

HB

92

FISCAL NOTE

Revision Date: _____ Dept. Affected: Community & Regional Affairs
 Title: An Act relating to municipal taxation BRU: _____
of alcoholic beverages Component: _____
 Sponsor: REPRESENTATIVE DAVIS
 Requestor: House CRA Committee COMPONENT SERIAL NO. _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 00	FY 01	FY 02	FY 03	FY04	FY 05
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0

REVENUE FUND SOURCE: | _____ | _____ | _____ | _____ | _____ | _____

FUNDING (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF Program Receipts						
1006 GF MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current (FY99) impact \$ none

ANALYSIS: (Attach a separate page if necessary)

Enactment of this legislation would not have significant fiscal impact on the department.

Prepared by: Remond Henderson Director *Remond Henderson* Phone: 465-4709

Division: Division of Administrative Services Date: 2.22.99

Approved by Commissioner *Travis D. ...* Date: 2.22.99

Agency: Community & Regional Affairs

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FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. HB 92

Revision Date/Time (Note if correction) _____ Dept. Affected Revenue
 Title Municipal taxation of alcoholic beverages BRU ABC Board
 Component ABC Board
 Sponsor Rep. Davis
 Requester House C&RA Committee Component Serial No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES

CHANGE IN REVENUES ()

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year (FY99) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by Dorg Griffin, Director
 Division ABC Board
 Approved by Wilson L. Condon
 Commissioner
 Agency Department of Revenue

Phone 465-2301
 Date/Time February 22, 1999 10:15 AM
 Date 2/22/99

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FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. HB 92

Revision Date/Time (Note if correction) March 3, 1999
Title Municipal Taxation of Alcohol

Dept. Affected Revenue
BRU
Component Revenue Operations
Income and Excise Audit

Sponsor Representative Davies
Requester CRA

Component Serial No. 113

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year (FY99) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

** The proposed legislation may cause the state to lose a small amount of state alcohol tax revenues. This revenue loss would be due to the decrease in consumption because of an increase in price. The percentage change in quantity consumed as a result of a percentage change in price is called the price elasticity of demand. If we assume that some municipalities that currently have no sales tax on alcohol enact one, prices would most likely increase. There are many different estimates of the price elasticity demand for alcohol. They usually differ by the type of alcohol with the lowest elasticity being for beer. I have seen elasticity's that range from -.05 to -1.07 for beer, from -.13 to -1.8 for liquor and from -.27 to -2.37 for wine. One publication suggests the use of -.35 for all alcohol types. This would imply that for a 1% increase in price consumption would decrease by 1/3 of 1%. Given the uncertainties involved and not knowing which if any municipalities will increase their alcohol tax, DOR cannot estimate the loss of revenue.

Prepared by Brett Fried, Economist

Phone 465-3682

Division Income and Excise Audit

Date/Time March 3, 1999

Approved by Wilson L. Condon

Date March 3, 1999

Agency Department of Revenue

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ALASKA STATE LEGISLATURE

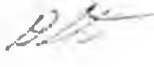
REPRESENTATIVE GARY DAVIS

MEMORANDUM

March 2, 1999

TO: Representative Andrew Halco, Co-Chair
House Community and Regional Affairs Committee

ATTN: Jonathon Lack, Committee Aide

FROM: Deb Davidson, Legislative Aide 
Representative Gary Davis

RE: Backup Material for House Bill 92

Attached are additional back-up materials for inclusion with the committee packets for House Bill 92 scheduled for March 4, 1999. Also, if it is possible, please arrange for the Sitka, Ketchikan, and Fairbanks LIOs to be included with the teleconference sites. I have received requests from individuals in those three places to either listen in or testify.

Thank you for your cooperation.



