

SB

215

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT

DATE: 1/23/02

MAR 5 2002

SENATE FINANCE COMMITTEE

FURTHER:

DATE TURNED IN TO OFFICE: 03/05/02

Finance Committee considered

SENATE BILL NO. 215

SB 215 COMMON CARRIER LIQUOR LICENSE

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

and recommends:

- be replaced with CS SB 215 (FIN)
- adopt previous CS CS FORTHCOMING ()
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:

- same title
- new title

House Bill:

- same title
- technical title
- new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
REVENUE	3/5/02		✓	

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Lyle Dreyer</i>			✓	
<i>[Signature]</i>	✓			
<i>[Signature]</i>			✓	
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>			✓	
COCHAIR: <i>[Signature]</i>	✓			

FISCAL NOTE

**STATE OF ALASKA
2002 LEGISLATIVE SESSION**

MAR 5 2002
SENATE FINANCE
COMMITTEE

Fiscal Note Number: _____
 Bill Version: CSSB 215 (Trans)
 () Publish Date: _____

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 Component No. 100
 Requester: Senate Transportation Committee

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)	(53.6)	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 Persly, Deputy Commissioner Date: 3/5/2002
 Agency: Department of Revenue

Breakdown - CSSB 215

CC - 144 CC-Seasonal - 95

Biennial Year

Dec '02	FY '03	Loss	\$6,850
	AK Air - 12	Loss of 10x\$350 & 2x\$850 (-\$4800) (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 - 38	No Change	
Dec '03	FY '04	Loss	\$53,450
	AK Air	Loss of 94x\$800 (\$56,400) (fees: 10x\$700 & 94x100)	
	Others	No Change	
Seasonal	Westours	Gain (8*350) (\$2800 + (3*50)) = \$2950	
	Others	No Change	
Dec '04	FY '06	Loss - 0	
		No Change	
		No Change	
Dec '05	FY '08	Loss	\$53,450
	AK Air	Loss of 94x\$800 (\$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\$800 (\$56,400)	
	Others	No Change	
Seasonal	Westours	Gain (8*350) (\$2800 + (3*50)) = \$2950	
	Others	No Change	

Amendment #1
adopted

22-LS0975\C

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

BY THE SENATE TRANSPORTATION COMMITTEE

Offered: 2/23/02
Referred: Finance

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 ~~\$700~~ for each
14 of the first 10 licenses a common carrier holds and \$100 for each additional license

Amend #1
\$1,000

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.

CAAPS *Council on Alcohol Abuse and Public Safety-Alaska*
Box 23007 - Juneau, Alaska 99802 - (907) 586-3032



ADVISORY - SB 215

To All participants:

Should you take any position whatsoever as individuals, we recommend that you indicate that there is no objection to, or support at all for passage of this measure.

- This is not an alcohol bill. It is a revenue reduction measure.
- The principal outcome of this bill, if enacted, will be a reduction of \$56,400 in the beverage dispensary license costs to Alaska Airlines. No other licensee would benefit much if at all from this measure.
- Alaska Airlines has 104 common carrier dispensing licenses, one for each aircraft. Current cost \$700 each, This bill would reduce the fee from \$700 to \$100 for 94 of those licenses. A direct savings to Alaska Airlines of \$56,400 a year. In the big picture, not an amount worth wasting any time on, or investing any political capital. It is a non-issue from our view.
- Alaska Airlines also has one full dispensing license at the Board Room in Anchorage. This is a standard \$2500 fee license, and this legislation has no effect at all on that or any other full dispensary license.
- SB 215 would have absolutely no effect whatsoever on our issues . . . consumption or availability.
- Alaska Airlines will not reduce or increase the price of alcoholic beverages sold in-flight. There will be absolutely no changes in consumption from this bill.
- You have chosen wisely, to focus on passage of a substantial increase in the 1983 level alcohol excise tax this session. That single issue will require your active participation, and we will keep you posted on the progress of several pieces of legislation currently under consideration, should you choose to get involved.

We recommend you take absolutely no position for or against this measure. If the legislature wishes to contribute to the economic picture at Alaska Airlines as a part of an effort to increase or protect tourism, or for any other reason, that is their business.

Howard Scaman

Moderating alcohol abuse and violence through public policy information

