

LEG. FINANCE - BILLS 1977 - 1978 925

SB 163 cont., thru SB 167 925

COMMITTEE REPORT

SENATE

**Finance

2/17/77

4-10-78 Date

Mr. President:

The Committee on HEALTH, EDUCATION AND SOCIAL SERVICES has had SB 163 public school facilities construction under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for SB 163 and that ~~that~~ -CS for _____ do pass (same title)
- (and) recommends it be referred to the _____ committee
- reports it back INDIV. without recommendation
- AND attaches a report of its intent
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

as follows

2 Patrick Roney IND REC

2 [Signature] " "

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends: _____

_____ recommends: _____

_____ recommends: _____

[Signature]
Chairman
1 DOPAYS

Original sponsor: Rules Committee by
request of the Governor

Offered: 4/12/78
Referred: Finance

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 CS FOR SENATE BILL NO. 163

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to public school facilities construc-
7 tion; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 43.18.100(g) is repealed and re-enacted to read:

10 (g) The provisions of this section apply only to payments made
11 with respect to public school facilities construction projects for which
12 construction commenced before July 1, 1978 or for which bonding, notes,
13 or other indebtedness was incurred before July 1, 1978.

14 * Sec. 2. AS 43.18 is amended by adding new sections to read:

15 Sec. 43.18.110. PUBLIC SCHOOL FACILITIES CONSTRUCTION ACCOUNT.

16 The public school facilities construction account is established. The
17 account consists of appropriations for distribution under secs. 110 -
18 190 of this chapter to boroughs and cities which are school districts to
19 assist in paying the basic costs of public school facilities projects
20 for which construction is commenced after June 30, 1978 and for which no
21 bonding, notes, or other indebtedness was incurred before July 1, 1978.

22 Sec. 43.18.120. ELIGIBILITY. (a) Eligibility of a proposed
23 construction project for funding assistance under secs. 110 - 190 of
24 this chapter shall be determined by the department based on standards
25 and criteria adopted by it. Relevant standards and criteria to be
26 considered in determining eligibility include, but are not limited to,
27 the following:

- 28 (1) emergency requirements;
29 (2) number of unhoused students;

- 1 (3) new elementary or secondary programs;
- 2 (4) existing community and school facilities and their con-
- 3 dition; and
- 4 (5) economic and social stability of the community

5 Sec. 43.18.130. STATE AID. (a) The amount of state aid which may
6 be paid to a borough or city which is a school district for the cost of
7 facilities construction is calculated by multiplying the computed basic
8 cost of construction (the product of the approved square footage for the
9 facility, determined in the manner provided in (b) of this section, and
10 the estimated local construction cost per square foot, as determined by
11 the department) by the equalized percentage of state support determined
12 under (c) of this section. However, in no case may state aid exceed the
13 amount of the actual cost of construction times the equalized percen-
14 tage.

15 (b) The department shall determine the approved number of square
16 feet for which an eligible construction project qualifies for state aid
17 under secs. 110 - 190 of this chapter. The determination shall be made
18 by taking into account the various factors which have an effect on the
19 space required for a school construction project including, but not
20 necessarily limited to, the number of students to be accommodated; type
21 of educational program; type, age, condition, and use of existing
22 facilities; and availability of academic classrooms, library, indoor
23 physical education spaces, vocational education spaces, food service
24 spaces, administration spaces; and storage, mechanical, electrical and
25 related spaces.

26 (c) The percentage of state support for each borough or city which
27 is a school district is computed according to the formula $P_i = 1 - (1-K)$
28 V_i/V_m in which

29 (1) P_i (equalized percentage) = per cent to be provided by

1 the state;

2 (2) K (median level of state support) = 80 per cent;

3 (3) Vi (valuation per pupil in average daily membership in
4 the district) = full and true value of taxable real and personal pro-
5 perty within the district, as determined under AS 14.17.140, divided by
6 the average daily membership of the district;

7 (4) Vm (median valuation per pupil in average daily member-
8 ship in all city and borough school districts) = the Vi of that district
9 which has the 50th percentile of the total number of pupils in all city
10 and borough school districts after being ranked in order of Vi.

11 (d) State aid as computed under this section constitutes at least
12 50 per cent of the basic cost of construction computed under (a) of this
13 section or 50 per cent of the actual cost of construction, whichever is
14 less.

15 Sec. 43.18.140. REQUIRED LOCAL EFFORT. (a) Payment of state aid
16 to a school district under secs. 110 - 190 of this chapter is contingent
17 upon the district's providing a local effort in a ratio of required
18 local effort to state contribution of $(1-P_i)/P_i$ where P_i = equalized
19 percentage as defined in sec. 130(c) of this chapter.

20 (b) Funds received under AS 43.50.140 (cigarette tax) may not be
21 used to satisfy any portion of the required local effort.

22 Sec. 43.18.150. APPLICATION FOR AID. (a) The commissioner shall
23 prescribe the necessary forms and procedures to be used in applying for
24 construction cost assistance under secs. 110 - 190 of this chapter.

25 (b) A borough or city which is a school district seeking con-
26 struction cost aid must apply to the department by September 15 of the
27 prior fiscal year.

28 (c) Based on his review of applications and his determination of
29 project eligibility and priority, the commissioner shall select those

1 construction projects which he considers justified and necessary and
2 recommend to the governor an appropriation of funds for state aid for
3 those projects under secs. 110 - 190 of this chapter.

4 Sec. 43.18.160. CONDITIONS OF STATE AID. (a) Funds distributed
5 to a borough or city which is a school district during a school year
6 under secs. 110 - 190 of this chapter must be received, held, and ex-
7 pended by the district in accordance with the applicable provisions of
8 law and of regulations adopted by the department. Funds provided under
9 secs. 110 - 190 of this chapter, which are not required for the project
10 for which they were granted or which are in excess of that borough's, or
11 city which is a district's, entitlement for aid under sec. 130(c) of
12 this chapter must be returned to the department and deposited in the
13 general fund.

14 (b) Each borough or city which is a school district shall maintain
15 financial records of the receipt and disbursement of state funds re-
16 ceived under secs. 110 - 190 of this chapter and money provided toward
17 local effort. The records must be in the form prescribed by the depart-
18 ment and are subject to audit by it at any time.

19 (c) As they are developed, all plans for new schools, additions,
20 and major rehabilitation must be submitted to the commissioner for
21 approval. The commissioner's approval of final contract documents must
22 be obtained before bids may be invited. The commissioner's approval of
23 a plan is effective for two years unless a contract is awarded within
24 that time.

25 (d) Upon completion of the construction project, the chief school
26 administrator of the district shall report the total cost of the project
27 and means of financing it to the commissioner.

28 (e) Boroughs and cities that are school districts shall secure and
29 maintain in full force and effect adequate property loss insurance for

1 the replacement cost of the facility for all facilities constructed
2 under secs. 110 - 190 of this chapter.

3 Sec. 43.18.170. CONSTRUCTION AND IMPLEMENTATION. (a) Sections
4 110 - 190 of this chapter may not be construed so as to create a debt of
5 the state.

6 (b) Funds to carry out the provisions of secs. 110 - 190 of this
7 chapter may be appropriated annually by the legislature into the public
8 school facilities construction account. If amounts in the account are
9 insufficient to meet the allocations authorized by the commissioner
10 under secs. 110 - 190 of this chapter, such funds as are available shall
11 be distributed pro rata among each borough and city which is a school
12 district based upon its computed entitlement.

13 Sec. 43.18.180. REGULATIONS. The department shall adopt regula-
14 tions necessary to carry out the provisions of secs. 110 - 190 of this
15 chapter.

16 Sec. 43.18.190. DEFINITIONS. (a) In secs. 100 - 190 of this
17 chapter, unless the context requires otherwise,

18 (1) "commissioner" means the commissioner of education;

19 (2) "costs of facilities construction" means the cost of
20 acquiring, constructing, enlarging, remodeling, equipping or furnishing
21 of public elementary and secondary school buildings and includes but is
22 not limited to the cost of acquisition of sites, legal, engineering,
23 fiscal, architectural and other fees of specialists or consultants,
24 costs of labor, materials, equipment and furnishings, costs of autho-
25 rization, issuance and sale of bonds, notes, or other evidence of debt,
26 but is limited to projects having a minimum total cost of \$10,000;

27 (3) "department" means the Department of Education.

28 (b) As used in AS 43.18.160(c), "plan" is comprised of three
29 stages: (A) educational specifications; (B) schematic designs; and

1 (C) final contract documents, including the working drawings and speci-
2 fications as appropriate. Information provided at each stage must
3 include, as a minimum, cost estimates, proposed means of financing,
4 proposed construction contract type, and estimated advertisement and
5 completion dates.

6 * Sec. 3. AS 43.50.140 is repealed.

7 * Sec. 4. This Act takes effect July 1, 1979.
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163

Introduced: 2/17/77
Referred: Health, Education &
Social Services and Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 163

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

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16 The public school facilities construction account is established. The
17 account consists of appropriations for distribution under secs. 110 -
18 190 of this chapter to boroughs and cities which are school districts
19 to assist in paying the basic costs of public school facilities pro-
20 jects for which construction is commenced after June 30, 1978 and for
21 which no bonding, notes, or other indebtedness was incurred before
22 July 1, 1978.

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24 construction project for funding assistance under secs. 110 - 190 of
25 this chapter shall be determined by the department based on standards
26 and criteria adopted by it. Relevant standards and criteria to be
27 considered in determining eligibility include, but are not limited to,
28 the following:

29 (1) emergency requirements;

- (2) number of unhoused students;
- (3) new elementary or secondary programs;
- (4) existing community and school facilities and their condition; and
- (5) economic and social stability of the community.

Sec. 43.18.130. STATE AID. (a) The amount of state aid which may be paid to a borough or city which is a school district for the cost of facilities construction is calculated by multiplying the computed basic cost of construction (the product of the approved square footage for the facility, determined in the manner provided in (b) of this section, and the estimated local construction cost per square foot, as determined by the department) by the equalized percentage of state support determined under (c) of this section. However, in no case may state aid exceed the amount of the actual cost of construction times the equalized percentage.