MAYOR AND CITY COUNCIL
POST OFFICE BOX 1397, KODIAK, ALASKA 99615

TELEPHONE (907) 486-8635
FAX (907) 486-8600

February 28, 1999

Representative Gary Davis
State Capitol
Juneau, Alaska 99811

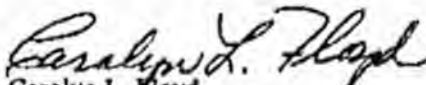
Dear Representative Davis:

Thank you for the foresight to sponsor legislation to address alcohol related social and law enforcement costs incurred by local government. The City of Kodiak supports HB 92. Although some may view this as a revenue source the City of Kodiak views it as one alternative to address costs of alcohol abuse and misuse now absorbed by the general taxpayer. The provision requiring a vote of the people is prudent and a reasonable protection to the liquor industry.

The statistics on alcohol related crime and social problems more than justify a method to tax the cause.

Sincerely,

CITY OF KODIAK


Carolyn L. Floyd
Mayor

cc: City Council
Senator Jerry Mackle
Representative Alan Austerman



217 Second Street, Suite 200 • Juneau, Alaska 99801 • Tel (907)586-1325, Fax (907)-463-5480

February 19, 1999

Representative Gary Davis
State Capitol
Juneau, AK 99811

Dear Representative Gary Davis:

Thank you for your introduction of HB 92, "An Act relating to municipal taxation of alcoholic beverages." This issue has been a top priority for the Alaska Municipal League and the Alaska Conference of Mayors for several years, and given the current state budget situation, it is even more important than ever. As pressure increases more and more on local sales and property taxes, municipalities need additional tools to pay for public services.

Under state statute adopted years ago, a special exemption on alcohol sales was granted which prohibited local voters from establishing a higher level on sales tax on alcohol in their community. We would like to stress that **this is not a new tax**, but only removes that restriction, and could only be done with the **approval of local voters**. Alcohol abuse is the number one health and public safety problem in Alaska and alcohol sales should not receive a special exemption.

As you are aware, costs to local taxpayers related to the use of alcohol are stunning. Some of the alcohol-related costs include:

- Police costs for alcohol-related felonies and misdemeanors
- Police costs to transport public inebriates
- Emergency medical services
- Hospital emergency care costs
- Prosecutions
- Direct treatment and rehabilitation of alcohol abusers
- Increase costs of youth and family services related to alcohol use
- Repair to property damage to public facilities
- Health insurance costs paid by local governments and school districts to treat alcohol-related health problems

According to a fact sheet provided by Anchorage's Community Health Promotion Program last year, alcohol is involved in:

- 60 percent of motor vehicle crash fatalities
- 65 percent of suicide attempts
- 56 percent of total assaults
- 56 percent of domestic violence
- 53 percent of sexual assaults
- 34 to 50 percent of homicides
- 83 percent of child abuse.

We recognize the state may continue reducing support for services because of revenue shortfalls. As that burden increases on local tax payers, it is critical they be given the proper tools to take on those burdens. Passage of HB 92 will provide an option to the voters of a community who are best able to decide how they want to allocate their taxes to provide critical local services.

Again, our sincere thanks for recognizing the importance of this issue and if you need any additional information, please let us know.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin Ritchie", with a long horizontal line extending to the right.

Kevin C. Ritchie
Executive Director

ALASKA STATE

HOSPITAL & NURSING HOME

ASSOCIATION

February 25, 1999

Representative Carl Morgan
Capitol Building, Room 409
Juneau, AK 99801-1182

Dear Representative Morgan:

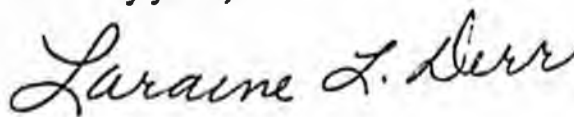
On March 4, 1999, the Community and Regional Affairs Committee will be hearing HB92 that lifts the restriction on municipal taxation of alcoholic beverages.

On behalf of the Alaska Association of Hospitals and Nursing Homes, I am writing in support of HB92. The cost of public inebriation in most of our cities and villages comes in several forms for hospitals. There is the issue of unreimbursed costs of direct care, the supplies and services that are provided in treating the individual. Second, there is the indirect cost of damaged equipment, linen, furniture, etc. as individuals get into or out of hospitals. Third is the cost for security staffing. There are many anecdotal stories that could highlight any one of these areas - which I am sure will be defined in testimony. I will not detail them here but would ask for your support of this bill.

