a liquor license within an area of a municipality under the jurisdiction of a community council established by charter or ordinance to advise the municipality, or within an area adjacent to such an area, the board shall provide notice of the application to the community council and, at least 10 days in advance, advise the council of the date and time of any proposed action on the application.

Section 8 AS 04.11.340 is amended by substituting the term "relocation" for the term "transfer." The change eliminates possible confusion caused by the current usage of "transfer" as applicable both to the sale of an existing liquor license and to the relocation of licensed premises. Since there is a critical difference between the two acts, this section substitutes the term "relocation" for "transfer" with reference to the relocation of licensed premises. The term "transfer" remains applicable to sales of licenses.

Paragraph (2) of the section requires that relocation of a license be denied if prohibited under AS 04.11.400 (a) or (b).

Paragraph (3) of the section requires that relocation of a license be denied if the license would be relocated outside of the established village, incorporated city, unified municipality, or population area established under AS 04.11.400(a) within which it is located.

Paragraph (10) of the section requires that relocation of a license be denied if the license was issued under AS 04.11.400(g), (h), or (j).

Section 9 AS 04.11.400(a) is amended to substitute "relocation" language for "transfer" language.

Paragraph (1) provides for retention of the population requirement, outside a specified governmental unit including an established village and organized borough, at 1,500 or a fraction of 1,500 for each restaurant or eating place license that may be issued and for raising the population requirement to 3,000 or a fraction of 3,000 for each other license that may be issued within a five mile radius of the licensed premises, excluding the populations of established villages, incorporated cities, unified municipalities, and organized boroughs that are wholly or partly included within the radius.

Paragraph (2) provides for retention of the population requirement, inside a specified governmental unit including an established village, organized borough and unified municipality, at 1,500 or a fraction of 1,500 for each restaurant or eating place license that may be issued and for raising the population requirement to 3,000 or a fraction of 3,000 for each other license that may be issued within the unit.

Paragraph (3) provides for a population limitation inside an organized borough but outside an established village or incorporated city within the borough of 1,500 or a fraction of 1,500 for each restaurant or eating place license that may be issued and 3,000 or a fraction of 3,000 for each other license that may be issued within the area, excluding the population of those established villages that have conducted an election under AS 04.11.490, 04.11.496, or 04.11.500 and the population of incorporated cities within the organized borough.

Section 10 AS 04.11.400(b) is amended to provide that when the five-mile radius described in subsection (a) encompasses all of a governmental unit, including an established village, incorporated city, or unified municipality, and the population inside and outside of the unit but inside the five-mile radius is less than 3,000, rather than the former 1,500, the board may deny issuance or relocation of a liquor license.

Section 11 AS 04.11.400(e) is amended to define "population," as used in subsection (a)(1), as persons residing within the five-mile radius not later than the date the application is received by the board and not earlier than 60 days before the application is received.

Section 12 AS 04.11.400(f) is amended to include within the "population" referred to in subsection (a)(2) and (3) only those persons who resided in a specified governmental unit, including an organized borough, as of December 31 of the year preceding the date of application.

Section 13 AS 04.11.400(g) is repealed and reenacted to provide for the issuance or transfer of ownership of a beverage dispensary license or a restaurant or eating place license without regard to subsection (a) population restrictions to encourage tourism. A license may be issued under this section to an airport terminal or to a hotel-type business that has a dining room or kitchen facilities if:

- (a) it is within a population area of less than 1,501 and has at least 15 rental rooms;
- (b) it is within a population area of 1,501 to 2,500 and has at least 20 rental rooms;
- (c) it is within a population area of 2,501 to 5,000 and has at least 25 rental rooms;
- (d) it is within a population area of 5,001 to 15,000 and has at least 30 rental rooms;
- (e) it is within a population area of 15,001 to 25,000 and has at least 35 rental rooms;
- (f) it is within a population area of 25,001 to 50,000 and has at least 40 rental rooms; or
- (g) it is within a population area of greater than 50,000 and has at least 50 rental rooms.

Section 14 AS 04.11.400(h) is amended to restate the board's authority to issue a restaurant or eating place license without regard to subsection (a) under certain circumstances.

