

LEG. FINANCE - BILLS 1979 - 1980 1312
CSSSB 227 cont., thru SB 228 1312

SB 227* proposes to add new coverage and new eligible categories to the Medicaid and General Relief Medical (GRM) programs administered by the Department of Health & Social Services through the Division of Public Assistance. The bill would add services and eligible beneficiaries not presently covered by a medical assistance program administered by the Department. In order to attempt to gauge the effect of SB227, it was necessary to do some projections based on the present Alaska Medicaid and GRM programs and the Medicaid programs in other similar states. In developing a fiscal note for SB 320, the Department acquired financial reports from five western states having medically needy programs. The financial reports covered the federal fiscal years 1977 and 1978 for Hawaii, Montana, North Dakota, Utah, and Washington. This information also was used to develop the fiscal note for SB 227.

The fiscal note is divided into four pages to allow for separate considerations of adding new services and eligible groups to Medicaid on the GRM program by the effect that addition to Medicaid, the creation of a medically needy program, and the payment of interest on past due medical claims.

The first page of the fiscal note covers the addition of new eligible groups and service categories under the Medicaid program. The basic Medicaid request for FY 81 minus the 100% federally-funded Indian Health Care Improvement Act coverage (\$40,720,600) was used as a base. To that was added 17.1% additional funds for those new service categories that are not presently covered under the Alaska Medicaid program. This brings the total to \$47,683,800. The 17.1% figure is derived from the average percentage in the five other states for those categories of service that are not covered under the Alaska Medicaid program that would be added by this bill. This subtotal was then multiplied by 1.5, the factor by which I believe the overall cost of the Medicaid program would increase (\$71,525,700). Alaska has a lower percent of the total population participating in the Medicaid program than in other states, particularly in the groups of individuals under 21 and intact families.

To double check these perceptions, and to arrive at a more precise budget projection, the fiscal note was developed by budget components. It was projected that the Medicaid components would be affected in the following ways: hospital increase by 1.33, physicians increase by 1.33, other services increase by 1.33, EPSDT increase by 2.0, nursing homes remain constant, and Indian health increase by 2.0. The effect on the GRM budget, reflected by page two of the fiscal note, would be as follows: hospital reduced by .33, physicians reduced by .33, other services reduced by .50, and nursing homes and catastrophic illness remaining constant. These changes by specific component produced the total used for the fiscal note of \$71,487,900 for Medicaid in FY 81.

The high amount of federal funds shown in the fiscal note is the result of a large increase predicted in the Indian health component which is 100% federal funding. This increase would not be a function of people receiving new services but the result of a funding change--the Alaska Area Native Health Service (AANHS) would be able to receive more federal

* In all cases, Senate Bill 227 means House CS for CS for SSSB227

Medicaid money for services that they are already providing to persons eligible for AAHHS, but who are not Medicaid eligible now simply because Alaska's Medicaid program does not provide coverage for intact families.

The third page of the fiscal note covers the effect of adding a medically needy program in Alaska. It is based on the projections done in developing the fiscal note for the Senate HESS Committee for SB 320. For purposes of SB 227, the amount in that fiscal note was doubled to reflect the fact that SB227 would require medically needy coverage for not only adult cases but also for families and individuals under age 21, and would establish a higher cut-off point for eligibility.

The fourth page provides an analysis of the costs of providing interest payments on past due clean claims submitted to the Department. While SB 227 does not say specifically that the provision would apply only to the Medicaid and GRM programs, that assumption has been made for purposes of the fiscal note. The amount projected is approximately one-half percent of the total Medicaid and GRM budgets, minus the Indian health component since that is merely a transfer of federal funds and not an actual payment for services rendered. The figure is based on the assumption that the Department will be able to continue to make improvements in its claims processing system, eventually obviating the need for any interest payments to be made. Of course, if the claims processing system would revert back to its previous condition, the amount of this fiscal note would be considerably greater.

The summary sheet totals the costs for the Department for SB 227. Since the fiscal notes were prepared based on the House Hess version of the bill, the budgets reflect costs for a full fiscal year implementation. The current House Finance version begins implementation at a later date on January 1, 1981. Therefore, we have reduced the costs by 50% to reflect only 6 months implementation for that fiscal year.

DIVISION OF PUBLIC ASSISTANCE

BRU	FY79 ACTUAL TOTAL AS OF 11/27/79	FY80 FCC AUTHORIZATION		FY80 SUPPLE- MENTAL CURRENT REQUEST	FY80 PROJECTED TOTAL NEED		FY81 REQUEST	
GEN. POP:			(GF)			(GF)		(GF)
DISCRETIONARY								
Elig. Det.	\$3718.3	4377.1	(2638.2)		4377.1		4695.9	(2831.0)
Staff Dev.	253.8	130.4	(40.8)		130.4		140.0	(69.1)
Quality Control	407.0	496.0	(248.5)		496.0		549.0	(274.5)
General Relief	707.1	650.0	(650.0)		650.0		650.0	(650.0)
TOTAL	<u>5086.2</u>	<u>5653.5</u>	<u>(3577.5)</u>		<u>5653.5</u>	(3677.5)	<u>6034.9</u>	<u>(3824.6)</u>
NON-DISCRETIONARY								
AFDC	21276.6	22734.5	(11367.2)	3447.9	26182.4	(13091.2)	31133.1	(15566.5)
AD	3130.2	3782.8	(3782.8)	202.7	3935.5	(3985.5)	4974.1	(4974.1)
AB	108.7	118.8	(118.8)		118.8	(118.8)	140.9	(140.9)
*OAA	2950.2	3141.4	(3141.4)	421.8	3563.2	(3563.2)	4344.9	(4344.9)
TOTAL	<u>27465.7</u>	<u>29777.5</u>	<u>(18410.2)</u>	<u>4072.4</u>	<u>33849.9</u>	<u>(20758.7)</u>	<u>40593.0</u>	<u>(25026.4)</u>
* AGED COVER PROGRAM								
HEALTH:								
NON-DISCRETIONARY								
MEDICAID								
Hospitals	6047.9	5617.7	(1160.7)	1066.7	6684.4	(1694.0)	8923.7	(2461.9)
Physicians	2872.4	2819.2	(621.9)	1217.6	4036.8	(1230.7)	5381.1	(2690.6)
Other Services	889.9	735.1	(276.6)	435.8	1170.9	(494.5)	1563.1	(671.1)
EPSDT	1600.8	1711.5	(855.7)	480.0	2191.5	(1095.7)	2925.7	(1462.8)
Nursing Home	12947.8	15825.6	(967.4)	1716.0	17541.6	(858.0)	21927.0	(3563.5)
Indian Health	1458.7	6557.6	-0-		6557.6	-0-	7239.6	-0-
TOTAL	<u>25817.5</u>	<u>33266.7</u>	<u>(3882.3)</u>	<u>4916.1</u>	<u>38182.8</u>	<u>(5372.9)</u>	<u>47960.2</u>	<u>(10849.9)</u>
GENERAL RELIEF MEDICAL								
Hospitals	4137.9	4147.9		1356.8	5504.7		7348.8	(7348.8)
Physicians	1443.4	1150.3		900.0	2050.3		2737.1	(2737.1)
Other	1338.0	1224.1		473.4	1697.5		2266.1	(2266.1)
Nursing Homes	328.8	683.9		231.7	915.6		1144.5	(1144.5)
Catastrophic Illness	801.8	754.2		-0-	754.2		977.3	(977.3)
Residential Nurse	-0-	166.4		-0-	166.4		166.4	(166.4)
TOTAL	<u>8049.9</u>	<u>8126.8</u>	<u>(8126.8)</u>	<u>2961.9</u>	<u>11088.7</u>	<u>(11088.7)</u>	<u>14640.2</u>	<u>(14640.2)</u>
DISCRETIONARY								
PA Admin & Support	970.4	910.9	(529.2)		910.9	(529.2)	979.8	(594.8)
Collections	42.8	44.8	(44.8)		44.8	(44.8)	47.4	(28.4)
SUBTOTAL	67432.5	77780.2	34570.8		89730.6	(41471.8)	110225.5	(54964.3)
+FEDERAL FOOD STAMPS	10400.0	14976.0			14976.0		18637.0	
+ENERGY ASSISTANCE PROGRAM	N/A	N/A			3636.7		unknown	
DIVISION TOTAL	<u>77832.5</u>	<u>92756.0</u>	<u>34570.8</u>		<u>103343.3</u>	<u>(41471.8)</u>	<u>128892.5</u>	<u>(54964.3)</u>

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

Bill 4-5 mpr

I. REQUEST
Bill/Resolution No. CS for SS Senate Bill 227
Title Insurance for Alcoholism and Drug Dependence
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Administration - Division of Retirement and Benefits
Program Category Affected Retirement and Benefits (OTHER BENEFITS)
BRU, Program, or Subprogram(s) Affected 02-96-8-01-02-00

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 TRS STATE MATCH						
100 BENEFITS		282.0	338.4	406.1	487.3	584.8
TOTAL		282.0	338.4	406.1	487.3	584.8

FUNDING (Thousands of Dollars)

GENERAL FUND		230.8	277.1	332.6	399.2	478.9
FEDERAL FUNDS		13.0	15.6	18.7	22.4	26.9
VETERAN'S FUND		0.6	0.7	0.8	1.0	1.2
FISH & GAME FUND		1.7	2.0	2.4	2.9	3.5
HIGHWAY FUND		3.7	4.4	5.3	6.3	7.6
AIRPORT FUND		8.2	9.8	11.8	14.1	17.0
CAPITAL FUND		24.0	28.8	34.5	41.4	49.7
PERS						
TRS						

POSITIONS

NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

- Approximately 8,900 State employees are currently covered under the State Group Health Care Plan.
- The cost to implement the provisions of this bill will be \$2.64 per employee per month.
- Estimate that the cost to provide continued coverage will increase 20% each year for the immediate future. However, an effective alcoholism/drug dependency program should help to reduce overall health care claim experience in the future.
- Cost for coverage of political subdivisions (approximately 50 subdivisions) participating in group insurance not included; recommend that the Alaska Municipal League, 204 Franklin St., Juneau, AK 586-1325, be contacted for input.

