

**SB**

**165**

<TARGET><BILL>SB 165</BILL><SUBJECT>SB  
165</SUBJECT><COMM>SJUD29</COMM></TARGET>

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# SENATE COMMITTEE REPORT

DATE: 3/9/16

Corrected  
WLE - signature  
added

FURTHER: Rules  
DATE TURNED IN TO OFFICE: 4/1/16

Judiciary Committee considered SENATE BILL NO. 165

SB 165-ALCO. BEV. CONT. BOARD; MINORS; ALCOHOL

"An Act relating to the presence of minors in the licensed premises of manufacturers, wholesalers, and retailers of alcoholic beverages; relating to the Alcoholic Beverage Control Board; relating to the offense of minor consuming; relating to revocation of a driver's license for a minor consuming offense; relating to the effect of the revocation of a driver's license for a minor consuming offense on a motor vehicle liability insurance policy; and amending Rule 17, Alaska Rules of Minor Offense Procedure."

and recommends:

- be replaced with CS 3B 165 (JUD)  Same Title  New Title
- adopt previous CS \_\_\_\_\_ (\_\_\_\_\_)  Same Title  New Title
- attached amendment(s)
- adopt \_\_\_\_\_ Letter of Intent
- further referral to \_\_\_\_\_ Committee

Dept Abbr.	
ADM	LWF
CED	LAW
COR	LEG
EED	MVA
DEC	DNR
DFG	DPS
GOV	REV
DHS	DOT
AJS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
CED			✓	2
DHS			✓	3
AJS			✓	4

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	Do PASS	Do NOT PASS	No REC	AMEND
MICCICHE	<i>Micciche</i>	✓			
COGHILL	<i>Coghill</i>			✓	
<del>WIECHOWSKI</del>	<del><i>Wiechowski</i></del>			✓	
COSTALO	<i>Costalo</i>			✓	
CHAIR: MCGILLI	<i>McGill</i>	✓			

# SENATE COMMITTEE REPORT

DATE: 3/9/16

FURTHER:

Rules

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AJS	UA

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Dept.	Fiscal	Indet.	Zero	FN #
CEO			✓	2
DHS			✓	3
AJS			✓	4

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

APPROPRIATION - no fiscal note

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MICCICHE	Admin	✓			
COGHILL	John Coghill			✓	
WIECHOWSKI	W. Wiechowski			✓	
COSTALO	Costalo			✓	
CHAIR: MCGUIRE	Devere	✓			

AMENDMENT

OFFERED IN THE SENATE

TO: CSSB 165(L&C)

1 Page 5, line 1, following "completion of":

2 Insert "(1)"

3

4 Page 5, line 2:

5 Following the first occurrence of "program":

6 Delete ","

7 Insert "or"

8 Following the second occurrence of "program":

9 Delete ", or a community diversion panel"

10

11 Page 5, line 4, following "AS 47.37":

12 Insert "; or

13 (2) a community diversion panel"

14

15 Page 5, line 18:

16 Following "completion of":

17 Insert "(1)"

18 Following "program":

19 Delete ","

20 Insert "or"

21

22 Page 5, line 19, following "program":

23 Delete ", or a community diversion panel"

1

2 Page 5, line 20, following "AS 47.37":

3 Insert "; or

4 (2) a community diversion panel"

5

6 Page 6, line 14:

7 Delete "selected by the court to serve"

8 Insert "serving"

29-LS1384\WH  
Bruce  
3/831/16

**CS FOR SENATE BILL NO. 165(L&CJUD)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY THE SENATE ~~LABOR AND COMMERCE~~JUDICIARY COMMITTEE

Offered:  
Referred:

Sponsor(s): SENATOR MICCICHE

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the presence of minors in the licensed premises of manufacturers,  
2 wholesalers, and retailers of alcoholic beverages; relating to the Alcoholic Beverage  
3 Control Board; relating to background checks for persons applying to operate  
4 marijuana establishments; relating to the offense of minor consuming; relating to  
5 revocation of a driver's license for a minor consuming offense; relating to the effect of  
6 the revocation of a driver's license for a minor consuming offense on a motor vehicle  
7 liability insurance policy; and amending Rule 17, Alaska Rules of Minor Offense  
8 Procedure."

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

10 \* **Section 1.** AS 04.06.020 is repealed and reenacted to read:

11 **Sec. 04.06.020. Appointment and qualifications.** (a) The board consists of  
12 five members appointed by the governor and confirmed by a majority of the members

1 of the legislature in joint session. A member of the board may not hold any other state  
2 or federal office, either elective or appointive.

3 (b) Except as provided in (c) of this section, at the time of appointment or  
4 reappointment, one member of the board shall be actively engaged in the public safety  
5 sector, one member of the board shall be actively engaged in the public health sector,  
6 one member of the board shall have resided in a rural area within the previous five  
7 years, and two members of the board shall be actively engaged in the alcoholic  
8 beverage industry.

9 (c) A member of the board may not hold a wholesale alcoholic beverage  
10 license or be an officer, agent, or employee of a wholesale alcoholic beverage  
11 enterprise. Not more than two members of the board may be engaged in the same  
12 business, occupation, or profession. A board member actively engaged in the public  
13 safety sector or public health sector, from a rural area, or representing the general  
14 public may not have, or have an immediate family member who has, a financial  
15 interest in a business for which a license is issued.

16 (d) In this section,

17 (1) "immediate family member" means a spouse, child, or parent;

18 (2) "public health sector" means a profession that primarily has the  
19 responsibility to protect the safety and improve the health of communities through  
20 education, policy making, and research for disease and injury prevention;

21 (3) "public safety sector" means a peace officer, a municipal or state  
22 prosecutor, a former judicial officer, or a profession that primarily has the authority to  
23 provide for the welfare and protection of the general public through the enforcement  
24 of municipal, state, or federal laws;

25 (4) "rural area" means a community with a population of 7,000 or less  
26 that is not connected by road or rail to Anchorage or Fairbanks or with a population of  
27 2,000 or less that is connected by road or rail to Anchorage or Fairbanks; in this  
28 paragraph,

29 (A) "community" means a city as that term is defined in  
30 AS 29.71.800, and an established village that is located in a borough or the  
31 unorganized borough;

1 (B) "population" means the population of a community as  
2 determined under AS 29.60.860(c).

3 \* **Sec. 2.** AS 04.06.030(c) is amended to read:

4 (c) The board shall select a **chair** [CHAIRMAN] from among its members.

5 \* **Sec. 3.** AS 04.06.050 is amended to read:

6 **Sec. 04.06.050. Meetings.** The board shall meet at the call of the **chair**  
7 [CHAIRMAN]. The board shall also meet at least once each year in each judicial  
8 district of the state to study this title and to modify existing board regulations in light  
9 of statewide and local problems.

10 \* **Sec. 4.** AS 04.16.049(a) is amended to read:

11 (a) A person under [THE AGE OF] 21 years **of age** may not knowingly enter  
12 or remain in premises licensed under this title unless

13 (1) accompanied by a parent, guardian, or spouse who has attained  
14 [THE AGE OF] 21 years **of age**;

15 (2) the person is at least 16 years of age, the premises are designated  
16 by the board as a restaurant for the purposes of this section, and the person enters and  
17 remains only for dining;

18 (3) the person is under [THE AGE OF] 16 years **of age**, is  
19 accompanied by a person over [THE AGE OF] 21 years **of age**, the parent or guardian  
20 of the underaged person consents, the premises are designated by the board as a  
21 restaurant for the purposes of this section, and the person enters and remains only for  
22 dining; [OR]

23 (4) the person is permitted on the premises under **a club license issued**  
24 **under** AS 04.11.110(g); **or**

25 **(5) otherwise provided under (c), (d), or (g) of this section.**

26 \* **Sec. 5.** AS 04.16.049(b) is amended to read:

27 (b) Notwithstanding (a) of this section, a licensee or an agent or employee of  
28 the licensee may refuse entry to a person under [THE AGE OF] 21 years **of age** to that  
29 part of licensed premises in which alcoholic beverages are sold, served, or consumed,  
30 may refuse service to a person under [THE AGE OF] 21 years **of age**, or may require  
31 a person under [THE AGE OF] 21 years **of age** to leave the portion of the licensed

1 premises in which alcoholic beverages are sold, served, or consumed.

2 \* **Sec. 6.** AS 04.16.049(c) is amended to read:

3 (c) Notwithstanding any other provision in this section, a person 16 or 17  
4 years of age may enter and remain within the licensed premises of a hotel, golf course,  
5 or restaurant [,] or eating place in the course of employment if (1) the employment  
6 does not involve the serving, mixing, delivering, or dispensing of alcoholic beverages;  
7 (2) the person has the written consent of a parent or guardian; and (3) an exemption  
8 from the prohibition of AS 23.10.355 is granted by the Department of Labor and  
9 Workforce Development. The board, with the approval of the governing body having  
10 jurisdiction and at the licensee's request, shall designate which premises are hotels,  
11 golf courses, restaurants, or eating places for the purposes of this subsection.

12 \* **Sec. 7.** AS 04.16.049(d) is amended to read:

13 (d) Notwithstanding any other provision in this section, a person 18, 19, or 20  
14 years of age may be employed within the licensed premises of a hotel, golf course, or  
15 restaurant [,] or eating place, may enter and remain within those premises for the  
16 purpose of employment, but may not, in the course of employment, sell, serve, deliver,  
17 or dispense alcoholic beverages.

18 \* **Sec. 8.** AS 04.16.049 is amended by adding new subsections to read:

19 (g) Notwithstanding any other provision in this section, a person under 21  
20 years of age may be present on licensed premises on a golf course for the purpose of  
21 playing golf or attending golf-related activities if the person

22 (1) is at least 16 years of age; or

23 (2) is under 16 years of age and

24 (A) the person is accompanied by a person who is at least 21  
25 years of age; and

26 (B) a parent or guardian of the underage person consents.

27 (h) A person under 21 years of age who knowingly enters or remains on  
28 premises licensed under this title except as allowed in this section commits the offense  
29 of unauthorized presence by a person under 21 years of age on licensed premises.

30 (i) Unauthorized presence by a person under 21 years of age on licensed  
31 premises is a violation, punishable by a fine of \$500. The violation must be charged

1 and filed with the court as a separate case and may not be combined or joined with any  
2 other minor offense or criminal charge in one action at the time of filing. A court may  
3 reduce the fine to \$50 if the person provides the court, not later than six months after a  
4 judgment of conviction is entered, with proof of completion of ~~an alcohol safety action~~  
5 ~~program, a juvenile alcohol safety action program, or a community diversion panel~~  
6 ~~developed, designated, or approved by the Department of Health and Social Services~~  
7 ~~under AS 47.37.~~

8 (1) an alcohol safety action program or a juvenile alcohol safety action  
9 program developed, designated, or approved by the Department of Health and Social  
10 Services under AS 47.37; or

11 (2) a community diversion panel.

12 \* **Sec. 9.** AS 04.16.050 is repealed and reenacted to read:

13 **Sec. 04.16.050. Possession, control, or consumption by persons under 21**  
14 **years of age.** (a) A person under 21 years of age may not knowingly consume,  
15 possess, or control alcoholic beverages except those furnished to persons under  
16 AS 04.16.051(b).

17 (b) A person under 21 years of age who knowingly consumes, possesses, or  
18 controls an alcoholic beverage other than an alcoholic beverage furnished under  
19 AS 04.16.051(b) commits the offense of minor consuming or in possession or control.

20 (c) Minor consuming or in possession or control is a violation, punishable by a  
21 fine of \$500. The violation must be charged and filed with the court as a separate case  
22 and may not be combined or joined with any other minor offense or criminal charge in  
23 one action at the time of filing. A court may reduce the fine to \$50 if the person  
24 provides the court, not later than six months after a judgment of conviction is entered,  
25 with proof of completion of ~~an alcohol safety action program, a juvenile alcohol safety~~  
26 ~~action program, or a community diversion panel developed, designated, or approved~~  
27 ~~by the Department of Health and Social Services under AS 47.37.~~

28 (1) an alcohol safety action program or a juvenile alcohol safety action  
29 program developed, designated, or approved by the Department of Health and Social  
30 Services under AS 47.37; or

31 (2) a community diversion panel.

1 \* **Sec. 10.** AS 04.21.065(b) is amended to read:

2 (b) The warning signs required by (a) of this section must be at least 11 inches  
3 by 14 inches, and the lettering must be at least one-half inch high and in contrasting  
4 colors. The first sign must read, "WARNING: Drinking alcoholic beverages such as  
5 beer, wine, wine coolers, and distilled spirits or smoking cigarettes during pregnancy  
6 can cause birth defects." The second sign must read, "WARNING: A person who  
7 provides alcoholic beverages to a person under 21 years of age, if convicted under  
8 AS 04.16.051, could be imprisoned for up to five years and fined up to \$50,000." The  
9 third sign must read, "WARNING: **An unaccompanied** [A] person under 21 years of  
10 age who enters these premises in violation of law **may** [COULD], under  
11 AS 04.16.049(e), be civilly liable for damages of \$1,500." The license or permit  
12 holder shall display the first and second signs in a manner that would make them  
13 conspicuous to a person who will be purchasing or consuming alcoholic beverages or  
14 smoking cigarettes on the licensed or designated premises and shall conspicuously  
15 display the third sign at each door through which customers enter the licensed  
16 premises.

17 \* **Sec. 11.** AS 04.21 is amended by adding a new section to read:

18 **Sec. 04.21.078. Court records of persons under 21 years of age.** The Alaska  
19 Court System may not publish on a publicly available website the court records of a  
20 violation of AS 04.16.049 or 04.16.050, or a similar ordinance of a municipality, if the  
21 violation was charged separately and was not joined with any other minor offense or  
22 criminal charge at the time of filing.

23 \* **Sec. 12.** AS 04.21.080(b) is amended by adding a new paragraph to read:

24 (20) "community diversion panel" means a youth court or other group  
25 ~~selected by the court to serve~~servicing as a sentencing option for a person convicted  
26 under this section.