Section 15 AS 04.11.400(i) is amended to make the license transfer provision of this section applicable to licenses limited under either subsection (a) or (b).

Section 16 AS 04.11.400(j) is amended to provide that the board may approve the issuance or transfer of a restaurant or eating place license in a municipality without regard to subsection (a) if necessary for the public convenience.

Section 17 AS 04.11.430 (a) is amended to include partnerships and limited partnerships among entities that may hold liquor licenses.

Section 18 AS 04.11.504(a) is amended by the insertion of the term "relocation" to indicate the relocation of licensed premises.

Section 19 AS 04.21.010 is amended by adding a new subsection that requires that at least 10 days before a date set for municipal action on an application for the issuance, renewal, relocation, or transfer of ownership of a liquor license, the municipality provide written notice of the time and place of hearing to a community council, with jurisdiction over the affected area, established by charter or ordinance to advise the municipality.

Section 20 provides for an immediate effective date.

GWE:csh
J15/003

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST
Bill/Resolution No. CSHB34 (Jud)
Title: Relating to administration
of liquor licenses
Sponsor: M.M. Miller & Boucher
Requestor: House Judiciary
Date of Request: 4/17/85

FISCAL DETAIL
Agency Affected: ~~Dept. of Revenue~~
Program Category Affected: ~~Public~~
Protection
BRU, Program or Subprogram(s) Affected:
Alcoholic Beverage Control Board

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL		.5	.5	.5	.5	.5
300 CONTRACTUAL		1.0	1.0	1.0	1.0	1.0
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	1.5	1.5	1.5	1.5	1.5

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	1.5	1.5	1.5	1.5	1.5
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: Patrick L. Sharrock, Director
 Division: Alcoholic Beverage Control Board

Phone: 277-8638
 Date: 4/20/85

Approved by Commissioner: Mary A. Nordale
 Agency: Department of Revenue

Date: 4/30/85

- Distribution (by Agency preparing fiscal note):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)

I. REQUEST

Bill/Resolution No.: CS for HB 34
Title: An Act relating to the administration*
Sponsor: M.H. Miller
Requestor: _____

II. FISCAL DETAIL

Agency Affected: _____
Program Category Affected: _____
BRU, Program of Subprogram(s) Affected: _____

Date of Request: 1/28/85

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
CAPITAL	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
REVENUE	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

*of liquor licenses; and providing for an effective date."

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Matthew C. Felix
Division: Alcoholism and Drug Abuse

Phone: 586-6201
Date: 3/13/85

Approved by Commissioner: [Signature]
Department: HEALTH & SOCIAL SERVICES

Date: 3/14/85 [Signature]

Distribution:

- Original to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor
- Copy to Requestor (if different from Sponsor)

No. 1

Revision Date: _____

REQUEST

CSHB34

FISCAL DETAIL

Bill/Resolution No.: (St. Affrs)

Agency Affected: ~~Community & Regional Affairs~~

Title: "An Act relating to the administration of liquor licenses"

Program Category Affected: _____

Community Development

Sponsor: Rep M.M. Miller/St Affrs.

BRU, Program or Subprogram(s) Affected: _____

Requestor: State Affrs Committee

Date of Request: 2/21/85

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-		

CAPITAL						
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REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

The Department remains only remotely affected by this committee substitute bill. The bill does potentially have an affect on local governments and continues to base administration of liquor licenses on population figures issued by C&RA.