(b) The department shall determine the approved number of square feet for which an eligible construction project qualifies for state aid under secs. 110 - 190 of this chapter. The determination shall be made by taking into account the various factors which have an effect on the space required for a school construction project including, but not necessarily limited to, the number of students to be accommodated; type of educational program; type, age, condition, and use of existing facilities; and availability of academic classrooms, library, indoor physical education spaces, vocational education spaces, food service spaces, administration spaces; and storage, mechanical, electrical and related spaces.

(c) The percentage of state support for each borough or city which is a school district is computed according to the formula $P_i = 1 - (1-K) V_i/V_s$ in which

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1 (1) P_i (equalized percentage) = per cent to be provided by
2 the state;

3 (2) K (minimum level of state support) = 50 per cent;

4 (3) V_i (valuation per pupil in average daily membership in
5 the district) = full and true value of taxable real and personal
6 property within the district, as determined under AS 14.17.140, divided
7 by the average daily membership of the district;

8 (4) V_s (valuation per pupil in average daily membership in
9 the state) = average of the full and true valuation for taxable real
10 and personal property within the state, as determined under AS 14.17.-
11 140, divided by the average daily membership for all the boroughs and
12 cities which are school districts of the state.

13 (d) State aid as computed under this section constitutes at
14 least 50 per cent of the basic cost of construction computed under (a)
15 of this section or 50 per cent of the actual cost of construction,
16 whichever is less.

17 Sec. 43.18.140. REQUIRED LOCAL EFFORT. (a) Payment of state
18 aid to a school district under secs. 110 - 190 of this chapter is
19 contingent upon the district's providing a local effort in a ratio of
20 required local effort to state contribution of $(1-P_i)/P_i$ where P_i =
21 equalized percentage as defined in sec. 130(c) of this chapter.

22 (b) Funds received under AS 43.50.140 (cigarette tax) may not be
23 used to satisfy any portion of the required local effort.

24 Sec. 43.18.150. APPLICATION FOR AID. (a) The commissioner
25 shall prescribe the necessary forms and procedures to be used in
26 applying for construction cost assistance under secs. 110 - 190 of
27 this chapter.

28 (b) A borough or city which is a school district seeking con-
29 struction cost aid must apply to the department by September 15 of the

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

- 1 (2) number of unhoused students;
- 2 (3) new elementary or secondary programs;
- 3 (4) existing community and school facilities and their
- 4 condition; and
- 5 (5) economic and social stability of the community.

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7 may be paid to a borough or city which is a school district for the
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9 computed basic cost of construction (the product of the approved
10 square footage for the facility, determined in the manner provided in
11 (b) of this section, and the estimated local construction cost per
12 square foot, as determined by the department) by the equalized percent-
13 age of state support determined under (c) of this section. However,
14 in no case may state aid exceed the amount of the actual cost of
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25 spaces, administration spaces; and storage, mechanical, electrical and
26 related spaces.

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28 which is a school district is computed according to the formula $P_i =$
29 $1 - (1-K) V_i/V_s$ in which

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2 the state;

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4 (3) V_i (valuation per pupil in average daily membership in
5 the district) = full and true value of taxable real and personal
6 property within the district, as determined under AS 14.17.140, divided
7 by the average daily membership of the district;

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9 the state) = average of the full and true valuation for taxable real
10 and personal property within the state, as determined under AS 14.17.-
11 140, divided by the average daily membership for all the boroughs and
12 cities which are school districts of the state.

13 (d) State aid as computed under this section constitutes at
14 least 50 per cent of the basic cost of construction computed under (a)
15 of this section or 50 per cent of the actual cost of construction,
16 whichever is less.

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18 aid to a school district under secs. 110 - 190 of this chapter is
19 contingent upon the district's providing a local effort in a ratio of
20 required local effort to state contribution of $(1-P_i)/P_i$ where P_i =
21 equalized percentage as defined in sec. 130(c) of this chapter.

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26 applying for construction cost assistance under secs. 110 - 190 of
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29 struction cost aid must apply to the department by September 15 of the

1 prior fiscal year.

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3 project eligibility and priority, the commissioner shall select those
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6 those projects under secs. 110 - 190 of this chapter.

7 Sec. 43.18.160. CONDITIONS OF STATE AID. (a) Funds distributed
8 to a borough or city which is a school district during a school year
9 under secs. 110 - 190 of this chapter must be received, held, and
10 expended by the district in accordance with the applicable provisions
11 of law and of regulations adopted by the department. Funds provided
12 under secs. 110 - 190 of this chapter, but which are not required for
13 the project for which they were granted or which are in excess of that
14 borough's or city which is a district's entitlement for aid under sec.
15 130(c) of this chapter must be returned to the department and deposited
16 in the general fund.

17 (b) Each borough or city which is a school district shall main-
18 tain financial records of the receipt and disbursement of state funds
19 received under secs. 110 - 190 of this chapter and money provided
20 toward local effort. The records must be in the form prescribed by
21 the department and are subject to audit by it at any time.

22 (c) As they are developed, all plans for new schools, additions,
23 and major rehabilitation must be submitted to the commissioner for
24 approval. The commissioner's approval of final contract documents
25 must be obtained before bids may be invited. The commissioner's
26 approval of a plan is effective for two years unless a contract is
27 awarded within that time.

28 (d) Upon completion of the construction project, the chief
29 school administrator of the district shall report the total cost of

1 the project and means of financing it to the commissioner.

2 (e) Boroughs and cities that are school districts shall secure
3 and maintain in full force and effect adequate property loss insurance
4 for the replacement cost of the facility for all facilities constructed
5 under secs. 110 - 190 of this chapter.

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7 110 - 190 of this chapter may not be construed so as to create a debt
8 of the state.

9 (b) Funds to carry out the provisions of secs. 110 - 190 of this
10 chapter may be appropriated annually by the legislature into the
11 public school facilities construction account. If amounts in the
12 account are insufficient to meet the allocations authorized by the
13 commissioner under secs. 110 - 190 of this chapter, such funds as are
14 available shall be distributed pro rata among each borough and city
15 which is a school district based upon its computed entitlement.

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17 tions necessary to carry out the provisions of secs. 110 - 190 of this
18 chapter.

19 Sec. 43.18.190. DEFINITIONS. (a) In secs. 100 - 190 of this
20 chapter, unless the context requires otherwise:

- 21 (1) "commissioner" means the commissioner of education;
22 (2) "costs of facilities construction" means the cost of
23 acquiring, constructing, enlarging, remodeling, equipping or furnishing
24 of public elementary and secondary school buildings and includes but
25 is not limited to the cost of acquisition of sites, legal, engineering,
26 fiscal, architectural and other fees of specialists or consultants,
27 costs of labor, materials, equipment and furnishings, costs of autho-
28 rization, issuance and sale of bonds, notes, or other evidence of
29 debt, but is limited to projects having a minimum total cost of \$10,000;

1 (3) "department" means the Department of Education.

2 (b) As used in AS 43.18.160(c), "plan" is comprised of three
3 stages: (A) educational specifications; (B) schematic designs; and
4 (C) final contract documents, including the working drawings and
5 specifications as appropriate. Information provided at each stage
6 must include, as a minimum, cost estimates, proposed means of financing,
7 proposed construction contract type, and estimated advertisement and
8 completion dates.

9 * Sec. 3. AS 43.50.140 is repealed.

10 * Sec. 4. This Act takes effect July 1, 1977.

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB163
Title An Act Relating to the Municipal School Construction Account
Requested by Governor Date _____

II. FISCAL DETAIL

Agency Affected Education
Program Category Affected Pre, Elementary and Secondary
Budget Request Unit(s) Affected Financial Support Programs

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES			14,760.6	14,760.6	14,760.6	14,760.6
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND			14,760.6	14,760.6	14,760.6	14,760.6
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME			- 0 -	- 0 -	- 0 -	- 0 -
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

1. Assume value of approved school construction projects (sec. 3) is 80% of the average annual value of schools constructed in the past three fiscal years (see attached) or \$100,640,308 $3 \times 80\% = \$26,837.4$
2. Assume average V_1 is 10% lower than V_5
3. Formula (sec. 3) $P_i = 1 - (1 - K) V_1 / V_5$ or $\$26,837.4 - (26,837.4 - 50\%) 40/50 = \$14,760.6$

IV. DATE Jan. 18, 1977 PREPARED BY William D. Thompson
AGENCY Department of Education
PHONE 465-2803

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

February 17, 1977

The Honorable John L. Rader
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

Under the authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill relating to public school facilities construction. The bill would amend AS 43.18 by adding new sections establishing a significantly different program for state aid to school districts for construction of school facilities than that currently in operation under AS 43.18.100. Rather than continue to reimburse school districts annually for a portion of their costs for retiring debt which they incurred in order to fund a school construction project, the program proposed by this bill would provide to a school district one-time, "front-end" assistance from the state to pay a portion of the construction costs of the project.

The amount of state aid under this program would be determined as a percentage, computed on a formula basis similar to that applied to the Public School Foundation Program (AS 14.17), of the "basic cost" of construction of the project. This "basic cost" figure would be determined by the Department of Education by computing the number of square feet necessary to accomplish the objectives of the project (based on such factors as number of students to be accommodated, type of educational program to be provided, type, age and condition of existing facilities, and current availability of various kinds of spaces) and multiplying that square footage figure by the estimated local construction cost per square foot. A district would not be limited to this "basic cost" figure in deciding how much it will spend on a facility; however this figure would form the basis for computing state aid for the project. The amount of state support for the project would range between 50 per cent and 100 per cent of the "basic cost", depending upon the ratio between the district's

property valuation per student and the state-wide property value per student. However, if the actual cost of a project proves to be less than the computed "basic cost", then the amount of state aid will be figured as the computed percentage of aid times that actual cost.