27 \* **Sec. 13.** AS 12.62.400(a) is amended to read:

28 (a) To obtain a national criminal history record check for determining a  
29 person's qualifications for a license, permit, registration, employment, or position, a  
30 person shall submit the person's fingerprints to the department with the fee established  
31 by AS 12.62.160. The department may submit the fingerprints to the Federal Bureau

1 of Investigation to obtain a national criminal history record check of the person for the  
2 purpose of evaluating a person's qualifications for

3 (1) a license or conditional contractor's permit to manufacture, sell,  
4 offer for sale, possess for sale or barter, traffic in, or barter an alcoholic beverage  
5 under AS 04.11;

6 (2) licensure as a mortgage lender, a mortgage broker, or a mortgage  
7 loan originator under AS 06.60;

8 (3) admission to the Alaska Bar Association under AS 08.08;

9 (4) licensure as a collection agency operator under AS 08.24;

10 (5) a certificate of fitness to handle explosives under AS 08.52;

11 (6) licensure as a massage therapist under AS 08.61;

12 (7) licensure to practice nursing or certification as a nurse aide under  
13 AS 08.68;

14 (8) certification as a real estate appraiser under AS 08.87;

15 (9) a position involving supervisory or disciplinary power over a minor  
16 or dependent adult for which criminal justice information may be released under  
17 AS 12.62.160(b)(9);

18 (10) a teacher certificate under AS 14.20;

19 (11) licensure as a security guard under AS 18.65.400 - 18.65.490;

20 (12) a concealed handgun permit under AS 18.65.700 - 18.65.790;

21 (13) licensure as an insurance producer, managing general agent,  
22 reinsurance intermediary broker, reinsurance intermediary manager, surplus lines  
23 broker, or independent adjuster under AS 21.27;

24 (14) serving and executing process issued by a court by a person  
25 designated under AS 22.20.130;

26 (15) a school bus driver license under AS 28.15.046;

27 (16) licensure as an operator or an instructor for a commercial driver  
28 training school under AS 28.17;

29 (17) registration as a broker-dealer, agent, investment adviser  
30 representative, or state investment adviser under AS 45.55.030 - 45.55.060;

31 (18) a registration or license to operate a marijuana establishment

1 under AS 17.38.

2 \* Sec. 14. AS 17.38.200(a) is amended to read:

3 (a) Each application or renewal application for a registration to operate a  
4 marijuana establishment shall be submitted to the board. A renewal application may be  
5 submitted up to 90 days before [PRIOR TO] the expiration of the marijuana  
6 establishment's registration. When filing an application under this subsection, the  
7 applicant shall submit the applicant's fingerprints and the fees required by the  
8 Department of Public Safety under AS 12.62.160 for criminal justice information  
9 and a national criminal history record check. The board shall forward the  
10 fingerprints and fees to the Department of Public Safety to obtain a report of  
11 criminal justice information under AS 12.62 and a national criminal history  
12 record check under AS 12.62.400.

13 \* Sec. 15. AS 21.36.210(a) is amended to read:

14 (a) An insurer may not exercise its right to cancel a policy of personal  
15 automobile insurance except for the following reasons:

16 (1) nonpayment of premium; or

17 (2) the driver's license or motor vehicle registration of either the named  
18 insured or of an operator who resides in the same household as the named insured or  
19 who customarily operates a motor vehicle insured under the policy has been under  
20 suspension or revocation during the policy period or, if the policy is a renewal, during  
21 its policy period or the 180 days immediately preceding its effective date [; THIS  
22 PARAGRAPH DOES NOT APPLY TO REVOCATION AS DESCRIBED UNDER  
23 AS 21.96.027].

24 \* Sec. 1416. AS 28.15.057(a) is amended to read:

25 (a) Except as provided under AS 28.15.051, a person who is at least 16 years  
26 of age but not yet 18 years of age may not be issued a driver's license unless the  
27 person has

28 (1) been licensed under an instruction permit issued under  
29 AS 28.15.051 or under the law of another state with substantially similar requirements  
30 for at least six months;

31 (2) held a valid provisional driver's license issued under AS 28.15.055

1 for at least six months; and

2 (3) not been convicted of violating a traffic law [, OR BEEN  
3 CONVICTED OF VIOLATING AS 04.16.050(c),] during the six months before  
4 applying for a driver's license; in this paragraph, "traffic law" has the meaning given to  
5 "traffic laws" in AS 28.15.261.

6 \* **Sec. 1517.** AS 28.15.191(a) is amended to read:

7 (a) A court that convicts a person of an offense under this title or a regulation  
8 adopted under this title, or another law or regulation of this state or a municipal  
9 ordinance that regulates the driving of vehicles [, OR A VIOLATION OF  
10 AS 04.16.050] shall forward a record of the conviction to the department within five  
11 working days. A conviction of a standing or parking offense need not be reported.

12 \* **Sec. 1618.** AS 28.15.211(g) is amended to read:

13 (g) Except as provided under AS 28.15.183(h), the department may not issue a  
14 new license or reissue a license to a person whose driver's license has been revoked  
15 under [AS 04.16.050,] AS 28.15.183 [,] or 28.15.185 unless the person, if required to  
16 participate in a juvenile alcohol safety action program, has successfully completed any  
17 education or treatment recommended. In this subsection, "juvenile alcohol safety  
18 action program" has the meaning given in AS 04.21.080.

19 \* **Sec. 1719.** The uncodified law of the State of Alaska is amended by adding a new section  
20 to read:

21 DIRECT COURT RULE AMENDMENT. Rule 17(a), Alaska Rules of Minor  
22 Offense Procedure, is amended to read:

23 (a) **Except as provided in subsection (g), a** [A] prosecutor may join a minor  
24 offense with a related criminal offense under the circumstances described in Criminal  
25 Rule 8(a).

26 \* ~~Sec. 18. The uncodified law of the State of Alaska is amended by adding a new section to~~  
27 ~~read:~~

28 20. The uncodified law of the State of Alaska is amended by adding a new section to read:

29 DIRECT COURT RULE AMENDMENT. Rule 17, Alaska Rules of Minor  
30 Offense Procedure, is amended by adding a new subsection to read:

31 (g) A prosecutor may not join a minor offense for a violation of AS 04.16.049

1 or 04.16.050 with a related criminal offense.

2 \* **Sec. ~~1921~~**. AS 21.96.027; AS 28.15.176(1), 28.15.181(h), 28.15.185(e);  
3 AS 47.12.030(b)(5), 47.12.060(b)(4), and 47.12.120(k) are repealed.

4 \* **Sec. 22**. The uncodified law of the State of Alaska is amended by adding a new section to  
5 read:

6 ~~20. The uncodified law of the State of Alaska is amended by adding a new section to read:~~

7 APPLICABILITY. AS 04.16.049(a) - (d), as amended by secs. 4 - 7 of this Act,  
8 AS 04.16.049(g) - (i), added by sec. 8 of this Act, ~~and~~ AS 04.16.050, as repealed and  
9 reenacted by sec. 99 of this Act, and AS 04.21.080(b)(20), added by sec. 12 of this Act, apply  
10 to offenses committed on or after the effective date of this Act.

11 \* **Sec. ~~2123~~**. The uncodified law of the State of Alaska is amended by adding a new section  
12 to read:

13 TRANSITION. A person who is a member of the Alcoholic Beverage Control Board  
14 on the day before the effective date of this Act continues to serve until the expiration of the  
15 member's term. The governor shall take the requirements of AS 04.06.020, as repealed and  
16 reenacted by sec. 1 of this Act, into account in making new appointments.

**CS FOR SENATE BILL NO. 165(JUD)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY THE SENATE JUDICIARY COMMITTEE

Offered:

Referred:

Sponsor(s): SENATOR MICCICHE

**A BILL**

**FOR AN ACT ENTITLED**

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3 (b) Except as provided in (c) of this section, at the time of appointment or  
4 reappointment, one member of the board shall be actively engaged in the public safety  
5 sector, one member of the board shall be actively engaged in the public health sector,  
6 one member of the board shall have resided in a rural area within the previous five  
7 years, and two members of the board shall be actively engaged in the alcoholic  
8 beverage industry.

9 (c) A member of the board may not hold a wholesale alcoholic beverage  
10 license or be an officer, agent, or employee of a wholesale alcoholic beverage  
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13 (1) accompanied by a parent, guardian, or spouse who has attained  
14 [THE AGE OF] 21 years **of age**;

15 (2) the person is at least 16 years of age, the premises are designated  
16 by the board as a restaurant for the purposes of this section, and the person enters and  
17 remains only for dining;

18 (3) the person is under [THE AGE OF] 16 years **of age**, is  
19 accompanied by a person over [THE AGE OF] 21 years **of age**, the parent or guardian  
20 of the underaged person consents, the premises are designated by the board as a  
21 restaurant for the purposes of this section, and the person enters and remains only for  
22 dining; [OR]

23 (4) the person is permitted on the premises under **a club license issued**  
24 **under AS 04.11.110(g); or**

25 **(5) otherwise provided under (c), (d), or (g) of this section.**

26 \* **Sec. 5.** AS 04.16.049(b) is amended to read:

27 (b) Notwithstanding (a) of this section, a licensee or an agent or employee of  
28 the licensee may refuse entry to a person under [THE AGE OF] 21 years **of age** to that  
29 part of licensed premises in which alcoholic beverages are sold, served, or consumed,  
30 may refuse service to a person under [THE AGE OF] 21 years **of age**, or may require  
31 a person under [THE AGE OF] 21 years **of age** to leave the portion of the licensed

1 premises in which alcoholic beverages are sold, served, or consumed.

2 \* **Sec. 6.** AS 04.16.049(c) is amended to read:

3 (c) Notwithstanding any other provision in this section, a person 16 or 17  
4 years of age may enter and remain within the licensed premises of a hotel, golf course,  
5 or restaurant [,] or eating place in the course of employment if (1) the employment  
6 does not involve the serving, mixing, delivering, or dispensing of alcoholic beverages;  
7 (2) the person has the written consent of a parent or guardian; and (3) an exemption  
8 from the prohibition of AS 23.10.355 is granted by the Department of Labor and  
9 Workforce Development. The board, with the approval of the governing body having  
10 jurisdiction and at the licensee's request, shall designate which premises are hotels,  
11 golf courses, restaurants, or eating places for the purposes of this subsection.

12 \* **Sec. 7.** AS 04.16.049(d) is amended to read:

13 (d) Notwithstanding any other provision in this section, a person 18, 19, or 20  
14 years of age may be employed within the licensed premises of a hotel, golf course, or  
15 restaurant [,] or eating place, may enter and remain within those premises for the  
16 purpose of employment, but may not, in the course of employment, sell, serve, deliver,  
17 or dispense alcoholic beverages.

18 \* **Sec. 8.** AS 04.16.049 is amended by adding new subsections to read:

19 (g) Notwithstanding any other provision in this section, a person under 21  
20 years of age may be present on licensed premises on a golf course for the purpose of  
21 playing golf or attending golf-related activities if the person

22 (1) is at least 16 years of age; or

23 (2) is under 16 years of age and

24 (A) the person is accompanied by a person who is at least 21  
25 years of age; and

26 (B) a parent or guardian of the underage person consents.

27 (h) A person under 21 years of age who knowingly enters or remains on  
28 premises licensed under this title except as allowed in this section commits the offense  
29 of unauthorized presence by a person under 21 years of age on licensed premises.

30 (i) Unauthorized presence by a person under 21 years of age on licensed  
31 premises is a violation, punishable by a fine of \$500. The violation must be charged

1 and filed with the court as a separate case and may not be combined or joined with any  
 2 other minor offense or criminal charge in one action at the time of filing. A court may  
 3 reduce the fine to \$50 if the person provides the court, not later than six months after a  
 4 judgment of conviction is entered, with proof of completion of

5 (1) an alcohol safety action program or a juvenile alcohol safety action  
 6 program developed, designated, or approved by the Department of Health and Social  
 7 Services under AS 47.37; or

8 (2) a community diversion panel.

9 \* **Sec. 9.** AS 04.16.050 is repealed and reenacted to read:

10 **Sec. 04.16.050. Possession, control, or consumption by persons under 21**  
 11 **years of age.** (a) A person under 21 years of age may not knowingly consume,  
 12 possess, or control alcoholic beverages except those furnished to persons under  
 13 AS 04.16.051(b).

14 (b) A person under 21 years of age who knowingly consumes, possesses, or  
 15 controls an alcoholic beverage other than an alcoholic beverage furnished under  
 16 AS 04.16.051(b) commits the offense of minor consuming or in possession or control.

17 (c) Minor consuming or in possession or control is a violation, punishable by a  
 18 fine of \$500. The violation must be charged and filed with the court as a separate case  
 19 and may not be combined or joined with any other minor offense or criminal charge in  
 20 one action at the time of filing. A court may reduce the fine to \$50 if the person  
 21 provides the court, not later than six months after a judgment of conviction is entered,  
 22 with proof of completion of

23 (1) an alcohol safety action program or a juvenile alcohol safety action  
 24 program developed, designated, or approved by the Department of Health and Social  
 25 Services under AS 47.37; or

26 (2) a community diversion panel.

27 \* **Sec. 10.** AS 04.21.065(b) is amended to read:

28 (b) The warning signs required by (a) of this section must be at least 11 inches  
 29 by 14 inches, and the lettering must be at least one-half inch high and in contrasting  
 30 colors. The first sign must read, "WARNING: Drinking alcoholic beverages such as  
 31 beer, wine, wine coolers, and distilled spirits or smoking cigarettes during pregnancy

1 can cause birth defects." The second sign must read, "WARNING: A person who  
 2 provides alcoholic beverages to a person under 21 years of age, if convicted under  
 3 AS 04.16.051, could be imprisoned for up to five years and fined up to \$50,000." The  
 4 third sign must read, "WARNING: An unaccompanied [A] person under 21 years of  
 5 age who enters these premises in violation of law may [COULD], under  
 6 AS 04.16.049(e), be civilly liable for damages of \$1,500." The license or permit  
 7 holder shall display the first and second signs in a manner that would make them  
 8 conspicuous to a person who will be purchasing or consuming alcoholic beverages or  
 9 smoking cigarettes on the licensed or designated premises and shall conspicuously  
 10 display the third sign at each door through which customers enter the licensed  
 11 premises.

12 \* **Sec. 11.** AS 04.21 is amended by adding a new section to read:

13 **Sec. 04.21.078. Court records of persons under 21 years of age.** The Alaska  
 14 Court System may not publish on a publicly available website the court records of a  
 15 violation of AS 04.16.049 or 04.16.050, or a similar ordinance of a municipality, if the  
 16 violation was charged separately and was not joined with any other minor offense or  
 17 criminal charge at the time of filing.

18 \* **Sec. 12.** AS 04.21.080(b) is amended by adding a new paragraph to read:

19 (20) "community diversion panel" means a youth court or other group  
 20 serving as a sentencing option for a person convicted under this section.