Prepared By: Doug Griffin, Deputy Director
Division: Municipal & Regional Assistance

Phone: 465-4750
Date: 2-22-85

Approved by Commissioner:
Agency: ~~Community & Regional Affairs~~

Date: 2-22-85

Distribution (by Agency preparing fiscal note):

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

7/1/84

Revision Date: 2/22/85

No. 2

REQUEST
Bill/Resolution No.: CSHB 34 (SA)
Title: AN ACT RELATING TO THE
ADMINISTRATION OF LIQUOR LICENSES
Sponsor: REP M M MILLER
Requestor: HOUSE STATE AFFAIRS COM
Date of Request: 2/21/85

FISCAL DETAIL
Agency Affected: DEPARTMENT OF REVENUE
Program Category Affected: PUBLIC PROTECTION
BRU, Program or Subprogram(s) Affected: ALCOHOLIC BEVERAGE CONTROL BOARD

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-	-0-
CAPITAL						
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: Patrick L. Sharrock Phone: 277-8638
Division: Alcoholic Beverage Control Board Date: 2/22/85
Approved by Commissioner: *Marv A. Nordale* Date: 2/22/85
Agency: Department of Revenue

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

7/2, 84

POSITION PAPER

CS FOR HOUSE BILL 34 (STATE AFFAIRS)

"An Act relating to the administration of liquor licenses; and providing for an effective date."

Section 1

This section would attempt to require that a restaurant or eating place license derive at least 50% of its gross receipts from the sale of food. This provision is currently in regulation, 15 AAC 104.305. While this idea is laudable it is uncertain how the ABC Board will effectively monitor licensees' receipts. Since the intent of this classification of license is to allow patrons to consume beer or wine with meals, the Department recommends consideration be given to using the pre 1980 title 04 language in this section.

"A restaurant or eating place licensee may sell beer and wine in a restaurant or eating place with meals furnished in good faith to patrons."

This should assist in avoiding the proliferation of restaurants that are promoting the sale of beer and wine regardless of whether patrons are eating food. In effect, some establishments have a beer and wine tavern in a section of their restaurant. Again, this does not appear to be consistent with the intent of this category of license.

Sections 3 and 4

The Department supports Sections 3 and 4, the population requirement change from 1500 to 3000 for beverage dispensary or package store licenses.

The Alaska State Plan (84-86) indicates that on a per capita basis Alaska has over twice the number of licensed liquor outlets as other states. In 1983 the national average for the ratio of licenses to each 1000 population was 1.18 while the Alaska ratio was 2.65. The attachment is from the Liquor Handbook 1984 and details all states relationships of liquor licenses to population for 1983. Passage of this bill would tend to move Alaska more towards the norm of the national experience with respect to the ratio of licenses to population. Furthermore, this action should assist in stabilizing Alaska's near nation leading per capita consumption rate of beverage alcohol, with its attendant related problems, including driving while intoxicated.

The Alaska Chapter of Mothers Against Drunk Driving is supportive of this bill and the Anchorage Mayor's Task Force on Drunk Driving of 1984 contained the following recommendation:

"The accessibility of alcohol should be limited by reducing liquor outlets (licenses) from 1-1500 population to 1-3000 population."

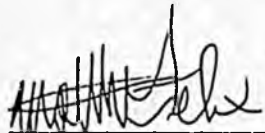
Additionally, the Governor's Task Force on Drunk Driving heard testimony favoring the concept contained in HB 34, however did not take action on this idea when they were advised this bill would be introduced to the legislature this session.

Section 7

This section more fully defines the number of rental rooms and population ratio applicants for beverage dispensary, or restaurant or eating licensee must demonstrate in order to be considered for a license designated to encourage tourist trade. The Department is supportive of this section since its passage would tend to limit the issuance of additional new licenses.

The Department will be pleased to provide additional information regarding CS for HB 34 and urges its passage.

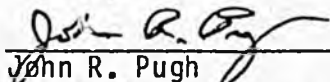
Recommended by:


Matthew C. Felix
Coordinator
Office of Alcoholism/
Drug Abuse

Date:

3/13/85

Approved by:


John R. Pugh
Commissioner
Dept. of Health &
Social Services

Date:

