

HB

141

SENATE COMMITTEE REPORT

FURTHER

FIN

4/14/89

DATE TURNED INTO OFFICE 4.28.89

Mr. President:

C&RA

Committee considered

CSHB 141 (FIN)

tobacco and products containing tobacco

and recommended

- replace with _____ CS _____) same title
- or adopt _____ CS _____) new title
- attached amendment(s) and technical title change (HB only)
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) zero fiscal impact appropriation no FN
 new updated previous
 same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

[Signature]

OTHER RECOMMENDATIONS

[Signature] - need amendment

[Signature] - NO Rec.
 Chairman signature and recommendation

Committee Backup attached

COMMUNITY AND REGIONAL AFFAIRS
THURSDAY
APRIL 27, 1989

FINANCE CS FOR HB 141: RELATING TO TOBACCO AND TOBACCO PRODUCTS
SPONSOR: BROWN, MENARD, HUDSON, ETC
FISCAL: COMMERCE \$32.5K REVENUE

THE NEXT BILL BEFORE THE COMMITTEE IS HOUSE BILL 141 FOR WHICH WE HAVE A FINANCE CS. THIS BILL WOULD REQUIRE LICENSING OF CIGARETTE OR TOBACCO PRODUCT VENDORS. IT WAS INTRODUCED BY REPRESENTATIVE BROWN.

ROXANNE TURNER FROM REP BROWN'S OFFICE IS HERE TO TESTIFY AND WE ARE ON TELECONFERENCE

ROCKY PLOTNICK-WELLER
RANDALL BURNS/DCED

ANCHORAGE T/C:

- ③ DEBORAH WILLIAMS - Ex^{Dir} A. in long ASSN. }
- AL SHAW
- ② ROBIN MC COY = Individual
- ① HAL POST

① \$25 / selection
② How handle votes

Original sponsors: Brown, Menard,
Hudson, et al.

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2

CS FOR HOUSE BILL NO. 141 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to tobacco and products containing

7

tobacco." [AND DEVICES FOR SMOKING TOBACCO]

8

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

9

* Section 1. AS 11.76.100 is amended by adding a new subsection to

10

read:

11

(e) The court shall forward a record of each person convicted

12

under this section who holds a business license endorsement under

13

AS 43.70.075, to the Department of Commerce and Economic Development.

14

* Sec. 2. AS 43.50.070 is amended to read: DELETED PAGE 1 LINES 4 → 29

15

Sec. 43.50.070. REVOCATION OF LICENSES. The department may

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suspend or revoke a license issued under AS 43.50.010 - 43.50.180 (1)

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for violation of AS 11.76.100, AS 43.50.010 - 43.50.180, or a regula-

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tion of the department adopted under AS 43.50.010 - 43.50.180; [, OR]

19

(2) if a licensee ceases to act in the capacity for which the license

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was issued; or (3) if a manufacturer, distributor, or wholesale dis-

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tributor sells tobacco or products containing tobacco to a nonlicensed

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retailer or a retailer whose license endorsement under AS 43.70.075

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has been suspended or revoked. A [. NO] person whose license is

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suspended or revoked may not [SHALL] sell cigarettes or permit ciga-

25

rettes to be sold during the period of the suspension or revocation on

26

the premises occupied or controlled by that person. A [NO] disciplin-

27

ary proceeding or action is not barred or abated by the expiration,

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transfer, surrender, renewal, or extension of a license issued under

29

AS 43.50.010 - 43.50.180. The department shall comply with the

1 provisions of the Administrative Procedure Act (AS 44.62).

2 * Sec. 3. AS 43.70 is amended by adding a new section to read:

3 Sec. 43.70.075. LICENSE ENDORSEMENT. (a) Unless a person has a
4 business license endorsement issued under this section, a person may
5 not sell cigarettes, cigars, tobacco, or products containing tobacco
6 as a retailer. An endorsement required under this section is in
7 addition to any other license or endorsement required by law.