Paul B. Arnoldt

IV. DATE 3/30/79 PREPARED BY Paul B. Arnoldt, Director
AGENCY Division of Retirement & Benefits
PHONE 465-4460

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named) Senator Colletta & Senate HESS
Office of the Governor (Keith Specking)

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MEDICAID PROGRAM

in
ALASKA



ABOUT THE COVER:

Antler was used for this spirit canoe in the shape of a sea lion. The seven figures represent people who were drowned when their boat was seized by an octopus. Among Salish groups, shamans performed a ceremony in which they paddled a spirit canoe to the land of the dead to bring back the soul of a person who had become ill because he had lost his soul.

Tlingit design. from the Museum of the American Indian, Heye Foundation. From THE ART OF THE NORTHWEST COAST INDIANS by Shirley Glubok

Administered by:

STATE OF ALASKA
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF PUBLIC HEALTH

Jay S. Hammond, Governor Helen D. Beirne, Commissioner

The Medicaid Program pays medical expenses for eligible, low-income people. Under agreement with the U.S. Department of Health, Education, and Welfare, the Alaska Division of Public Assistance runs the program through its local offices and fee agents. This booklet explains the rules, and tells you how to apply for and use Medicaid coupons. For more information, ask your local public assistance office or village fee agent.

1 FILE AN APPLICATION FORM

- * To be eligible for Medicaid you must usually be eligible for the:
 - Aid to Families with Dependent Children Program (AFDC)
 - OR
 - Adult Public Assistance Program (APA)
 - OR
 - Supplemental Security Income (SSI)
- * Certain people not eligible to receive benefits under the AFDC, APA, or SSI programs may still be eligible to receive Medicaid. This special group of people includes:
 1. Juveniles who are in the protective custody of the Department of Health & Social Services whose available financial resources do not exceed the AFDC need standard for a single person;
 2. Persons in health care facilities on an inpatient basis whose income does not exceed 300 percent of the current SSI payment standard;
 3. All individuals under age 21 who would be, except for age or attendance requirements, dependent children under the AFDC program;
 4. Certain families who become ineligible for AFDC payments due to increased earnings;
 5. Those reasonably classified individuals under age 21 who are in an intermediate care facility for the mentally retarded or persons with related conditions;
 6. Those reasonably classified individuals age 21 and under who are receiving active treatment in an inpatient psychiatric facility;
 7. Individuals under age 18 who meet the SSI eligibility requirements.
- * The public assistance office or village fee agent will give you an application for either AFDC or APA. Your local federal Social Security Administration office or their traveling representative will help you apply for SSI. Addresses for Social Security offices are listed in Section 13 of this booklet.
- * If you qualify for AFDC or APA, you will be mailed a check and Medicaid coupons within approximately 30 days from the date the office received your application.
- * If you qualify for SSI, you must still apply separately at the public assistance office for APA cash benefits and for Medicaid coverage.
- * You can apply for food stamps at the same time you apply for AFDC or APA and Medicaid.

NOME Box 221
Nome, Alaska 99762
Phone: 443-2237

PALMER Box 901
Palmer, Alaska 99645
Phone: 745-4217

PETERSBURG Box 1089
Petersburg, Alaska 99833
Phone: 772-3565

SITKA Box 1069
Sitka, Alaska 99835
Phone: 747-8234

UNALAKLEET Box 40
Unalakleet, Alaska 99684
Phone: 624-3601

VALDEZ Box 750
Valdez, Alaska 99686
Phone: 835-2535

In rural communities where there isn't a district office, the Division of Public Assistance has paid volunteers, called fee agents, who can assist people to apply for Public Assistance Programs.

14 DIVISION OF PUBLIC ASSISTANCE OFFICES

ANCHORAGE 4th and Gambell
Anchorage, Alaska 99501
Phone: 274-6524

ANIAK Box 63
Aniak, Alaska 99557
Phone: 675-4351 (Fee Agent)

BETHEL Box 365
Bethel, Alaska 99559
Phone: 543-2686

DILLINGHAM Box 221
Dillingham, Alaska 99576
Phone: 842-5961

FAIRBANKS 675 7th Street, Section F
Fairbanks, Alaska 99701
Phone: 452-1637

FORT YUKON Box 149
Fort Yukon, Alaska 99740
Phone: 662-2327

GALENA Box 239
Galena, Alaska 99741
Phone: 656-1260

JUNEAU 419 Sixth Street
Juneau, Alaska 99811
Phone: 465-3551

KENAI Box 3613
Kenai, Alaska 99611
Phone: 283-3124

KETCHIKAN 222 NBA Building
Ketchikan, Alaska 99901
Phone: 225-2135

KODIAK Box 2515
Kodiak, Alaska 99615
Phone: 486-3783

KOTZEBUE Box 41
Kotzebue, Alaska 99752
Phone: 442-3451

2 AFDC, APA, AND SSI

- * Aid to Families with Dependent Children (AFDC) is a program which gives money for children of eligible low-income families who are deprived of one or both of their natural or adopted parents.
- * Adult Public Assistance (APA) is a program that includes three categories of eligibility (Old Age Assistance, Aid to the Blind, and Aid to the Disabled) and provides a supplemental payment to low-income adults whose income is not enough to provide for their own basic needs. All adults who qualify for APA must be either blind, OR 65 or older, OR physically or mentally disabled.
- * Supplemental Security Income (SSI) is a federal program for low-income adults who are either blind, OR 65 or older, OR physically or mentally disabled. It also provides cash assistance for low-income children who are either blind or disabled.

3 HAVE AN INTERVIEW

- * When you turn in your application, a worker will usually hold a confidential interview with you.
- * At the interview, the worker will explain the program rules and go over the information on your application. The worker will help you complete any of the application form you have not been able to fill out. Ask the worker to explain anything that you do not understand. It's important that you understand the rules.
- * Interviews are held at the public assistance office or at the fee agent's location. If no one in your household can go the interview, an adult friend or relative who knows your circumstances may go to be interviewed for you.
- * If you are disabled or are unable to go to the interview and no one can go for you, let the office know. It may be possible to arrange an interview at your home or by telephone.
- * If you live too far from an office or a fee agent, if you are ill, or if you do not have any transportation to an office, you won't have to have an interview.

Medicare is a federal health insurance program for certain kinds of individuals regardless of the amount of their income and resources :

- the aged (65 and older)
- the blind
- the disabled
- persons with certain permanent kidney failure

Although the name of the program "Medicare" is very similar to the name of the program "Medicaid" which is administered by the state Division of Public Assistance, Medicare is a completely separate and different program, administered by private health insurance companies.

Medicare is a two part program. Part A, available to all Medicare beneficiaries without charge, provides coverage for inpatient hospital services. Part B, which is available for a small monthly charge, provides coverage for outpatient and physician services. Detailed information about the Medicare program is available at any Social Security Administration office. In Alaska, Social Security offices are located at the following addresses :

Social Security Administration
P.O. Box 5837
Ketchikan, Alaska 99901

Social Security Administration
P.O. Box 1327
Juneau, Alaska 99802

Social Security Administration
P.O. Box 2600
Anchorage, Alaska 99510

Social Security Administration
P.O. Box 1449
Fairbanks, Alaska 99701

Information about Medicare can also be obtained by calling these toll-free numbers :

JuneauZenith 5000

AnchorageZenith 7777

FairbanksZenith 8888

13 OTHER MEDICAL PROGRAMS

GENERAL RELIEF-MEDICAL (GRM)

The General Relief-Medical Program (GRM), which is administered by the Division of Public Assistance, is a 100% state-funded program that provides for the payment of providers of medical and emergency dental care for eligible low-income Alaskans.

GRM is considered a "last resort" assistance program. AFDC and APA recipients are automatically eligible for Medicaid and are therefore eligible for GRM benefits only for services not covered by Medicaid.

Applications for GRM are available at State Division of Public Assistance offices.

CATASTROPHIC ILLNESS PROGRAM

The Catastrophic Illness Program, which is administered by the Division of Public Assistance and a committee appointed by the Governor's Office, is a 100% state-funded program that pays providers of medical services.

The purpose of the program is to financially assist residents of Alaska who have suffered and received treatment for a catastrophic illness or injury. A catastrophic illness or injury is one which results in medical expenses of over \$1000 during a period of not more than 12 months—after all other sources of medical payment (insurance, etc.) have been used.

Applications for the Catastrophic Illness Program can be obtained at State Division of Public Assistance offices or by writing to :

Catastrophic Illness Program
Division of Public Assistance
Pouch H-07D
Juneau, Alaska 99811

4 MEET ELIGIBILITY RULES AND PROVIDE PROOF THAT YOU ARE ELIGIBLE

* When you apply, you must show the Division of Public Assistance certain papers and give them information to prove you are eligible. Papers you need for proof may include birth certificates, paycheck stubs, fish tickets, recent income tax returns or other proof of your age, relationship, and income.

You should also be prepared to list your resources (property other than your home) such as cars, boats, savings accounts, and other valuables.

If you have trouble getting the documents or information you need, the division will help you. If the papers are not available, you may give the name of someone outside of your household and family, such as employer, who can confirm your statements.

Eligibility rules and proofs you may have to provide to support your application are different for each type of assistance. Your eligibility worker or fee agent will tell you what documents and information are necessary.

