

**HB**

**180**

# FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. HB 180

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: An Act Relating to Liquor License Issuance BRU: ABC  
 Component: ABC

Sponsor: Representative James  
 Requester: (H)ITT COMPONENT SERIAL NO. 100

**Expenditures/Revenues** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY95) cost: \$ \_\_\_\_\_

**POSITIONS**

FULL-TIME						
PART-TIME						
TEMPORARY						

No additional costs or significant revenue is anticipated with the implementation of HB 180. No significant demand for increased licensure is anticipated.

Prepared by: Pat Sharrock, Director Phone: (907)277-8638  
 Division: ABC Division Date: 2/16/95  
 Approved by: \_\_\_\_\_  
 Commissioner: Deborah Voort Date: 2/16/95  
 Agency: Revenue

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*Fiscal*

REPRESENTATIVE  
**JEANNETTE JAMES**

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While in Juneau  
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House of Representatives

House District 34

## SPONSOR STATEMENT

### HOUSE BILL 180

#### LIQUOR LICENSES FOR REMOTE LODGES

HB180 is a cooperative effort between remote lodge owners and the Alcohol Beverage Control Board to correct an inequity.

Under current law, some small lodges which happen to be located in a remote corner of large unified population areas cannot get a liquor license. These small remote lodges exemplify the very heart of Alaska and provide a vital service to Alaskan residents as well as visitors from outside our state.

For example, as the law now reads, if a person wants to develop a small lodge or tourist facility in a remote or inaccessible area of the Mat-Su or Kenai Borough, the lodge would be required to have 40 rental rooms to obtain a full-service liquor license. All of us who have enjoyed visiting small remote lodges in Alaska know that this requirement is excessive and unfair.

This is not a "liquor issue." This is an effort to remove a roadblock created by an inequity in our laws. If Alaska is to survive economically, we **must** allow hard-working Alaskans to develop small businesses in the spirit of Alaskan enterprise.

# Alaska State Legislature

REPRESENTATIVE  
JEANNETTE JAMES

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## House of Representatives

House District: 34

February 22, 1995

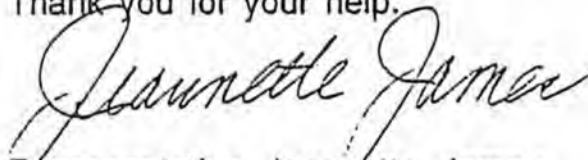
Representatives Austerman and Ivan, Co-Chairmen  
House Community and Regional Affairs Committee

Please schedule House Bill 180, "Liquor Licenses for Remote Lodges", for hearing in your committee as soon as possible. Back-up material is attached.

Fiscal notes were ordered a week ago from Departments of Revenue and Law, and I will get those to you as soon as we receive them. I believe they will both be "zero."

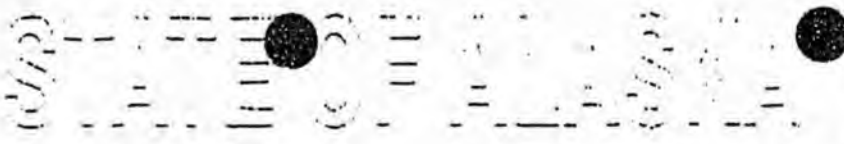
Also, it has been requested that Mr. Patrick Sharrock, Director of the Alcohol Beverage Control Board, be available to answer questions when your committee hears HB 180. Could you schedule the bill so that Mr. Sharrock can testify via teleconference or conference call? His telephone number in Anchorage is 277-8638.

Thank you for your help.

  
Representative Jeannette James

JJ/bc





TONY KNOWLES, GOVERNOR

**DEPARTMENT OF REVENUE**

150 W. 7TH AVE  
ANCHORAGE ALASKA 99501-0644

ALCOHOLIC BEVERAGE CONTROL BOARD

February 16, 1995

The Honorable Jeannette James  
Alaska State House of Representatives  
Room 102, State Capitol  
Juneau, Alaska 99801-1182

RE: HB 180

Dear Representative James:

Your HB 180 has specific potential to correct an inequity in current law. For example, a person who would like to develop a tourist facility in a rural or inaccessible area in the Matanuska-Susitna or Kenai Borough has to construct a 40-room facility to obtain a full-service liquor license (or acquire an existing license from another person). In reality, this requirement is excessive.

The Alcoholic Beverage Control Board fully supports the legislation and believes that your amendment will possibly stimulate development of small tourist facilities in certain remote areas.

If I can provide you any additional information or clarification, please do not hesitate to call.

Sincerely,

Patrick L. Sharrock  
Director

# Maclaren River Lodge

42 Mi. Denali Hwy.  
P.O. Box 5018  
Paxson, AK 99757

(907) 822-7105 (at Lodge)  
(907) 263-8800  
RECEIVED BY

All Honorable members,  
Alaska State Legislature  
Juneau, Alaska

JAN 25 1995  
January 3, 1995  
rep. Jeannette James

Ladies and Gentlemen of the Legislature:

By way of introduction, my name is Mike Tittle and until her untimely death last November my wife Lynn and I were the only year round residents of the Denali Highway.

Lynn and I (I can't yet believe she is dead nor can I refer to her in the past tense) are 35 year residents of Alaska and prior to buying the Maclaren River Lodge and moving to the Denali Highway we owned a real estate company in Fairbanks.

We had Paxson Lodge and Tangle River Inn listed for sale with our company and in the process of servicing the listings we fell in love with the area and saw a way we could make our dream come true and promote winter tourism as well. Not to mention the Alaskans that can't find a place to ride a snowmachine. We had over 2,000 people come out here by snowmachine our first winter of operation.

We took an old lodge and completely rebuilt it to make it winter ready and comfortable. In order to do this we sold our company and everything we owned to be able to make the lodge something the State of Alaska could be proud of.

However, since we're located a mere 1.5 miles inside the Mat-Su borough we can't get a liquor license and are in very real danger of losing everything we've worked so hard for because of it.

There has been a license at this lodge since Statehood and it's gone only because the prior owner didn't renew it in a timely manner.

The regulation in question is Sec 04.11.400 of Title 4 which says that I must have 40 rooms for rent before I can get a license.

Ladies and Gentlemen, this is the most unfair situation I am aware of in the entire State of Alaska. I pay taxes to the Mat-Su borough and have to haul my trash to Fairbanks. We provide a service to the public that no one else is doing yet we get penalized for it. We promote winter tourism as much or more than anyone in the State yet because the Mat-Su borough decided to annex the earth I can't get the license that would allow me to compete on an even keel with other lodges. We have provided an oasis in the arctic and have given it our lives.

I have talked to hundreds of tourists and the overwhelming consensus is that they would rather spend much more of their time in small rustic lodges where the pace is a little slower and they can experience the "real Alaska" They say they feel they're missing something if they don't experience the bush as well as the cities.

I've outlined a few minor changes to the ABC regulations that I hope you will support as it will help our economy as well as promote tourism.

I beg your indulgence and understanding.

Best Regards,  
  
Mike Tittle, owner