21 \* **Sec. 13.** AS 12.62.400(a) is amended to read:

22 (a) To obtain a national criminal history record check for determining a  
 23 person's qualifications for a license, permit, registration, employment, or position, a  
 24 person shall submit the person's fingerprints to the department with the fee established  
 25 by AS 12.62.160. The department may submit the fingerprints to the Federal Bureau  
 26 of Investigation to obtain a national criminal history record check of the person for the  
 27 purpose of evaluating a person's qualifications for

28 (1) a license or conditional contractor's permit to manufacture, sell,  
 29 offer for sale, possess for sale or barter, traffic in, or barter an alcoholic beverage  
 30 under AS 04.11;

31 (2) licensure as a mortgage lender, a mortgage broker, or a mortgage

1 loan originator under AS 06.60;

2 (3) admission to the Alaska Bar Association under AS 08.08;

3 (4) licensure as a collection agency operator under AS 08.24;

4 (5) a certificate of fitness to handle explosives under AS 08.52;

5 (6) licensure as a massage therapist under AS 08.61;

6 (7) licensure to practice nursing or certification as a nurse aide under  
7 AS 08.68;

8 (8) certification as a real estate appraiser under AS 08.87;

9 (9) a position involving supervisory or disciplinary power over a minor  
10 or dependent adult for which criminal justice information may be released under  
11 AS 12.62.160(b)(9);

12 (10) a teacher certificate under AS 14.20;

13 (11) licensure as a security guard under AS 18.65.400 - 18.65.490;

14 (12) a concealed handgun permit under AS 18.65.700 - 18.65.790;

15 (13) licensure as an insurance producer, managing general agent,  
16 reinsurance intermediary broker, reinsurance intermediary manager, surplus lines  
17 broker, or independent adjuster under AS 21.27;

18 (14) serving and executing process issued by a court by a person  
19 designated under AS 22.20.130;

20 (15) a school bus driver license under AS 28.15.046;

21 (16) licensure as an operator or an instructor for a commercial driver  
22 training school under AS 28.17;

23 (17) registration as a broker-dealer, agent, investment adviser  
24 representative, or state investment adviser under AS 45.55.030 - 45.55.060;

25 **(18) a registration or license to operate a marijuana establishment**  
26 **under AS 17.38.**

27 \* **Sec. 14.** AS 17.38.200(a) is amended to read:

28 (a) Each application or renewal application for a registration to operate a  
29 marijuana establishment shall be submitted to the board. A renewal application may be  
30 submitted up to 90 days **before** [PRIOR TO] the expiration of the marijuana  
31 establishment's registration. **When filing an application under this subsection, the**

1 applicant shall submit the applicant's fingerprints and the fees required by the  
2 Department of Public Safety under AS 12.62.160 for criminal justice information  
3 and a national criminal history record check. The board shall forward the  
4 fingerprints and fees to the Department of Public Safety to obtain a report of  
5 criminal justice information under AS 12.62 and a national criminal history  
6 record check under AS 12.62.400.

7 \* **Sec. 15.** AS 21.36.210(a) is amended to read:

8 (a) An insurer may not exercise its right to cancel a policy of personal  
9 automobile insurance except for the following reasons:

10 (1) nonpayment of premium; or

11 (2) the driver's license or motor vehicle registration of either the named  
12 insured or of an operator who resides in the same household as the named insured or  
13 who customarily operates a motor vehicle insured under the policy has been under  
14 suspension or revocation during the policy period or, if the policy is a renewal, during  
15 its policy period or the 180 days immediately preceding its effective date [; THIS  
16 PARAGRAPH DOES NOT APPLY TO REVOCATION AS DESCRIBED UNDER  
17 AS 21.96.027].

18 \* **Sec. 16.** AS 28.15.057(a) is amended to read:

19 (a) Except as provided under AS 28.15.051, a person who is at least 16 years  
20 of age but not yet 18 years of age may not be issued a driver's license unless the  
21 person has

22 (1) been licensed under an instruction permit issued under  
23 AS 28.15.051 or under the law of another state with substantially similar requirements  
24 for at least six months;

25 (2) held a valid provisional driver's license issued under AS 28.15.055  
26 for at least six months; and

27 (3) not been convicted of violating a traffic law [, OR BEEN  
28 CONVICTED OF VIOLATING AS 04.16.050(c),] during the six months before  
29 applying for a driver's license; in this paragraph, "traffic law" has the meaning given to  
30 "traffic laws" in AS 28.15.261.

31 \* **Sec. 17.** AS 28.15.191(a) is amended to read:

1 (a) A court that convicts a person of an offense under this title or a regulation  
 2 adopted under this title, or another law or regulation of this state or a municipal  
 3 ordinance that regulates the driving of vehicles [, OR A VIOLATION OF  
 4 AS 04.16.050] shall forward a record of the conviction to the department within five  
 5 working days. A conviction of a standing or parking offense need not be reported.

6 \* **Sec. 18.** AS 28.15.211(g) is amended to read:

7 (g) Except as provided under AS 28.15.183(h), the department may not issue a  
 8 new license or reissue a license to a person whose driver's license has been revoked  
 9 under [AS 04.16.050,] AS 28.15.183 [,] or 28.15.185 unless the person, if required to  
 10 participate in a juvenile alcohol safety action program, has successfully completed any  
 11 education or treatment recommended. In this subsection, "juvenile alcohol safety  
 12 action program" has the meaning given in AS 04.21.080.

13 \* **Sec. 19.** The uncodified law of the State of Alaska is amended by adding a new section to  
 14 read:

15 DIRECT COURT RULE AMENDMENT. Rule 17(a), Alaska Rules of Minor  
 16 Offense Procedure, is amended to read:

17 (a) Except as provided in subsection (g), a [A] prosecutor may join a minor  
 18 offense with a related criminal offense under the circumstances described in Criminal  
 19 Rule 8(a).

20 \* **Sec. 20.** The uncodified law of the State of Alaska is amended by adding a new section to  
 21 read:

22 DIRECT COURT RULE AMENDMENT. Rule 17, Alaska Rules of Minor  
 23 Offense Procedure, is amended by adding a new subsection to read:

24 (g) A prosecutor may not join a minor offense for a violation of AS 04.16.049  
 25 or 04.16.050 with a related criminal offense.

26 \* **Sec. 21.** AS 21.96.027; AS 28.15.176(1), 28.15.181(h), 28.15.185(e); AS 47.12.030(b)(5),  
 27 47.12.060(b)(4), and 47.12.120(k) are repealed.

28 \* **Sec. 22.** The uncodified law of the State of Alaska is amended by adding a new section to  
 29 read:

30 APPLICABILITY. AS 04.16.049(a) - (d), as amended by secs. 4 - 7 of this Act,  
 31 AS 04.16.049(g) - (i), added by sec. 8 of this Act, AS 04.16.050, as repealed and reenacted by

1 sec. 9 of this Act, and AS 04.21.080(b)(20), added by sec. 12 of this Act, apply to offenses  
2 committed on or after the effective date of this Act.

3 \* **Sec. 23.** The uncodified law of the State of Alaska is amended by adding a new section to  
4 read:

5       TRANSITION. A person who is a member of the Alcoholic Beverage Control Board  
6 on the day before the effective date of this Act continues to serve until the expiration of the  
7 member's term. The governor shall take the requirements of AS 04.06.020, as repealed and  
8 reenacted by sec. 1 of this Act, into account in making new appointments.

# Senator Peter A. Micciche

*Alaska State Legislature*

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Alaska State Capitol, Rm. 514

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To: Senator Lesil McGuire  
Chair, Senate Judiciary Committee

From: Senator Peter Micciche

A handwritten signature in blue ink that reads "P. Micciche".

Date: March 8, 2016

Re: CSSB 165(L&C) Request for Hearing

I respectfully request a hearing for SB 165 - *An Act relating to the presence of minors in the licensed premises of manufacturers, wholesalers, and retailers of alcoholic beverages; relating to the Alcoholic Beverage Control Board; relating to the offense of minor consuming; relating to revocation of a driver's license for a minor consuming offense; relating to the effect of the revocation of a driver's license for a minor consuming offense on a motor vehicle liability insurance policy; and amending Rule 17, Alaska Rules of Minor Offense Procedure.*

Staff contact – Chuck Kopp (907)465-2828

## Dianne Blumer

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**From:** Dianne Blumer  
**Sent:** Wednesday, March 30, 2016 4:41 PM  
**To:** LAA Legal  
**Subject:** Language for Amendment 2 to SB 165  
**Attachments:** W.1.pdf

SB 165 passed out of SJUD committee this afternoon with 2 conceptual amendments. Amendment 1 is attached and amendment 2 is outlined below.

I believe this will require a title change as well. Please let me know what else you might need from me.

Please final.

Thank you.

*Dianne Blumer*

Senior Policy Advisor | Alaska State Legislature  
Office of Sen. Lesil McGuire  
907.465.6443 direct | 907.575.2279 cell  
[Dianne.Blumer@akleg.gov](mailto:Dianne.Blumer@akleg.gov)

The language in this version of HB 75 pertaining to criminal background checks has been okayed by DPS as meeting FBI requirements. Please use this language for amendment 2 to SB 165. Please do not omit either piece, both are essential to authorize the background checks.

Copied from HB 75: 29-LS0345\AA

From p 1-2

8 \* **Section 1.** AS 12.62.400(a) is amended to read:

9 (a) To obtain a national criminal history record check for determining a  
10 person's qualifications for a license, permit, registration, employment, or position, a  
11 person shall submit the person's fingerprints to the department with the fee established  
12 by AS 12.62.160. The department may submit the fingerprints to the Federal Bureau  
13 of Investigation to obtain a national criminal history record check of the person for the

**2d SCS CSHB 75(RLS) -2- HB0075G**

*New Text Underlined [DELETED TEXT BRACKETED]*

1 purpose of evaluating a person's qualifications for

2 (1) a license or conditional contractor's permit to manufacture, sell,  
3 offer for sale, possess for sale or barter, traffic in, or barter an alcoholic beverage  
4 under AS 04.11;

5 (2) licensure as a mortgage lender, a mortgage broker, or a mortgage  
6 loan originator under AS 06.60;

7 (3) admission to the Alaska Bar Association under AS 08.08;

8 (4) licensure as a collection agency operator under AS 08.24;

9 (5) a certificate of fitness to handle explosives under AS 08.52;

10 (6) licensure as a massage therapist under AS 08.61;  
11 (7) licensure to practice nursing or certification as a nurse aide under  
12 AS 08.68;  
13 (8) certification as a real estate appraiser under AS 08.87;  
14 (9) a position involving supervisory or disciplinary power over a minor  
15 or dependent adult for which criminal justice information may be released under  
16 AS 12.62.160(b)(9);  
17 (10) a teacher certificate under AS 14.20;  
18 (11) licensure as a security guard under AS 18.65.400 - 18.65.490;  
19 (12) a concealed handgun permit under AS 18.65.700 - 18.65.790;  
20 (13) licensure as an insurance producer, managing general agent,  
21 reinsurance intermediary broker, reinsurance intermediary manager, surplus lines  
22 broker, or independent adjuster under AS 21.27;  
23 (14) serving and executing process issued by a court by a person  
24 designated under AS 22.20.130;  
25 (15) a school bus driver license under AS 28.15.046;  
26 (16) licensure as an operator or an instructor for a commercial driver  
27 training school under AS 28.17;  
28 (17) registration as a broker-dealer, agent, investment(17) registration as a broker-dealer, agent, investment  
adviser  
29 representative, or state investment adviser under AS 45.55.030 - 45.55.060;  
30 **(18) a registration or license to operate a marijuana establishment**  
31 **under AS 17.38.**

From p 3:

21 \* **Sec. 3.** AS 17.38.200(a) is amended to read:  
22 (a) Each application or renewal application for a registration to operate a  
23 marijuana establishment shall be submitted to the board. A renewal application may be  
24 submitted up to 90 days **before** [PRIOR TO] the expiration of the marijuana  
25 establishment's registration. **When filing an application under this subsection, the**  
26 **applicant shall submit the applicant's fingerprints and the fees required by the**  
27 **Department of Public Safety under AS 12.62.160 for criminal justice information**  
28 **and a national criminal history record check. The board shall forward the**  
29 **fingerprints and fees to the Department of Public Safety to obtain a report of**  
30 **criminal justice information under AS 12.62 and a national criminal history**  
31 **record check under AS 12.62.400.**

# Senator Peter A. Micciche

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## **CSSB 165(L&C) Sponsor Statement**

Senate Bill 165 is the product of an ongoing comprehensive, multiyear modernization process for Title 4, Alaska's statutes that govern the regulation and control of alcoholic beverages in the state. Title 4 is largely unchanged since enactment in 1980. It is widely recognized to be outdated, and ineffectual in carrying out the intent of the statutes, which directly impact Alaska residents, public safety, public health, and the alcoholic beverage industry.

Following a 3-year review and update by stakeholders, SB99 was introduced in April 2015, a large body of work spanning nearly 100 pages. The complexity of the bill and the need for additional stakeholder work to gain consensus on several licensing issues, prompted the ABC Board Title 4 Review Steering Committee in December 2015 to recommend a new, two-track process for Title 4 rewrite -- 1) streamline elements of SB99 into SB 165 that focuses on areas where broad consensus currently exists, particularly those items that impact youth; and, 2) hold the remaining provisions for further refinement and introduction as a second package in 2017.

CSSB 165(L&C) focuses on a discrete set of consensus recommendations which includes ABC Board member Composition and Qualifications (04.16.020); clarifying that minors are allowed to play and work on golf courses that serve alcoholic beverages; establish the offenses of Minor on Licensed Premises (04.16.049) and Minors in Possession or Consuming (04.16.050) to be violations; provides that such violations may not be published on Courtview, nor be cause for a driver's license cancellation or revocation; and encourages alcohol education or treatment upon conviction of minor consuming and possession offenses.

Staff contact: Chuck Kopp (907)465-2828

29-LS1384\W  
Bruce  
3/8/16

**CS FOR SENATE BILL NO. 165(L&C)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered:  
Referred:

Sponsor(s): SENATOR MICCICHE

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to the presence of minors in the licensed premises of manufacturers,**  
2 **wholesalers, and retailers of alcoholic beverages; relating to the Alcoholic Beverage**  
3 **Control Board; relating to the offense of minor consuming; relating to revocation of a**  
4 **driver's license for a minor consuming offense; relating to the effect of the revocation of**  
5 **a driver's license for a minor consuming offense on a motor vehicle liability insurance**  
6 **policy; and amending Rule 17, Alaska Rules of Minor Offense Procedure."**

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

8 \* **Section 1.** AS 04.06.020 is repealed and reenacted to read:

9 **Sec. 04.06.020. Appointment and qualifications.** (a) The board consists of  
10 five members appointed by the governor and confirmed by a majority of the members  
11 of the legislature in joint session. A member of the board may not hold any other state  
12 or federal office, either elective or appointive.

13 (b) Except as provided in (c) of this section, at the time of appointment or

1 reappointment, one member of the board shall be actively engaged in the public safety  
 2 sector, one member of the board shall be actively engaged in the public health sector,  
 3 one member of the board shall have resided in a rural area within the previous five  
 4 years, and two members of the board shall be actively engaged in the alcoholic  
 5 beverage industry.