5 RECEIVE A NOTICE THAT THAT TELLS YOU IF YOU QUALIFY

- * After reviewing your application, the public assistance office will send you a Notice of Finding.
- * If you do not qualify, the Notice will explain why.
- * If you do qualify, the Notice will explain when your cash and Medicaid benefits will begin. It's possible that your bills from past months may also be paid by Medicaid.
- * If you think your application has been wrongly denied, you should tell the public assistance office. If they do not agree, you can ask for a fair hearing. For more information about fair hearings, see Section 10.

12 EARLY AND PERIODIC SCREENING, DIAGNOSIS & TREATMENT

EPSDT is part of the Medicaid Program and is mainly a preventive health program for children. The goal is to find children who have diseases or abnormalities and to prevent or correct handicaps by giving them medical treatment and rehabilitation as early as possible.

EPSDT services are available to all persons under 21 who are receiving, or are eligible to receive, Medicaid benefits.

EPSDT offers all the coverage available under Medicaid as well as the following special services :

1. physical exam and diagnosis
2. dental care
3. prosthetic devices (leg braces, wheel chairs, etc.) and medical supplies
4. physical therapy
5. immunizations
6. health and nutrition counseling.

11 YOUR RESPONSIBILITIES

YOU HAVE A RESPONSIBILITY TO.....

- * Provide correct and complete information on your application and on all other forms related to your application and your eligibility for assistance.
- * Cooperate in providing information about absent parents who are responsible for the children in your care.
- * Accept any medical examinations necessary to determine your eligibility.
- * Cooperate with the Division of Public Assistance in verifying your situation and the information you provide.
- * Register for the Work Incentive Program when your youngest child reaches six years of age.
- * Never allow anyone to use your Medicaid coupons or ID card, unless the person is named on the card or coupon as an eligible recipient.
- * Apply for and make use of any benefits which you, or those for whom you want help, may be eligible, such as Unemployment Compensation, Social Security, Veteran's Benefits, etc.
- * Tell the Division of Public Assistance promptly as changes in your situation occur which may affect your eligibility or the amount of assistance you are paid.
- * Advise the Division of Public Assistance of any settlement in your favor as a result of an accident, and grant permission to the State of Alaska, Division of Public Assistance to file a claim against the settlement for medical bills paid in your behalf.

6 RECEIVE YOUR MEDICAID COUPONS

- * If the office finds that you are eligible, you will get your Medicaid coupons no later than 30 days from the date you first applied.
- * Medicaid coupons are either handwritten or printed by machine. Both types of coupons are equally valuable.
- * You will receive five Medicaid coupons. They will be printed with the names of everyone in your household who is eligible for Medicaid. Everyone listed can legally use the coupons.
- * Medicaid coupons are dated for one month and can only be used to pay for medical care received during that month.
- * If you need more Medicaid coupons, you can request them from the public assistance office.
- * Medicaid is a "last pay" program. This means that Medicaid will only pay your health provider for the part of his bill that isn't paid by your private or union health insurance, by Medicare, (see Section 13) or other insurance programs. When you apply for Medicaid, you must list any other sources of medical payments you have. You should also tell your doctor, hospital, etc. about them when you get service.
- * To use your Medicaid coupons you must give them to the doctor, hospital, or other health care provider when you receive medical care. It is very important to remember to give your Medicaid coupon to your health care provider. The coupon tells the doctor, clinic, etc. that you are eligible for that month for Medicaid benefits. Without the coupon, your bill cannot be correctly submitted for payment.

7 USE YOUR MEDICAID COUPONS

- * Most health care providers in Alaska participate in the Medicaid program. This means you can usually choose the doctor you would like to visit. If you are eligible for both Public Health Service and Medicaid, you also have the choice of going to the local Alaska Area Native Health Service (AANHS) or a private doctor.

If the medical treatment you need is not available in your area, payment for transportation may be provided to the nearest location where you can receive the necessary medical care.

When you are Medicaid-eligible and receive a Medicaid-covered service from a doctor or other health practitioner who is enrolled in the Medicaid program, he cannot ask you to pay for all or for any part of that service—even if Medicaid and any other health coverage you have doesn't pay all of his charges. If he bills the Division of Public Assistance, he must accept the Medicaid fee as the total payment for your bill.

Medicaid doesn't pay for every kind of medical and psychological care. If you want to be sure that Medicaid will pay for the services you want or need, your medical provider can tell you. The following list of services are paid by Medicaid:

1. hospital--inpatient and outpatient
2. skilled nursing facility
3. intermediate care facility
4. intermediate care facility for mentally retarded persons and persons with related conditions
5. laboratory and X-ray services
6. physician services
7. visual care services and dispensing
8. ophthalmic materials
9. medical transportation
10. speech, hearing, and language services
11. psychiatric facility services (if you are under 21 or over 65)
12. home health care services
13. community mental health clinics
14. family planning services
15. outpatient surgical care centers
16. rural health clinics
17. early periodic screening, diagnosis, and treatment (EPSDT) of individuals under 21 years of age

Payment of service is made directly to doctors, hospitals, and other providers of health care based on invoices submitted by the provider. Invoices must be accompanied by a coupon which you must surrender at the time service is provided.

At a fair hearing you can explain to a hearing official why you disagree with an action the public assistance office has taken on your case.

If the hearing official decides you are right, you will continue to receive, or will begin to receive, the correct amount of benefits. If the official decides the public assistance office is right, you will be asked to repay the value of any assistance you were not entitled to receive.

You can ask the public assistance office for a fair hearing in writing, in person, or over the phone.

You can ask a friend or a representative from Alaska Legal Services or anyone else to help you prepare for the hearing and to attend the hearing with you.

The hearing will be scheduled at a time and place that are reasonably convenient for you.

10 YOUR RIGHTS

YOU HAVE THE RIGHT TO.....

- * Apply for or request information about any assistance payments program or social service available from the Department of Health & Social Services including the following :

- Family Planning
- Child Protection
- Alcoholic Rehabilitation
- Family Counseling
- Homemakers
- Day Care
- Information and Referral Supportive Services for Children.

(You are eligible for family planning services for three months from the date of your application for AFDC even if you are found ineligible.)

- * Receive courteous and fair treatment with no discrimination because of race, color, creed, religion, political belief, marital status, national origin, age, or sex.
- * Receive a prompt written decision of your eligibility.
- * Receive help from the department in obtaining child support for your children, if you are requesting assistance for children.
- * Receive free, regularly scheduled physical examinations, diagnosis, and treatment for most medical problems for all children and adults under 21 who are eligible for Medicaid, under a program called EPSDT.
- * Understand that information you give to the Division of Public Assistance will not be disclosed or used for purposes other than those connected with the administration of the public assistance laws of Alaska.
- * Request a hearing by a fair and impartial person if you are dissatisfied by a delay or with the decision on your eligibility or the amount of assistance provided to you.

8 SERVICES NOT COVERED BY MEDICAID

Most Medicaid-eligible people automatically qualify for coverage under the General Relief-Medical program (GRM). Payment is available through the GRM program for all Medicaid-eligible people for the medical services and supplies listed below when those services are not otherwise available under the Medicaid program :

- (1) dental care—limited to emergency treatment for relief of pain and acute infection;
- (2) family planning services;
- (3) pharmaceuticals and over-the-counter drugs;
- (4) physical and occupational therapy;
- (5) prosthetic devices and medical supplies.

More information about the GRM program is provided in Section 13 of this booklet.

- * It is your responsibility to pay for any medical treatment not covered by Medicaid or GRM.

The following services are NOT covered by Medicaid :

- (1) Any medical expense which is not reasonably necessary for the diagnosis and treatment of illness or injury or for the correction of an organic system;
- (2) Items and services not properly prescribed or determined necessary by a health care practitioner;
- (3) Expenses incurred for evaluative or periodic check-ups, examinations, or immunizations in connection with the participation, enrollment, attendance, or accomplishment of a program or activity not related to your physical or mental health or rehabilitation which does not meet the criteria of (1) above, is not provided as part of an EPSDT screening (see Section 12), or is not a physical examination required by the Division of Public Assistance for the purpose of determining eligibility;

9 YOU MUST REPORT CHANGES IN YOUR CIRCUMSTANCES

- * You must report changes promptly.
- * You can report changes by contacting the public assistance office or your fee agent. However, it is better to fill out the change report form included with your AFDC or APA check and mail it to the office.

IT IS EXTREMELY IMPORTANT THAT YOU REPORT CHANGES, SO THAT YOUR HOUSEHOLD RECEIVES THE RIGHT AMOUNT OF BENEFITS.

Changes that you must report include :

- Changes in mailing or residence address ;
- Movement of a related person into or out of the household ;
- Increase, decrease, or change in source of income in the household ;
- Any change in resources of the household ,
- Any change in the costs of rent, mortgage payment, taxes or insurance ;
- Change in eligibility status of any household member for other benefits ;
- Death of a household member ;
- Change in marital status of any household member ;
- Change in school attendance of any household member ;
- Placement of a child in the custody of the Department of Health & Social Services ;
- Improvement in the condition of a blind or disabled person ;
- Refusal to accept vocational rehabilitation services ;
- Departure from the state, the United States, or both ;
- Refusal to accept treatment, or discontinuing treatment for drug addiction or alcoholism ; and
- Admission to or discharge from a public institution, hospital, or nursing home.

(4) Any expense which is for or in connection with cosmetic therapy or cosmetic surgery, except that Medicaid coverage is available when required for repair of accidental injury, for the improvement of the functioning of a malformed body member, or for the correction of a visible disfigurement which would materially affect your acceptance in society, and when performed within the normal course of treatment or otherwise beginning no later than one year after the event which caused the need for that corrective action ;

(5) Any expense which constitutes a non-medical charge imposed by a friend or relative, except when payment is made for medical transportation ;

(6) Any medical expense which is for persons who are in the care and custody of federal, state, or local penal facilities, including juveniles in detention facilities.