3/14/85

Retail Licenses For Sale of Distilled Spirits

State	Number of Licenses			Total Licenses	Estimated* Population (thousands) 7/1/83	Number of Licenses per 1,000 Population			
	On-Premise	Off-Premise	On- & Off-Premise			On-Premise	Off-Premise	On- & Off-Premise	Total Licenses
Control States									
Alabama	801	463	-	1,264	479	1.67	0.97	-	2.64
Arizona	1,275	1,361	1,523	4,159	2,963	0.43	0.46	0.51	1.40
Arkansas	591	682	-	1,273	2,328	0.25	0.29	-	0.55
California	14,581	11,501	-	26,082	25,174	0.58	0.46	-	1.04
Colorado	3,687	1,373	-	5,060	3,139	1.17	0.44	-	1.61
Connecticut	3,426	1,810	-	5,246	3,138	1.09	0.58	-	1.67
Delaware	443	290	101	914	606	0.73	0.48	0.30	1.51
District of Columbia	746	340	-	1,086	623	1.70	0.75	-	2.45
Florida	1,299	677	6,298	8,274	10,630	0.12	0.16	0.59	0.77
Georgia	1,905	1,669	-	3,574	5,732	0.33	0.29	-	0.62
Hawaii	1,070	781	-	1,851	1,023	1.05	0.76	-	1.81
Illinois	-	-	17,783	17,783	11,486	-	-	1.55	1.55
Indiana	1,147	1,695	3,739	6,581	5,479	0.21	0.31	0.68	1.20
Iowa	1,220	1,085	-	2,305	2,425	0.50	0.48	-	0.95
Kentucky	1,260	944	84	2,288	3,714	0.34	0.25	0.02	0.62
Louisiana	6,902	2,950	-	9,852	4,438	1.56	0.66	-	2.22
Maryland	556	1,026	3,217	4,799	4,304	0.13	0.24	0.75	1.12
Massachusetts	6,210	1,799	-	8,009	5,767	1.08	0.31	-	1.39
Minnesota	2,375	700	1,112	4,187	4,144	0.57	0.17	0.27	1.01
Missouri	-	4,110	4,295	8,405	4,970	-	0.83	0.86	1.67
Nebraska	452	585	2,031	3,068	1,597	0.28	0.37	1.27	1.92
Nevada	926	599	839	2,364	891	1.04	0.67	0.94	2.65
New Jersey	1,535	1,939	8,012	11,486	7,468	0.21	0.26	1.07	1.54
New Mexico	217	79	1,308	1,604	1,399	0.16	0.06	0.93	1.15
New York	23,672	4,098	-	27,770	17,667	1.34	0.23	-	1.57
North Dakota	110	95	1,075	1,280	680	0.16	0.14	1.58	1.88
Oklahoma	-	846	-	846	3,298	-	0.26	-	0.26
Rhode Island	1,449	308	-	1,757	955	1.52	0.32	-	1.84
South Carolina	1,571	1,196	-	2,767	3,264	0.48	0.37	-	0.85
South Dakota	958	615	-	1,573	700	1.37	0.88	-	2.25
Tennessee	1,045	506	-	1,551	4,084	0.27	0.13	-	0.40
Texas	8,213	3,474	-	11,687	15,774	0.52	0.22	-	0.74
Virginia	1,276	158	-	1,434	1,965	0.65	0.08	-	0.73
Washington	2,481	376	-	2,857	4,300	0.58	0.09	-	0.66
West Virginia	1,276	158	-	1,434	1,965	0.65	0.08	-	0.73
Wyoming	654	96	180	930	514	1.27	0.19	0.35	1.81
Total License	162,351	61,460	51,491	275,292	165,001	0.70	0.26	0.23	1.19
Control States									
Alabama	1,073	140	752	2,965	3,999	0.27	0.04	0.19	0.50
Idaho	924	132	-	1,056	909	0.93	0.13	-	1.07
Iowa	4,598	214	-	4,812	2,905	1.58	0.07	-	1.66
Maine	1,211	132	-	1,343	1,146	1.06	0.12	-	1.17
Michigan	9,335	3,942	-	13,277	9,069	1.03	0.43	-	1.46
Mississippi	593	667	-	1,260	2,587	0.23	0.26	-	0.49
Montana	-	141	1,557	1,698	817	-	0.17	1.91	2.08
New Hampshire	1,014	70	-	1,084	959	1.06	0.07	-	1.13
North Carolina	1,216	368	-	1,584	6,082	0.20	0.06	-	0.26
Ohio	11,834	426	-	12,260	10,746	1.10	0.04	-	1.14
Oregon	1,569	231	-	1,800	2,662	0.59	0.09	-	0.68
Pennsylvania	19,010	713	-	19,723	11,895	1.60	0.06	-	1.66
Utah	159	168	118	445	1,619	0.10	0.10	0.07	0.27
Vermont	1,108	65	-	1,173	525	2.11	0.12	-	2.23
Virginia	1,960	236	-	2,196	5,550	0.35	0.04	-	0.40
Washington	2,481	376	-	2,857	4,300	0.58	0.09	-	0.66
West Virginia	1,276	158	-	1,434	1,965	0.65	0.08	-	0.73
Wyoming	654	96	180	930	514	1.27	0.19	0.35	1.81
Total Control	60,615	8,275	2,607	71,497	68,289	0.89	0.12	0.04	1.05
Grand Total	162,973	59,044	54,104	276,821	233,981	0.70	0.26	0.23	1.18