Under the bill, funding through this new state aid program would apply to school construction commenced after June 30, 1978 unless a district had incurred indebtedness for the construction before that date. Construction commenced before July 1, 1978 or for which indebtedness had been incurred before that date, even though construction did not begin until after it, would continue to be covered under the present system of reimbursement for retirement of debt, or for cash payment for school construction AS 43.18.100.

The bill would also repeal AS 43.50.140 which currently provides for disposition of tobacco tax proceeds (AS 43.50.101 - 43.50.180) exclusively to rehabilitate, contract and repair the state's school facilities and for costs of insurance on those facilities. This section no longer provides any real benefit to the school district since, under the state's present system of reimbursement for retirement of debt or for cash payments for school construction, AS 43.18.100, at subsection (b), a school district's entitlement to state reimbursement is reduced by the amount of tobacco tax proceeds received by it in the second preceding fiscal year. In other words, although the tax is given to the districts in one year, it is essentially taken away from them again two years later. This "give-take" mechanism does little other than generate additional paperwork for the state and the district.

In two years, AS 43.18.100(b) should be amended to delete the references to AS 43.50.140. By June 30, 1979, the two-year offset of tobacco tax funds against the state reimbursement under AS 43.18.100 will have caught up with the present repeal of AS 43.50.140.

Sincerely,

Jay S. Hammond
Governor

ALASKA STATE LEGISLATURE

TENTH... Legislature FIRST... Session

SENATE BILL..... NO. 163...

By THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

"An Act relating to public school facilities construction; and providing for an effective date."

pub. school facilities constr.

Introduced in the Senate ..2/17/.., 19.77

HISTORY IN THE SENATE

19	77	Read first time and referred to Committee on
2	17	Health, Education & Social Services and Finance
4	10	Reported back with HESS recommendation that <i>replace w/15, 1 de pass. 2 no need to finance</i>
		Read second time and
		Read third time and
		PASS Effective Date
		Yeas Yeas
		Nays Nays
		Absent Absent
		Excused Excused
		Reconsideration
		PASS Effective Date
		Yeas Yeas
		Nays Nays
		Absent Absent
		Excused Excused
		Reported correctly engrossed
		Signed by President
		Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19		Read first time and referred to Committee on
		Reported back with recommendation that
		Read second time and
		Read third time and
		PASS Effective Date
		Yeas Yeas
		Nays Nays
		Absent Absent
		Excused Excused
		Reconsideration
		PASS Effective Date
		Yeas Yeas
		Nays Nays
		Absent Absent
		Excused Excused
		Reported correctly engrossed
		Signed by Speaker
		Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

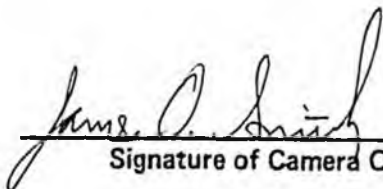
19		Received from House
		Reported correctly enrolled
		Sent to Governor
	 By Governor
		Filed with Lt. Governor
		Chapter No.



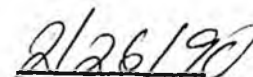
RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.



Signature of Camera Operator



Date

An Act relating to the excise tax on and license fees for sale of intoxicating liquors; and providing for an effective date.

COMMITTEE REPORT

5/5/77

HOUSE

May 5 1977 Date

Mr. Speaker:

The Committee on FINANCE has had CSSB 167

under consideration. A majority of the members of the Committee

recommends it do pass

recommends it do not pass

recommends it do pass with attached amendment(s)

recommends it be replaced with CS for CSSB 167 and that
CS for CSSB 167 do pass

(and) recommends it be referred to the _____
committee

reports it back without recommendation

AND attaches a report of its intent

(other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

Duncan _____
Johnson _____
Wright _____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

Freeman recommends: Do not Pass
Hoops recommends: No Rec
Harrison recommends: Do not Pass

Wright recommends: NO REC
Meekins _____

Chairman

Meekins DO NOT PASS

Original sponsor: Rules Committee by request
of the Governor

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 167

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the excise tax on and license fees
7 for sale of intoxicating liquors; and providing for an
8 effective date."

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

10 * Section 1. AS 43.60.010(a) is amended to read:

11 (a) Every brewer, distiller, bottler, jobber, retailer, whole-
12 saler, or manufacturer who sells intoxicating liquors in the state or
13 who consigns shipments of intoxicating liquors into the state, whether
14 or not the liquors are brewed, distilled, bottled, or manufactured in
15 the state, shall pay on all malt beverages (alcoholic content of one per
16 cent or more by volume), wines, and hard or distilled liquors, the
17 following taxes: (1) malt beverages at the rate of 25 cents a gallon or
18 fraction of a gallon; (2) wine or other liquor of less than 14 [21] per
19 cent alcohol by volume [OR LESS,] at the rate of \$1 [60 CENTS] a gallon
20 or fraction of a gallon; [AND] (3) other liquors having a content of
21 more than 21 per cent alcohol by volume at the rate of \$5 [\$4.00] a
22 gallon; and (4) wine or other liquor of at least 14 per cent alcohol by
23 volume but not more than 21 per cent alcohol by volume at the rate of
24 \$1.35 a gallon or fraction of a gallon.

25 * Sec. 2. AS 04.10.110 is amended to read:

26 Sec. 04.10.110. WHOLESALE LICENSE. (a) The holder of a general
27 wholesale license may sell intoxicating liquors in the original package,
28 and wine in bulk, in quantities of not less than five wine gallons to
29 holders of licenses. The holder of a general wholesale license may

1 not sell to a consumer. Liquor requiring internal revenue strip stamps
2 shall have the stamps intact on the package. A general wholesale
3 license shall be required for each distributing point. The general
4 wholesale license fee schedule is based upon the total amount of busi-
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6 accompany the application, and in payment of the fee for the first
7 \$50,000 of business transacted, and, in addition thereto, on the busi-
8 ness transacted during any year,

9	above \$50,000 and not	
10	over \$75,000	a fee of \$250
11	above \$75,000 and not	
12	over \$100,000	a fee of \$500
13	above \$100,000 and not	
14	over \$125,000	a fee of \$750
15	above \$125,000 and not	
16	over \$150,000	a fee of \$1000
17	above \$150,000 and not	
18	over \$175,000	a fee of \$1250
19	above \$175,000 and not	
20	over \$200,000	a fee of \$1500
21	above \$200,000 and not	
22	over \$250,000	a fee of \$2000
23	above \$250,000 and not	
24	over \$300,000	a fee of \$2500
25	above \$300,000 and not	
26	over \$350,000	a fee of \$3000
27	above \$350,000 and not	
28	over \$400,000	a fee of \$3500
29	above \$400,000 and not	

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over \$500,000 a fee of \$4500
above \$500,000 one per cent of the business
transacted
[A FEE OF \$5000]

(b) The holder of a wholesale malt beverage and wine license may sell malt beverages and wine in the original packages and malt beverages and wine in bulk in quantities of not less than five wine gallons to holders of licenses. The holder of a wholesale malt beverage and wine license may not sell to a consumer. The malt beverages and wine license fee schedule is based on the total amount of business transacted in any year and is \$100 as a minimum license fee, to accompany the application, and in payment of the fee for the first \$10,000 of business transacted, and, in addition, on the business transacted during any year,

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over \$200,000 a fee of \$2000
above \$200,000 and not
over \$300,000 a fee of \$3000
above \$300,000 and not
over \$400,000 a fee of \$4000

1 above \$400,000

one per cent of the business
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3 [A FEE OF \$5000]

4 * Sec. 3. AS 04.10.040(a) is amended to read:

5 (a) The holder of a beverage dispensary license may sell for cash
6 or serve on the premises beer, wine and hard liquors for consumption on
7 the premises only. The beverage dispensary license fee is \$750 [\$500]
8 in all unincorporated communities and incorporated cities having a
9 population not exceeding 1,500 persons and \$1,500 [\$1,000] in all un-
10 corporated communities and incorporated cities having a population in
11 excess of 1,500 persons. The population shall be determined at the time
12 of filing the application. Each applicant for a beverage dispensary
13 license shall file with the application a cash bond or a surety bond
14 executed by a surety company approved by the board. The condition of
15 the bond or undertaking shall be that the applicant or applicants are
16 the sole owners of the business to be licensed, and that no other person
17 is financially interested directly or indirectly, and that the applicant
18 or applicants will conduct the business in accordance with the appli-
19 cable laws pertaining to intoxicating liquor in the state. The bond
20 shall be in the penal sum of \$2,500. Upon revocation of the license,
21 the bond may be forfeited and the amount deposited into the general fund
22 of the state.

23 * Sec. 4. AS 04.10.050 is amended to read:

24 Sec. 04.10.050. RESTAURANT LICENSE. The holder of a restaurant
25 license may sell beer and wine in a restaurant with meals furnished in
26 good faith to patrons. The restaurant license fee is \$500 [\$300].

27 * Sec. 5. AS 04.10.060 is amended to read:

28 Sec. 04.10.060. ROADHOUSE LICENSE. The holder of a roadhouse
29 license whose licensed premises are located not less than 18 miles

1 from the corporate limits of a city and who serves food to the traveling
2 public, may sell beer and wine for consumption on the premises only.
3 The roadhouse license fee is \$250 [\$150].

4 * Sec. 6. AS 04.10.100 is amended to read:

5 Sec. 04.10.100. RETAIL LICENSE. The holder of a retail license
6 may sell for cash in his establishment intoxicating liquors in the
7 original packages and wine in bulk. All liquor requiring internal
8 revenue strip stamps shall have the stamps intact upon the packages.
9 The consumption of intoxicating liquor on premises licensed under this
10 provision is prohibited. Sales under a retail license are limited to
11 less than 20 wine gallons to any one person in any one sale. The
12 retail license fee is \$1,000 [\$600], but the retail license fee for a
13 retail liquor store having gross sales from the sale of intoxicating
14 liquors not exceeding \$20,000 in any calendar year is \$300.