* The services of the following practitioners are NOT covered under the Medicaid program in Alaska :

(1) chiropractors ;

(2) Christian Science practitioners or theological healers ;

(3) naturopaths ;

(4) podiatrists ;

(5) private psychologists ;

(6) any other licensed or unlicensed practitioners not enrolled in the Medicaid Program as providers.

Chapter 07. Medical Assistance for Needy Persons.

Section	Section
10. Purpose	60. Receipt of federal money
20. Eligible persons	70. Reimbursement for cost settled
30. Medical services to be provided	providers
40. State plan for provision of medical assistance	80. Definitions
50. Implementation of the medical assistance program	

Sec. 47.07.010. Purpose. It is declared as a matter of public concern that the needy persons of this state receive uniform and high quality medical care, regardless of race, age, national origin, or economic standing. Accordingly, this chapter authorizes the Department of Health and Social Services to apply for participation in the national medical assistance program as provided for under title XIX of the federal Social Security Act. (§ 1 ch 182 SLA 1972)

Sec. 47.07.020. Eligible persons. (a) All residents of the state for whom the Social Security Act requires medicaid coverage are eligible to receive medical assistance under title XIX of that Act (42 U.S.C. 1396 et seq.).

(b) In addition to the persons specified in (a) of this section, the following optional groups of persons for whom the state may claim federal financial participation are eligible for medical assistance:

(1) persons eligible for but not receiving assistance under any plan of the state approved under part A of title IV (aid to families with dependent children), or title XVI (supplemental security income), of the Social Security Act;

(2) persons in a general hospital, skilled nursing facility or intermediate care facility, who, if they left the facility, would be eligible for assistance under one of the federal programs specified in (1) of this subsection;

(3) persons under 21 years of age under supervision of the department for whom maintenance is being paid in whole or in part from public funds and who are in foster homes or private child-care institutions; and

(4) aged, blind, or disabled persons, who, because they do not meet income and resources requirements, do not receive supplemental security income under title XVI of the Social Security Act, and who do not receive a mandatory state supplement, but who are eligible, or would be eligible if they were not in a general hospital or skilled nursing facility or intermediate care facility to receive an optional state supplementary payment;

(5) persons under 21 years of age in an institution designated as an intermediate care facility for the mentally retarded who are financially eligible as determined by the standards of the Federal Aid to Families

* Sec. 10. AS 47.07.020(b) is repealed and re-enacted to read:

(b) Residents of the state for whom the Social Security Act allows optional medical coverage qualifying for federal financial participation are eligible for medical assistance.

(6) persons in a medical or intermediate care facility whose income while in the facility does not exceed 300 per cent of the supplemental security income benefit rate under title XVI of the Social Security Act but who would not be eligible for an optional state supplementary payment if they left the hospital or other facility.

(c) persons under 21 years of age receiving active treatment in a psychiatric hospital who are financially eligible as determined by the standards of part A of title IV (aid to families with dependent children) of the Social Security Act.

(c) Receipt of medical assistance under this chapter is considered to be an additional benefit to these individuals and does not affect other assistance payments, federal or state, for which the recipient is eligible.

(d) No additional groups may be added unless approved by the legislature. (§ 1 ch 182 SLA 1972; am § 1 ch 105 SLA 1974; am § 1 ch 117 SLA 1975; am § 1 ch 221 SLA 1976; am § 1 ch 11 SLA 1978)

Effect of amendments. — The 1975 amendment added paragraph (5) of subsection (b).

The 1976 amendment added paragraph (6) of subsection (b).

The 1978 amendment added paragraph (7) of subsection (b).

Legislative history reports. — For report on ch. 182, SLA 1972 (FCCS 403 CSSB 56), see 1972 House Journal, p. 163. For report on ch. 105, SLA 1974 (CSS 463), see 1974 Senate Journal, p. 525 and 1974 House Journal, p. 763.

Sec. 47.07.030. Medical services to be provided. Medical services to be offered to eligible persons include inpatient hospital, outpatient hospital, rural health clinic, outpatient surgical care centers, laboratory and X-ray, refractions and eye examinations by ophthalmologists or optometrists, eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist, inpatient psychiatric hospital for persons age 65 or older and persons under age 21, skilled and intermediate nursing home, physician, home health care services, early periodic screening diagnosis and treatment of persons under 21 years of age, clinic services, treatment of speech, hearing and language disorders, and reasonable transportation to and from the point of medical care. No additional services may be provided unless approved by the legislature. (§ 1 ch 182 SLA 1972; am § 1 ch 35 SLA 1973; am § 2 ch 105 SLA 1974; am § 1 ch 12 SLA 1976; am § 2 ch 221 SLA 1976; am § 1 ch 82 SLA 1975)

* Sec. 13. AS 47.07.020(d) is repealed.

* Sec. 11. AS 47.07.030 is repealed and re-enacted to read:

Sec. 47.07.030. MEDICAL SERVICES TO BE PROVIDED. Medical services to be offered to eligible persons include services eligible for federal financial participation under Title XIX of the federal Social Security Act.

Selection of Medicaid Optional Services by States *

<u>Top 10 States With Most Number Of Optional Services</u>		<u>Top 10 States with Least Number of Optional Services</u>	
<u>States</u>	<u># of Optional Services Maximum = 32</u>	<u>States</u>	<u># of Optional Services Minimum = 0</u>
1. Wisconsin	32	1. Wyoming	5
2. Minnesota	31	2. Delaware	9
3. California	29	3. Georgia	9
4. Massachusetts	28	4. Mississippi	9
5. West Virginia	28	5. Alaska	10
6. New Jersey	27	6. Oklahoma	10
7. Kansas	26	7. Rhode Island	10
8. Montana	26	8. Texas	10
9. Nebraska	26	9. Alabama	12
10. Connecticut	24	10. South Carolina	12

* Arizona currently does not participate in the Medicaid Program.

Most Selected Medicaid Optional Services
Not Included in Alaska's Medicaid Program

<u>Optional Service</u>	<u>No. of States, Terr., and Protectorates Selecting the Option. Maximum = 53</u>
1. Prescription drugs	51
2. Prosthetic devices	45
3. Podiatrist's services	38
4. Physical therapy	36
5. Dentures	33
6. Dental services	30
7. Other practioners' services	30
8. Private duty nursing	30
9. Mental treatment in ICF for person aged 65 or older	28
10. Occupational therapy	27
11. Rehabilitation service	27
12. Chiropractic services	26
13. TB treatment in inpatient hospital for persons aged 65 or older	26
14. Mental health treatment in SNF for persons aged 65 of older	25
15. Diagnostic services	23
16. Prevention services	20
17. Christian science sanitoria	18
18. Screening	14
19. Personal care	11
20. TB treatment in SNF for persons aged 65 or older	11
21. TB treatment in ICF for persons aged 65 or older	10
22. Christian science nursing	6

Services provided only under the Medicare part of the screening and treatment program for individuals under 21 are not shown on this chart.

Services provided only under the Medicaid part of the screening and treatment program for individuals under 21 are not shown on this chart.

file - copy

Optional services in State Medicaid programs

FMAP ¹	State	Podiatrist Services	Optometrists' Services	Chiropractors' Services	Other Practitioners' Services	Private Duty Nursing	Clinic Services	Dental Services	Physical Therapy	Occupational Therapy	Speech, Hearing, and Language Disorder	Prescribed Drugs	Dentures	Prosthetic Devices	Eyeglasses	Diagnostic Services	Screening Services	Preventive Services	Rehabilitative Services	Services for Age 65 or Older in 10 Institutions			Intermediate Care Facility Services	ICF for Mentally Retarded	Inpatient Psychiatric Services for Under Age 21	Christian Science Nurses	Christian Science Students	SNF for Under Age 21	Emergency Hospital Services	Personal Care Services	Total Additional Services	
																				A. Inpatient Hospital Services	B. SNF Services	C. ICF Services										
71	Alabama																														12	
70	Alaska																														10	
71	Arizona																														27	
72	Arkansas																														27	
70	California																														29	
74	Colorado																														14	
76	Connecticut																														24	
70	Delaware																														9	
74	D.C.																														13	
77	Florida																														9	
76	Georgia																														13	
70	Guam																														9	
70	Hawaii																														20	
74	Idaho																														13	
76	Illinois																															29
78	Indiana																															24
72	Iowa																															16
72	Kansas																															26
70	Kentucky																															17
70	Louisiana																															14
70	Maine																															22
70	Maryland																															16
72	Massachusetts																															28
70	Michigan																															22
70	Minnesota																															21
70	Mississippi																															9
70	Missouri																															15
71	Montana																															17
70	Nebraska																															26
70	Nevada																															20
73	New Hampshire																															24
70	New Jersey																															27
72	New Mexico																															17
70	New York																															11
76	North Carolina																															16
71	North Dakota																															24
76	Ohio																															22
75	Oklahoma																															10
77	Oregon																															23
76	Pennsylvania																															34
70	Puerto Rico																															13
77	Rhode Island																															10
72	South Carolina																															12
74	South Dakota																															13
73	Tennessee																															14
71	Texas																															10
79	Utah																															18
76	Vermont																															10
70	Virginia																															5
77	Washington																															16
72	West Virginia																															26
70	Wisconsin																															25
73	Wyoming																															5
70	Total	14	13	9	10	6	13	8	11	9	8	19	22	16	11	3	4	9	8	2	2	13	9	12	23	22	10	1	6	16	17	2
73	Total	24	22	17	25	14	29	22	26	18	21	32	33	29	25	18	11	15	18	9	8	27	16	26	43	25	22	5	12	24	23	9
72	Total	33	35	26	30	19	42	30	36	27	29	51	33	45	36	23	14	20	28	11	10	40	25	43	47	32	6	18	42	45	11	

FMAP Federal Medicaid Assistance Percentage: Rate of Federal financial participation in a State's medical vendor payment expenditures on behalf of individuals and families eligible under Title XIX of the Social Security Act. Percentages, effective from October 1, 1977, through September 30, 1979, are rounded.