6 (c) A member of the board may not hold a wholesale alcoholic beverage  
 7 license or be an officer, agent, or employee of a wholesale alcoholic beverage  
 8 enterprise. Not more than two members of the board may be engaged in the same  
 9 business, occupation, or profession. A board member actively engaged in the public  
 10 safety sector or public health sector, from a rural area, or representing the general  
 11 public may not have, or have an immediate family member who has, a financial  
 12 interest in a business for which a license is issued.

13 (d) In this section,

14 (1) "immediate family member" means a spouse, child, or parent;

15 (2) "public health sector" means a profession that primarily has the  
 16 responsibility to protect the safety and improve the health of communities through  
 17 education, policy making, and research for disease and injury prevention;

18 (3) "public safety sector" means a peace officer, a municipal or state  
 19 prosecutor, a former judicial officer, or a profession that primarily has the authority to  
 20 provide for the welfare and protection of the general public through the enforcement  
 21 of municipal, state, or federal laws;

22 (4) "rural area" means a community with a population of 7,000 or less  
 23 that is not connected by road or rail to Anchorage or Fairbanks or with a population of  
 24 2,000 or less that is connected by road or rail to Anchorage or Fairbanks; in this  
 25 paragraph,

26 (A) "community" means a city as that term is defined in  
 27 AS 29.71.800, and an established village that is located in a borough or the  
 28 unorganized borough;

29 (B) "population" means the population of a community as  
 30 determined under AS 29.60.860(c).

31 \* **Sec. 2.** AS 04.06.030(c) is amended to read:

1 (c) The board shall select a chair [CHAIRMAN] from among its members.

2 \* **Sec. 3.** AS 04.06.050 is amended to read:

3 **Sec. 04.06.050. Meetings.** The board shall meet at the call of the chair  
4 [CHAIRMAN]. The board shall also meet at least once each year in each judicial  
5 district of the state to study this title and to modify existing board regulations in light  
6 of statewide and local problems.

7 \* **Sec. 4.** AS 04.16.049(a) is amended to read:

8 (a) A person under [THE AGE OF] 21 years of age may not knowingly enter  
9 or remain in premises licensed under this title unless

10 (1) accompanied by a parent, guardian, or spouse who has attained  
11 [THE AGE OF] 21 years of age;

12 (2) the person is at least 16 years of age, the premises are designated  
13 by the board as a restaurant for the purposes of this section, and the person enters and  
14 remains only for dining;

15 (3) the person is under [THE AGE OF] 16 years of age, is  
16 accompanied by a person over [THE AGE OF] 21 years of age, the parent or guardian  
17 of the underaged person consents, the premises are designated by the board as a  
18 restaurant for the purposes of this section, and the person enters and remains only for  
19 dining; [OR]

20 (4) the person is permitted on the premises under a club license issued  
21 under AS 04.11.110(g); or

22 (5) otherwise provided under (c), (d), or (g) of this section.

23 \* **Sec. 5.** AS 04.16.049(b) is amended to read:

24 (b) Notwithstanding (a) of this section, a licensee or an agent or employee of  
25 the licensee may refuse entry to a person under [THE AGE OF] 21 years of age to that  
26 part of licensed premises in which alcoholic beverages are sold, served, or consumed,  
27 may refuse service to a person under [THE AGE OF] 21 years of age, or may require  
28 a person under [THE AGE OF] 21 years of age to leave the portion of the licensed  
29 premises in which alcoholic beverages are sold, served, or consumed.

30 \* **Sec. 6.** AS 04.16.049(c) is amended to read:

31 (c) Notwithstanding any other provision in this section, a person 16 or 17

1 years of age may enter and remain within the licensed premises of a hotel, golf course,  
2 or restaurant [,] or eating place in the course of employment if (1) the employment  
3 does not involve the serving, mixing, delivering, or dispensing of alcoholic beverages;  
4 (2) the person has the written consent of a parent or guardian; and (3) an exemption  
5 from the prohibition of AS 23.10.355 is granted by the Department of Labor and  
6 Workforce Development. The board, with the approval of the governing body having  
7 jurisdiction and at the licensee's request, shall designate which premises are hotels,  
8 golf courses, restaurants, or eating places for the purposes of this subsection.

9 \* **Sec. 7.** AS 04.16.049(d) is amended to read:

10 (d) Notwithstanding any other provision in this section, a person 18, 19, or 20  
11 years of age may be employed within the licensed premises of a hotel, golf course, or  
12 restaurant [,] or eating place, may enter and remain within those premises for the  
13 purpose of employment, but may not, in the course of employment, sell, serve, deliver,  
14 or dispense alcoholic beverages.

15 \* **Sec. 8.** AS 04.16.049 is amended by adding new subsections to read:

16 (g) Notwithstanding any other provision in this section, a person under 21  
17 years of age may be present on licensed premises on a golf course for the purpose of  
18 playing golf or attending golf-related activities if the person

19 (1) is at least 16 years of age; or


20 (2) is under 16 years of age and

21 (A) the person is accompanied by a person who is at least 21  
22 years of age; and

23 (B) a parent or guardian of the underage person consents.

24 (h) A person under 21 years of age who knowingly enters or remains on  
25 premises licensed under this title except as allowed in this section commits the offense  
26 of unauthorized presence by a person under 21 years of age on licensed premises.

27 (i) Unauthorized presence by a person under 21 years of age on licensed  
28 premises is a violation, punishable by a fine of \$500. The violation must be charged  
29 and filed with the court as a separate case and may not be combined or joined with any  
30 other minor offense or criminal charge in one action at the time of filing. A court may  
31 reduce the fine to \$50 if the person provides the court, not later than six months after a

1 judgment of conviction is entered, with proof of completion of an alcohol safety action  
2 program, a juvenile alcohol safety action program, or a community diversion panel  
3 developed, designated, or approved by the Department of Health and Social Services  
4 under AS 47.37. 

5 \* **Sec. 9.** AS 04.16.050 is repealed and reenacted to read:

6 **Sec. 04.16.050. Possession, control, or consumption by persons under 21**  
7 **years of age.** (a) A person under 21 years of age may not knowingly consume,  
8 possess, or control alcoholic beverages except those furnished to persons under  
9 AS 04.16.051(b).

10 (b) A person under 21 years of age who knowingly consumes, possesses, or  
11 controls an alcoholic beverage other than an alcoholic beverage furnished under  
12 AS 04.16.051(b) commits the offense of minor consuming or in possession or control.

13 (c) Minor consuming or in possession or control is a violation, punishable by a  
14 fine of \$500. The violation must be charged and filed with the court as a separate case  
15 and may not be combined or joined with any other minor offense or criminal charge in  
16 one action at the time of filing. A court may reduce the fine to \$50 if the person  
17 provides the court, not later than six months after a judgment of conviction is entered,  
18 with proof of completion of an alcohol safety action program, a juvenile alcohol safety  
19 action program, or a community diversion panel developed, designated, or approved  
20 by the Department of Health and Social Services under AS 47.37.

21 \* **Sec. 10.** AS 04.21.065(b) is amended to read:

22 (b) The warning signs required by (a) of this section must be at least 11 inches  
23 by 14 inches, and the lettering must be at least one-half inch high and in contrasting  
24 colors. The first sign must read, "WARNING: Drinking alcoholic beverages such as  
25 beer, wine, wine coolers, and distilled spirits or smoking cigarettes during pregnancy  
26 can cause birth defects." The second sign must read, "WARNING: A person who  
27 provides alcoholic beverages to a person under 21 years of age, if convicted under  
28 AS 04.16.051, could be imprisoned for up to five years and fined up to \$50,000." The  
29 third sign must read, "WARNING: An unaccompanied [A] person under 21 years of  
30 age who enters these premises in violation of law may [COULD], under  
31 AS 04.16.049(e), be civilly liable for damages of \$1,500." The license or permit

1 holder shall display the first and second signs in a manner that would make them  
 2 conspicuous to a person who will be purchasing or consuming alcoholic beverages or  
 3 smoking cigarettes on the licensed or designated premises and shall conspicuously  
 4 display the third sign at each door through which customers enter the licensed  
 5 premises.

6 \* **Sec. 11.** AS 04.21 is amended by adding a new section to read:

7 **Sec. 04.21.078. Court records of persons under 21 years of age.** The Alaska  
 8 Court System may not publish on a publicly available website the court records of a  
 9 violation of AS 04.16.049 or 04.16.050, or a similar ordinance of a municipality, if the  
 10 violation was charged separately and was not joined with any other minor offense or  
 11 criminal charge at the time of filing.

12 \* **Sec. 12.** AS 04.21.080(b) is amended by adding a new paragraph to read:

13 (20) "community diversion panel" means a youth court or other group  
 14 selected by the court to serve as a sentencing option for a person convicted under this  
 15 section.

16 \* **Sec. 13.** AS 21.36.210(a) is amended to read:

17 (a) An insurer may not exercise its right to cancel a policy of personal  
 18 automobile insurance except for the following reasons:

- 19 (1) nonpayment of premium; or
- 20 (2) the driver's license or motor vehicle registration of either the named  
 21 insured or of an operator who resides in the same household as the named insured or  
 22 who customarily operates a motor vehicle insured under the policy has been under  
 23 suspension or revocation during the policy period or, if the policy is a renewal, during  
 24 its policy period or the 180 days immediately preceding its effective date [THIS  
 25 PARAGRAPH DOES NOT APPLY TO REVOCATION AS DESCRIBED UNDER  
 26 AS 21.96.027].

27 \* **Sec. 14.** AS 28.15.057(a) is amended to read:

28 (a) Except as provided under AS 28.15.051, a person who is at least 16 years  
 29 of age but not yet 18 years of age may not be issued a driver's license unless the  
 30 person has

- 31 (1) been licensed under an instruction permit issued under

1 AS 28.15.051 or under the law of another state with substantially similar requirements  
2 for at least six months;

3 (2) held a valid provisional driver's license issued under AS 28.15.055  
4 for at least six months; and

5 (3) not been convicted of violating a traffic law [, OR BEEN  
6 CONVICTED OF VIOLATING AS 04.16.050(c),] during the six months before  
7 applying for a driver's license; in this paragraph, "traffic law" has the meaning given to  
8 "traffic laws" in AS 28.15.261.

9 \* **Sec. 15.** AS 28.15.191(a) is amended to read:

10 (a) A court that convicts a person of an offense under this title or a regulation  
11 adopted under this title, or another law or regulation of this state or a municipal  
12 ordinance that regulates the driving of vehicles [, OR A VIOLATION OF  
13 AS 04.16.050] shall forward a record of the conviction to the department within five  
14 working days. A conviction of a standing or parking offense need not be reported.

15 \* **Sec. 16.** AS 28.15.211(g) is amended to read:

16 (g) Except as provided under AS 28.15.183(h), the department may not issue a  
17 new license or reissue a license to a person whose driver's license has been revoked  
18 under [AS 04.16.050,] AS 28.15.183 [,] or 28.15.185 unless the person, if required to  
19 participate in a juvenile alcohol safety action program, has successfully completed any  
20 education or treatment recommended. In this subsection, "juvenile alcohol safety  
21 action program" has the meaning given in AS 04.21.080.

22 \* **Sec. 17.** The uncodified law of the State of Alaska is amended by adding a new section to  
23 read:

24 DIRECT COURT RULE AMENDMENT. Rule 17(a), Alaska Rules of Minor  
25 Offense Procedure, is amended to read:

26 (a) **Except as provided in subsection (g), a** [A] prosecutor may join a minor  
27 offense with a related criminal offense under the circumstances described in Criminal  
28 Rule 8(a).

29 \* **Sec. 18.** The uncodified law of the State of Alaska is amended by adding a new section to  
30 read:

31 DIRECT COURT RULE AMENDMENT. Rule 17, Alaska Rules of Minor

1 Offense Procedure, is amended by adding a new subsection to read:

2 (g) A prosecutor may not join a minor offense for a violation of AS 04.16.049  
3 or 04.16.050 with a related criminal offense.

4 \* **Sec. 19.** AS 21.96.027; AS 28.15.176(1), 28.15.181(h), 28.15.185(e); AS 47.12.030(b)(5),  
5 47.12.060(b)(4), and 47.12.120(k) are repealed.

6 \* **Sec. 20.** The uncodified law of the State of Alaska is amended by adding a new section to  
7 read:

8 APPLICABILITY. AS 04.16.049(a) - (d), as amended by secs. 4 - 7 of this Act,  
9 AS 04.16.049(g) - (i), added by sec. 8 of this Act, and AS 04.16.050, as repealed and  
10 reenacted by sec. 9 of this Act, apply to offenses committed on or after the effective date of  
11 this Act.

12 \* **Sec. 21.** The uncodified law of the State of Alaska is amended by adding a new section to  
13 read:

14 TRANSITION. A person who is a member of the Alcoholic Beverage Control Board  
15 on the day before the effective date of this Act continues to serve until the expiration of the  
16 member's term. The governor shall take the requirements of AS 04.06.020, as repealed and  
17 reenacted by sec. 1 of this Act, into account in making new appointments.

# Fiscal Note

State of Alaska  
2016 Legislative Session

Bill Version: SB 165  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: SB165CS(L&C)-DCCED-AMCO-03-18-16  
Title: ALCO. BEV. CONT. BOARD; MINORS; ALCOHOL  
Sponsor: MICCICHE  
Requester: (S) Judiciary

Department: Department of Commerce, Community and  
Economic Development  
Appropriation: Alcohol and Marijuana Control Office  
Allocation: Alcohol and Marijuana Control Office  
OMB Component Number: 3119

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates					
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

None								
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time								
Part-time								
Temporary								

<b>Change in Revenues</b>								
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**Estimated SUPPLEMENTAL (FY2016) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2017) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? **YES**  
If yes, by what date are the regulations to be adopted, amended or repealed? **12/31/17**

**Why this fiscal note differs from previous version:**

Updated to reflect new committee substitute information and committee of referral.
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Prepared By:	Cynthia Franklin, Director	Phone:	(907)269-0351
Division:	Alcohol and Marijuana Control Office	Date:	03/18/2016 09:00 AM
Approved By:	Catherine Reardon, Director	Date:	03/18/16
Agency:	Division of Administrative Services, DCCED		

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2016 LEGISLATIVE SESSION

BILL NO. CSSB 165(L&C)

**Analysis**

This legislation makes several changes to Title 4, the alcohol statutes, and modifies the composition of the Alcoholic Beverage Control Board by requiring representatives of public health and public safety. This bill may require some changes to regulations, but those will be bundled with existing regulations projects. The Alcohol and Marijuana Control Office does not anticipate fiscal impact from this legislation.