HB 92 would give municipalities the opportunity to put the issue before the voters and let them decide whether the added revenue from a tax on alcoholic products would be beneficial in dealing with the costs of the results of alcohol consumption.

Thank you for your consideration of our letter of support.

Sincerely yours,



Laraine L. Derr
President/CEO

426 Main Street

~~XXXXXX~~ • JUNEAU, AK 99801 • (907) 586-1790 • FAX (907) 463-3573

Chapter 43.60. EXCISE TAX ON ALCOHOLIC BEVERAGES

Sec. 43.60.010. Alcoholic beverage tax.

(a) Every brewer, distiller, bottler, jobber, retailer, wholesaler, or manufacturer who sells alcoholic beverages in the state or who consigns shipments of alcoholic beverages into the state, whether or not the alcoholic beverages are brewed, distilled, bottled, or manufactured in the state, shall pay on all malt beverages (alcoholic content of one percent or more by volume), wines, and hard or distilled alcoholic beverages, the following taxes:

(1) malt beverages at the rate of 35 cents a gallon or fraction of a gallon; (*federal tax is \$.58 a gallon*)

(2) wine or other beverages of 21 percent alcohol by volume or less, at the rate of 85 cents a gallon or fraction of a gallon; and (*federal tax is \$1.07 a gallon*)

(3) other beverages having a content of more than 21 percent alcohol by volume at the rate of \$5.60 a gallon. (*federal tax is \$13.50 a gallon*)

Alaska Department of Revenue, Income and Excise Tax Division
Report of Alcoholic Beverages Distributed or Sold
1998 Taxable Gallons

	Liquor				
	District 1	District 2	District 3	District 4	Total
January	15,517	1,222	91,412	20,560	128,711
February	5,786	568	35,620	7,065	49,039
March	10,593	1,247	42,737	9,100	63,677
April	13,022	1,133	58,744	11,894	84,793
May	11,562	2,072	60,243	12,497	86,374
June	14,666	1,290	51,342	11,418	78,716
July	16,590	1,007	80,769	18,472	116,838
August	16,011	750	56,444	14,751	87,956
September	14,056	4,257	59,031	14,325	91,669
October	13,389	937	56,464	12,732	83,522
November	11,467	1,208	57,775	14,260	84,710
December	13,769	920	67,953	14,239	96,881
Total	156,428	16,611	718,534	161,313	1,052,886

	Wine				
	District 1	District 2	District 3	District 4	Total
January	17,826	553	101,517	19,160	139,056
February	9,710	168	46,150	9,243	65,271
March	13,972	1,057	63,956	12,615	91,600
April	14,766	674	75,675	12,852	103,967
May	17,704	1,442	79,382	13,896	112,424
June	18,651	764	72,525	14,792	106,732
July	23,511	883	89,593	18,971	132,958
August	23,344	545	93,988	17,845	135,722
September	21,156	2,547	80,159	17,109	120,971
October	15,976	761	78,420	15,037	110,194
November	14,477	542	73,643	14,357	103,019
December	18,951	642	92,516	16,416	128,525
Total	210,044	10,578	947,524	182,293	1,350,439

	Beer				
	District 1	District 2	District 3	District 4	Total
January	151,125	1,576	808,011	177,799	1,138,511
February	120,913	895	603,567	147,601	872,976
March	125,953	2,035	552,167	133,583	813,738
April	167,526	2,904	716,563	152,105	1,039,098
May	175,425	26,002	774,168	178,355	1,153,950
June	232,925	23,535	847,940	217,029	1,321,429
July	260,913	535	1,051,676	249,857	1,562,981
August	264,396	1,275	960,478	254,130	1,480,279
September	206,566	54,367	842,844	237,695	1,341,472
October	170,208	6,221	776,194	171,201	1,123,824
November	154,733	898	735,918	181,973	1,073,522
December	131,242	1,867	682,092	155,246	970,447
Total	2,030,683	120,243	8,669,526	2,101,328	12,921,780