Medically Needy: People receiving federally supported financial assistance.
 Medically Indigent: People who are eligible for medical but not for financial assistance.

METHOD USED TO DEVELOP FISCAL NOTE FOR HB 977

House Bill 977 proposes to add new coverage and new eligible categories to the Medicaid and General Relief Medical (GRM) programs administered by the Department of Health & Social Services through the Division of Public Assistance. The bill would add services and eligible beneficiaries not presently covered by a medical assistance program administered by the Department. In order to attempt to gauge the effect of HB 977, it was necessary to do some projections based on the present Alaska Medicaid and GRM programs and the Medicaid programs in other similar states. In developing a fiscal note for SB 320, the Department acquired financial reports from five western states having medically needy programs. The financial reports covered the federal fiscal years 1977 and 1978 for Hawaii, Montana, North Dakota, Utah, and Washington. This information also was used to develop the fiscal note for HB 977.

The fiscal note is divided into four pages to allow for separate considerations of adding new services and eligible groups to Medicaid on the GRM program by the effect that addition to Medicaid, the creation of a medically needy program, and the payment of interest on past due medical claims.

The first page of the fiscal note covers the addition of new eligible groups and service categories under the Medicaid program. The basic Medicaid request for FY 81 minus the 100% federally-funded Indian Health Care Improvement Act coverage (\$40,720,600) was used as a base. To that was added 17.1% additional funds for those new service categories that are not presently covered under the Alaska Medicaid program. This brings the total to \$47,683,800. The 17.1% figure is derived from the average percentage in the five other states for those categories of service that are not covered under the Alaska Medicaid program that would be added by this bill. This subtotal was then multiplied by 1.5, the factor by which I believe the overall cost of the Medicaid program would increase (\$71,525,700). Alaska has a lower percent of the total population participating in the Medicaid program than in other states, particularly in the groups of individuals under 21 and intact families.

To double check these perceptions, and to arrive at a more precise budget projection, the fiscal note was developed by budget components. It was projected that the Medicaid components would be affected in the following ways: hospital increase by 1.33, physicians increase by 1.33, other services increase by 1.33, EPSDT increase by 2.0, nursing homes remain constant, and Indian health increase by 2.0. The effect on the GRM budget, reflected by page two of the fiscal note, would be as follows: hospital reduced by .33, physicians reduced by .33, other services reduced by .50, and nursing homes and catastrophic illness remaining constant. These changes by specific component produced the total used for the fiscal note of \$71,487,900 for Medicaid in FY 81.

The high amount of federal funds shown in the fiscal note is the result of a large increase predicted in the Indian health component which is 100% federal funding. This increase would not be a function of people receiving new services but the result of a funding change--the Alaska Area Native Health Service (AANHS) would be able to receive more federal

Medicaid money for services that they are already providing to persons eligible for AANHS, but who are not Medicaid eligible now simply because Alaska's Medicaid program does not provide coverage for intact families.

The third page of the fiscal note covers the effect of adding a medically needy program in Alaska. It is based on the projections done in developing the fiscal note for the Senate HESS Committee for SB 320. For purposes of HB 977, the amount in that fiscal note was doubled to reflect the fact that HB 977 would require medically needy coverage for not only adult cases but also for families and individuals under age 21, and would establish a higher cut-off point for eligibility.

The fourth page provides an analysis of the costs of providing interest payments on past due clean claims submitted to the Department. While HB 977 does not say specifically that the provision would apply only to the Medicaid and GRM programs, that assumption has been made for purposes of the fiscal note. The amount projected is approximately one-half percent of the total Medicaid and GRM budgets, minus the Indian health component since that is merely a transfer of federal funds and not an actual payment for services rendered. The figure is based on the assumption that the Department will be able to continue to make improvements in its claims processing system, eventually obviating the need for any interest payments to be made. Of course, if the claims processing system would revert back to its previous condition, the amount of this fiscal note would be considerably greater.

GR-MEDICALLY NEEDED PROGRAM

- * 50% of all tax returns in Alaska for individuals and families reported 1978 Adjusted Gross Incomes of less than \$20,000.
- * 30% reported incomes less than \$10,000; less than \$833 per month on the average for 1978.
- * Many more Alaskans do not file tax returns at all.

These statistics suggest that for a large number of Alaskans, medical care for age, illness or injury would be unaffordable without health insurance or medical assistance while some of these people may have group insurance or be eligible for Medicaid, Medicare, or Alaskan Native Health Service, many are not eligible for any third party health benefits. The medically needy program created by HCSCSSSB 227 would be an important medical resource for these people.

The income threshold for the medically needy program is set at 150% of the poverty guidelines for Alaska for 1979, the poverty guidelines were as follows:

Non-farm poverty income guidelines.

<u>Family size</u>	<u>Annual</u>	<u>Monthly</u>	<u>150%</u>
1	\$4,270	356	534
2	5,640	470	705
3	7,010	584	876
4	8,380	698	1047
5	9,750	813	1219
6	11,120	927	1390

A person or family which is over income becomes eligible for medical assistance under this program if their income in excess of the threshold is spent on medical bills. Essentially, this provides a form of catastrophic coverage for all families, as well as a form of basic coverage for low-income families. The department estimates the new program would serve approximately 2,800 families and individuals.

ADJUSTED INCOME OF ALASKA TAXPAYERS FILING 1978 RETURNS

<u>annual income</u>	<u>average monthly income</u>	<u>percent of taxpayers earning this much or less</u>
\$5,000	\$ 416	16.5%
10,000	833	29.2
15,000	1,250	40.2
20,000	1,667	49.5
25,000	2,083	57.8
30,000	2,500	65.6

MEDICAID ELIGIBLES *

Currently Covered Eligibles

Child under 18 deprived of parental support or care

Parent or other caretaker relative

Child over 18 but under 21 who is school

All children in foster homes or institutions

All children in psychiatric hospitals

A child in an intermediate care facility for the mentally retarded

Aged, blind, or disabled persons

Eligibles added by HCSCSSSB 227

Child deprived of support of father due to unemployment

Spouse of disabled parent

Spouse of unemployed father

Pregnant woman and unborn child

All other financially eligible children

Caretaker relative of child over 18 but under 21 and not in school

Individuals who would be eligible for AFDC except for child care costs

Individuals who meet categorical criteria and whose incomes, less medical bills, are below 133% of the need standard (medically needy)

* In addition to these categorical criteria, persons must be financially needy.

MEDICAID SERVICES

Currently Covered Services.

Hospital-Inpatient & Outpatient

Skilled Nursing Facility (SNF)

Intermediate Care Facility (ICF)

Intermediate Care Facility for Mentally Retarded persons and persons with related conditions (ICF/MR)

Laboratory and X-ray Services

Physician Services

Visual Care Services, dispensing and ophthalmic materials

Medical Transportation

Psychiatric Facility Services

Home Health Care Services

Early Periodic Screening, Diagnosis, and Treatment of Individuals under 21 years of age (EPSDT)

- a. dental services
- b. prosthetic devices and medical supplies
- c. physical therapy

Community Mental Health Clinics

Family Planning Services

Outpatient Surgical Care Centers

Rural Health Clinics

* Accessible through General Relief-Medical

Services Added By HCS CSSSSB 227

Podiatrist Services

Chiropractic Services

Private Duty Nursing

Personal Care Services

* Physical Therapy

* Occupational Therapy

* Prescribed Drugs

Dentures

* Prosthetic Devices and Medical supplies

Other Diagnostic, Screening, Preventive & Rehabilitative Services

Services to Individuals over 65 year of age in Institutions for Mental Diseases

Services to Individuals over 65 years of age in Institutions for tuberculosis

Other Practitioner Services

- a. private psychologist
- b. nurse practitioner
- c. physician assistant

Clinic Services-other than Community Mental Health Clinics

Services by Christian Science Nurses

Services by Christian Science Sanatoria

Selection of Medicaid Optional Services by States *

Top 10 States With Most Number
Of Optional Services

<u>States</u>	<u># of Optional Services Maximum = 32</u>
1. Wisconsin	32
2. Minnesota	31
3. California	29
4. Massachusetts	28
5. West Virginia	28
6. New Jersey	27
7. Kansas	26
8. Montana	26
9. Nebraska	26
10. Connecticut	24

Top 10 States with Least
Number of Optional Services

<u>States</u>	<u># of Optional Services Minimum = 0</u>
1. Wyoming	5
2. Delaware	9
3. Georgia	9
4. Mississippi	9
5. Alaska	10
6. Oklahoma	10
7. Rhode Island	10
8. Texas	10
9. Alabama	12
10. South Carolina	12

* Arizona currently does not participate in the Medicaid Program.

Most Selected Medicaid Optional Services
Not Included in Alaska's Medicaid Program

<u>Optional Service</u>	<u>No. of States, Terr., and Protectorates Selecting the Option. Maximum = 53</u>
1. Prescription drugs	51
2. Prosthetic devices	45
3. Podiatrist's services	38
4. Physical therapy	36
5. Dentures	33
6. Dental services	30
7. Other practioners' services	30
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14. Mental health treatment in SNF for persons aged 65 of older	25
15. Diagnostic services	23
16. Prevention services	20
17. Christian science sanitoria	18
18. Screening	14
19. Personal care	11
20. TB treatment in SNF for persons aged 65 or older	11
21. TB treatment in ICF for persons aged 65 or older	10
22. Christian science nursing	6

Medicaid
Options
Information



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.