# Fiscal Note

State of Alaska  
2016 Legislative Session

Bill Version: SB 165  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: SB165CS(LC)-DHSS-PS-3-18-16  
Title: ALCO. BEV. CONT. BOARD; MINORS; ALCOHOL  
Sponsor: MICCICHE  
Requester: S JUD

Department: Department of Health and Social Services  
Appropriation: Juvenile Justice  
Allocation: Probation Services  
OMB Component Number: 2134

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates					
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Fund Source (Operating Only)

None								
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Positions

Full-time								
Part-time								
Temporary								

<b>Change in Revenues</b>								
---------------------------	--	--	--	--	--	--	--	--

**Estimated SUPPLEMENTAL (FY2016) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2017) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? no  
If yes, by what date are the regulations to be adopted, amended or repealed? n/a

## Why this fiscal note differs from previous version:

No fiscal impact to changes in CS.
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Prepared By: <u>Rob Wood, Director</u>	Phone: <u>(907)465-2112</u>
Division: <u>Juvenile Justice</u>	Date: <u>03/18/2016 12:00 AM</u>
Approved By: <u>Sana Efird, Asst. Commissioner, Finance and Management Services</u>	Date: <u>03/18/16</u>
Agency: <u>Health and Social Services</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2016 LEGISLATIVE SESSION

BILL NO. CSSB165(LC)

**Analysis**

This bill replaces existing Minor Consuming Alcohol (MCA) provisions with a \$500 fine and a mandatory court appearance. Minors can have the fine reduced to \$50 if they complete an alcohol safety action program or community diversion panel, such as Youth Court.

The bill eliminates the crime of Habitual Minor Consuming Alcohol (HMCA) in AS 4.16.050(d). Juveniles adjudicated delinquent for HMCA are under the jurisdiction of the Division of Juvenile Justice.

SB 165 will have no fiscal impact on the Division of Juvenile Justice. The division receives very few criminal referrals for habitual minor consuming alcohol in AS 4.16.050(d), so the deletion of this statute in SB 165 will not impact the division's resource needs. The other changes in SB 165 do not impact the division.

# Senator Peter A. Micciche

*Alaska State Legislature*

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## **CSSB 165(L&C) Sectional Summary**

**Section 1** – Repeals and reenacts AS 04.06.020, relating to the appointment, reappointment and qualifications of members of the Alcoholic Beverage Control Board; and establishing definitions.

**Section 2** – In AS 04.06.030, *Terms of office; chair* - changes “chairman” to “chair”.

**Section 3** – In AS 04.06.050, *Meetings* - changes “chairman” to “chair”.

**Section 4** – Amends AS 04.16.049(a), relating to *access by minors to licensed premises*; adds a reference to 04.11.110 permitting access to club premises by a person under 21 years of age if no alcoholic beverages are present or if the person has an active duty military card; changes “age of 21 years” to “21 years of age” to conform to current drafting style, and; identifies circumstances under which minors may be employed on licensed premises.

**Section 5** – Amends AS 04.16.049(b), changing “age of 21 years” to “21 years of age” to conform to current drafting style.

**Section 6** – Amends AS 04.16.049(c), allowing juveniles, 16 & 17 years of age, to be employed on golf course licensed premises as long as they have written consent of guardian or parent, and an exemption granted by the Department of Labor.

**Section 7** – Amends AS 04.16.049(d), to allow minors, 18 – 20 years of age, to be employed within the licensed premises of a golf course as long as they do not sell, serve, deliver, or dispense alcoholic beverages.

**Section 8** – Adds a new subsection (g) to AS 04.16.049 to permit access by minors to golf courses for the purpose of playing golf. Adds new subsections making unauthorized presence by a minor on licensed premises a violation, punishable by a fine of \$500, which must be charged and filed with the court as a separate case. The fine may be reduced by a court to \$50 if the minor supplies proof of completion of an alcohol safety action program or a community diversion panel.

**Section 9** – Repeals and reenacts AS 04.16.050 to make minor consuming a violation, punishable by a fine of \$500, which must be charged and filed with the court as a separate case. The fine may be reduced by a court to \$50 if the minor supplies proof of completion of an alcohol safety action program or a community diversion panel.

**Section 10** – Modifies the required language for warning signs on licensed or designated premises in AS 04.21.065(b).

**Section 11** – Adds a new provision in 04.21.078 barring the court system from publishing on a publicly available website the record of a violation of AS 04.16.049 or 04.16.050, or a similar municipal ordinance, if the violation was charged separately and was not joined with another minor offense or criminal charge.

**Section 12** – Amends 04.21.080(b) *Definitions*, add definition for “community diversion panel”

**Section 13** – Amends AS 21.36.210(a) *Limits on cancellation*, to remove a reference to AS 21.96.027 due to repeal and reenactment of AS 04.16.050.

**Section 14** – Amends AS 28.15.057(a) *Restrictions on driver’s license issued to person under 18*, to reflect the repeal and reenactment of AS 04.16.050.

**Section 15** – Amends AS 28.15.191(a) *Court and parole board reports to department* removes court requirement to forward to DMV a record of a minor consuming alcohol violation conviction within five working days.

**Section 16** – Amends AS 28.15.211(g) removes reference to DMV not issuing or reissuing a driver’s license to a person whose license was revoked for an offense under 04.16.050.

**Section 17** – Amends the uncodified law of the State of Alaska, adding a new section describing a Direct Court Rule Amendment to Rule 17(a), Alaska Rules of Minor Offense Procedure, providing an exception to when a prosecutor may join a minor offense with a related criminal offense.

**Section 18** - Amends the uncodified law of the State of Alaska, adding a new subsection (g) to Rule 17, Alaska Rules of Minor Offense Procedure, providing that a prosecutor may not join a minor offense for a violation of AS04.16.049 or AS 04.16.050 with a related criminal offense.

**Section 19** – Repeals various sections that have to do with denial, cancelation or non-renewal of insurance for minor consuming violations, court revocation of a driver’s license for minor consuming alcohol, and Health & Social Services agreements under Delinquent Minor rules to revoke a driver’s license for minor consuming alcohol offenses.

**Section 20** – Applicability provisions.

**Section 21** – Transition provisions relating to membership on the ABC Board.

# SENATOR PETER A. MICCICHE

Alaska State Legislature

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## SB 165 - Summary of Changes made in Senate Labor & Commerce

### Version W

#### DISTRICT

Bear Creek

Cooper Landing

Crown Point

Funny River

Hope

Kalfornsky

Kenai

Lowell Point

Mackey Lake

Moose Pass

Nikiski

Primrose

Ridgeway

Salamatof

Seward

Soldotna

Sterling

**Sec. 1** – Deletes 04.06.020 subsection (b) adds stylistic draft change, using “of the board” terminology; deletes subsection (c) relating to the Executive Director’s experience affecting the makeup of the ABC Board; and makes another stylistic drafting change in subsection (d) changing the term “a member” to “a member of the board”.

**Sec. 8** – Amends 04.16.049(i) adding a reference to “community diversion panel” making clear that Youth Courts and Tribal Circles are among the options available to youth for alcohol education and treatment. Community diversion panels are currently an option in statute, and were inadvertently left out in the previous bill version.

**Sec. 9** – Amends 04.16.050 making stylistic language change from ‘under the age of 21’ to ‘under 21 years of age’; and amends 04.16.050(c) adding a reference to “community diversion panel” making clear that Youth Courts and Tribal Circles are among the options available to youth for alcohol education and treatment. Community diversion panels are currently an option in statute, and were inadvertently left out in the previous bill version.

**Sec. 10** – deletes Section 10 in Version A which inadvertently limited court discretion in requiring a youth to enroll in a juvenile alcohol safety action program; renumbers former Section 11 as Section 10.

**Sec. 11** – amends Sec. 04.21.078 *Court records of persons under 21 years of age*, adding the terms “or a similar ordinance of a municipality” making it clear that the goal is to keep simple status offenses of alcohol possession and minor consuming off of Courtview, whether they are cited under state law, or municipal ordinance.

**Sec. 12** – amends 04.21.080(b) *Definitions*, adding a definition of “community diversion panel” to mean *a youth court or other group selected by the court to serve as a sentencing option for a person convicted under this section.*

**Sec. 20** – amends the Applicability section to reflect the changes in Version W.

# Title 4 Review: 2016 Update

## WHAT IS TITLE 4?

Alaska's Title 4 statutes regulate "the manufacture, barter, possession, and sale of alcoholic beverages in the state" [AS 04.06.090(a)]. The Alcoholic Beverage Control Board, staff and state and local officials enforce these laws.

## WHY REVIEW TITLE 4?

Much of the chapter has not been updated since 1980. Over time, incremental updates and changing industry trends have reduced the effectiveness of Title 4. A systematic review of the statutes helps the Board carry out its mission and will benefit organizations and individuals whose work, community or business is affected by alcohol laws and regulations.

## GOALS OF TITLE 4 REVIEW

Stakeholders established shared goals as the foundation for developing recommendations:

### Promote a fair business climate and protect public health and safety.

- Create rational regulation for all tiers of the state's alcohol industry.
- Limit youth access to alcohol.
- Promote responsible alcohol use and reduce the harms of overconsumption.

### Make Title 4 a clear and consistent legal framework for the ABC Board, licensees and law enforcement.

- Increase swiftness, proportionality and consistency of penalties.
- Increase local Title 4 law enforcement.
- Increase licensee accountability before the ABC Board for Title 4 violations.

## STAKEHOLDER-DRIVEN PROCESS

Since 2012, stakeholders representing the alcohol industry, public health, local government, law enforcement, public safety, education, and community advocacy sectors have dedicated over 8,000 hours to craft recommendations to improve Title 4. This group, working with the Title 4 Review Steering Committee, helped to identify which recommendations may merit further refinement, and which are ready to move forward.



## 2016 PRIORITY: INTRODUCE SELECT RECOMMENDATIONS IN SB 165

The stakeholder group has identified high-priority recommendations that can have immediate impacts this year:

### Composition of the ABC Board [04.06.020]

- Designate ABC Board seats to ensure consistent representation of important sectors.
- Five-member board: 2 industry, 1 public health, 1 public safety, 1 rural public member.

### Minor on Licensed Premises [04.16.049] and Minor Consuming Alcohol, MCA [04.16.050]

- Reform underage drinking sanctions so that minors do not become criminals for underage drinking.
- Restored to true violations, with no graduating penalties for subsequent convictions; if convicted, better youth access to education or treatment.
- Violations of 04.16.049 and 04.16.050 would never appear on CourtView and treated separately from other charges.
- Prior conviction of MCA would not prevent youth from obtaining or renewing a driver's license.

## NEXT STEPS AND PLAN FOR ACTION

**2016:** High-priority recommendations in SB 165 and a House companion bill are brought to the Alaska Legislature for consideration to adopt into law. Positive criminal justice reforms could begin benefitting young Alaskans this year.

**2016 - 2017:** Stakeholders continue to refine the full package of proposed Title 4 revisions. The remaining elements of the comprehensive package could be introduced to the Legislature for consideration in 2017.

To request more information about the Title 4 Review project, contact the Alcoholic Beverage Control Board  
Cynthia Franklin, Director . (907) 269-0350 . [cynthia.franklin@alaska.gov](mailto:cynthia.franklin@alaska.gov)

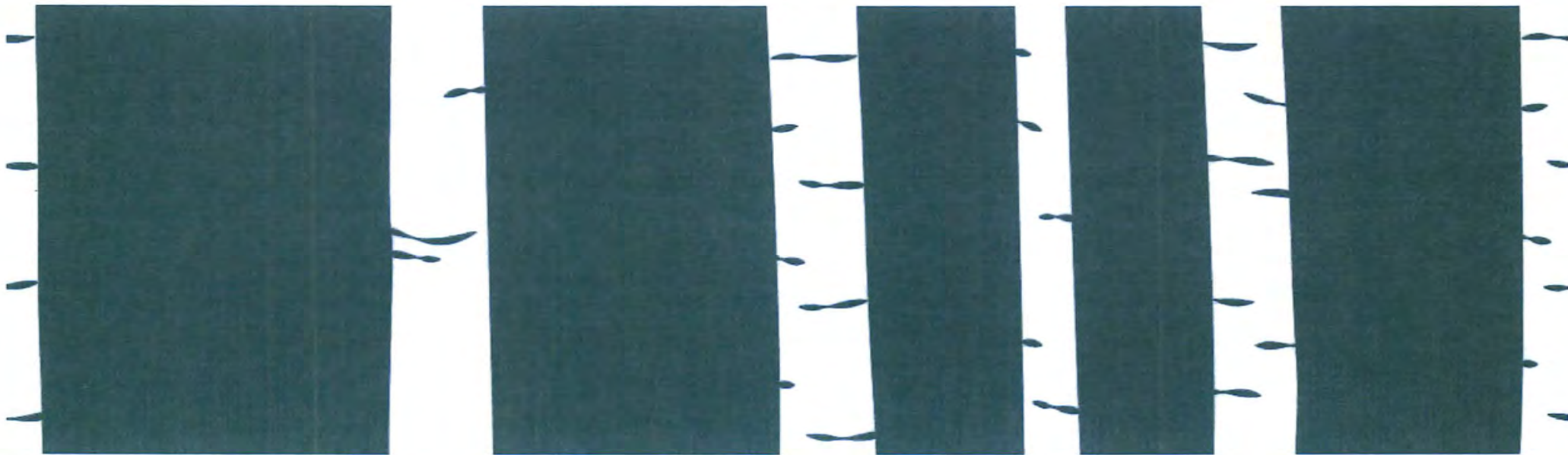
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# Alaska Alcoholic Beverage Control (ABC) Board

TITLE 4 REVIEW PROCESS AND

OVERVIEW OF SB 165

February 1, 2016



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# Title 4 Review: Our Funding Partners

The following organizations have provided ongoing grant funding to support the Title 4 Review project:

**Trust**  
Alaska Mental Health  
Trust Authority



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# What is Title 4? Why is it important?

- Title 4 of the Alaska Statutes regulates alcoholic beverages.
- The Alcoholic Beverage Control Board, staff and law enforcement carry out the laws.



*Photo: Anchorage Daily News*

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# Alaska Alcoholic Beverage Control (ABC) Board

## Mission Statement



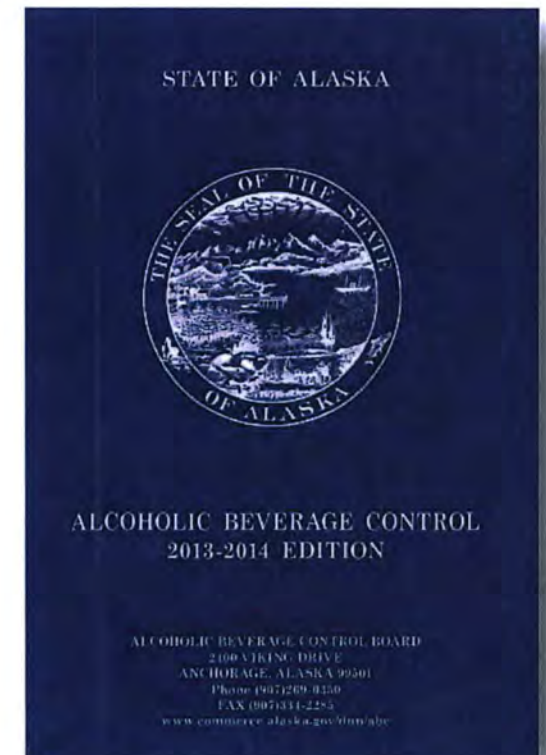
"The board shall control the manufacture, barter, possession, and sale of alcoholic beverages in the state. The board is vested with the powers, duties and responsibilities necessary for the control of alcoholic beverages..."