*Totals may not add because of rounding.

Note: Georgia and New York data are for 1979. New Mexico data are for 1980. The number of off-premise licenses in Control States represents state stores and agencies with the following exceptions: North Carolina represents county and city stores. Michigan includes specially designated distributors and Mississippi and Wyoming cover private licenses since these states operate a monopoly at wholesale level only.

Source: DISCUS

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 30, 1985

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811



Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill primarily relating to the population formula used for issuance of an alcoholic beverage license in an area outside of a city, municipality, or village, but inside an organized borough. The bill would amend existing law to provide that such an area will be governed by the same quota formula now employed inside established villages, incorporated cities, and unified municipalities.

The number of licenses of each type that may be issued inside established villages, incorporated cities, and unified municipalities is limited to one for each 1,500 persons residing in the village, city, or municipality. Under current law, a different rule is applied, however, to applications for licenses to be located outside of these governmental entities, both in organized boroughs and in the unorganized borough. For these applications, the quota is based on the number of licenses and persons within a five-mile radius of the proposed premises; the quota allows one license for each 1,500 persons within the radius.

The five-mile-radius quota worked well when the organized boroughs were relatively unpopulated, and continues to work well in the unorganized borough. Recently, however, the five-mile-radius rule has resulted in the issuance of an excessive number of licenses in populous organized boroughs -- particularly in the Kenai and Matanuska-Susitna Boroughs.

The difficulty in these populous organized boroughs is caused by the fact that the five-mile radii of premises that are within five miles of each other cover much of the

same area. This means that a single population can be counted towards several different licenses. The result in a densely populated area for which many licenses are sought can be alarming; in the Matanuska-Susitna Borough, for example, there is now approximately one beverage dispensary license for each 556 persons, and one package store license for each 899 persons, who live in the borough and outside of cities and villages within the borough.

The present result of applying the five-mile-radius rule in the organized boroughs is clearly contrary to the intent of the legislature that created it. It is also contrary to the health, safety, and welfare of the residents of our organized boroughs. A likely short-term effect of the enactment of the attached bill will be that no package store or beverage dispensary licenses will be generally available in the Matanuska-Susitna or Kenai Boroughs in the immediate future, until those areas experience sufficient population growth. The board may, however, continue to issue, in its discretion, special licenses if necessary for the public convenience or if issuance will promote the tourism industry by encouraging the construction of a hotel or motel that would not otherwise be built.

An analysis of the proposed amendments, including several technical and stylistic amendments, follows.

ANALYSIS OF AMENDMENTS TO AS 04.11.400

1. Use of terms, generally. Throughout the bill, the terms "incorporated city," "unified municipality," and "organized borough" are used instead of the term "municipality" as defined in AS 04.21.080(b)(11). The use of the defined term "municipality" was considered too confusing in this context because of the need to distinguish in this bill between "municipalities" that are organized boroughs and "municipalities" that are other entities inside organized boroughs.

2. Changes to AS 04.11.400(a)(1). The phrase "for each 1,500 population or fraction of 1,500 population" has been moved to a later position in the paragraph for greater grammatical clarity.