	Total Alcohol				
	District 1	District 2	District 3	District 4	Total
January	184,468	3,351	1,000,940	217,519	1,406,278
February	136,409	1,631	685,337	163,909	987,286
March	150,518	4,339	658,860	155,298	969,015
April	195,314	4,711	850,982	176,851	1,227,858
May	204,691	29,516	913,793	204,748	1,352,748
June	266,242	25,589	971,807	243,239	1,506,877
July	301,014	2,425	1,222,038	287,300	1,812,777
August	303,751	2,570	1,110,910	286,726	1,703,957
September	241,778	61,171	982,034	269,129	1,554,112
October	199,573	7,919	911,078	198,970	1,317,540
November	180,677	2,648	867,336	210,590	1,261,251
December	163,962	3,429	842,561	185,901	1,195,853
Total	2,364,435	145,870	10,175,115	2,414,279	15,099,659

Source: State of Alaska, Department of Revenue, Division of Income and Excise Tax Division (www.revenue.state.ak.us/iea/alcohol/)

Alaska Communities by Judicial District: 1998 Population

Community/Borough	Statewide Population = 621,400	
	1998 Pop.	Incorporation Type
Judicial District 1		
Angoon	587	2nd Class City
Coffman Cove	255	2nd Class City
Covenant Life	56	Unincorporated
Craig	2,145	1st Class City
Cube Cove	132	Unincorporated
Edna Bay	56	Unincorporated
Elfin Cove	50	Unincorporated
Game Creek	65	Unincorporated
Gustavus	368	Unincorporated
Haines	1,463	1st Class City
Haines Borough	2,476	3rd Class Borough
Hobart Bay	94	Unincorporated
Hollis	196	Unincorporated
Hoonah	896	1st Class City
Hydaburg	405	1st Class City
Hyder	133	Unincorporated
Juneau	30,684	Unified Home Rule Municipality
Kake	783	1st Class City
Kasaan	41	2nd Class City
Ketchikan	8,460	Home Rule City
Ketchikan Gateway Borough	14,231	2nd Class Borough
Klawock	659	1st Class City
Klukwan	141	Unincorporated
Kupreanof	24	2nd Class City
Lutak	53	Unincorporated
Metlakatla	1,502	Federal Law (Indian Reservation)
Meyers Chuck	31	Unincorporated
Mosquito Lake	95	Unincorporated
Naukatli Bay	168	Unincorporated
Pellcan	149	1st Class City
Petersburg	3,398	Home Rule City
Point Baker	53	Unincorporated
Polk Inlet	19	Unincorporated
Port Alexander	90	2nd Class City
Port Protection	54	Unincorporated
Rowan Bay	2	Unincorporated
Saxman	379	2nd Class City
Sitka	8,779	Unified Home Rule Municipality
Skagway	814	1st Class City
Tenakee Springs	101	2nd Class City
Thorne Bay	597	2nd Class City
Whale Pass	75	Unincorporated
Whitestone Logging Camp	153	Unincorporated
Wrangell	2,589	Home Rule City
Yakutat	810	Home Rule Borough
Total Judicial District 1	84,331	