*AS 04.06.090(a)*

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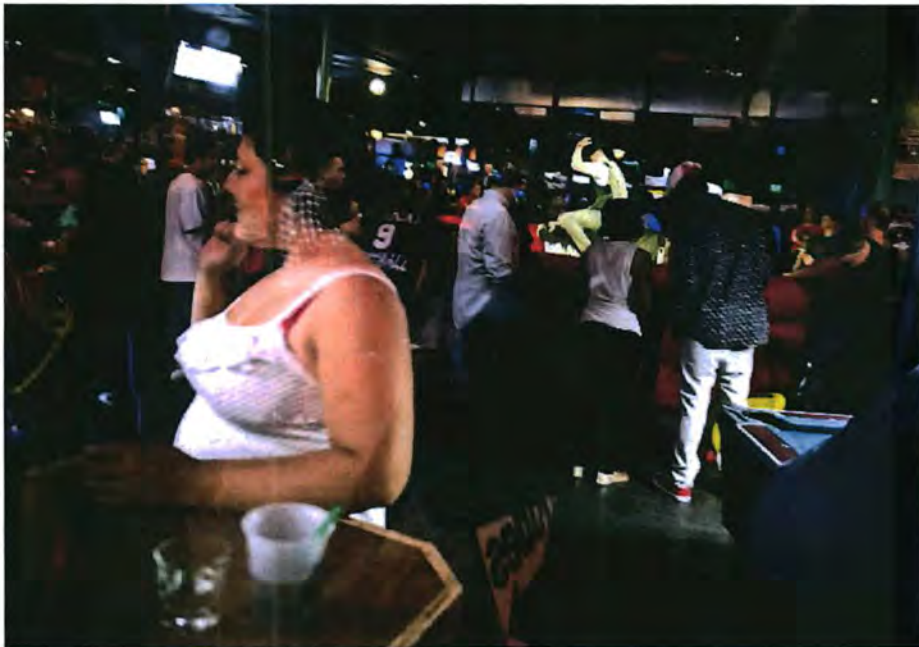
# So, Why review Title 4?

- Most of Title 4 has not been updated since 1980. The laws are outdated and confusing.
- Many existing laws do not reflect current trends or values.
- A systematic review of Title 4 helps the Board carry out its mission and will benefit communities and businesses.



# Goals of Title 4 Review Process

- Promote a fair business climate and protect public health and safety.
  - Create rational regulation for all tiers of the state's alcohol industry.
  - Limit youth access to alcohol, while ensuring youth are not criminalized
  - Promote responsible alcohol use and reduce the harms of overconsumption.



*Photo: Anchorage Daily News*

# Goals of Title 4 Review Process

- Make Title 4 a clear and consistent legal framework.
  - Increase swiftness, proportionality and consistency of penalties.
  - Increase local law enforcement of Title 4.
  - Increase licensee accountability before the ABC Board for Title 4 violations.



*Photo: Anchorage Daily News*

# Stakeholders



Youth



Public Health



Business



Public Safety



Rural Communities

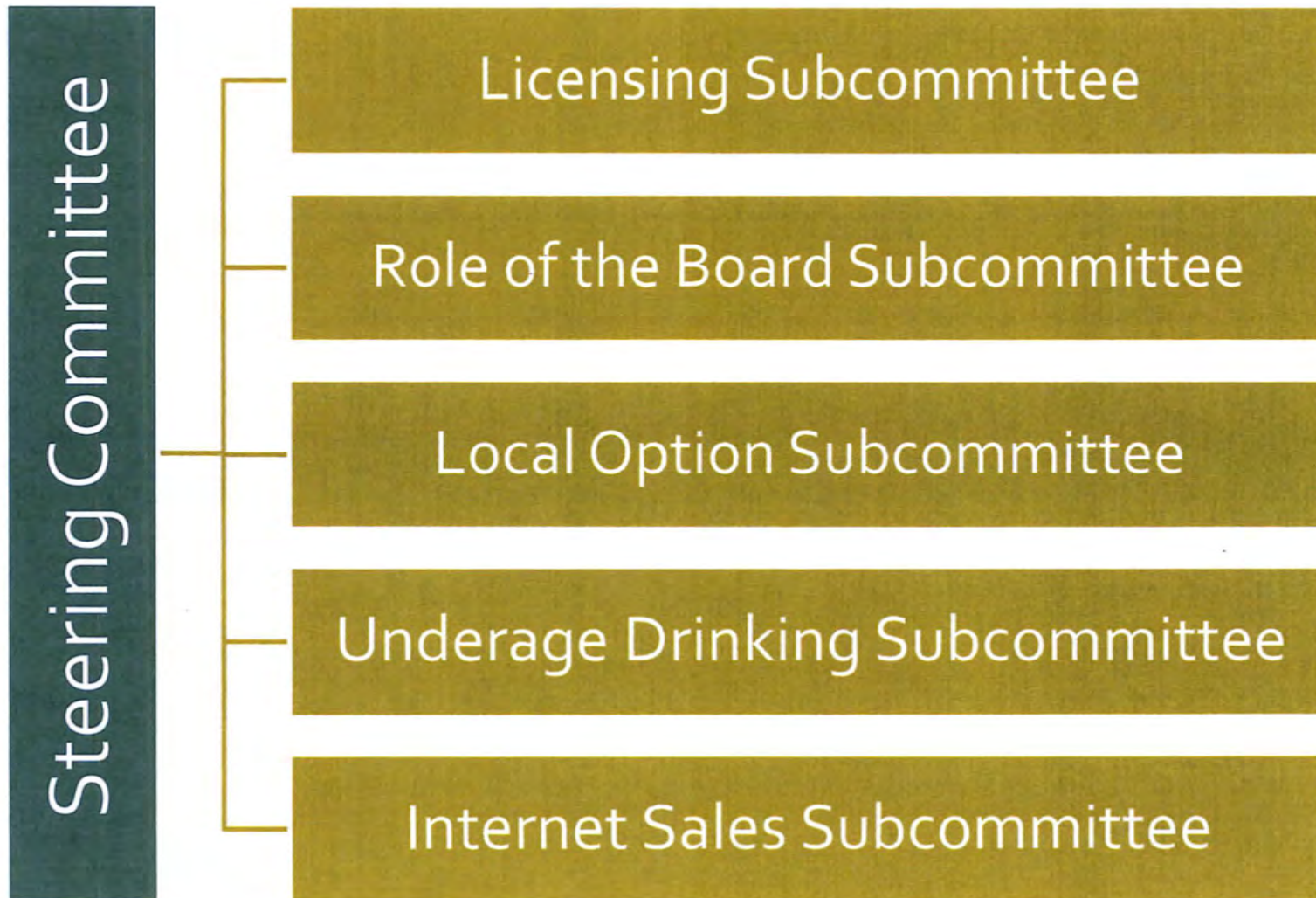
- ABC Board
- Public Safety and Law Enforcement
- Industry
  - Wholesalers
  - Manufacturers
  - Retailers
- Public Health
  - Department of Health and Social Services
  - Alaska Mental Health Trust Authority
  - Rasmuson Foundation
- Community Advocates
- Local Governments

# Steering Committee

Committee Member	Organization	Sector
Bob Klein <i>chair</i>	ABC Board (Chair)	Industry Board Member
Cynthia Franklin	ABC Board (Staff)	ABC Board Director/ Public Safety
L. Diane Casto	Alaska Department of Corrections, <i>formerly Division of Behavioral Health</i>	Public Health/Public Safety
Ellen Ganley	ABC Board (Member)	Public Board Member/Public Health
Jeff Jessee	Alaska Mental Health Trust Authority, Recover Alaska	Funding Partner/ Public Health
Aleesha Towns-Bain	Rasmuson Foundation, Recover Alaska	Funding Partner
Jan Hill	Mayor, Haines Borough	Local Government
<i>Chris Simon, resigned</i>	<i>formerly Alaska Department of Education &amp; Early Development</i>	<i>Education/Rural</i>

---

# Title 4 Review Process: Committees



# Title 4 Review Process

MAY 2012

2016



More than 70 stakeholders and staff spent over 8,000 hours of dedicated time to craft recommendations and develop the current bill.

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# Title 4 Revisions: Interim Deep-Dive in 2015

Let's get everyone up to speed on activities over the interim

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# Title 4 Revisions: Interim Deep-Dive in 2015

- **Spring 2015:** Industry stakeholders volunteered to review the comprehensive bill to ensure it reflected consensus.
  - **Summer and Fall 2015:** Alaska CHARR's Government Affairs Committee worked to flag language in the comprehensive bill that may benefit from refinement.
  - **December 2015:** The Steering Committee recommended a new, two-track process for Title 4 rewrite, with a streamlined new bill
-

# Title 4 Revisions: 2016 and Beyond

A new, two-track process for Title 4 Revisions:



1. Streamline certain elements of SB99 into a new bill with priority items that can be implemented now
2. Further refinement of the comprehensive package and introduction as a new bill next session

---

# Title 4 Revisions: 2016 and Beyond

*Strategic reasons for this midcourse adjustment:*

- This session will be very busy with budget issues
  - The priorities in this bill could be implemented now and begin to benefit young Alaskans
  - Holding the comprehensive package gives additional time for the Steering Committee to:
    - Re-engage with stakeholders and the five subcommittees on many important items
    - Continue to work with private sector business interests to refine bill language
-

---

## **Stakeholder work continues in the following areas:**

- Licensing & Permits
  - Local Option
  - Role of the ABC Board
  - Underage Drinking
  - Internet Sales
-

---

**The remaining recommendations produced by these five committees are important subjects, and are still part of the comprehensive package.**

**SB 99 & HB 185 will be retired. This year's focus is SB 165.**

**The comprehensive package will benefit from additional work over the 2016 interim.**

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---

# Title 4 Revisions: SB 165

The new Senate bill focuses on some discrete recommendations that have consensus and can be implemented this year:

1. ABC Board Composition and Qualifications (04.06.020)
  2. Minor on Licensed Premises (04.16.049)
  3. Minor Consuming Alcohol (MCA) (04.16.050)
-

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# Composition of the ABC Board

## ABC Board Composition and Qualifications (AS 04.06.020)

- Designate all **5** ABC Board seats to ensure consistent representation
  - Current composition: **2** industry, **3** public members (including **1** rural member)
  - Proposed composition in SB 165: **2** industry, **1** public health, **1** public safety, **1** rural public member
-

---

# Underage Drinking and Access to Alcohol

Reform underage drinking sanctions so that **minors do not become criminals for making one poor decision.**

- Restore the minor consuming alcohol (MCA) offense to a true violation.
  - Clarify warning signs' language of the legal consequences of a minor on licensed premises.
  - Minors' violations of these two offenses (or equivalent local laws) will never appear on CourtView.
-

---

# Underage Drinking and Access to Alcohol

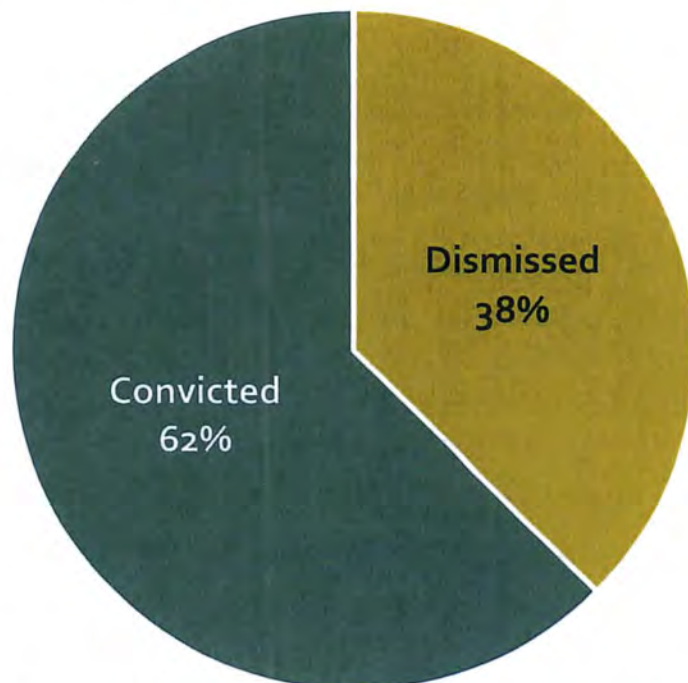
- **Minor on Licensed Premises (04.16.049)**
    - Penalty consistent with new MCA penalty
    - Clarify ambiguous language on signage
  - **Minor Consuming Alcohol (MCA)**  
(04.16.050)
    - Reduce the minor consuming alcohol penalty to a true violation; no repeat or habitual MCA
    - Encourage alcohol education or treatment if convicted of Minor on Premises or MCA.
-

# Why reduce penalties for minors?

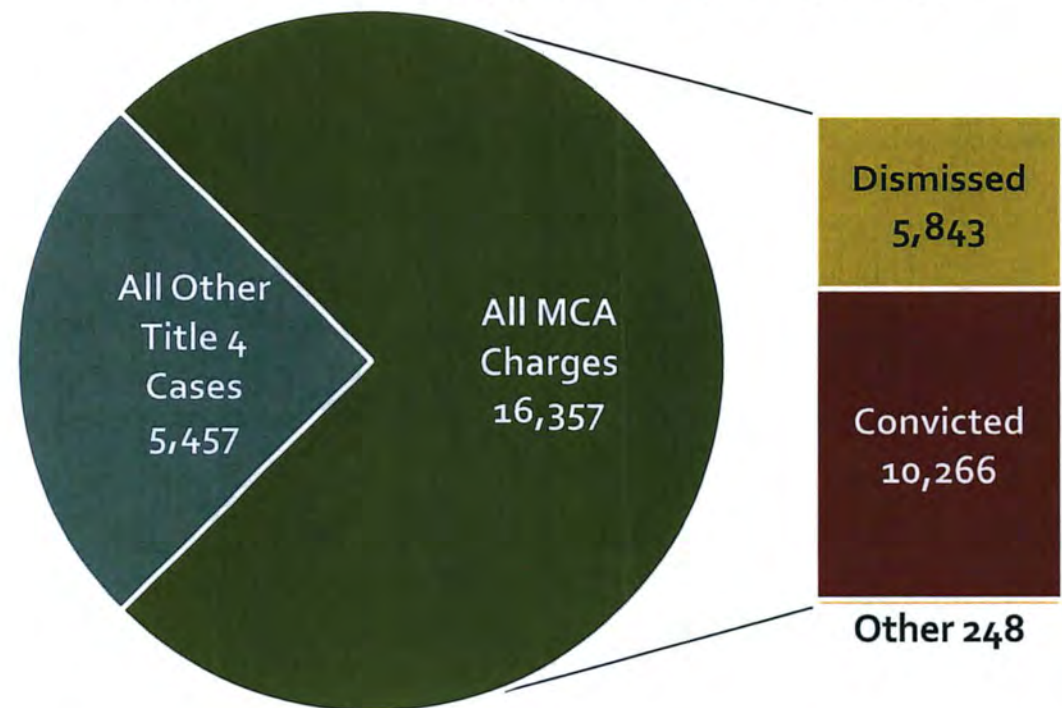
Prosecutors are dismissing MCA charges; penalties are seen as too high for the offense, or not worth the resources.