15 * Sec. 7. This Act takes effect July 1, 1977.
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CSSB 167

<u>Beverage</u>	<u>Current tax/gal</u>	<u>Proposed</u>	<u>Incr</u>	<u>Gallons/1975</u>	<u>Add'l Revenue</u>
Beer	.25	.325	.075	8880.3	666.0
Wine				873.3	
Light	.60	1.00	.40	436.6	174.6
Heavy	.60	1.35	.75	436.6	327.5
Dist. spirits	4.00	5.00	1.00	1,359.4	1,359.4
<u>Total tax increase</u>					<u>2,527.5</u>

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER
OFFICE OF ALCOHOLISM

POUCH H 05F - JUNEAU 99811

April 7, 1977

Legislature,
Document # General #33

Honorable Mike Colletta
State Senator
Capitol Building
Room 107
Juneau, Alaska 99801

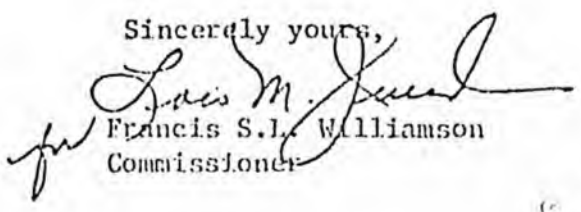
Dear Honorable Colletta,

There were two primary considerations in the development of the proposed excise tax increase for beverage alcohol; first, there should be at least a rough correspondence between the amount of tax and the absolute alcohol content of the beverage taxed; secondly, the proposed tax increase should raise sufficient funds to defray shortfalls in alcohol-related costs. The following table illustrates how the tax was derived:

Beverage	Current tax per gal.	Proposed tax	Proposed Increase per gal.	(000's) Alaska total Consumption 1975 (Gallons)	(000's) Additional Revenue
Beer	.25	.75	+ .50	8880.3	4440.1
*Wine				873.3	
Light	.60	1.50	+ .90	(436.6)	392.9
Heavy	.60	2.50	+ 1.90	(436.6)	829.5
Dist. Spirits	4.00	6.50	+ 2.50	1,359.4	<u>3398.5</u>
				Total Excise Tax Increase	\$9,161.00

* Assumed 50/50 split between types of wine consumed.

As you can see our two criteria were met. First there is a correspondence between the proposed tax increase and the absolute alcohol content of the beverage taxed. Secondly, the tax increase, when added to the proposed license fee increases, would raise roughly the estimated ten million dollar shortfall.

Sincerely yours,

Francis S.J. Williamson
Commissioner

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. _____ Act relating to the _____
 Title Excise tax on and license fees for sale of intoxicating liquors
 Requested by The Governor Date January 21, 1977

II. FISCAL DETAIL

Agency Affected _____ Revenue _____
 Program Category Affected Public Protection
 Budget Request Unit(s) Affected Alcoholic Beverage Control Board

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

No additional cost will occur from this Act.

IV. DATE January 22, 1977 PREPARED BY John Messenger
 AGENCY Revenue
 Original: Legislative Finance PHONE 465-2301
 Budget and Management

Introduced: 2/18/77
Referred: Commerce and Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 167

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

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13 who consigns shipments of intoxicating liquors into the state, whether
14 or not the liquors are brewed, distilled, bottled, or manufactured in
15 the state, shall pay on all malt beverages (alcoholic content of one
16 per cent or more by volume), wines, and hard or distilled liquors, the
17 following taxes: (1) malt beverages at the rate of 75 [25] cents a
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19 14 [21] per cent alcohol by volume [OR LESS] at the rate of \$1.50 [60
20 CENTS] a gallon or fraction of a gallon; (3) wine or other liquor of
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24 per cent alcohol by volume at the rate of \$6.50 [\$4.00] a gallon.

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26 Sec. 04.10.110. WHOLESALE LICENSE. (a) The holder of a general
27 wholesale license may sell intoxicating liquors in the original pack-
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Introduced: 2/18/77
Referred: Commerce and Finance

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4 [A FEE OF \$5000]

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2 * Sec. 9. This Act takes effect July 1, 1977.
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Original sponsor: Rules Committee by request
of the Governor

Offered: 4/20/77
Referred: Finance

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BY THE SPECIAL COMMITTEE
ON ALCOHOLISM

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12 saler, or manufacturer who sells intoxicating liquors in the state or
13 who consigns shipments of intoxicating liquors into the state, whether
14 or not the liquors are brewed, distilled, bottled, or manufactured in
15 the state, shall pay on all malt beverages (alcoholic content of one per
16 cent or more by volume), wines, and hard or distilled liquors, the
17 following taxes: (1) malt beverages at the rate of 32 1/2 [25] cents a
18 gallon or fraction of a gallon; (2) wine or other liquor of less than 14
19 [21] per cent alcohol by volume [OR LESS,] at the rate of \$1 [60 CENTS]
20 a gallon or fraction of a gallon; [AND] (3) other liquors having a
21 content of more than 21 per cent alcohol by volume at the rate of \$5
22 [\$4.00] a gallon; and (4) wine or other liquor of at least 14 per cent
23 alcohol by volume but not more than 21 per cent alcohol by volume at the
24 rate of \$1.35 a gallon or fraction of a gallon.

25 * Sec. 2. AS 04.10.110 is amended to read:

26 Sec. 04.10.110. WHOLESALE LICENSE. (a) The holder of a general
27 wholesale license may sell intoxicating liquors in the original package,
28 and wine in bulk, in quantities of not less than five wine gallons to
29 holders of licenses. The holder of a general wholesale license may

1 not sell to a consumer. Liquor requiring internal revenue strip stamps
2 shall have the stamps intact on the package. A general wholesale
3 license shall be required for each distributing point. The general
4 wholesale license fee schedule is based upon the total amount of busi-
5 ness transacted during any year and is \$500 as a minimum license fee, to
6 accompany the application, and in payment of the fee for the first
7 \$50,000 of business transacted, and, in addition thereto, on the busi-
8 ness transacted during any year,

9	above \$50,000 and not	
10	over \$75,000	a fee of \$250
11	above \$75,000 and not	
12	over \$100,000	a fee of \$500
13	above \$100,000 and not	
14	over \$125,000	a fee of \$750
15	above \$125,000 and not	
16	over \$150,000	a fee of \$1000
17	above \$150,000 and not	
18	over \$175,000	a fee of \$1250
19	above \$175,000 and not	
20	over \$200,000	a fee of \$1500
21	above \$200,000 and not	
22	over \$250,000	a fee of \$2000
23	above \$250,000 and not	
24	over \$300,000	a fee of \$2500
25	above \$300,000 and not	
26	over \$350,000	a fee of \$3000
27	above \$350,000 and not	
28	over \$400,000	a fee of \$3500
29	above \$400,000 and not	

1	over \$500,000	a fee of \$4500
2	above \$500,000	<u>one per cent of the business</u>
3		<u>transacted</u>
4		[A FEE OF \$5000]

5 (b) The holder of a wholesale malt beverage and wine license may
6 sell malt beverages and wine in the original packages and malt beverages
7 and wine in bulk in quantities of not less than five wine gallons to
8 holders of licenses. The holder of a wholesale malt beverage and wine
9 license may not sell to a consumer. The malt beverages and wine license
10 fee schedule is based on the total amount of business transacted in any
11 year and is \$100 as a minimum license fee, to accompany the application,
12 and in payment of the fee for the first \$10,000 of business transacted,
13 and, in addition, on the business transacted during any year,

14	above \$10,000 and not	
15	over \$25,000	a fee of \$150
16	above \$25,000 and not	
17	over \$50,000	a fee of \$500
18	above \$50,000 and not	
19	over \$75,000	a fee of \$750
20	above \$75,000 and not	
21	over \$100,000	a fee of \$1000
22	above \$100,000 and not	
23	over \$150,000	a fee of \$1500
24	above \$150,000 and not	
25	over \$200,000	a fee of \$2000
26	above \$200,000 and not	
27	over \$300,000	a fee of \$3000
28	above \$300,000 and not	
29	over \$400,000	a fee of \$4000

1 above \$400,000

one per cent of the business

2 transacted

3 [A FEE OF \$5000]

4 * Sec. 3. AS 04.10.040(a) is amended to read:

5 (a) The holder of a beverage dispensary license may sell for cash
6 or serve on the premises beer, wine and hard liquors for consumption on
7 the premises only. The beverage dispensary license fee is \$750 [\$500]
8 in all unincorporated communities and incorporated cities having a
9 population not exceeding 1,500 persons and \$1,500 [\$1,000] in all unin-
10 corporated communities and incorporated cities having a population in
11 excess of 1,500 persons. The population shall be determined at the time
12 of filing the application. Each applicant for a beverage dispensary
13 license shall file with the application a cash bond or a surety bond
14 executed by a surety company approved by the board. The condition of
15 the bond or undertaking shall be that the applicant or applicants are
16 the sole owners of the business to be licensed, and that no other person
17 is financially interested directly or indirectly, and that the applicant
18 or applicants will conduct the business in accordance with the appli-
19 cable laws pertaining to intoxicating liquor in the state. The bond
20 shall be in the penal sum of \$2,500. Upon revocation of the license,
21 the bond may be forfeited and the amount deposited into the general fund
22 of the state.

23 * Sec. 4. AS 04.10.050 is amended to read:

24 Sec. 04.10.050. RESTAURANT LICENSE. The holder of a restaurant
25 license may sell beer and wine in a restaurant with meals furnished in
26 good faith to patrons. The restaurant license fee is \$500 [\$300].

27 * Sec. 5. AS 04.10.060 is amended to read:

28 Sec. 04.10.060. ROADHOUSE LICENSE. The holder of a roadhouse
29 license whose licensed premises are located not less than 18 miles

1 from the corporate limits of a city and who serves food to the traveling
2 public, may sell beer and wine for consumption on the premises only.
3 The roadhouse license fee is \$250 [\$150].