James O. Smith
Signature of Camera Operator

3/23/90
Date

COMMITTEE REPORT HOUSE

FURTHER:

March 31, 1979

Date: 5/13/80

Mr. Speaker:

The Committee on FINANCE has had CSSB 228 am

"An Act relating to the excise tax on intoxicating liquors; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without ^{individual} recommendation
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

Melkers

McKinney

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

Melkers - No Rec

Moss - No Rec

Smith - No Rec

Rogers - No Rec

Stuffer - No Rec

DO NOT PASS (NEVER EVER!)

Melkers

CHAIRMAN

Original sponsor: Rules/Governor

Offered: 3/16/79
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 228

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

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

10 (a) Every brewer, distiller, bottler, jobber, retailer, whole-
11 saler, or manufacturer who sells intoxicating liquors in the state or
12 who consigns shipments of intoxicating liquors into the state, whether
13 or not the liquors are brewed, distilled, bottled, or manufactured in
14 the state, shall pay on all malt beverages (alcoholic content of one per
15 cent or more by volume), wines, and hard or distilled liquors, the
16 following taxes: (1) malt beverages at the rate of 27 1/2 [25] cents a
17 gallon or fraction of a gallon; (2) wine or other liquor of 21 per cent
18 alcohol by volume or less at the rate of 90 [60] cents a gallon or
19 fraction of a gallon; and (3) other liquors having a content of more
20 than 21 per cent alcohol by volume at the rate of \$5.75 [\$4.00] a
21 gallon.

22 * Sec. 2. This Act takes effect July 1, 1979.
23
24
25
26
27
28
29

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSB 228 am

Title Act relating to excise tax on intoxicating liquors

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected _____

Program Category Affected _____

BRU, Program, or Subprogram(s) Affected _____

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND		+2.7 mill	+2.7 mill	+2.9 mill	+3.0 mill	+3.1 mill
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The Committee Substitute for Senate Bill 228 proposes to increase the excise tax rates on intoxicating liquors for (1) malt beverages from 25 cents per gallon to 27.5 cents per gallon, (2) for wine or other liquors from 60 cents per gallon to 90 cents per gallon, and (3) for other liquors having an alcohol content of more than 21 percent by volume from \$4.00 per gallon to \$5.75 gallon.

The estimate of the revenue increases is based on general economic assumptions contained in the Department of Revenue long-range forecast model. It was assumed the bill becomes effective July 1, 1980.

IV. DATE 1/29/80

PREPARED BY Balbona

AGENCY Revenue

PHONE #2174

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSB 228 am
 Title An Act relating to the excise tax on intoxicating liquors.
 Requested by House Finance Committee Date 1/9/80

II. FISCAL DETAIL

Agency Affected _____ Revenue _____
 Program Category Affected _____ Fiscal Services _____
 BRU, Program, or Subprogram(s) Affected Audit Division
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars) NONE

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

FUNDING (Thousands of Dollars) NONE

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

This version of the bill will result in a smaller increase in the alcoholic beverage tax than was originally proposed by the Governor. The Research Unit of the Department of Revenue will provide the precise information regarding the amount of revenue this version of the bill will generate.

IV. DATE January 18, 1980 PREPARED BY
 AGENCY Department of Revenue, Audit Division
 PHONE 465-2320
 Original: Legislative Finance
 cc: Budget and Management
Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSB 228 am
 Title Act relating to excise tax on intoxicating liquors
 Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected _____
 Program Category Affected _____
 BRU, Program, or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

FUNDING (Thousands of Dollars)

GENERAL FUND		+2.7 mill	+2.7 mill	+2.9 mill	+3.0 mill	+3.1 mill
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The Committee Substitute for Senate Bill 228 proposes to increase the excise tax rates on intoxicating liquors for (1) malt beverages from 25 cents per gallon to 27.5 cents per gallon, (2) for wine or other liquors from 60 cents per gallon to 90 cents per gallon, and (3) for other liquors having an alcohol content of more than 21 percent by volume from \$4.00 per gallon to \$5.75 gallon.

The estimate of the revenue increases is based on general economic assumptions contained in the Department of Revenue long-range forecast model. It was assumed the bill becomes effective July 1, 1980.

IV. DATE 1/23/80 PREPARED BY Barbara Joren
 AGENCY Revenue
 Original: Legislative Finance PHONE 42174
 cc: Budget and Management
Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSB 228 am

Title Act relating to excise tax on intoxicating liquors

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected _____

Program Category Affected _____

BRU, Program, or Subprogram(s) Affected _____

(Note: If more than one budget component is involved, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND		+2.7 mill	+2.7 mill	+2.9 mill	+3.0 mill	+3.1 mill
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The Committee Substitute for Senate Bill 228 proposes to increase the excise tax rates on intoxicating liquors for (1) malt beverages from 25 cents per gallon to 27.5 cents per gallon, (2) for wine or other liquors from 60 cents per gallon to 90 cents per gallon, and (3) for other liquors having an alcohol content of more than 21 percent by volume from \$4.00 per gallon to \$5.75 gallon.

The estimate of the revenue increases is based on general economic assumptions contained in the Department of Revenue long-range forecast model. It was assumed the bill becomes effective July 1, 1980.

IV. DATE 1/23/80

PREPARED BY Barbara Soren

AGENCY Revenue

PHONE #2174

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

STATE OF ALASKA -- BUDGET UNIT SUMMARY

CATEGORY: GENERAL GOVERNMENT
 AGENCY: DEPARTMENT OF REVENUE

PROGRAM: REVENUE OPERATIONS

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR
AUDIT	2461.5	2530.6	2513.1	2691.6			3223.6

The goals of the Audit BRU are to achieve effective compliance by taxpayers with the tax laws of Alaska, and to raise revenues through an effective audit program. The Revenue Audit staff concentrates on corporate and individual income tax, estate taxes, excise taxes, business license tax, fisheries tax, mining license tax, and the issuance of permits for games or skill or chance.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSB 228 am
 Title An Act relating to the excise tax on intoxicating liquors.
 Requested by House Finance Committee Date 1/9/80

II. FISCAL DETAIL

Agency Affected _____ Revenue _____
 Program Category Affected _____ Fiscal Services _____
 BRU, Program, or Subprogram(s) Affected Audit Division
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars) NONE

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

FUNDING (Thousands of Dollars) NONE

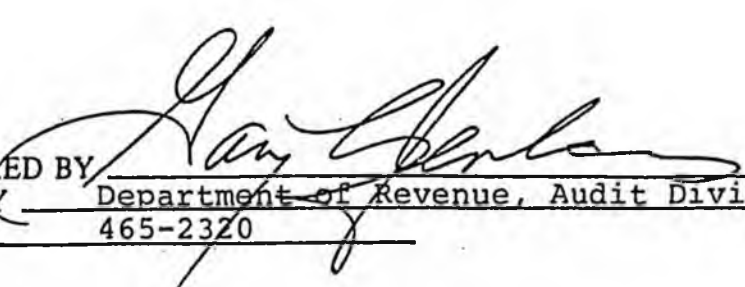
	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS NONE

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME						
PART TIME						
TEMPORARY						

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

This version of the bill will result in a smaller increase in the alcoholic beverage tax than was originally proposed by the Governor. The Research Unit of the Department of Revenue will provide the precise information regarding the amount of revenue this version of the bill will generate.

IV. DATE January 18, 1980 PREPARED BY 
 AGENCY Department of Revenue, Audit Division
 PHONE 465-2320
 Original: Legislative Finance
 cc: Budget and Management
Prime Sponsor (First Legislator Named)

STATE OF ALASKA -- BUDGET UNIT SUMMARY

PROGRAM: REVENUE OPERATIONS

CATEGORY: GENERAL GOVERNMENT
AGENCY: DEPARTMENT OF REVENUE

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR
AUDIT	2461.5	2530.6	2513.1	2691.6			3223.6

The goals of the Audit BRU are to achieve effective compliance by taxpayers with the tax laws of Alaska, and to raise revenues through an effective audit program. The Revenue Audit staff concentrates on corporate and individual income tax, estate taxes, excise taxes, business license tax, fisheries tax, mining license tax, and the issuance of permits for games or skill or chance.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSB 228 am
 Title Act relating to excise tax on intoxicating liquors
 Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected _____
 Program Category Affected _____
 BRU, Program, or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

FUNDING (Thousands of Dollars)

GENERAL FUND		+2.7 mill	+2.7 mill	+2.9 mill	+3.0 mill	+3.1 mill
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The Committee Substitute for Senate Bill 228 proposes to increase the excise tax rates on intoxicating liquors for (1) malt beverages from 25 cents per gallon to 27.5 cents per gallon, (2) for wine or other liquors from 60 cents per gallon to 90 cents per gallon, and (3) for other liquors having an alcohol content of more than 21 percent by volume from \$4.00 per gallon to \$5.75 gallon.

The estimate of the revenue increases is based on general economic assumptions contained in the Department of Revenue long-range forecast model. It was assumed the bill becomes effective July 1, 1980.

IV. DATE 1/23/80 PREPARED BY Balboena Soren
 AGENCY Revenue
 PHONE #2174
 Original: Legislative Finance
 cc: Budget and Management
Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSB 228 am
 Title An Act relating to the excise tax on intoxicating liquors.
 Requested by House Finance Committee Date 1/9/80

II. FISCAL DETAIL

Agency Affected _____ Revenue _____
 Program Category Affected _____ Fiscal Services _____
 BRU, Program, or Subprogram(s) Affected Audit Division
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars) NONE

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

FUNDING (Thousands of Dollars) NONE

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

This version of the bill will result in a smaller increase in the alcoholic beverage tax than was originally proposed by the Governor. The Research Unit of the Department of Revenue will provide the precise information regarding the amount of revenue this version of the bill will generate.