Much fewer Minor on Premises cases; 47% were dismissed.

All Title 4 Charges, 2009-2013



Minor Consuming Alcohol, 2009-2013



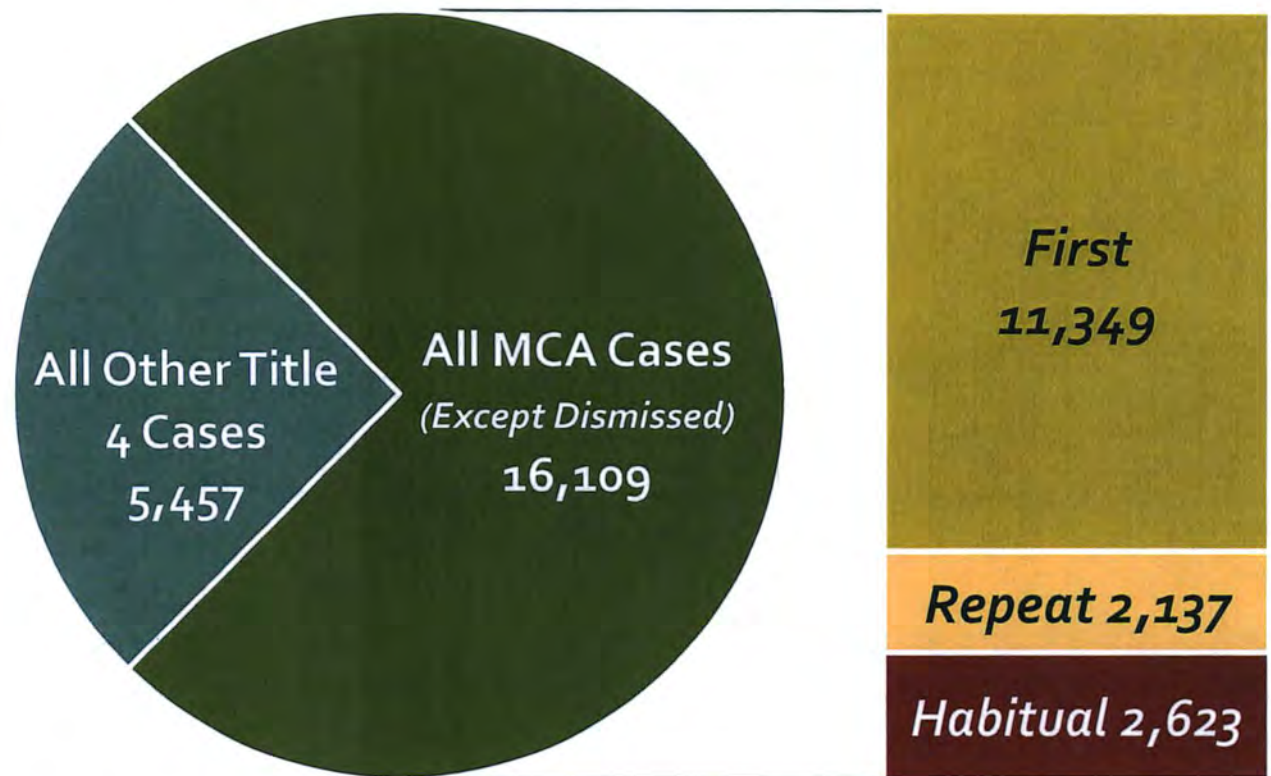
Source Data: Alaska Court System Data, 2009-2013

# Why reduce penalties for minors?

Most MCA cases (over 70%) are first offenses: most youth do not return to court for another MCA.

Minor Consuming Alcohol Cases by Offense Type, 2009-2013

**35%** of First MCA, **One-third** of Repeat MCA, and **42%** of Habitual MCA cases were dismissed.



Source Data: Alaska Court System Data, 2009-2013

# Current MCA Penalties (04.16.050)

Offense	Penalty (including mandatory court actions)
<b><i>First: Statutory Violation</i></b>	<ul style="list-style-type: none"><li>• <b>Up to 1 year probation</b>; may receive suspended imposition of sentence (SIS)</li><li>• <b>Referred to Community Diversion</b> (e.g. Youth Court) for counseling, education, treatment, and community work</li><li>• <b>\$200 to \$600 Fine</b>; \$200 can be applied to ASAP</li><li>• Must complete <b>alcohol education program</b></li></ul>
<b><i>Repeat (2nd): Statutory Violation</i></b>	<ul style="list-style-type: none"><li>• <b>1 year probation</b> or until age 21, whichever later</li><li>• <b>\$1,000 fine</b>; \$500 can be suspended if on probation</li><li>• <b>48 hours community work service</b></li><li>• <b>Revoke &amp; confiscate driver's license</b> for 3 months</li></ul>
<b><i>Habitual (2+ prev): Misdo B</i></b>	<ul style="list-style-type: none"><li>• <b>Arrest and imprisonment</b></li><li>• <b>1 year probation</b> or until age 21, whichever later</li><li>• <b>96 hours community work service</b></li><li>• <b>Revoke &amp; confiscate driver's license</b> for 6 months</li></ul>

# Proposed MCA Penalties (SB 165)

## Offense Penalty (including mandatory court actions)

### **One Type: TRUE Violation**

- **\$500 fine; if not paid, can be deducted from PFD**
- **Fine reduced to \$50 with proof of alcohol education or community diversion panel completed within 6 mo.**
- **From issuance of ticket to completion of case, never appears on minor's Court View record**
- ~~Up to 1 year probation~~
- ~~Referred to Community Diversion (e.g. Youth Court) for counseling, education, treatment, and community work~~
- ~~\$200 to \$600 Fine; \$200 can be applied to education program~~
- ~~Must complete alcohol education program~~

### **Repeat (2nd): Statutory Violation**

- ~~1 year probation or until age 21, whichever later~~
- ~~\$1,000 fine; \$500 can be suspended if on probation~~
- ~~48 hours community work service~~
- ~~Revoke & confiscate driver's license for 3 months~~

### **Habitual (3+): Misd-B**

- ~~Arrest and imprisonment~~
- ~~1 year probation or until age 21, whichever later~~
- ~~96 hours community work service~~
- ~~Revoke & confiscate driver's license for 6 months~~

# Needed Reform for Minor on Premises

## Current Law (04.16.049)

### Class A Misdemeanor

#### *Penalties include:*

- Up to **\$10,000** fine
- Up to **1 year** imprisonment
- Up to **10 years** probation
- Community Work Service
- Case appears on Court View record and is **never expunged**, even upon reaching age 21

## Proposed (SB 165)

### Violation (Minor Offense)

- **\$500 fine**; if not paid, deducted from PFD
- **Fine reduced to \$50** with proof of **alcohol education** or **community diversion panel** completed within **6 mo.**
- From issuance of ticket to completion of case, **never appears on minor's Court View record**

---

**Please help advance Title 4  
Review elements this session  
that are included in SB 165.**

**We will be back next year with  
the remaining elements of the  
comprehensive package.**

---

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# For more information

## ***About SB 165:***

### **Office of Sen. Peter Micciche**

Chuck Kopp, Chief of Staff

(907) 907-465-2828

chuck.kopp@akleg.gov

## ***About the Title 4 Review Process:***

### **Alcoholic & Marijuana Control Office**

<https://www.commerce.alaska.gov/web/amco/>

Cynthia Franklin, Director

(907) 269-0350

cynthia.franklin@alaska.gov

---



February 10, 2016

Senate Labor and Commerce Committee  
Alaska State Legislature  
State Capitol Room 514  
Juneau, Alaska 99801

Dear Honorable Senators:

The Alaska Wellness Coalition works collectively to improve the health and wellness of all Alaskans. The Coalition networks local and regional health and wellness alliances through information sharing of state and local data, evidence-based programming, best practices, strategic prevention, current health trends and statewide advocacy for health promotion.

On behalf of the Alaska Wellness Coalition, I am asking you to support Senate Bill 165 (SB165) to revise portions of Title 4, the Alaska Statutes regulating alcoholic beverages. This Bill is the first result of a four-year process initiated by the Alcoholic Beverage Control (ABC) Board to engage a diverse group of more than 70 stakeholders to determine how to improve the structure, organization, specific policies and associated implementation issues in Title 4, Alaska's statutes regarding regulation and control of alcoholic beverages in the state.

The proposed revisions are some of the high-priority recommendations to emerge from this stakeholder effort to improve the overall system of alcohol regulation in Alaska. Specifically, the provisions in this bill will:

- Ensure that the Alcoholic Beverage Control Board (AS 04.06.020) fairly represents the interests of all Alaskans by designating seats for public safety and public health, and retaining designated seats for industry representatives and a rural member;
- Reduce and streamline penalties for Minor on Licensed Premises (AS 04.16.049) and Minor Consuming Alcohol (AS 04.16.050), to promote consistent enforcement of these laws while ensuring that underage youth are not criminalized for one mistake;
- Provide an incentive, through a fine reduction from \$500 to \$50, for a young person convicted of either of these offenses to attend an alcohol education program; and
- Prevent any information about a young person's charge or conviction of either offense from being published on CourtView, which otherwise follows that person into adulthood.

Changes to Minor Consuming Alcohol (MCA) and Minor on Premises will have significant benefits for Alaska's youth and for the criminal justice system: in the last five years, over 75% of Title 4 related charges were MCAs, and the vast majority of youth do not return to court with a second charge. I urge you to support the significant multi-year effort of this statewide stakeholder group, and specifically the priority items brought forward for consideration this year, by voting in support of SB 165 and making these important changes to Title 4.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie L. Allen".

Stephanie L. Allen  
Coalition Director



**MAT-SU HEALTH  
FOUNDATION**

950 East Bogard Road, Suite 218 • Wasilla, AK 99654  
Phone: (907) 352-2863 • Fax (907) 352-2865  
[www.matsuhealthfoundation.org](http://www.matsuhealthfoundation.org)

February 10, 2016

Senator Peter Micciche  
145 Main St. Loop, Suite 226  
Kenai, AK. 99611  
Sent via email: [Sen.Peter.Micciche@akleg.gov](mailto:Sen.Peter.Micciche@akleg.gov)

Dear Senator Micciche,

On behalf of the Mat-Su Health Foundation, thank you for introducing Senate Bill 165 to revise portions of Title 4, the Alaska Statutes regulating alcoholic beverages. The changes the bill will make to Alaska Law can positively impact what is undeniably one of the largest health problems facing our state – alcohol abuse.

We support SB 165 because it ensures that the Alcohol Beverage Control Board fairly represents the interests of all Alaskans by designating seats for public safety and public health, and retaining seats for industry representatives and rural Alaskans. SB165 also revises laws related to underage drinking, which serves to promote consistent enforcement while also giving young people who do make the mistake of underage drinking an incentive to complete an alcohol education program.

A number of health care issues, and their corresponding costs, are associated with alcohol abuse. There were 41,000 days of hospital care attributed to alcohol-related incidents in Alaska in 2010, with an estimated cost of \$2,545 per day for care. Alcohol is the third leading root cause of preventable death in the United States, and Alaska's mortality rates for alcohol are among the highest in the nation (Pezzolesi, 2009; Alaska Department of Health and Social Services, n.d.). From 2007 to 2009, the Mat-Su chronic liver death rate was 7.4 per 100,000 persons, and the poisoning death rate was 20 per 100,000. In total, according to a State of Alaska analysis, between the years 2005 and 2009, the alcohol-induced death rate for the borough was 11.8 deaths per 100,000, or roughly 11 alcohol-induced deaths per year.

The Mat-Su Health Foundation is a partner in Recover Alaska, which has been involved in a four-year process initiated by the Alcoholic Beverage Control (ABC) Board to engage a diverse group of more than 70 stakeholders to determine how to improve the structure, organization, specific policies and associated implementation issues in Title 4. SB165 is a strong first step in allowing this to happen. Thank you for supporting this multi-year effort of the statewide stakeholder group, and specifically the priority items brought forward for consideration this year.

Sincerely,

Elizabeth Ripley  
Executive Director

Cc: Senator Mia Costello ([Mia.Costello@akleg.gov](mailto:Mia.Costello@akleg.gov))  
Cynthia Franklin, Director, Alcoholic & Marijuana Control Office ([cynthia.franklin@alaska.gov](mailto:cynthia.franklin@alaska.gov))  
Bob Klein, Chair, ABC Board ([bobkleinak@gmail.com](mailto:bobkleinak@gmail.com))

*"Improving the health and wellness of Alaskans living in the Mat-Su!"*

3760 Piper Street  
P.O. Box 196604  
Anchorage, AK 99508  
t: (907) 562.2211  
www.providence.org/alaska



February 16, 2016

The Honorable Peter Micciche  
Senator  
Alaska State Legislature  
State Capitol Room 514  
Juneau, Alaska 99801

Dear Senator Micciche:

On behalf of Providence Health & Services Alaska, I wish to convey the organization's endorsement of Senate Bill 165 (SB165). One of the major factors of demand for health care and its related costs is alcohol abuse in Alaska. Efforts to contain its adverse impacts will benefit Alaskans in countless ways.

Thank you for introducing SB165 to revise portions of Title 4, the Alaska Statutes regulating alcoholic beverages. Recover Alaska has been involved with the four-year process initiated by the Alcoholic Beverage Control (ABC) Board to engage a diverse group of more than 70 stakeholders to determine how to improve the structure, organization, specific policies and associated implementation issues in Title 4. Your support is greatly appreciated.

The proposed revisions are some of the high-priority recommendations to emerge from this stakeholder effort to improve the overall system of alcohol regulation in Alaska, which will:

- Ensure that the Alcoholic Beverage Control Board (AS 04.06.020) fairly represents the interests of all Alaskans by designating seats for public safety and public health, and retaining designated seats for industry representatives and a rural member;
- Reduce and streamline penalties for Minor on Licensed Premises (AS 04.16.049) and Minor Consuming Alcohol (AS 04.16.050), to promote consistent enforcement of these laws while ensuring that underage youth are not criminalized for one mistake;
- Provide an incentive, through a fine reduction from \$500 to \$50, for a young person convicted of either of these offenses to attend an alcohol education program; and
- Prevent any information about a young person's charge or conviction of either offense from being published on CourtView, which otherwise follows that person into adulthood.