4 * Sec. 6. AS 04.10.070 is amended to read:

5 Sec. 04.10.070. CLUB LICENSE. A club license gives to clubs,
6 fraternal organizations, and patriotic organizations, that have a state
7 or national charter, and that have been so incorporated and active for a
8 period of two years or more, the right to sell intoxicating liquors to
9 members and their families only in their club rooms. The club license
10 fee is \$800 [\$400], except that where any club has certified to the
11 board that the gross sales of intoxicating liquor for the preceding year
12 were less than \$5,000 the club license fee is \$200.

13 * Sec. 7. AS 04.10.080 is amended to read:

14 Sec. 04.10.080. BOTTLING WORKS LICENSE. The holder of a bottling
15 works license may operate a bottling works where beer and wine may be
16 bottled and sold. No sale of beer or wine may be made to a consumer or
17 in quantities less than five wine gallons. The bottling works license
18 fee is \$500 [\$100].

19 * Sec. 8. AS 04.10.100 is amended to read:

20 Sec. 04.10.100. RETAIL LICENSE. The holder of a retail license
21 may sell for cash in his establishment intoxicating liquors in the
22 original packages and wine in bulk. All liquor requiring internal
23 revenue strip stamps shall have the stamps intact upon the packages.
24 The consumption of intoxicating liquor on premises licensed under this
25 provision is prohibited. Sales under a retail license are limited to
26 less than 20 wine gallons to any one person in any one sale. The
27 retail license fee is \$1,000 [\$600], but the retail license fee for a
28 retail liquor store having gross sales from the sale of intoxicating
29 liquors not exceeding \$20,000 in any calendar year is \$300.

1 * Sec. 9. This Act takes effect July 1, 1977.

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MEMORANDUM

TO: Mr. John Messenger
Deputy Commissioner
Department of Revenue

February 9, 1977

PAGE ONE

DATE: February 16, 1977

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: House Bill No. 196

Senate Bill No. 167

Among other things, House Bill 196 would increase the rates on alcoholic beverages sold in the State. The proposed increases are varying percentages of the current rates and also provide for a new tax class for wine which is at least 14 percent but not more than 21 percent alcohol by volume. For FY 78 the total anticipated increase in revenue is \$8.2 million. It is estimated that the tax on hard liquor will be increased by \$3.2 million, on wine by \$.5 million and on beer by \$4.5 million.

GLJ:mh

cc: R. D. Stevenson

15
[Handwritten signature]

HOUSE BILL NO. 196 of the Alaska Legislature by report of the Governor, introduced.

"An Act relating to the excise tax on and license fees for sale of intoxicating liquors; and providing for an effective date."

See Item 1-1, and the files that are referred to the Committee on Commerce and Finance.

TO: R. D. Stevenson
Special Assistant
Department of Revenue
Juneau

DATE : March 1, 1977

FROM: Linda *LSB*, Director
AEC Board
Anchorage

SUBJECT: Senate Bill No. 167

not changed in CS

Following are revenue projections for FY 78, 79, and 80 in regards to Sections 2 - 8 of SB 167.

Section 2: Wholesale License

<u>As Existing</u>	<u>As Proposed</u>	<u>Increase</u>
1978 65.0	720.8	655.8
1979 65.0	815.0	750.0
1980 65.0	931.0	872.0

Wholesale Malt Beverage

<u>As Existing</u>	<u>As Proposed</u>	<u>Increase</u>
1978 8.8	8.8	-0-
1979 8.5	8.5	-0-
1980 8.8	8.8	-0-

Attached is "Figures for Comparison" showing the history of gross sales from 1959 to 1975 for both above categories. 1976 figures supplied by wholesalers during late February show a general wholesale gross of \$65,375,066, and a wholesale malt beverage gross of \$827,327. No wholesaler in the latter category reached above \$500,000; in fact, the highest gross report was \$258,638. Therefore, no increase in excess fees is anticipated for the next three years.

Section 3: Beverage Dispensary License

<u>As Existing</u>	<u>As Proposed</u>	<u>Increase</u>
1978 459.5	689.2	229.7
1979 464.5	696.7	232.2
1980 469.0	703.5	234.5

Section 4: Restaurant License

<u>As Existing</u>	<u>As Proposed</u>	<u>Increase</u>
1978 30.0	50.0	20.0
1979 33.0	55.0	22.0
1980 35.4	59.0	23.6

Section 5: Roadhouse License

<u>As Existing</u>	<u>As Proposed</u>	<u>Increase</u>
1978 3.15	5.25	2.1
1979 3.0	5.0	2.0
1980 3.0	5.0	2.0

Section 6: Club License

<u>As Existing</u>	<u>As Proposed</u>	<u>Increase</u>
1978 24.0	48.0	24.0
1979 24.8	49.6	24.8
1980 26.0	52.0	26.0

Section 7: Bottling Works License (None existing or anticipated)

<u>As Existing</u>	<u>As Proposed</u>	<u>Increase</u>
1978 -0-	-0-	-0-
1979 -0-	-0-	-0-
1980 -0-	-0-	-0-

Section 8: Retail License

<u>As Existing</u>	<u>As Proposed</u>	<u>Increase</u>
1978 246.0	410.0	164.0
1979 249.0	415.0	166.0
1980 252.0	420.0	168.0

LEB:vk
Enc.

SB 167 ✓

STATE OF ALASKA THE LEGISLATURE

POUCHY - STATE CAPITOL
JUNEAU, ALASKA 99801
907.465.3400

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 15, 1977

SUBJECT: Alcohol Tax

TO: The Honorable Glenn Hackney

FROM: Sharman Haley *SH*
Research Analyst

The information you requested regarding the impact of alcohol tax increases on consumers is available on a per capita basis, but not on the basis of the average family. The attached table provides this per capita information. The data can be roughly converted to an average family basis if one is willing to make some very large assumptions. If we can assume that an average family is composed of four average Alaskan residents, the increased tax burden on an average family would be as follows: \$94.68 per year under the governor's proposal, and \$47.36 per year at 50 percent of the governor's proposal. The percent of disposable income would remain the same.

The impact of the governor's proposal on retail prices has been estimated by the Office of Alcoholism for the Department of Health and Social Services position paper on SB 167, which is attached.

If you desire more information on this subject, I will be glad to research it further.

SH:mo
Attachment

ANNUAL PER CAPITA¹ FISCAL IMPACT OF INCREASED ALCOHOL
EXCISE TAX AT THE 1976 LEVELS OF CONSUMPTION

	1975 Total Consumption (gallons) ⁴	1976 Per Capita Consumption (gallons)	Increase Per Capita Tax Under Governor's Proposal ³	Per Capita Tax Increase at 75% of Governor's Proposal	Per Capita Tax Increase at 50% of Governor's Proposal
Liquor	1,289,770.06	3.32	\$ 8.30	6.23	4.15
Wine	958,579.94	2.47	\$ 3.46	2.60	2.73
Beer	9,257,793.8	23.81	\$11.91	8.93	5.96
Total	11,506,143.8	29.60	\$23.67	17.75	11.84
Percent of Disposable Income ²			0.32%	0.24%	0.16%

¹ Civilian population estimate, July 1 1976: 588,750 (Alaska Department of Labor).

² Alaska per capita disposable personal income, 1975: \$7,437 (Bureau of Census).

³ Governor's proposed tax increases: \$2.50 on liquor, \$.90 on wine under 12%, \$1.90 on wine 12% and over, and \$.50 on beer (per gallon).

⁴ Department of Revenue

197

I. Special Definitions:

- A. "Alcoholism" means the condition of being physically and/or emotionally addicted to ethyl alcohol.
- B. "Alcohol Abuse" means the condition of consuming ethyl alcohol to the extent that either physical/mental damage to the user can or does occur or that the user has ingested ethyl alcohol to such extremes that he poses a threat to himself or others.
- C. "Alcohol-related event" (e.g., "crime", "child abuse", etc.) means behavior acted out by a human being; under the influence of ethyl alcohol which common sense, observation, and statistical analysis has determined would probably not have occurred, had the individual not been under the influence.
- D. "Under the Influence" means having one's mood and/or behavior altered to a visible degree as a result of the ingestion of ethyl alcohol. Visible may mean: 1) as determined by blood-alcohol-contact, urinalyses or similar clinical methods or, 2) as agreed upon as a result of direct observation by one of more persons.

II. Data is available which expresses the public need.

- A. Sales and distribution data generated by the State Department of Revenue indicates:

Alaska ranks third among all the states in per capita consumption. Nevada and New Hampshire rank first and second, however, a large proportion of alcohol sales are to non-residents in those states.

1. 1960-1970 - per capita consumption increased 29% in Alaska.
2. 1972 - per capita consumption in Alaska - 78% above the national average.
3. Per capita consumption (over 18) 1970-71.

Distilled spirits	-	6 gallons/person
Wine	-	3 gallons/person
Beer	-	34 gallons/person
4. Estimate 1974-75.

5.5 gallons/person
3.2 gallons/person
35.3 gallons/person

February 18, 1977

The Honorable John L. Rader
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

Under the authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060 (b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill providing for an increase in liquor taxes and liquor license fees to produce a necessary \$10,000,000 in revenue.

Section 1 of the bill amends AS 43.60.010(a) to increase the tax on liquor sold in the state.

The remaining sections of this bill provide for increases in liquor license fees, including the wholesale liquor license fees and wholesale malt beverage and wine license fees for those businesses which transact more than \$500,000 of business per year. Increases for other license fees are: beverage dispensary licenses -- from \$500 to \$750 and from \$1,000 to \$1,500; restaurant licenses -- from \$300 to \$500; roadhouse licenses -- from \$150 to \$250; club licenses - from \$400 to \$800; bottling works licenses -- from \$100 to \$500; retail licenses -- from \$600 to \$1,000.

I introduced an identical bill (HB 196) to the State House of Representatives on February 9, 1977.

Sincerely,

Jay S. Hammond
Governor

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. _____ Act relating to the _____
 Title Excise tax on and license fees for sale of intoxicating liquors
 Requested by The Governor Date January 21, 1977

II. FISCAL DETAIL

Agency Affected _____ Revenue _____
 Program Category Affected Public Protection
 Budget Request Unit(s) Affected Alcoholic Beverage Control Board

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

No additional cost will occur from this Act.