IV. DATE January 18, 1980 PREPARED BY
 AGENCY Department of Revenue, Audit Division
 PHONE 465-2320
 Original: Legislative Finance
 cc: Budget and Management
Prime Sponsor (First Legislator Named)

STATE OF ALASKA -- BUDGET UNIT SUMMARY

PROGRAM: REVENUE OPERATIONS

CATEGORY: GENERAL GOVERNMENT
AGENCY: DEPARTMENT OF REVENUE

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR
AUDIT	2461.5	2530.6	2513.1	2691.6			3223.6

The goals of the Audit BRU are to achieve effective compliance by taxpayers with the tax laws of Alaska, and to raise revenues through an effective audit program. The Revenue Audit staff concentrates on corporate and individual income tax, estate taxes, excise taxes, business license tax, fisheries tax, mining license tax, and the issuance of permits for games or skill or chance.

Original sponsor: Rules/Governor

Offered: 3/16/79
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 228

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

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

10 (a) Every brewer, distiller, bottler, jobber, retailer, whole-
11 saler, or manufacturer who sells intoxicating liquors in the state or
12 who consigns shipments of intoxicating liquors into the state, whether
13 or not the liquors are brewed, distilled, bottled, or manufactured in
14 the state, shall pay on all malt beverages (alcoholic content of one per
15 cent or more by volume), wines, and hard or distilled liquors, the
16 following taxes: (1) malt beverages at the rate of 27 1/2 [25] cents a
17 gallon or fraction of a gallon; (2) wine or other liquor of 21 per cent
18 alcohol by volume or less at the rate of 90 [60] cents a gallon or
19 fraction of a gallon; and (3) other liquors having a content of more
20 than 21 per cent alcohol by volume at the rate of \$5.75 [\$4.00] a
21 gallon.

22 * Sec. 2. This Act takes effect July 1, 1979.
23
24
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29

Original sponsor: Rules/Governor

Offered: 3/16/79
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 228 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

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

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11 saler, or manufacturer who sells intoxicating liquors in the state or
12 who consigns shipments of intoxicating liquors into the state, whether
13 or not the liquors are brewed, distilled, bottled, or manufactured in
14 the state, shall pay on all malt beverages (alcoholic content of one per
15 cent or more by volume), wines, and hard or distilled liquors, the
16 following taxes: (1) malt beverages at the rate of 27 1/2 [25] cents a
17 gallon or fraction of a gallon; (2) wine or other liquor of 21 per cent
18 alcohol by volume or less at the rate of 90 [60] cents a gallon or
19 fraction of a gallon; and (3) other liquors having a content of more
20 than 21 per cent alcohol by volume at the rate of \$5.75 [\$4.00] a
21 gallon.

22 * Sec. 2. AS 04.15 is amended by adding a new section to read:

23 Sec. 04.15.120. SALE OF POWDERED ALCOHOL PROHIBITED. No substance
24 having alcoholic content and intended for human consumption may be sold
25 in the state unless in liquid form.

26 * Sec. 3. This Act takes effect July 1, 1979.
27
28
29

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 228

Title An Act relating to the excise tax on and license for the sale of intoxicating liquors

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Department of Revenue

Program Category Affected Revenue Collection and Management

Budget Request Unit(s) Affected Audit Division

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
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)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
FULL TIME						
PART TIME						
TEMPORARY						

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

It is estimated that this bill would raise an additional 3.4 million dollars in FY 80.

IV. DATE _____ PREPARED BY John R. Messenger
 AGENCY Department of Revenue
 Original: Legislative Finance PHONE 465-2100
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. CS SB 228
 Title Excise tax on & license fee for sale of intoxicating liquor
 Requested by Senate Finance Committee Date 3/14/79

II. FISCAL DETAIL
 Agency Affected Department of Revenue
 Program Category Affected Revenue Collection & Management
 Budget Request Unit(s) Affected Audit Division

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONNEL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	None					

FUNDING (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						
	None					

POSITIONS

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
FULL TIME						
PART TIME						
TEMPORARY						

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

It is estimated that this bill would raise approximately \$2,552,578.82 in additional revenue as shown in the attached pages.

IV. DATE March 14, 1979 PREPARED BY John R. Messenger
 AGENCY Department of Revenue
 PHONE: 465-2300
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Summary
 CS SB 228

		1	2	3	4
		CURRENT PROPOSED		GAIN IN REVENUE	
1	EXCISE TAXES	\$760995510	\$980593694	\$219598184	
2	LICENSE FEES	80627500	107197198	27169698	
3	WHOLESALE LICENSE	7125000	11250000	4125000	
4	WHOLESALE MALT BEV. & WINE	1635000	6000000	4365000	
5	TOTALS	\$850383010	\$1105440892	\$255257872	
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CS SB228 EXCISE TAX & LICENSE FEES

	1	2	3	4
1	<u>EXCISE TAXES</u>			
2				
3	<u>CURRENT LAW</u>			
4	<u>1977-78 STATISTICS</u>			
5	<u>LIQUOR</u>			
6	<u>TAXABLE GALLONS</u>			
7	1,183,850.68	X	\$4.00	\$4,735,402.72
8	<u>BEER</u>			
9	9,222,485.37	X	\$0.25	2,305,621.34
10	<u>WINE</u>			
11	948,218.40	X	0.60	568,931.04
12	<u>TOTAL</u>			\$7,609,955.10
13				
14	<u>PROPOSED</u>			
15	<u>LIQUOR</u>			
16	1,183,850.68	X	\$5.75	\$6,807,141
17	<u>BEER</u>			
18	9,222,485.37	X	\$0.275	2,536,183.42
19	<u>WINE</u>			
20	948,218.40	X	\$0.90	853,396
21	<u>TOTAL</u>			\$10,196,721
22				
23	<u>EXCISE TAX</u>			
24	<u>PROPOSED</u>			
25	<u>CURRENT LAW</u>			
26	<u>GAIN IN REVENUE</u>			
27				\$2,586,766
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CS SB 22.8 EXCISE TAX & LICENSE FEES

	1	2	3	4
<u>LICENSE FEES</u>				
<u>CURRENT LAW</u>				
BEVERAGE DISPENSARY				
7-1-77 to 6-30-78		\$ 490,625.00		
RESTAURANT				
7-1-77 to 6-30-78		358,850.00		
ROADHOUSE				
7-1-77 to 6-30-78		305,000		
CLUB LICENSE				
7-1-77 to 6-30-78		213,000.00		
BREWERY LICENSE				
7-1-77 to 6-30-78		100.00		
RETAIL LICENSE				
7-1-77 to 6-30-78		255,350.00		
TOTAL		\$ 806,775.00		
<u>LICENSE FEES</u>				
<u>PROPOSED</u>				
BEVERAGE DISPENSARY				
\$ 490,625.00 x 133.75%				
(AVERAGE OF 2 INCREASES)		\$ 656,210.94		
RESTAURANT				
\$ 358,850.00 x 133.53%				
		477,798.81		
ROADHOUSE				
\$ 3,050.00 x 133.53%				
		4066.57		
CLUB LICENSE				
\$ 21,300.00 x 137.50%				
		29,287.50		
BREWERY LICENSE				
\$ 100.00 x 150.00%				
		150.00		
RETAIL LICENSE				
\$ 255,350.00 x 133.33%				
		340,468.16		
TOTAL		\$ 1,077,971.98		
<u>LICENSE FEES</u>				
<u>PROPOSED</u>				
		\$ 1,077,971.98		
<u>CURRENT LAW</u>				
		806,775.00		
<u>GAIN IN REVENUE</u>				
		\$ 271,196.98		

ALCOHOLIC BEVERAGES SHIPPED INTO OR SOLD FROM ALASKA WAREHOUSES
 PLUS DIRECT SHIPMENTS TO RETAILERS AND MILITARY
 FISCAL YEAR 1977-1978

Month	LINCOLN				UTAH				NEBR																									
	Table	Military	Other	Total	Table	Military	Other	Total	Table	Military	Other	Total																						
July 1977	91,524.53	3,651.45	659.20	96,045.18	82,260.82	3,237.19	2,912.96	88,410.97	885,947.28	3,007.25	17,923.32	968,417.66																						
August	132,089.66	4,194.66	635.80	136,920.12	87,838.47	4,717.13	3,111.82	95,667.42	1,125,115.12	1,708.79	1,529,431.14	1,229,454.09																						
September	96,426.98	10,600.96	1,119.26	108,147.20	75,318.58	8,427.23	450.48	86,196.29	702,075.17	2,056.12	621,095.09	696,833.60																						
October	96,006.88	14,420.04	177.95	110,604.87	67,923.91	13,640.05	132.21	81,586.17	620,282.92	2,729.55	8,325.35	646,833.60																						
November	135,393.19	5,626.27	216.24	141,235.72	106,676.33	3,053.43	221.32	109,951.08	677,163.60	373.16	12,393.28	696,833.60																						
December	119,247.24	4,470.38	797.47	124,615.19	88,526.70	3,778.95	152.21	92,355.86	550,133.40	373.16	12,393.28	562,899.84																						
January 1978	70,209.91	4,038.74	557.92	74,806.57	59,379.49	3,769.58	468.50	63,657.57	556,428.46	1,277.20	6,829.72	564,515.14																						
February	61,747.19	699.95	62,009.16	61,346.20	61,346.20	357.34	361.17	62,054.71	565,428.46	1,493.54	1,070.24	567,942.20																						
March	91,742.95	6,581.31	62,009.16	98,733.00	79,727.31	9,122.31	205.56	89,055.18	761,192.68	1,158.06	1,024.54	763,375.28																						
April	89,493.50	7,021.58	453.13	97,168.21	72,629.79	4,155.70	680.39	77,465.88	766,667.22	3,150.21	1,934.54	770,651.96																						
May	33,316.47	2,995.41	315.08	36,626.96	30,428.96	3,166.55	1,074.49	34,669.94	919,079.06	2,471.08	479.68	921,028.82																						
June	106,352.05	4,060.05	371.34	110,783.49	89,648.30	3,484.10	4,714.33	94,846.73	1,032,123.64	2,983.86	10,466.68	1,045,574.14																						
Total Gallons	1,163,850.68	66,819.82	3,773.17	1,234,442.67	948,219.40	61,491.56	10,443.80	1,020,153.76	9,222,485.37	25,189.33	75,493.99	9,323,168.69																						
Tax Rate	\$4.00 per Gallon			\$4.60 per Gallon						.525 per Gallon																								
Tax Amount	\$6,735,402.72	\$275,275.28	\$23,092.68	\$5,033,770.68	\$568,931.04	\$36,894.94	\$6,266.28	\$622,092.26	\$2,305,621.34	\$6,297.33	\$18,873.53	\$2,330,792.17																						
SUMMARY OF TOTAL CREDITS																																		
Military Sales																																		
Liquor																																		
Wine																																		
Beer																																		
Total	<table border="0"> <tr> <td>\$275,275.28</td> <td>\$23,092.68</td> <td>\$5,033,770.68</td> <td>\$568,931.04</td> <td>\$6,266.28</td> <td>\$622,092.26</td> <td>\$2,305,621.34</td> <td>\$6,297.33</td> <td>\$18,873.53</td> <td>\$2,330,792.17</td> </tr> <tr> <td colspan="10"></td> <td>\$218,457.55</td> <td></td> </tr> </table>												\$275,275.28	\$23,092.68	\$5,033,770.68	\$568,931.04	\$6,266.28	\$622,092.26	\$2,305,621.34	\$6,297.33	\$18,873.53	\$2,330,792.17											\$218,457.55	
\$275,275.28	\$23,092.68	\$5,033,770.68	\$568,931.04	\$6,266.28	\$622,092.26	\$2,305,621.34	\$6,297.33	\$18,873.53	\$2,330,792.17																									
										\$218,457.55																								



