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# HOUSE COMMITTEE REPORT

File

(11)

Date Referred: April 24, 1990

FURTHER REFERRALS:

Date of Committee Action: 5/2/90

The FINANCE Committee considered:

CSSB 157 (FINANCE)

CS SB NO. 157 (Finance)

CIVIL FINES/VIOLATIONS BY LIQUOR LICENSEE

"An Act relating to imposition of a civil fine for violation of a statute, regulation, or ordinance related to alcoholic beverages."

### RECOMMENDATIONS:

- be replaced with \_\_\_\_\_  the same title
- have attached amendment(s)
- do pass  a new title
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of intent

ATTACHES NEW FISCAL NOTE(s):  
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- fiscal impact \_\_\_\_\_
- zero fiscal note \_\_\_\_\_
- zero with analysis \_\_\_\_\_

- fiscal note(s) \_\_\_\_\_
- zero fiscal note(s) REV 4/23/90
- zero fn/analysis \_\_\_\_\_

### SIGNING DO PASS:

### SIGNING:

(Check approp. column)

Do Not Pass No Rec Amend

Ronald D. Larson Larson

Cliff Swackhammer Swackhammer

Tom Brown Brown

W. Koponen Koponen

A. Ulmer Ulmer

Robert Phillips Phillips

SIGNING:	Do Not Pass	No Rec	Amend
<u>Steve Rieger</u> Rieger		<input checked="" type="checkbox"/>	

Chairman's Signature  
Ronald D. Larson Larson

## FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_ Agency Affected: Department of Revenue  
 Title: Relating to civil fines for violations of: Alcoholic Beverage Control Board  
related to alcoholic beverages and accounting for fees and fines.  
 Sponsor: Sen. Rules by Governor request Components: \_\_\_\_\_  
 Requestor: House Finance Committee

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL OPERATING</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>CAPITAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>REVENUE</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

**FUNDING: (Thousands of Dollars)**

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

**POSITIONS:**

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

**ANALYSIS :** (Attach a separate page if necessary)

This legislation does not impact the ABC Board's FY 90 budget.

Prepared by: Patrick L. Sharrock  
 Division: Alcoholic Beverage Control Board

Phone: 277-8638  
 Date: 4/25/90

Approved by Commissioner: [Signature]  
 Agency: Department of Revenue

Date: 4/29/90

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

Original sponsor(s): RULES/GOVERNOR

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 157 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to imposition of a civil fine for  
7 violation of a statute, regulation, or ordinance  
8 related to alcoholic beverages."

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

10 \* Section 1. AS 04.11 is amended by adding a new section to read:

11 Sec. 04.11.575. CIVIL FINE. (a) Except as provided in (c) of  
12 this section, the board may, in addition to any other penalties impos-  
13 ed under this title, impose a civil fine upon a licensee or permittee  
14 that the board determines, at a proceeding under AS 04.11.510(c), has  
15 violated a provision of this title, a regulation adopted under this  
16 title, or an ordinance adopted in accordance with AS 04.21.010.

17 (b) The board shall by regulation adopt a schedule of fines that  
18 a licensee may be required to pay under this section. A fine may not  
19 exceed the greater of:

20 (1) \$50,000; or

21 (2) an amount that is three times the monetary gain re-  
22 alized by the licensee as a result of the violation.

23 (c) The board may not impose a civil fine if the violation  
24 results in revocation or nonrenewal of the license. If the board is  
25 proceeding under AS 04.11.370(4), the board may not impose a civil  
26 fine, unless the licensee consents to the fine and the fine does not  
27 exceed the greater of the amount specified under AS 12.55.035 applica-  
28 ble to the offense for which the licensee was convicted or the limit  
29 imposed under (b)(2) of this section.

1 \* Sec. 2. AS 04.11.590(a) is amended to read:

2 (a) Money collected from licenses and civil fines under this  
3 title shall be transferred by the board to the Department of Revenue  
4 and deposited in the general fund.

5 \* Sec. 3. AS 04.11.590 is amended by adding a new subsection to read:

6 (c) The commissioner of administration shall separately account  
7 for all application fees, license fees, and civil fines collected  
8 under this title that the Department of Revenue deposits in the gener-  
9 al fund. The annual estimated balance in the account may be used by  
10 the legislature to make appropriations to the Department of Revenue to  
11 carry out the purposes of AS 04.06.

STEVE COWPER  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

157

February 3, 1989

The Honorable Tim Kelly  
President of the Senate  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that gives the Alcoholic Beverage Control (ABC) Board the authority to assess a civil fine against a liquor licensee or permittee if the board finds that the licensee violated a statute, a regulation, or a local ordinance relating to alcoholic beverages.

Under AS 04.11.370, the board currently must suspend or revoke a liquor license or permit for certain reasons, including violation of provisions of AS 04, regulations adopted under AS 04, and local ordinances pertaining to liquor. The ABC Board does not, however, have the authority to assess a fine against a liquor licensee or permittee who is found to have violated a provision of the law, either personally or through an agent or employee. Many instances have arisen where the ABC Board has felt that a fine would be an appropriate, additional sanction.

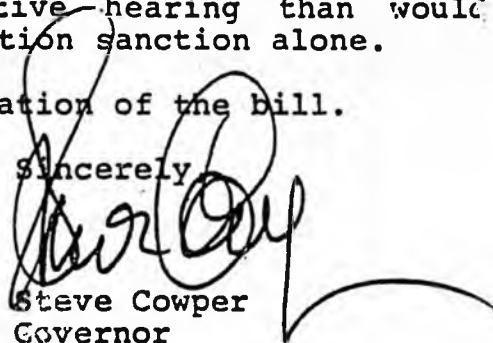
Under the bill, the board may impose a fine following the suspension/revocation hearing under AS 04.11.510(c). The due process rights of licensees and permittees are thus protected.

This bill should have an overall beneficial effect on state finances in that it does not require an additional appropriation and could potentially result in the generation of additional revenue through the assessment of fines. The added regulatory flexibility through the assessment of

finer could also reduce administrative expense in that that sanction would be less likely to result in a lengthy, and often expensive, administrative hearing than would the existing suspension or revocation sanction alone.

I ask your favorable consideration of the bill.

Sincerely,



Steve Cowper  
Governor