IV. DATE January 22, 1977 PREPARED BY John Messenger
 AGENCY Revenue
 PHONE 465-2301
 Original: Legislative Finance
 Budget and Management

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER
OFFICE OF ALCOHOLISM

POUCH H 05F - JUNEAU 99811

April 7, 1977

Legislature,
Document # 77 General #33

Honorable Mike Colletta
State Senator
Capitol Building
Room 107
Juneau, Alaska 99801

Dear Honorable Colletta,

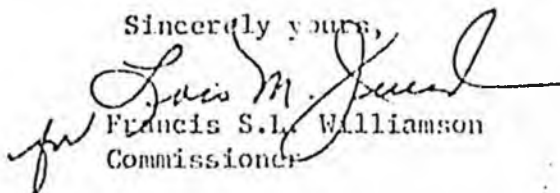
There were two primary considerations in the development of the proposed excise tax increase for beverage alcohol; first, there should be at least a rough correspondence between the amount of tax and the absolute alcohol content of the beverage taxed; secondly, the proposed tax increase should raise sufficient funds to defray shortfalls in alcohol-related costs. The following table illustrates how the tax was derived:

Beverage	Current tax per gal.	Proposed tax	Proposed Increase per gal.	(000's) Alaska total Consumption 1975 (Gallons)	(000's) Additional Revenue
Beer	.25	.75	+ .50	8880.3	4440.1
*Wine				873.3	
Light	.60	1.50	+ .90	(436.6)	392.9
Heavy	.60	2.50	+ 1.90	(436.6)	829.5
Dist. Spirits	4.00	6.50	+ 2.50	1,359.4	<u>3398.5</u>
				Total Excise Tax Increase	\$9,161.00

* Assumed 50/50 split between types of wine consumed.

As you can see our two criteria were met. First there is a correspondence between the proposed tax increase and the absolute alcohol content of the beverage taxed. Secondly, the tax increase, when added to the proposed license fee increases, would raise roughly the estimated ten million dollar shortfall.

Sincerely yours,


Francis S.L. Williamson
Commissioner

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER
OFFICE OF ALCOHOLISM

POUCH H 05F - JUNEAU 99811

April 7, 1977

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Document # General #33

Honorable Mike Colletta
State Senator
Capitol Building
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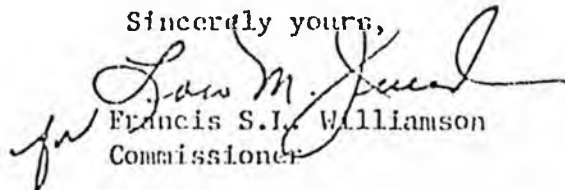
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Sincerely yours,



Francis S. Williamson
Commissioner



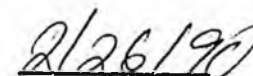
RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.



Signature of Camera Operator



Date

COMMITTEE REPORT
SENATE

4/13/77

April 30, 1977 Date

Mr. President:

The Committee on Finance has had SB 167
excise tax and license fees for sale of intoxicating liquors
under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for SB 167 and that
CS for SB 167 do pass Advisory Recommendation
- (and) recommends it be referred to the _____
committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

[Signature] _____ [Signature] _____
[Signature] _____ [Signature] _____
[Signature] _____ [Signature] _____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends: _____
 _____ recommends: _____
 _____ recommends: _____

[Signature]
Chairman

License Fees

655.8

229.7

20.0

2.1

24.0

164.0

1095.6

	1975 consumption in gallons	present tax	revenue
beer	9,257,793.80	.25	\$ 2,314,448.45
table wine	479,289.97	.60	575,147.96
dessert wine	479,289.97		
liquor	1,289,770.06	4.00	5,159,080.24
	<u>11,506,143.80</u>		<u>\$ 8,048,676.65</u>
	present tax		

beer	.325	3,008,782.99
table wine	1.00	479,289.97
dessert wine	2.00	958,579.94
liquor	5.00	6,448,850.30
		<u>10,895,503.20</u>

	using 1975 consumption figures	SB167 tax proposal	
beer		.75	\$ 6,943,345.35
table wine		1.50	718,934.96
dessert wine		2.50	1,198,224.93
liquor		6.50	8,383,505.39
			<u>\$ 17,244,010.63</u>
	SB 167		

1975 consumption
in gallons

CS5B167
tax proposal

beer	9,257,793.80	.325	\$3,008,782.99
table wine	479,289.97	1.00	479,289.97
dessert wine	479,289.97	1.35	647,041.46
liquor	1,289,770.06	5.00	<u>6,448,850.30</u>
			\$10,583,964.72
			present 8,048,676.65
			(31%) \$2,535,288.07

Judy,

Call me and I'll
explain

213
(3757)

Last 6 months
of 1976 -

July thru
December

STATE OF ALASKA
DEPARTMENT OF REVENUE
REPORT OF ALCOHOLIC BEVERAGES DISTRIBUTED OR SOLD

FOR THE MONTH December 1976

CATEGORY	TOTAL GALLONS	CREDIT GALLONS			DIV. I	DIV. II	DIV. III	DIV. IV	TAXABLE GALLONS
		MILITARY	OTHER						
LIQUOR	141,617.13	12,253.43	1,742.98	14,321.16	3,461.36	85,953.43	23,884.77	127,620.72	
WINE	98,498.44	7,664.40	1,008.19	8,770.10	695.87	61,965.93	18,393.95	89,825.85	
BEER	632,380.04	1,795.00	7,730.90	82,012.04	9,829.62	396,744.52	134,267.96	622,854.14	

TOTAL TAXABLE GALLONS CUMULATIVE

FROM 7-1-76 TO 12-31-76

CATEGORY	AMOUNT
LIQUOR	712,562.46
WINE	482,875.04
BEER	4,662,446.29

STATE OF ALASKA
DEPARTMENT OF REVENUE
REPORT OF ALCOHOLIC BEVERAGES DISTRIBUTED OR SOLD

FOR THE MONTH November 1976

CATEGORY	TOTAL GALLONS	CREDIT GALLONS		DIV. I	DIV. II	DIV. III	DIV. IV	TAXABLE GALLONS
		MILITARY	OTHER					
LIQUOR	140,258.91	10,578.90	3,230.61	19,322.26	591.47	80,164.39	26,371.26	126,449.40
WINE	91,085.46	5,352.64	722.64	14,763.11	128.57	54,395.01	15,723.49	85,010.18
BEER	585,528.50	808.14	6,612.80	73,898.70	3,716.08	380,098.99	120,393.79	578,107.56

TOTAL TAXABLE GALLONS CUMULATIVE

FROM 7-1-76 TO 11-30-76

CATEGORY	AMOUNT
LIQUOR	584,941.74
WINE	393,049.19
BEER	4,039,592.15

STATE OF ALASKA
DEPARTMENT OF REVENUE
REPORT OF ALCOHOLIC BEVERAGES DISTRIBUTED OR SOLD

FOR THE MONTH October - 1976

CATEGORY	TOTAL GALLONS	CREDIT GALLONS		DIV. I	DIV. II	DIV. III	DIV. IV	TAXABLE GALLONS
		MILITARY	OTHER					
LIQUOR	100,595.48	6,409.18	1,373.48	16,321.93	475.11	52,657.20	23,358.58	92,812.82
WINE	75,029.83	4,772.44	418.54	10,706.38	97.47	42,810.74	16,224.13	69,838.85
BEER	680,091.15	25,875.62	3,921.51	110,064.28	3,862.16	369,899.21	164,468.40	650,294.02

TOTAL TAXABLE GALLONS CUMULATIVE

FROM 7/1/76 TO 10/31/76

CATEGORY	AMOUNT
LIQUOR	458,492.34
WINE	308,039.01
BEER	3,461,484.59

REPORT OF ALCOHOLIC BEVERAGES DISTRIBUTED OR SOLD IN ALASKA DURING September 1976

	TOTAL GALLONS	CREDIT GALLONS		DIV. I	DIV. II	DIV. III	DIV. IV	TAXABLE GALLONS	TOTAL TAXABLE GALLONS ACCUMULATED
		MILITARY	OTHER						from July 31, 76 to Sept 30, 76
Liquor	121,581.80	12,264.77	441.06	18,809.40	242.87	69,001.28	20,822.42	108,875.97	365,679.52
Wine	83,901.04	7,946.52	412.00	11,554.47	198.40	48,819.48	14,970.17	75,542.52	238,200.16
Beer	938,646.08	90,548.95	5,579.84	143,756.95	14,099.98	502,812.58	181,847.78	842,517.29	2,811,190.57

REPORT OF ALCOHOLIC BEVERAGES DISTRIBUTED OR SOLD IN ALASKA DURING August 1976

	TOTAL GALLONS	CREDIT GALLONS		DIV. I	DIV. II	DIV. III	DIV. IV	TAXABLE GALLONS	TOTAL TAXABLE GALLONS ACCUMULATED from July 1, 76 to Aug. 31, 76
		MILITARY	OTHER						
Whor	133,997.35	6,451.65	1,098.93	15,996.71	6,838.30	74,085.77	29,555.99	126,446.77	256,803.55
nc	88,171.97	5,742.04	600.47	12,109.05	5,518.70	47,369.38	16,832.33	81,829.46	162,657.64
ct	1,095,683.48	48,896.71	1,932.77	160,842.77	76,131.36	551,225.81	256,654.06	1,044,854.00	1,968,673.28

REPORT OF ALCOHOLIC BEVERAGES DISTRIBUTED OR SOLD IN ALASKA DURING July 1976

	TOTAL GALLONS	CREDIT GALLONS		DIV. I	DIV. II	DIV. III	DIV. IV	TAXABLE GALLONS	TOTAL TAXABLE GALLONS ACCUMULATED
		MILITARY	OTHER						from Jul-1-76 to Jul-31-76
Liquor	138,518.25	7,870.20	291.27	20,638.24	234.42	76,897.95	32,586.18	130,356.78	130,356.78
Wine	88,139.22	6,809.17	501.87	11,724.38	203.87	50,058.05	18,841.88	80,828.18	80,828.18
Beer	941,192.18	10,272.30	7,100.89	119,654.89	4,934.72	551,856.31	247,373.07	923,818.99	923,818.99

used as basis for Governor's bill.