Alaska Communities by Judicial District: 1998 Population

Community/Borough	Statewide Population = 621,400 1998 Pop.	Incorporation Type
Judicial District 2		
Alakanuk	671	2nd Class City
Ambler	315	2nd Class City
Anaktuvuk Pass	308	2nd Class City
Andreafsky	459	<i>Located in City of St. Mary's</i>
Atkasuk	259	2nd Class City
Barrow	4,397	1st Class City
Brevig Mission	274	2nd Class City
Buckland	408	2nd Class City
Chevak	741	2nd Class City
Deadhorse	25	Unincorporated
Deering	156	2nd Class City
Diomedes	176	2nd Class City
Elim	306	2nd Class City
Emmonak	838	2nd Class City
Gambell	670	2nd Class City
Golovin	142	2nd Class City
Hooper Bay	1,039	2nd Class City
Kaktovik	255	2nd Class City
Kiana	402	2nd Class City
Kivalina	349	2nd Class City
Kobuk	102	2nd Class City
Kotlik	552	2nd Class City
Kotzebue	2,964	2nd Class City
Koyuk	296	2nd Class City
Marshall	300	2nd Class City
Mountain Village	793	2nd Class City
Noatak	410	Unincorporated
Nome	3,706	1st Class City
Noorvik	598	2nd Class City
North Slope Borough	9,389	Home Rule Borough
Northwest Arctic Borough	6,844	Home Rule Borough
Nulqsut	459	2nd Class City
Pilot Station	558	2nd Class City
Pitka's Point	151	Unincorporated
Point Hope	787	2nd Class City
Point Lay	209	Unincorporated
Port Clarence	23	Unincorporated
Prudhoe Bay	47	Unincorporated
Russiar Mission	295	2nd Class City
Saint Mary's	494	1st Class City
Saint Michael	362	2nd Class City
Savoonga	632	2nd Class City
Scammon Bay	450	2nd Class City
Selawik	746	2nd Class City
Shaktolik	226	2nd Class City
Sheldon Point	161	2nd Class City
Shishmaref	538	2nd Class City
Shungnak	257	2nd Class City
Stebbins	548	2nd Class City
Teller	262	2nd Class City
Unalakleet	784	2nd Class City
Wainwright	543	2nd Class City
Wales	177	2nd Class City
White Mountain	188	2nd Class City
Total Judicial District 2	47,041	

Alaska Communities by Judicial District: 1998 Population

Community/Borough	Statewide Population = 621,400 1998 Pop.	Incorporation Type
Judicial District 3		
Adak	7	Unincorporated
Akhlok	109	2nd Class City
Akutan	408	2nd Class City
Aleknagik	259	2nd Class City
Aleutians East Borough	2,199	2nd Class Borough
Alexander Creek	36	Unincorporated
Anchor Point	1,188	Unincorporated
Anchorage	258,782	Unified Home Rule Municipality
Atka	115	2nd Class City
Big Lake	2,228	Unincorporated
Bristol Bay Borough	1,297	2nd Class Borough
Butte	2,654	Unincorporated
Chase	56	Unincorporated
Chenega Bay	35	Unincorporated
Chickaloon	208	Unincorporated
Chignik	121	2nd Class City
Chignik Lagoon	70	Unincorporated
Chignik Lake	138	Unincorporated
Chiniak	75	Unincorporated
Chistochina	56	Unincorporated
Clam Gulch	108	Unincorporated
Clark's Point	63	2nd Class City
Cohoe	602	Unincorporated
Cold Bay	103	2nd Class City
Cooper Landing	283	Unincorporated
Copper Center	525	Unincorporated
Copperville	185	Unincorporated
Cordova	2,571	Home Rule City
Crown Point	102	Unincorporated
Dillingham	2,332	1st Class City
Egegik	132	2nd Class City
Eklutna	436	<i>Located in Municipality of Anchorage</i>
Ekuik	2	Unincorporated
Ekwok	120	2nd Class City
Eyak	169	<i>Located in City of Cordova</i>
False Pass	58	2nd Class City
Fox River	439	Unincorporated
Fritz Creek	1,998	Unincorporated
Gakona	24	Unincorporated
Glennallen	488	Unincorporated
Hallbut Cove	74	Unincorporated
Happy Valley	400	Unincorporated
Homer	4,155	1st Class City
Hope	135	Unincorporated
Houston	939	2nd Class City
Iglugik	51	Unincorporated
Illamna	102	Unincorporated
Ivanof Bay	30	Unincorporated
Jakolof Bay	51	Unincorporated
Kachemak	419	2nd Class City
Kalifornsky	338	Unincorporated
Karluk	48	Unincorporated
Kasilof	558	Unincorporated
Kenai	7,058	Home Rule City
Kenai Peninsula Borough	48,815	2nd Class Borough
Kenny Lake	490	Unincorporated