The added language, "excluding the populations of established villages, incorporated cities, unified municipalities, and organized boroughs that are wholly or partly included within the radius," is drawn from language -

currently appearing in AS 04.11.400(e). Placing that language in subsection (a)(1), and deleting it from subsection (e), was considered preferable for two reasons. First, it prevents an important legal requirement from being hidden in a definition section. Second, the change makes the structure of (a)(1), (2), and (3) parallel.

3. Changes to AS 04.11.400(a)(2). The phrase "for each 1,500 population or fraction of 1,500 population" has been repositioned in the sentence for greater grammatical clarity.

The phrase "boundaries of the" is deleted because it adds nothing to the meaning of the paragraph.

4. Addition of AS 04.11.400(a)(3). This entire paragraph is new and contains the most significant amendment to the statute, applying the "one license per 1,500 persons" rule to organized boroughs of the state.

5. Changes to AS 04.11.400(b). This subsection was reworded for greater clarity and simplicity.

6. Changes to AS 04.11.400(e). The deleted language "but outside an established village, an incorporated city, or a unified municipality" has been moved, in slightly revised form, to subsection (a)(1).

Subsection (e), as rewritten, also changes the date for determining population where the five-mile radius rule is applied. Under current law, the relevant date is December 31 of the year preceding the date of application. The use of this date is effective and practical where the quota is based on the entire population of a government entity, because those entities determine their populations yearly. However, where the five-mile-radius rule is applied, government figures are generally unavailable and the applicant will in most cases be required to do an actual count of the number of persons residing inside the radius. A person doing this count in, for example, November has no way of determining what the count would have been on December 31st of the previous year. For this reason, the bill provides that where the five-mile-radius rule applies, the population will be determined as of the date the application is filed with the Alcoholic Beverage Control Board, or another date not more than 60 days earlier.

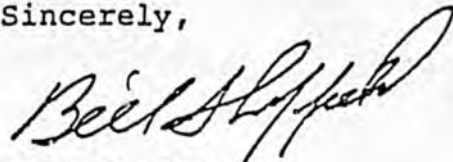
7. Change to AS 04.11.400(h)(1). The words "an

incorporated" were added for clarity and uniformity.

8. Change to AS 04.11.400(i). The change in this subsection is a technical correction only.

9. Changes to AS 04.11.400(j). This subsection presently uses only the term "municipality," which is defined in AS 04.21.080(b)(11) as meaning "an incorporated city, unified municipality, or organized borough." The specific terms are substituted here for the defined term for two reasons. First, the specific terms are used in the remainder of this section and their use here promotes uniformity. Second, because the specific terms are used elsewhere in the section, their use here will avoid any consequent confusion regarding whether the term "municipality" is intended to mean all three types of government entities or only a unified municipality.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill Sheffield".

Bill Sheffield
Governor

Total Number of Licenses by Type,¹ by Year, Alaska
1978 - 1982.*

	1978	1979	1980	1981	1982	Number on 2/26/85
Beverage Dispensary Club	483	583	592	624	629	625
Commercial Carrier	51	61	62	66	66	73
Restaurant	64	78	79	83	84	129
Retail	181	218	222	234	236	272
Pub	351	424	431	454	458	487
Total	1	1	1	1	1	1
	1,131	1,365	1,387	1,462	1,474	1,587
On-Premise	780	941	956	1,008	1,016	1,100
Off-Premise	351	424	431	454	458	487

1. Department of Revenue: Alcohol Beverage Control Board

* The total number of Liquor License's was made available by the ABC Board. The distribution of license's by type was based on the percentage breakout for 1981 a year for which data on number of each type of license was available. Data on the exact type breakout for previous years was unavailable.