INTERDEPARTMENTAL
COORDINATING COMMITTEE (ALCOHOLISM)

REPORT TO THE GOVERNOR

CHAPTER ONE

INTRODUCTION

1. Assumptions

The following assumptions were made in the preparation of this document:

1. State government should not do for local communities that which they can do for themselves.
2. State government should not do for individuals that which they can do for themselves.
3. There should be maximum public participation into the policy making machinery of State government.
4. State government programs should be goal directed, have measurable outputs, and be cost effective.
5. Because the State sanctions the sale and distribution of beverage alcohol, and derives revenue from such sales, the state is responsible for ensuring that the negative effects of alcohol abuse are addressed in a rational manner.
6. Beverage alcohol is an addictive drug and is easily abused.
7. There is high public tolerance for relatively heavy drinking in Alaska.
8. No one theoretical model can account for all known types of alcohol abuse and alcoholism.
9. Alcohol abuse and alcoholism manifest many interrelated causes and effects which include cultural, economic, social, political, physical, and psychological considerations.
10. Given low average age of the population, high per capita consumption of beverage alcohol, apparently high public tolerance of heavy drinking, relatively low prices of beverage alcohol, rapid growth, cultural change and conflict, and other related conditions and events in Alaska, alcoholism and alcohol abuse will be costly problems for some time to come.
11. Therefore, a realistic prevention and control strategy is not one that expects dramatic reductions in alcoholism and alcohol abuse over the short term.

12. A realistic prevention and control strategy is one that organizes and sets in motion conditions and systems which can be expected to result in gradual and lasting reductions in alcohol abuse and alcoholism while immediately attacking certain specific aspects of the problem which seem to be improvable over the short term.
13. A realistic treatment strategy is one that anticipates no decreases in the number of persons needing treatment for alcoholism over the short term but will instead program for expected increases in the numbers of persons needing treatment for the next decade.
14. There is little agreement in the literature about what combinations of prevention/control/treatment measures "work". Therefore, prevention, control, and treatment of alcohol abuse/alcoholism is an experimental enterprise.
15. Medicine, psychiatry, psychology, social work and sociology and other disciplines disagree about the etiology and treatment of alcoholism. Nevertheless there are generally accepted program and treatment practices which are reflected in the "Joint Commission on Accreditation of Hospitals" standards for alcoholism services, recently adopted by the State through the Alaska Administrative Code.
16. Alaska is in an early and traumatic stage of growth and organizational development. Therefore it is appropriate to view the work of the Interdepartmental Coordinating Committee as an early step in the development of logical policies containing recommended counter measures to a set of problems the causes of which are beyond the control of the Committee.
17. Therefore this document should not be viewed as a panacea but as a rational first building block in the development of long term conditions and systems designed to reduce and treat alcohol abuse and alcoholism.
18. Recommendations presented herein should be rooted in hard evidence when possible.

19. The political power attributed to groups with vested economic interests in current alcohol use patterns is not a consideration in the development of this document.

20. An effective State program to deal with alcohol problems in Alaska must be a balanced, comprehensive approach including components of education, control, and treatment.

II Sources of Policy Questions/Development of this Document

The policy questions addressed in this document were derived from members of the Interagency Coordinating Committee, staff to the Interagency Coordinating Committee, input from other state officials, input from the public and perusal of national and international publications. (See Appendix A)

These policy questions were refined and analyzed by a working group of staff to the Interagency Coordinating Committee to the extent that time permitted.

These policy questions and recommendations were tested, insofar as possible, against hard empirical data. However, hard data is an often scarce commodity in Alaska.

Therefore, many of these questions had to be addressed by policy recommendations which were rooted in an informal "collective agreement" in the absence of empirical data.

A more thorough empirical analysis of many of the same issues explicated in this report will be completed by December 31, 1976.

Many of the proposals included in this report should be re-examined with the benefit of the additional data to be available in December.

CHAPTER TWO

CONFIGURATION OF ALCOHOL PROBLEMS IN ALASKA

It is the purpose of this report to present indicators thus far identified on the extent and nature of alcohol-related problems in Alaska, to estimate alcohol-related costs borne by State government as compared with tax revenues unique to the liquor industry, and to recommend action by State government that should effectively reduce the incidence of such problems and place the associated tax burden on the appropriate source. In this report, an alcohol-related event is defined as one in which alcohol is judged to have been a significant contributing factor.

It should be remembered that many alcohol-related problems are not readily apparent to State government and are often beyond our ability to measure. This includes such problems as broken homes, the emotional suffering and economic loss of families, industrial accidents, lost man-hours of productive work, and a variety of health problems related either directly or indirectly to alcohol abuse.

Extent and Nature of Alcohol-Related Problems in Alaska
(Currently visible to and measurable by State Government)

A. Social Services

1. In August, 1975, the Division of Social Services began submitting reports to the American Humane Association (AHA) on each substantiated case of child abuse or neglect brought to the attention of State social workers. The reports contain the social worker's appraisal of major contributing factors in each case. Of 108 child neglect reports submitted to AHA in the latter part of 1975, 49 (45%) were judged to have involved "alcohol dependence". The Division estimates that it responded to approximately 380 substantiated neglect cases over the entire year.

2. Of 61 child abuse reports submitted to AIA in the latter part of 1975, 16 (26%) were judged to have involved "alcohol dependence". The Division estimates that it responded to approximately 150 substantiated abuse cases over the entire year. We have no figure for the actual incidence of child abuse and neglect - we know only the number of cases reported to the State. In addition, the above figures do not tell us how often drinking was involved in the incident, but rather how often "alcohol dependence" was later judged to be an overall contributing factor.

3. Though firm information is not now available on the extent of alcohol problems among the state's aged population, a conservative estimate concerning the Homemakers program is that 10% of their elderly clients would require significantly less assistance were it not for excessive drinking. This is supported by a sample of 40 elderly clients of the Homemakers program in Southeast Alaska, of which 4 have been judged by the regional coordinator to have significant alcohol problems.

4. The Director of the Division of Social Services estimates that approximately 50% of all social worker time spent on direct counseling and case management is concerned with clients for whom alcohol presents a "significantly complicating problem".

B. Public Assistance

Interviews with the Southeast Regional Manager of the State's public assistance programs and others in the Department of Health and Social Services (DHSS) familiar with the State's welfare recipients have yielded the following conservative estimates:

1. Approximately 1.5% of all AFDC cases are alcohol-related. In other words, in at least 1.5% of all cases, alcohol abuse is believed to have significantly contributed to such eligibility factors as income below a certain level and families with one parent absent or incapacitated.

2. Approximately 20% of all Aid to the Disabled recipients are alcohol-related, thus, it is the opinion of the Division that alcohol contributes significantly to the disability or lowered income of 20% of the recipients.

3. By determining the number of individuals who qualified for a Medicaid payment by virtue of their eligibility for AFDC or Aid to the Disabled, and by then applying the above percentages to this group of individuals, it is estimated that at least 6% of the State's Medicaid patients find themselves in a position of dependency due in large part to excessive drinking.

C. Mental Health

A tabulation of discharge reports for Alaska Psychiatric Institute indicates that, in FY 76, 29.5% of all discharges had an alcohol-related primary or secondary diagnosis. A similar tabulation for out-patient discharges from community and State-operated mental health clinics indicates that 4% of these services are alcohol-related.

D. Public Health

The Public Health nurses estimate that 15% of the home accidents that they see and treat are related to alcohol abuse. The percentage varies according to region and bush versus urban setting. In the bush areas the percentage will range from 2% to 40% as some areas are "dry" areas, while others are unrestricted. In the urban areas the problem is not as noticeable as the nurses are not as intimately involved in the handling of cases, especially in Anchorage and Fairbanks.

E. Education

Though any quantification of alcohol-related problems among the state's school age population remains elusive, such information does exist for the State's Boarding Home Program. A tabulation of "termination reports" for Boarding Home students indicates that during the 1975-76

school year, 20 students were sent home early due to serious drinking problems (either drinking regularly or getting into trouble while intoxicated). A total of 1,026 children began the program, and 872 completed a full year. It is estimated by the former director of the program that an additional 10% of the Boarding Home students drink excessively but do not get into trouble serious enough to warrant their early dismissal from the program.

F. Fires

According to the State Fire Marshal, there were 31 fatalities from fire in Alaska in 1975. Of these 31, 10 were positively identified as alcohol-related. These 31 fatalities resulted from 25 fires, 8 of which have been positively identified as alcohol-related while 8 others are possibly related.

Thus far in 1976 (through July), there have been 15 fatalities from fire, 10 of which have been judged to have been alcohol-related. These 15 fatalities resulted from 10 fires, 6 of which were alcohol-related.

G. Boating Accidents

According to the Coast Guard Office of Boating Safety (OBS), there were 62 deaths from boating accidents in Alaska in 1975. Whether or not alcohol was involved is unknown for 15 of these fatalities. Of the remaining 47, OBS has judged 30 to be alcohol-related. It is felt that a similar proportion probably applies to the other 15 fatalities for which the possible involvement of alcohol remains unknown.

H. Traffic Safety

1. The Alaska Traffic Safety Bureau (ATSB) has determined that, in 1975, 45% of fatal accidents (46% of traffic fatalities) were alcohol-related.

2. The national average for OMVI arrests per 1,000 licensed drivers in 1975 was 9.1 (taken from Department of Transportation Highway Safety Report for Congress, 1975). This compares with an Alaska rate of 15.6 for the same year (figure compiled from state trooper and municipal police reports, and the Division of Motor Vehicle records). The Alaska rate for 1974 was 11.6, and for 1973 was 12.5.