8 (b) The department, upon payment of a fee of \$25, shall issue a
9 business license endorsement to a person who applies for a business
10 license under this chapter, and may renew the endorsement issued under
11 this subsection for a fee of \$25. The endorsement expires at the same
12 time as the license to which it attaches.

13 (c) The department may refuse to issue an endorsement under this
14 section if there is reasonable cause to believe that the information
15 submitted in the application is false or misleading and is not made in
16 good faith.

17 (d) The department may suspend or revoke an endorsement issued
18 under this section if the person holding the endorsement violates a
19 provision of this section or a regulation adopted under AS 43.70.090.
20 If a person who holds an endorsement issued under this section has
21 been convicted of violating AS 11.76.100, the department shall suspend
22 the endorsement for a period of one year.

23 * Sec. 4. APPLICABILITY. The business license endorsement requirement
24 imposed under AS 43.70.075(a), added by sec. 3 of this Act, applies only
25 upon issuance or renewal of a business license required under AS 43.70.020.

Prepared by:
Rep. Kay Brown
April 27, 1989

By: Brown, Menard, Hudson,
Koponen, Gruenberg,
Ellis and M. Davis

CS HB 141 (Finance): "An Act relating to tobacco, and products containing tobacco."

The Committee Substitute would:

- require a business license endorsement for retail sales of cigarettes, cigars, tobacco, or products containing tobacco; and designate the Department of Commerce as the licensing authority for tobacco retailers;
- require a separate fee of \$25 to be issued a license endorsement or to renew the endorsement, which expires at the same time the business license expires;
- require the Court to notify the Department of Commerce of all convictions of violations of AS 11.76.100, selling tobacco to a minor, by persons holding a business license endorsement;
- provide the Department of Revenue authority to suspend or revoke license endorsements if distributors, wholesalers or manufacturers negligently sell tobacco or tobacco products to non-licensed or suspended retailers;
- prohibit the sale of tobacco products during the period of the suspension or revocation of the license endorsement; and
- provide the Department of Commerce authority to suspend the license endorsement for a period of:
 - **45 days** for a conviction of a violation of a provision of Section 3, or a regulation adopted by the department, or a violation of AS 11.76.100 (selling tobacco to a minor); or
 - **90 days**, if within the past 24 months the person has been previously convicted of violating AS 11.76.100, or a provision of Section 3, or a regulation adopted by the department.

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

COPY

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

MEMORANDUM

April 11, 1989

SUBJECT: Retail sale of tobacco - CSHB 141(Finance)
TO: Representative Kay Brown
FROM: Michael F. Ford
Legislative Counsel

You have asked whether under the existing provisions of CSHB 141(Fin), a person could lose their license endorsement to sell tobacco as a retailer, if a clerk or other employee is convicted of violating AS 11.76.100. The short answer is no. Loss of a license endorsement would only occur if the person convicted of violating AS 11.76.100 was the same person who holds the license endorsement. A clerk who violates AS 11.76.100 would be subject to a fine of up to \$300, under AS 11.76.100(d). Only if the person who violates AS 11.76.-100 also was licensed to sell tobacco as a retailer under AS 43.70.075, would suspension of the retail license endorsement occur.

Please contact me if you have further questions.

MF:kb
wkk3/089

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: An Act relating to tobacco and products containing tobacco.
 Sponsor: House Finance Committee
 Requestor: House Finance Committee

Agency Affected: Commerce & Economic Dev.
 BRU: Occupational Licensing
 Components: Administration

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	32.5	0	32.5	0	32.5

FUNDING: (Thousands of Dollars)

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

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)

The bill creates an endorsement requirement to be placed on business licenses of retailers who sell tobacco or products containing tobacco. No additional costs are anticipated to apply the endorsement to a business license. Revenues are based on approximately 1300 licensees paying a \$25 endorsement fee.

Prepared by: Jennifer Strickler, Administrative Officer Phone: 465-2144
 Division: Occupational Licensing Date: April 24, 1989

Approved by Commissioner: Larry Mercurieff Date: 4/24/89
 Agency: Commerce and Economic Development

Distribution (by preparer):

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