

SB

215

HFIN

FILE

SENATOR
JOHN COWDERY

District I
Anchorage

Committees
Chair: Transportation
Chair: World Trade
State & Federal Relations
Rules
Legislative Council
Judiciary



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Senator_John_Cowdery@legis.state.ak.us

May 13, 2002

Representative Eldon Mulder
Representative Bill Williams
Co Chairmen
House Rules Committee
State Capitol
Juneau, Alaska 99801

Eldon Bill

Dear Representatives Mulder & Williams,


I would like to request a hearing for CSSB 215 (FIN), an act relating to licensing common carriers to dispense alcoholic beverages. This bill would affect all vehicles, boats, aircraft or railway buffet cars in which alcoholic beverages are served.

One of the major air carriers operating in Alaska is required to maintain over 100 licenses in order to meet Alaska's ABC laws. My bill would streamline the licensing procedure by allowing the ABC Board to consolidate all licenses to the same date. The bill would further change the law to require a fee of \$1,000 for the first 10 licenses and then charge a fee of \$100 per license for each additional license.

I urge you to schedule a hearing for CSSB 215 (FIN). I would be happy to provide any further information you or the committee may need.

I appreciate your consideration.

Sincerely,


John J. Cowdery

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

No. 2
Bill Version: CSSB 215 (Trans)
(S) Publish Date: 3/6/02

Revision Date/Time (Note if correction): _____ Dept. Affected: _____ Revenue
Title Common Carrier Liquor License BRU Alcoholic Beverage Control Board
Component Alcoholic Beverage Control Board
Sponsor Senator Cowdery
Requester Senate Transportation Committee Component No. 100

Expenditures/Revenues (Thousands of Dollars)

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

| OPERATING EXPENDITURES | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | FY 2008 |
|------------------------|------------|------------|------------|------------|------------|------------|
| 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 () | (8.9) | (53.5) | 0.0 | (53.5) | 0.0 | (53.5) |
|-------------------------------|--------------|---------------|------------|---------------|------------|---------------|

FUND SOURCE (Thousands of Dollars)

| | | | | | | |
|--|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1037 GF/Mental Health | | | | | | |
| Other (Specify Type-Do not abbreviate) | | | | | | |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

| | | | | | | |
|-----------|--|--|--|--|--|--|
| Full-time | | | | | | |
| Part-time | | | | | | |
| Temporary | | | | | | |

ANALYSIS: (Attach a separate page if necessary)

Liquor licenses are issued for two years, renewable at either an even or odd year. As part of the change in fees for common carriers that this legislation proposes (reducing fees for multiple-license holders), a change in the biennial period for all common carriers is also being proposed, making all common carrier licenses renewable in odd years. At present, Alaska Airlines would be the largest entity to benefit from this legislation. The company currently has 104 common carrier licenses -- 92 renewable in odd years, and 12 renewable in even years. Therefore, the savings to Alaska Airlines (and cost to the State of Alaska) is based on 94 aircraft being licensed at the reduced rate (94 X \$600 discount).

Prepared by: Dawn Holland-Williams Phone 269-0359
Division: Alcoholic Beverage Control Board Date/Time 3/5/02 9:12 AM
Approved by: Larry Perslly, Deputy Commissioner Date 3/5/2002
Agency: Department of Revenue

Breakdown - CSSB 215 #2, Page 2 of 2

CC - 144 CC-Seasonal - 95

Biennial Year

| | | | | |
|----------|---------------|--|-----------------|--|
| Dec '02 | FY '03 | Loss | \$6,850 | |
| | AK Air - 12 | Loss of 10x\$350 & 2x\$850 (-\$4000) (fees: 10x\$350 & 2x\$50 pro-rated for biennial change) | | |
| | Others - 18 | No Change | | |
| Seasonal | Westours - 11 | Loss of 10x\$175 & 1x\$300 (-\$2050) (fees: 10x\$175 & 1x\$50 pro-rated for biennial change) | | |
| | Others - 39 | No Change | | |
| Dec '03 | FY '04 | Loss | \$53,450 | |
| | AK Air | Loss of 94x\$600 (\$56,400) (fees: 10x\$700 & 94x100) | | |
| | Others | No Change | | |
| Seasonal | Westours | Gain (8*350) (\$2800 + (3*50)) = \$2950 | | |
| | Others | No Change | | |
| Dec '04 | FY '05 | Loss - 0 | | |
| | | No Change | | |
| | | No Change | | |
| Dec '05 | FY '06 | Loss | \$53,450 | |
| | AK Air | Loss of 94x\$600 (\$56,400) | | |
| | Others | No Change | | |
| Seasonal | Westours | Gain (8*350) (\$2800 + (3*50)) = \$2950 | | |
| | Others | No Change | | |
| Dec '06 | FY '07 | Loss - 0 | | |
| | | No Change | | |
| | | No Change | | |
| Dec '07 | FY '08 | Loss | \$53,450 | |
| | AK Air | Loss of 94x\$600 (\$56,400) | | |
| | Others | No Change | | |
| Seasonal | Westours | Gain (8*350) (\$2800 + (3*50)) = \$2950 | | |
| | Others | No Change | | |

CS FOR SENATE BILL NO. 215(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 3/6/02
Referred: Rules

Sponsor(s): SENATOR COWDERY

A BILL
FOR AN ACT ENTITLED

1 **"An Act relating to licensing common carriers to dispense alcoholic beverages; and**
2 **providing for an effective date."**

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

4 *** Section 1.** AS 04.11.180(b) is repealed and reenacted to read:

5 (b) A common carrier shall obtain a license for each vehicle, boat, aircraft, or
6 railroad buffet car in which alcoholic beverages are served. After obtaining an initial
7 license for the first vehicle, boat, aircraft, or railroad buffet car, the common carrier
8 may obtain additional licenses for additional vehicles, boats, aircraft, or railroad buffet
9 cars upon making a written request identifying the vehicle, boat, aircraft, or railroad
10 buffet car in the manner prescribed by the board, and paying the biennial fee for
11 additional licensed premises as required by (c) of this section.

12 *** Sec. 2.** AS 04.11.180 is amended by adding a new subsection to read:

13 (c) The biennial fee for a common carrier dispensary license is \$1,000 for each
14 of the first 10 licenses a common carrier holds and \$100 for each additional license

1 issued to the common carrier after the first 10 licenses. Upon request of the common
2 carrier and payment of the proportionate prorated applicable fee, the board shall
3 change the license period of a license for a vehicle, boat, aircraft, or railroad buffet car
4 to allow registration to occur in the biennial period of the balance of the licensee's
5 common carrier licenses.

6 * Sec. 3. The uncodified law of the State of Alaska is amended by adding a new section to
7 read:

8 APPLICABILITY. This Act applies to issuance of a new common carrier dispensary
9 license or renewal of a common carrier dispensary license that occurs on or after the effective
10 date of this Act.

11 * Sec. 4. This Act takes effect July 1, 2002.