Number of persons per license, Alaska , 1978-1982

	1978	1979	1980	1981	1982	Number on 2/26/85
ON PREMISE LICENSE'S	780	941	956	1,008	1,016	1,100
19+ Population	345	288	277	271	291	299
State Population	525	431	418	426	452	465
OFF PREMISE LICENSE'S	351	424	431	454	458	487
19+ Population	766	639	614	603	646	676
State Population	1,168	957	928	947	1,004	1,049
TOTAL LICENSE'S	1,131	1,365	1,387	1,462	1,474	1,587
19+ Population	237	198	191	187	200	207
State Population	363	297	288	294	312	322
STATE POP. (000's) ¹						
19+ years ²	269	271	265	274	296	329
State Pop. ³	410	406	400	430	460	511

1. Department of Labor: Annual Population Statistics.

2. The number of state population aged 19 and over.

3. The entire state population.

SUMMARY

February 1985

ANALYSIS OF AVAILABILITY FACTORS
RELATED TO PER CAPITA ALCOHOL CONSUMPTION

· For

THE ALASKA COUNCIL ON PREVENTION
OF ALCOHOL AND DRUG ABUSE, INC.
· Anchorage, Alaska

Partially funded by

THE STATE OFFICE OF ALCOHOLISM AND DRUG ABUSE
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
STATE OF ALASKA

Prepared by

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SUMMARY

DO ALCOHOL LAWS AFFECT ALCOHOL CONSUMPTION

Synopsis

In the simplest possible terms, this report indicates that:

- States with "strict," "tight," or "conservative" liquor laws have low per capita alcohol consumption.
- And, states with "permissive," "loose," or "liberal" liquor laws have high per capita alcohol consumption rates.

The factors which apparently most affect per capita consumption are:

- The cost of alcohol.
- The hours in which alcohol is available for sale.
- The number of outlets in which alcohol may be purchased.

Background and Reason for this Research

This report is a small part of an intensive two-year study by the Alaska Council on Prevention of Alcohol and Drug Abuse, Inc., to determine if Alaska's liquor laws and policies were in any way responsible for that state's inordinately high per capita alcohol consumption rate.

Much research has been done on the relationship of individual factors in affecting per capita consumption, and/or attempting to tie in one factor or another with a specific type of health disorder or crime problem.

Only one piece of research attempted to look at the overall liquor policies of a specific state as they relate to per capita alcohol consumption. In 1975, Dr. Reginald Smart of the Addiction Research Foundation in Toronto, developed an "availability score" by assigning weights to a variety of factors. He has proved that states with a high "availability score" (e.g. Alaska) had high per capita alcohol consumption rates. States which had low scores on his "availability scale" (e.g. North Carolina) had low per capita alcohol consumption levels.

The 1975 Smart Study, which was cited as "an overwhelming preponderance of scientific evidence," indicated a direct correlation between availability factors and per capita consumption. However, any attempt to change liquor laws to moderate alcohol availability anywhere is always challenged with the statement that the specific factor under discussion cannot be proven to have any specific effect. This research attempted to find the specific effect.

Methodology

The following factors were considered in an attempt to learn how much each of these factors influences per capita alcohol consumption in each of the 50 states and the District of Columbia.

- Minimum drinking age.
- Per capita income.
- Hours per week that alcohol may be purchased.
- Number of outlets which sell alcohol per population.
- Whether alcohol is sold through licensed, independent retail outlets or a state monopoly.

Baseline data was accumulated for each state, for the year 1980. Regression analysis, a commonly-used statistical technique, was utilized with a formula designed to indicate how much each of these factors influenced per capita consumption.

In the final analysis:

- Minimum drinking age does not seem to affect the per capita consumption rate.
- Having individual licensees rather than a state monopoly does not seem to affect the per capita consumption rate.
- Per capita income does affect per capita consumption. Every \$1,000 of per capita income indicates additional consumption of approximately one quart of alcohol.
- The cost of alcohol does directly affect consumption. Each additional dollar of cost reduces consumption by more than a quart.
- The number of outlets does affect consumption. One point of logarithmic difference will decrease per capita consumption by .39 gallons.

Conclusions

There are many demographic variables which influence per capita consumption, that cannot be changed by legislation. For example, per capita income is a variable that would be of little help to decision makers in attempts to reduce per capita consumption.

Should any political jurisdiction wish to lower its per capita consumption level, the three most influential factors to be considered are:

- Cost of alcohol
- Number of outlets
- Hours of availability