Changes to Minor Consuming Alcohol (MCA) and Minor on Premises will have significant benefits for Alaska's youth and for the criminal justice system: in the last five years, over 75% of Title 4 related charges were MCAs, and the vast majority of youth do not return to court with a second charge. Thank you for supporting this multi-year effort of the statewide stakeholder group, and specifically the priority items brought forward for consideration this year.

Sincerely,

A handwritten signature in black ink that reads "Bruce Lamoureux". The signature is written in a cursive, flowing style.

Bruce Lamoureux  
Chief Executive Officer

CC: Senator Mia Costello  
Cynthia Franklin, Director, Alcoholic & Marijuana Control Office  
Bob Klein, Chair, ABC Board



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Natasha von Imhof

PRESIDENT

Diane Kaplan

February 22, 2016

The Honorable Peter Micciche  
Alaska State Legislature  
State Capitol Room 514  
Juneau, Alaska 99801

Dear Senator Micciche:

I offer Rasmuson Foundation's unqualified endorsement and support for Senate Bill 165, the Title 4 rewrite of state statutes related to ABC Board composition and Minor Consuming.

Rasmuson Foundation has for years invested in programs and facilities that offer sanctuary to victims of domestic violence and sexual assault, child abuse and neglect, to the homeless and the hopeless. Recently, we have turned our attention "upstream" to identify and address root causes of social problems. The overconsumption of alcohol has an irrefutably high correlation with many of the state's most difficult issues. Title 4 review and rewrite is one of the key strategies of this important upstream work, and Senate Bill 165 is an important first step in addressing and updating our state's outdated, confusing or otherwise ineffective alcohol laws.

**Senate Bill 165 is the product of a four-year process initiated by the Alcoholic Beverage Control (ABC) Board to engage a diverse group of more than 70 stakeholders to determine how to improve the structure, organization, specific policies and associated implementation issues in Title 4, Alaska's statutes regarding regulation and control of alcoholic beverages in the state.**

As the ABC Board enters the fifth year of its Title 4 review process, stakeholders have identified several areas that currently benefit from broad support and can have immediate impacts this year. The changes recommended in SB165 are supported by the ABC Board and have been vetted by dozens of industry, public health and public safety representatives. We urge the legislature to move forward with:

- 1) Changes to the ABC Board Composition to increase representation from public health and public safety; and,

- 2) Rework the Minor Consuming statutes to restore offenses to true violations in 2016.

As you know, finding consensus across the board is often a challenge. To that end, there are several other areas within Title 4 that can benefit from additional review and refinement. We remain committed to finding broad consensus among stakeholders regarding licensing, internet sales and local option. The Title 4 Review Steering Committee plans to bring forward recommendations in these additional areas in time for consideration in 2017. In the meantime, I hope all members of the 29th Alaska State Legislature will support this pair of discrete recommendations, which are products of a significant multi-year effort.

Thank you again for your sponsorship of SB165. I respectfully request expeditious review and approval of this critically important and timely legislation this session. I am available to answer any questions raised by your colleagues in the Alaska State Legislature.

Regards,



Diane Kaplan  
President & CEO

Cc: Sen. Kevin Meyer, President, Alaska State Senate  
Sen. Mia Costello, Chair, Senate Labor & Commerce  
Committee  
Sen. Lesil McGuire, Chair, Senate Judiciary Committee  
Mr. Bob Klein, Chair, ABC Board

3/8/2016

The Honorable Peter Micciche  
Senator  
Alaska State Legislature  
State Capitol Room 514  
Juneau, Alaska 99801



Dear Senator Micciche:

I am a member of the Seward Prevention Coalition working to reduce underage drinking and drug use in our community. I am also the Director of Seward Parks & Recreation for the City of Seward, but I am writing this personally.

I am asking you to support Senate Bill 165 (SB165) to revise portions of Title 4, the Alaska Statutes regulating alcoholic beverages. This Bill is the first product of a four-year process initiated by the Alcoholic Beverage Control (ABC) Board to engage a diverse group of more than 70 stakeholders to determine how to improve the structure, organization, specific policies and associated implementation issues in Title 4, Alaska's statutes regarding regulation and control of alcoholic beverages in the state.

The proposed revisions are some of the high-priority recommendations to emerge from this stakeholder effort to improve the overall system of alcohol regulation in Alaska. Specifically, the provisions in this bill will:

- Ensure that the Alcoholic Beverage Control Board (AS 04.06.020) fairly represents the interests of all Alaskans by designating seats for public safety and public health, and retaining designated seats for industry representatives and a rural member;
- Reduce and streamline penalties for Minor on Licensed Premises (AS 04.16.049) and Minor Consuming Alcohol (AS 04.16.050), to promote consistent enforcement of these laws while ensuring that underage youth are not criminalized for one mistake;
- Provide an incentive, through a fine reduction from \$500 to \$50, for a young person convicted of either of these offenses to attend an alcohol education program; and
- Prevent any information about a young person's charge or conviction of either offense from being published on CourtView, which otherwise follows that person into adulthood.

Changes to Minor Consuming Alcohol (MCA) and Minor on Premises will have significant benefits for Alaska's youth and for the criminal justice system: in the last five years, over 75% of Title 4 related charges were MCAs, and the vast majority of youth do not return to court with a second charge. I urge you to support the significant multi-year effort of this statewide stakeholder group, and specifically the priority items brought forward for consideration this year, by voting in support of SB 165 and making these important changes to Title 4.

Thank you for tackling this important leadership. Please keep our voices in mind as the SB moves through the various committees. Please alert us when significant changes are proposed, so we can unite to maintain the integrity of these revisions.

Sincerely,  
Karin Sturdy, Member, Seward Prevention Coalition



## Ivory Jacks(Since 1975)

2581 Goldstream Road  
Fairbanks, AK 99709  
(907) 455-6666  
[www.ivoryjacksrestaurant.com](http://www.ivoryjacksrestaurant.com)

Hello Senate Judiciary Committee,

3/23/16

Thank you for the opportunity to testify regarding SB 165.

Also thank you for your service and grave concern for the well being of our Great State.

The composition of the ABC Board has worked fine with generally fair and honest results over the last several decades.

If it works,why fix it?

Sincerely,

Dick and Joni Ellsworth

[Dickells74@gmail.com](mailto:Dickells74@gmail.com)



## Midnight Sun Brewing Company

8111 Dimond Hook Drive  
Anchorage, AK 99507  
midnightsunbrewing.com

---

Senator Lesil McGuire  
Chair of the Senate Judiciary Committee  
State Capitol Room 121  
Juneau, Alaska 99801

RE: SB165

Dear Senator McGuire,

There has been a lot of discussion regarding SB 165. Some of the discussion stems from SB 99, the bill to rewrite Title IV, and whether or not the industry agreed to change the makeup of the ABC board. I can only speak for Midnight Sun Brewing Company and say that we are against any changes to the makeup of the ABC board until SB 99 can be presented as a complete package.

Changing the makeup of the board at this point appears to be an attempt by the non-industry sector to preempt the entirety of SB 99. That legislation contained compromises by both industry and the public health and public safety sectors, amongst others, in order to reach the draft rewrite of Title IV, and was meant to go forward as a collaboration between the stakeholders. SB 165 represents a "grab" of only two issues that are not representative of industry's interests, only those of public health and public safety. If we continue to carve out individual provisions contained in SB 99 that are in one sector's favor, industry could be left with none of the changes we would like to see. This method is flawed, especially in light of the investment and years of work that stakeholders put into coming to an agreement on a comprehensive rewrite.

If this bill is to move forward, the makeup of the board section should be removed. Midnight Sun Brewing Company is in support of the SB165 with removal of the proposed provision I mentioned above to the ABC board, maintaining the rest of the changes including the very important statute changes to decriminalizing minor consumption, while still providing for penalties and rehabilitation.

Sincerely,

Mark Staples  
President and Founder, Midnight Sun Brewing Company  
cc: Members of the Senate Judiciary Committee

## **Dianne Blumer**

---

**From:** Sen. Lesil McGuire  
**Sent:** Thursday, March 10, 2016 9:28 AM  
**To:** Dianne Blumer  
**Subject:** FW: CS SB 165

---

**From:** Darwin A. Biber, Jr. [mailto:thndrths@gci.net]  
**Sent:** Thursday, March 10, 2016 8:57 AM  
**To:** Sen. Lesil McGuire <Sen.Lesil.McGuire@akleg.gov>  
**Subject:** CS SB 165

Lesil,

You now have CS for SB 165 before your Judiciary Committee. We in CHARR are opposed to this disruption of the upgrade of Title 4, (all alcohol laws)! Listed below is a full account of the history of the upgrade. Taking pieces out of Title 4, without looking at the entire consequences, is what got Title 4 in such a mess in the first place. I am willing to discuss this with you at any time. Thanks!!!

### **Three Year Process:**

Everyone has worked very hard during a three year process to develop concepts for title 4 that would be better for Alaska. A half a dozen committees met once or sometimes twice a month for several years to share concerns and develop consensus. The "Stakeholders" group in most committees was overwhelmingly made up of people from the health and social services, police, city clerks, mental health trust and Rasmussen Foundation personnel. CHARR had challenges with this process because on most committees the industry representatives were outnumbered 13 to 1.

At the end of the three year process a concept document was developed to reflect the desires of the group. CHARR joined with others to accept this compromise document. During this process we were all promised that there would be one bill that reflected the hard fought compromises of the groups.

### **SB 99 Drafting:**

SB 99 a 108 page bill was introduced during the last week of the legislative session last year. The concept document went to three sets of lawyers on its way to the Senate. An initial draft was developed by the Mental Health Trust attorney, then it went to the Department of Law as it was anticipated that this would be a Governors bill, and then it went to legislative legal when it was clear that Senator Micciche would be the sponsor.

As you know, language in statute is difficult and needs to be precise. There were many areas where SB 99 did not reflect the agreements outlined in the concept document and there were many areas where the language needed more work. As a result SB 99 did not move last year.

### **CHARR and Steering Committee Negotiations:**

A group of interested 20-30 CHARR member met 2-4 hours per week for over 6 months to review the 108 page bill paragraph by paragraph. In addition to the talents of the many CHARR members we also retained an attorney to work with us on the review. Our attorney Fred Odsen, from the law firm of Hughes Gorski Seedorf Odsen & Tervooren, helped us with legal language to clarify SB 99's provisions. Obviously, industry members will be the group that has to live with any poor wording which results in crazy interpretations by both regulators and courts. As a result we spent over \$55,000 on attorney fees. Both the amount of time spent by industry members and the amount of legal fees are testament to our efforts to come to the table and earnestly work on the title 4 package.

Our group developed 120 recommendations for changes and clarifications. Due to the length and complexity of the document we forwarded our comments in three parts. First in September, then again in October and the last comments were forwarded the first week of December.

Mr. Odsen met with the attorney from the Mental Health Trust, and the project manager also hired by the Mental Health Trust and the Rasmussen Foundation.

CHARR still has not received feedback on our 120 recommendations. Some 40-50 were accepted as needed improvements. 40-50 of our comments did not receive any response at all. There appears to be a dozen or so issues that will need to be negotiated between CHARR and the Steering Committee. One of those issues is the composition of the ABC Board.

When it became apparent in the middle of December that the wording refinement and negotiations could not be completed before the legislature convened it was decided not to push SB 99 which was the attempt to reflect all of the hard fought compromises of all of the stakeholders.

### **New Push for SB 165 or CS for SB 99**

Out of the blue without consulting with CHARR a CS SB 99 was developed which included two of the top priorities of the Health and Social service community. Those issues were the composition of the ABC Board and Minor Consuming changes. For reasons unknown to us the concepts were submitted in a new bill called SB 165.

This new bill that carves out two issues was not what anyone was promised when we discussed a comprehensive bill in the three year effort. It is always awkward when negotiations are not complete to have one side say give me two of the items we want and we will talk about the rest of the deal next year.

The CHARR committee met to discuss the new development right after we received the proposed language in a working document. Some on the CHARR committee were for opposing a piecemeal approach entirely. However a compromise was offered to the Steering Committee.

CHARR proposed that the minors consuming section should move forward as a single item. We understood the logic and the reasons to try to move this portion forward. If the composition of the ABC Board was dropped we indicated that we would support SB 165 dealing with minor in possession.

Alternatively, if the steering committee wanted to keep both section concerning the ABC Board Composition and the minors consuming we asked for one of our top priorities to be included in the bill as well.

Both offers to compromise were summarily rejected. As a result the CHARR committee decided to oppose the bill as written.

## **Moving Forward to Consensus:**

CHARR is committed to moving forward on a consensus title 4 document which hopefully can be reviewed by the legislature next year. To get there we need both sides to communicate and negotiate for the good of all. We still have not heard back on many issues we raised. I and the entire CHARR committee are hopeful that resolution will be concluded no later than this summer so we can indeed present a united voice for Title 4 changes.

Sincerely

Darwin A. Biwer Jr.

Chairman, Alaska CHARR

Owner of Darwin's Theory

C: 907 223-5724

## Dianne Blumer

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**From:** Sen. Lesil McGuire  
**Sent:** Tuesday, March 22, 2016 3:20 PM  
**To:** Dianne Blumer  
**Subject:** FW: SB165

**Importance:** High

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**From:** Dorothy Cunningham [mailto:calldorothy@acsalaska.net]  
**Sent:** Tuesday, March 22, 2016 2:55 PM  
**To:** Sen. Lesil McGuire <Sen.Lesil.McGuire@akleg.gov>; Sen. John Coghill <Sen.John.Coghill@akleg.gov>; Sen. Mia Costello <Sen.Mia.Costello@akleg.gov>; Sen. Bill Wielechowski <Sen.Bill.Wielechowski@akleg.gov>  
**Subject:** RE: SB165  
**Importance:** High

Good afternoon Senators,

I am writing to you to oppose Senate Bill #165 as I feel that in making changes to the existing board that you will then be creating a board that is not conducive to our industry nor our needs. The board that we now have works very well for the hospitality industry and as the old saying goes "if the wheel isn't broken there is no need to fix it"! We as an industry have enough on our plate with having the highest taxes and the chance to have them again raised, so we don't need anything further to upset the apple cart. I ask that you please vote against this bill so that we can continue with the board that we already have and the rules that have worked for so many years.

Thank you for your support!

Cordially,

Dorothy Cunningham, Owner/Operator

Vagabond Inn Inc.

38515 K-Beach Road

Kenai, Ak. 99611

Cell: (907) 398-0471