Alaska Communities by Judicial District: 1998 Population

Community/Borough	Statewide Population = 621,400 1998 Pop.	Incorporation Type
King Cove	703	1st Class City
King Salmon	480	Unincorporated
Knik	461	Unincorporated
Kodiak	6,859	Home Rule City
Kodiak Island Borough	13,848	2nd Class Borough
Kodiak Station	1,703	Unincorporated
Kokhanok	175	Unincorporated
Koilganek	202	Unincorporated
Lake & Peninsula Borough	1,867	Home Rule Borough
Larsen Bay	127	2nd Class City
Lazy Mountain	1,091	Unincorporated
Levelock	128	Unincorporated
Manokotak	396	2nd Class City
Matanuska-Susitna Borough	55,747	2nd Class Borough
Meadow Lakes	4,823	Unincorporated
Mendeltna	59	Unincorporated
Mentasta Lake	102	Unincorporated
Moose Pass	134	Unincorporated
Naknek	666	Unincorporated
Nanwalek	180	Unincorporated
Nelson Lagoon	80	Unincorporated
New Stuyahok	435	2nd Class City
Newhalen	191	2nd Class City
Nikiski	3,060	Unincorporated
Nikolaevsk	467	Unincorporated
Nikolski	35	Unincorporated
Ninilchik	675	Unincorporated
Nondalton	227	2nd Class City
Old Harbor	297	2nd Class City
Ouzinkie	252	2nd Class City
Palmer	4,318	Home Rule City
Paxson	32	Unincorporated
Pedro Bay	45	Unincorporated
Perryville	107	Unincorporated
Pilot Point	102	2nd Class City
Port Alsworth	63	Unincorporated
Port Graham	190	Unincorporated
Port Helden	126	2nd Class City
Port Lions	242	2nd Class City
Port William	9	Unincorporated
Portage Creek	14	Unincorporated
Primrose	62	Unincorporated
Ridgeway	2,381	Unincorporated
Saint George	173	2nd Class City
Saint Paul	761	2nd Class City
Salamatof	1,135	Unincorporated
Sand Point	830	1st Class City
Seldovia	281	1st Class City
Seward	3,040	Home Rule City
Skwentna	80	Unincorporated
Soldotna	4,134	1st Class City
South Naknek	148	Unincorporated
Sterling	5,888	Unincorporated
Sutton	473	Unincorporated
Talkeetna	366	Unincorporated
Tatitlek	110	Unincorporated
Tazlina	280	Unincorporated
Togalak	801	2nd Class City

Alaska Communities by Judicial District: 1998 Population

Community/Borough	Statewide Population = 621,400	
	1998 Pop.	Incorporation Type
Tonsina	44	Unincorporated
Trapper Creek	353	Unincorporated
Twin Hills	81	Unincorporated
Tyonek	152	Unincorporated
Ugashik	2	Unincorporated
Unalaska	4,285	1st Class City
Valdez	4,155	Home Rule City
Wasilla	5,134	1st Class City
Whittier	306	2nd Class City
Willow	430	Unincorporated
Womens Bay	674	Unincorporated
Total Judicial District 3	481,721	

Alaska Communities by Judicial District: 1998 Population

Community/Borough	Statewide Population = 621,400 1998 Pop.	Incorporation Type
Judicial District 4		
Akiachak	569	Unincorporated
Akiak	316	2nd Class City
Alatna	32	<i>Located in City of Allakaket</i>
Alcan	11	Unincorporated
Allakaket	192	2nd Class City
Anderson	524	2nd Class City
Aniak	576	2nd Class City
Anvik	100	2nd Class City
Arctic Village	117	Unincorporated
Atmautluak	286	Unincorporated
Beaver	125	Unincorporated
Bethel	5,463	2nd Class City
Bettles	25	2nd Class City
Big Delta	519	Unincorporated
Birch Creek	35	Unincorporated
Cantwell	166	Unincorporated
Central	61	Unincorporated
Chalkyitsik	100	Unincorporated
Chefornak	423	2nd Class City
Chitina	91	Unincorporated
Chuathbaluk	112	2nd Class City
Circle	86	Unincorporated
Circle Hot Springs	33	Unincorporated
Coldfoot	17	Unincorporated
College	12,407	Unincorporated
Crooked Creek	144	Unincorporated
Delta Junction	884	2nd Class City
Denali Borough	1,864	Home Rule Borough
Dot Lake	66	Unincorporated
Dry Creek	134	Unincorporated
Eagle	168	2nd Class City
Eagle Village	35	Unincorporated
EEK	309	2nd Class City
Elelson AFB	4,947	Unincorporated
Ester	236	Unincorporated
Evansville	23	Unincorporated
Fairbanks	31,601	Home Rule City
Fairbanks North Star Borough	83,928	2nd Class Borough
Ferry	74	Unincorporated
Fort Greely	686	Unincorporated
Fort Yukon	553	2nd Class City
Fox	326	Unincorporated
Galena	544	1st Class City
Goodnews Bay	256	2nd Class City
Grayling	195	2nd Class City
Gulkana	96	Unincorporated
Harding Lake	30	Unincorporated
Healy	641	Unincorporated
Healy Lake	62	Unincorporated
Holy Cross	277	2nd Class City
Hughes	72	2nd Class City
Huslia	248	2nd Class City
Kaltag	250	2nd Class City
Kasigluk	524	Unincorporated
Kipnuk	556	Unincorporated
Kongiganak	348	Unincorporated

