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SENATE COMMITTEE REPORT

FURTHER

5/4/89

DATE TURNED INTO OFFICE 2/2/90

Mr. President:

Finance

Committee considered

SB 157

imposition of a civil fine for violation of a statute, regulation, or ordinance related to alcoholic beverages and recommended

- replace with CS SB 157 (Finance)) 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) ^{DOR} zero fiscal impact appropriation no FN
 new updated previous
 same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

John Duncan - No Rec
Alan - No Rec
Irma Pearce No Rec
Paul Hill No Rec
Paul C. Zangh No Rec
Rich Uley No Rec

John P. ...
 DO PASS

Chair's signature and recommendation

Committee Backup attached

R/D 3FC 2-2-90

STATE OF ALASKA
1990 LEGISLATIVE SESSION

BILL VERSION: CSSB 157 (SA)
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Dept. of Revenue
 Title: Impose civil fines for violation of liquor laws related to alcoholic beverages ABU: Alcoholic Beverage Control Board
 Sponsor: Governor Components: _____
 Requestor: Sen. Finance Comm.

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
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

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

Prepared by: Patrick L. Sharrock Director Phone: 277-8638
 Division: Alcoholic Beverage Control Board Date: 12/8/89
 Approved by Commissioner: Hugh Malone Date: 12/14/89
 Agency: Department of Revenue

Distribution (by preparer):

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

Changes in CS SB 157 (Fin)
 have no fiscal impact.
 This fiscal note is
 appropriate. 2/2/90 mm

2/2/90
Adopted by SEC
go0699sH

Ford
2/1/90

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.

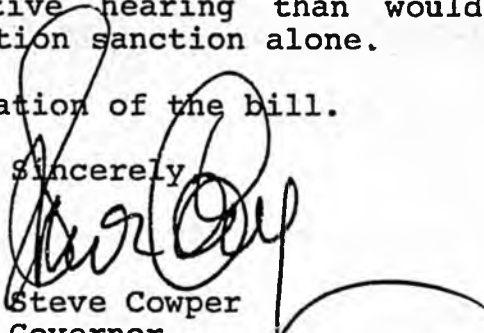
Under the bill, the board may impose a fine following the suspension/revocation hearing under AS 04.11.510(c). The due process rights of licensees and permittees are thus protected.

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