3. OMVI recidivism - It has further been determined that, in 1975, 33% of all OMVI arrests in Alaska had been arrested on the same charge at least once before (taken from convicted driver files, Division of Motor Vehicles, Department of Public Safety).

4. The ATSB reports that the average Blood Alcohol Content (BAC) statewide at the time of an OMVI arrest is .177. In 71% of OMVI arrests, the BAC was determined to be .15 or over. Under current State law, an individual with a BAC of .10 or over is presumed intoxicated. This means that only the most serious offenders are currently arrested, and that Alaska's unusually high rate of OMVI arrests per 1,000 licensed drivers is not a result of unusually strict enforcement.

I. Criminal Justice

1. The administrator of the Violent Crime Compensation Board estimates that 50% of those cases for which a compensation grant was made in FY 76 were alcohol-related.

Information shown under #2 - #5 has been extracted from "Alcohol and the Alaskan Offender" by Judy Hill, Division of Corrections, 1975.

2. In 1969, a survey was conducted by the Office of Vocational Rehabilitation of one half the total inmate population at 12 Alaskan State and City jails and at 3 Federal prisons (Alaskan inmates only). Of 173 sampled, 62 had been charged with "Drunk in Public". Excluding

these 62, 68% of all others stated that they had been drinking at the time of the offense. (Including the 62 charged with Drunk in Public, the figure would be 60%.)

3. In a 1974 Division of Corrections random sample of District Court misdemeanor cases in Anchorage, 42% of the charges were directly alcohol-related (OMVI, Drunk on Roadway, Disorderly Conduct).

4. In a Division of Corrections sentencing study for 1974, it was found that 37% of all sentences in Anchorage during that year were directly alcohol-related (17% for OMVI, 10% Drunk on a Roadway, 10% Disorderly Conduct). These figures were taken from Commitment and Release cards in the Division of Corrections. In Fairbanks, Juneau and Ketchikan, data recorded for all offenders sentenced to time in jail during the last six months for 1974 indicates that 41% of all sentences were for alcohol-related offenses.

5. In a 1975 Division of Corrections study of 103 Anchorage offenders with sentences of 6 months or more, 84% stated on anonymous questionnaires that they had been drinking at the time of the offense. The following table summarizes the relationship in this sample between alcohol use and major violent and non-violent offenses:

Alcohol at time of offense, violent crime	41%
Alcohol at time of offense, non-violent crime	40%
No alcohol, violent crime	3%
No alcohol, non-violent crime	8%
Unknown	<u>5%</u>
	100%

J. Per Capita Alcohol Consumption

The table on page 2-3 gives per capita consumption comparisons among the states for 1972 (the last year for which we have comparative

data on this state). Alaska ranks fourth behind Nevada, New Hampshire and Vermont. Factors contributing to high consumption in these three states include: Well established tourist industry; and/or low taxes/prices compared with neighboring states; and/or, in 1972, lower drinking ages than neighboring states (e.g., Massachusetts). The table is lifted from a booklet entitled Alcohol and Health by HEW, June, 1974.

An earlier booklet in the same series, prepared by HEW, offers the same kind of table for 1970. The 1970 figures permit us to make some international comparisons. Per capita consumption figures for a wide selection of countries in 1970 are available in a paper presented to the Education Commission of the States by Jan De Lint of the Toronto Addiction Research Foundation. One of the countries in the selection is the United States, for which a per capita consumption rate of 9.74 litres of absolute alcohol per year is given. The 1970 figures from HEW declare that the U.S. per capita consumption rate of absolute alcohol was 2.51 U.S. gallons, or 9.88 litres. In both cases, the population base used in the calculations are all residents 15 years old or older. Given the close similarity of these figures, we feel justified in converting the Alaska per capita consumption rate in 1970 given by HEW into litres, and then comparing Alaska with the other countries on De Lint's list. This is shown on the second table. Though France and Italy seem to be in a class by themselves, Alaska's per capita consumption rate appears to be quite high in comparison with the rest of the world.

TABLE 1
APPARENT CONSUMPTION OF SPIRITS, WINE, AND BEER, AND
OF ABSOLUTE ALCOHOL FROM EACH, AND OF TOTAL ALCOHOL,
IN U.S. GALLONS PER PERSON IN THE DRINKING-AGE
POPULATION, U.S.A. AND BY STATES, 1972

State	Distilled Spirits	Absolute Alcohol	Wine	Absolute Alcohol	Beer	Absolute Alcohol	TOTAL Absolute Alcohol	Rank Order
Alabama	1.86	0.80	0.63	0.89	18.92	0.76	1.01	43
Alaska	5.06	2.18	2.93	0.43	27.87	1.25	3.66	14
Arizona	2.61	1.12	2.46	0.36	34.70	1.56	3.04	9-10
Arkansas	1.38	0.59	0.95	0.14	17.06	0.79	1.52	50
California	3.17	1.36	4.66	0.68	26.60	1.20	3.24	6
Colorado	2.95	1.27	2.64	0.38	29.61	1.33	2.93	12
Connecticut	3.26	1.40	2.43	0.35	21.81	0.93	2.73	21
Delaware	3.79	1.63	1.87	0.27	28.15	1.27	3.17	8
Florida	3.69	1.59	2.36	0.34	28.99	1.30	3.23	7
Georgia	2.69	1.16	1.11	0.16	20.64	0.93	2.25	35
Hawaii	2.55	1.10	1.91	0.28	24.43	1.10	2.48	29
Idaho	1.80	0.77	1.94	0.73	30.65	1.36	2.40	32
Illinois	3.16	1.36	2.18	0.32	27.36	1.23	2.81	14-15
Indiana	1.72	0.74	0.88	0.13	22.76	1.02	1.89	41
Iowa	1.63	0.70	0.55	0.02	25.27	1.14	1.86	43
Kansas	1.59	0.68	0.57	0.03	21.32	0.96	1.72	47
Kentucky	1.93	0.83	0.70	0.10	22.39	1.01	1.94	37
Louisiana	1.04	0.58	2.20	0.32	29.11	1.26	2.46	30
Maine	2.35	1.01	1.63	0.24	29.52	1.35	2.63	28
Maryland	3.37	1.45	2.10	0.30	26.63	1.29	3.05	9-11
Massachusetts	3.18	1.37	2.54	0.37	26.50	1.15	2.93	13
Michigan	2.51	1.08	1.92	0.23	31.25	1.41	2.77	20
Minnesota	2.65	1.14	1.41	0.20	25.68	1.16	2.60	27-28
Mississippi	1.82	0.78	0.82	0.11	21.91	0.93	1.83	42
Missouri	2.18	0.94	1.34	0.19	25.66	1.15	2.23	38
Montana	2.52	1.08	1.14	0.16	34.95	1.57	2.81	18-19
Nebraska	2.42	1.04	1.10	0.16	28.81	1.30	2.53	24-25
Nevada	8.26	3.55	5.23	0.76	41.66	1.63	6.15	1
New Hampshire	7.41	3.19	2.67	0.39	40.93	1.84	5.42	2
New Jersey	3.14	1.35	2.90	0.42	25.32	1.14	2.91	14-15
New Mexico	2.38	1.02	2.42	0.35	32.08	1.44	2.81	18-19
New York	2.93	1.26	3.06	0.44	25.78	1.16	2.86	16
North Carolina	2.08	0.89	1.50	0.22	18.33	0.82	1.93	40
North Dakota	2.60	1.20	1.15	0.17	29.26	1.32	2.69	24
Ohio	1.84	0.79	1.40	0.20	30.33	1.22	2.21	22-23
Oklahoma	1.79	0.77	1.05	0.15	19.67	0.88	1.69	44
Oregon	2.13	0.92	3.29	0.43	26.15	1.22	2.62	25
Pennsylvania	1.83	0.81	1.50	0.22	28.63	1.20	2.52	23
Rhode Island	2.17	1.19	2.97	0.43	30.62	1.33	3.00	21
South Carolina	2.95	1.27	1.52	0.22	21.17	0.95	2.44	31
South Dakota	2.19	0.94	1.15	0.17	23.44	1.05	2.16	33
Tennessee	1.50	0.64	0.79	0.11	22.09	0.90	1.74	46
Texas	1.70	0.76	1.42	0.21	31.95	1.44	2.41	33
Utah	1.37	0.59	1.05	0.15	18.15	0.82	1.56	45
Vermont	4.41	1.50	3.15	0.46	34.78	1.53	3.92	3
Virginia	2.35	1.01	1.51	0.22	22.29	1.00	2.23	37
Washington	4.36	1.81	3.03	0.44	28.65	1.26	2.71	22-23
West Virginia	1.74	0.75	0.69	0.10	20.00	0.90	1.75	45
Wisconsin	3.04	1.31	1.87	0.22	39.73	1.79	3.32	5
Wyoming	2.81	1.21	1.36	0.20	32.10	1.41	2.85	17
District of Columbia	9.91	4.26	6.31	0.91	30.56	1.37	6.54	
U.S.A.	1.60	1.12	2.16	0.31	26.62	1.20	2.63	

Amounts calculated from tax-paid withdrawals only. The drinking-age population is taken as 15 years and older.

Source: Efron, Keller and Gurioli (20).

1970 TOTAL ALCOHOLIC BEVERAGE CONSUMPTION PER CAPITA

15 YEARS AND OLDER IN LITRES OF ABSOLUTE ALCOHOL

Country	1970
France	23.98
Italy	20.73
Spain	16.89
Luxembourg	16.21
W. Germany	16.04
Portugal	15.72
CSSR	14.55
Switzerland	14.52
ALASKA	14.23
Austria	13.29
Belgium	13.21
Hungary	12.95
Australia	11.68
N. Zealand	11.02
E. Germany	10.47
Yugoslavia	10.36
U.S.A.	9.74
Denmark	9.70
Canada	9.58
Gt. Britain	8.32
Sweden	7.94
Netherlands	7.81
Poland	7.52
Rep. Ireland	7.27
Finland	6.33
Norway	4.37

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