Alaska Communities by Judicial District: 1998 Population

Community/Borough	Statewide Population = 621,400	
	1998 Pop.	Incorporation Type
Koyukuk	130	2nd Class City
Kwethluk	667	2nd Class City
Kwigillingok	324	Unincorporated
Lake Minchumina	46	Unincorporated
Lignite	130	Unincorporated
Ume Village	56	Unincorporated
Lower Kalskag	286	2nd Class City
Manley Hot Springs	94	Unincorporated
McCarthy	33	Unincorporated
McGrath	441	2nd Class City
McKinley Park	184	Unincorporated
Mekoryuk	192	2nd Class City
Minto	251	Unincorporated
Moose Creek	677	Unincorporated
Napaimute	3	Unincorporated
Napaklak	373	2nd Class City
Napasklak	391	2nd Class City
Nenana	435	Home Rule City
Newtok	267	Unincorporated
Nightmute	222	2nd Class City
Nikolai	103	2nd Class City
North Pole	1,619	Home Rule City
Northway	124	Unincorporated
Northway Junction	114	Unincorporated
Northway Village	113	Unincorporated
Nulato	353	2nd Class City
Nunapit'chuk	479	2nd Class City
Oscarville	60	Unincorporated
Platinum	41	2nd Class City
Pleasant Valley	542	Unincorporated
Quinhagak	612	2nd Class City
Rampart	64	Unincorporated
Red Devil	39	Unincorporated
Ruby	204	2nd Class City
Salcha	390	Unincorporated
Shageluk	152	2nd Class City
Siana	59	Unincorporated
Sleetmute	105	Unincorporated
Stevens Village	100	Unincorporated
Stony River	36	Unincorporated
Takotna	58	Unincorporated
Tanacross	88	Unincorporated
Tanana	317	1st Class City
Tellida	2	Unincorporated
Tetlin	73	Unincorporated
Tok	1,214	Unincorporated
Toksook Bay	515	2nd Class City
Tuluksak	421	Unincorporated
Tuntutullak	357	Unincorporated
Tununak	330	Unincorporated
Two Rivers	612	Unincorporated
Upper Kalskag	268	2nd Class City
Venette	245	Unincorporated
Wisemari	19	Unincorporated
Total Judicial District 4	167,493	



ALASKA STATE LEGISLATURE

REPRESENTATIVE GARY DAVIS

HOUSE BILL 92

SPONSOR STATEMENT

"An Act relating to municipal taxation of alcoholic beverages"

In these days of declining revenues and increasing costs, local governments are looking for different avenues to pay for local services. House Bill provides a new option to do this, but only if approved by a majority vote of the local citizenship.

House Bill 92 amends the statutes to allow--NOT require--municipalities to impose a sales tax on alcoholic beverages regardless of whether there is a tax on other kinds of sales. The interpretation of current statutes is that only municipalities with a sales tax on other sales may impose a sales tax on alcohol and then only at the general sales tax rate. This legislation would allow municipalities to impose a sales tax that is equal to, lower than, or higher than, the general sales tax rate.

Local voters would have to decide whether to impose a sales tax on alcohol. As with other municipal taxes, the sales tax on alcoholic beverages and its rate cannot be imposed without approval of the voters in the municipality.

Laws are continually passed that have a direct financial impact on municipalities. For example, state and federal laws require municipalities to care for and protect public inebriates; however, sufficient funding is not always provided for these activities. Such costly services can include public safety, care for inebriates, and alcohol-related social and health problems. This legislation enables municipalities to address these budgeting problems along with others. It provides them with a new option.

HR92/SS/2/10/99

ALASKA STATE

HOSPITAL & NURSING HOME
ASSOCIATION

February 25, 1999

Representative Andrew Halero
Capitol Building, Room 418
Juneau, AK 99801-1182

Dear Representative Halero:

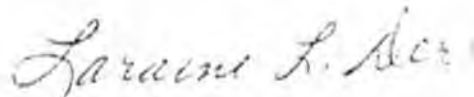
On March 4, 1999, the Community and Regional Affairs Committee will be hearing HB92 that lifts the restriction on municipal taxation of alcoholic beverages.

On behalf of the Alaska Association of Hospitals and Nursing Homes, I am writing in support of HB92. The cost of public inebriation in most of our cities and villages comes in several forms for hospitals. There is the issue of unreimbursed costs of direct care, the supplies and services that are provided in treating the individual. Second, there is the indirect cost of damaged equipment, linen, furniture, etc. as individuals get into or out of hospitals. Third is the cost for security staffing. There are many anecdotal stories that could highlight any one of these areas - which I am sure will be defined in testimony. I will not detail them here but would ask for your support of this bill.

HB92 would give municipalities the opportunity to put the issue before the voters and let them decide whether the added revenue from a tax on alcoholic products would be beneficial in dealing with the costs of the results of alcohol consumption.

Thank you for your consideration of our letter of support.

Sincerely yours,



Laraine L. Derr
President/CEO

426 Main Street

XXXXXXXXXXXXXXXXX • JUNEAU, AK 99801 • (907) 586-1790 • FAX (907) 463-3573



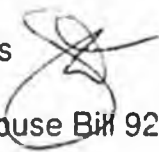
ALASKA STATE LEGISLATURE

REPRESENTATIVE GARY DAVIS

February 17, 1999

MEMORANDUM

TO: Representative Andrew Halcro, Co-Chair
Representative John Harris, Co-Chair
House Community and Regional Affairs Committee

FROM: Representative Gary Davis 

RE: Request for Hearing on House Bill 92 *"An act relating to municipal taxation of alcoholic beverages"*

Please schedule a committee hearing on the House Bill 92 at your earliest convenience. Attached are the following materials for inclusion in the committee packet:

- Sponsor Statement
- Sectional Analysis
- Affected Statutes

Once a hearing has been scheduled, I will forward background information and support material to your staff.

Thank you for your consideration of this request. If you have any questions or would like additional information, please contact Deb Davidson of my staff.



ALASKA STATE LEGISLATURE

REPRESENTATIVE GARY DAVIS

SECTIONAL ANALYSIS

House Bill 92

"An Act relating to municipal taxation of alcoholic beverages"

Section 1: Amends **AS 04.21.010(c)(2)**, regarding municipal regulation, to allow municipalities to impose a sales tax on alcoholic beverages regardless of whether they have a sales tax on other sales. Current statute allows a sales tax on alcoholic beverages only if a sales tax exists on other sales. It also allows the municipality to set the sales tax on alcoholic beverages at a rate equal to, higher or lower than, the sales tax on other sales.

Deletes **AS 04.21.010(c)(3)**, which allows municipalities having sales taxes on alcoholic beverages prior to July 1, 1985, to continue to tax alcoholic beverage sales. This section is no longer needed as all municipalities may impose a sales tax on alcoholic beverages.

Section 2: Amends **AS 29.45.650(a)**, regarding borough sales and use tax, by removing the reference to **AS 04.21.010(c)** in the exceptions. Because municipalities would no longer be restricted in placing a sales tax on alcoholic beverages, this exception is no longer needed.

HB92/SA2/10/99