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.

James O. Smith
Signature of Camera Operator

3/23/90
Date



Alaska Cabaret, Hotel & Restaurant Association

P.O. BOX 4-1260 • ANCHORAGE, ALASKA 99509
PHONE: 344-4041

May 5, 1980

John C. Sackett
Pouch V
Juneau, Alaska 99811

Dear Senator Sackett:

At a recent Anchorage CHAR meeting, the officers and members decided that you should be informed of the Associations reasons for their objection to the Senate Bill #228 (Excise Tax Increase on Alcholic beverages).

Due to the following, we feel that this year is a very poor time to inflict this tax increase on our industry.

- 1) Increases of 10% in wholesale costs of beverages from the period March 79 to March 80. A projected similar increase is in line for this year.
- 2) Freight rates increased 6% in 1979 and on May 1, 1980 a 10% was approved.
- 3) Labor cost increased in this same period from 7% to 9%.
- 4) Decrease in business income, due to the economy. Down 18% to 23% depending on the area.
- 5) Interest rates for commercial loans has increased from 12% to 19% for the same period.
- 6) Insurance premiums for the industry for 1980 are predicted to increase 2 to 3 times over 1979.
- 7) Banckruptcys filed for this same period show that the Food & Beverage industry holds the highest percentage of any type of business.

The industry has had to absorb many of these increases, but this past year we have actually reduced business income. The free enterprise system we all enjoy is predicated on the small businessman to make a profit. These past two years, this profit has been reduced to the point where the industry is experiencing an economic slump.

The questions are? Can the Industry continue to pass on these price increases without the results of decreased business? What can the small businessman or the public be able to stand?

CHAR also questions whether this proposed excise tax increase (from 3 to 4 million dollars) is justified at this time? Considering the fact of the Millions State of Alaska is now spending and the outlook for continued revenues the State will be receiving in the future.

Thank you for efforts in these matters.

Sincerely,

Original sponsor: Rules/Governor

Offered: 3/16/79
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 228

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

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

10 (a) Every brewer, distiller, bottler, jobber, retailer, whole-
11 saler, or manufacturer who sells intoxicating liquors in the state or
12 who consigns shipments of intoxicating liquors into the state, whether
13 or not the liquors are brewed, distilled, bottled, or manufactured in
14 the state, shall pay on all malt beverages (alcoholic content of one per
15 cent or more by volume), wines, and hard or distilled liquors, the
16 following taxes: (1) malt beverages at the rate of 27 1/2 [25] cents a
17 gallon or fraction of a gallon; (2) wine or other liquor of 21 per cent
18 alcohol by volume or less at the rate of 90 [60] cents a gallon or
19 fraction of a gallon; and (3) other liquors having a content of more
20 than 21 per cent alcohol by volume at the rate of \$5.75 [\$4.00] a
21 gallon.

22 * Sec. 2. This Act takes effect July 1, 1979.

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THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 228

Title An Act relating to the excise tax on and license for the sale of intoxicating liquor

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Department of Revenue

Program Category Affected Revenue Collection and Management

Budget Request Unit(s) Affected Audit Division

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
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)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
FULL TIME						
PART TIME						
TEMPORARY						

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

It is estimated that this bill would raise an additional 3.4 million dollars in FY 80.

IV. DATE _____ PREPARED BY John R. Messenger

AGENCY Department of Revenue

Original: Legislative Finance

PHONE 465-2300

cc: Budget and Management

Prime Sponsor (First Legislator Named)

Initials	Date
Prepared by	
Approved by	

SUMMARY
CS SB 228

		1	2	3	4
		CURRENT PROPOSED		GAIN IN REVENUE	
1	EXCISE TAXES	\$760995510	\$980593694	\$219598184	
2	LICENSE FEES	80627500	107797198	27169698	
3	WHOLESALE LICENSE	7125000	11250000	4125000	
4	WHOLESALE MALT BEV. & WINE	1635000	6000000	4365000	
5	TOTALS	\$850383010	\$1105640892	\$255257882	
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CS SB228 EXCISE TAX & LICENSE FEES

EXCISE TAXES

CURRENT LAW 1977-78 STATISTICS

LIQUOR

TAXIABLE GALLONS

1,183,850.68 X \$4.00

\$4,735,402.72

BEER

9,222,485.37 X \$0.25

2,305,621.34

WINE

948,218.40 X 0.60

568,931.04

TOTAL

\$7,609,955.10

PROPOSED

LIQUOR

1,183,850.68 X \$5.75

\$6,807,141

BEER

9,222,485.37 X \$0.275

2,536,183.42

WINE

948,218.40 X \$0.90

853,396

TOTAL

\$7,196,721

EXCISE TAX

PROPOSED

\$7,196,721

CURRENT LAW

7,609,955

GAIN IN REVENUE

\$2,586,766

CS SB 228 EXCISE TAX & LICENSE FEES

LICENSE FEES	
CURRENT LAW	
BEVERAGE DISPENSARY	
7-1-77 to 6-30-78	\$ 490,625.00
RESTAURANT	
7-1-77 to 6-30-78	35,850.00
ROADHOUSE	
7-1-77 to 6-30-78	3,050.00
CLUB LICENSE	
7-1-77 to 6-30-78	21,300.00
BREWERY LICENSE	
7-1-77 to 6-30-78	100.00
RETAIL LICENSE	
7-1-77 to 6-30-78	255,350.00
TOTAL	\$ 806,275.00

LICENSE FEES	
PROPOSED	
BEVERAGE DISPENSARY	
\$490,625.00 x 133.75%	
(AVERAGE OF 2 INCREASES)	\$ 656,210.94
RESTAURANT	
\$ 35,850.00 x 133.33%	47,198.81
ROADHOUSE	
\$ 3,050.00 x 133.33%	4,066.51
CLUB LICENSE	
\$ 21,300.00 x 137.50%	29,287.50
BREWERY LICENSE	
\$ 100.00 x 150.00%	150.00
RETAIL LICENSE	
\$ 255,350.00 x 133.33%	340,458.16
TOTAL	\$ 1,077,971.98

LICENSE FEES	
PROPOSED	\$ 1,077,971.98
CURRENT LAW	806,275.00
GAIN IN REVENUE	\$ 271,696.98

Initials	Date
Prepared by	
Approved by	

CS SB 228 EXCISE TAX & LICENSE FEES
1977 SALES & 7-1-77 TO 6-30-78 FEES

	1	2	3	4
WHOLESALE LICENSE CURRENT LAW 7-1-77 TO 6-30-78	\$	7125000		
WHOLESALE MALT BEV & WINE 7-1-77 TO 6-30-78		1635000		
TOTAL		<u>8760000</u>		
WHOLESALE LICENSE PROPOSED 15 LICENSE FEES @ \$7,500.00			\$	11250000
WHOLESALE MALT BEV & WINE 8 LICENSE FEES @ \$7,500.00			\$	6000000
			\$	<u>17250000</u>
WHOLESALE LIC. PROPOSED	\$	11250000		
WHOLESALE MALT & BEV. PROPOSED		6000000		
TOTAL	\$	17250000		
CURRENT LAW		<u>8760000</u>		
GAIN IN REVENUE	\$	<u>8490000</u>		

ALCOHOLIC BEVERAGES SHIPPED INTO OR SOLD FROM ALASKA WAREHOUSES
PLUS DIRECT SHIPMENTS TO RETAILERS AND MILITARY
FISCAL YEAR 1977-1978

Month	LIQUOR				WINE				BEER			
	Taxable Gallons	Military Credits	Other Credits	Total Gallons	Taxable Gallons	Military Credits	Other Credits	Total Gallons	Taxable Gallons	Military Credits	Other Credits	Total Gallons
July 1977	91,524.33	3,851.45	659.20	96,035.18	82,260.82	3,237.19	2,312.96	88,310.97	885,947.28	4,547.05	17,923.32	905,417.67
August	132,089.66	4,194.66	635.80	136,920.12	87,838.47	4,717.13	531.82	93,087.42	1,123,115.12	3,007.25	1,708.79	1,129,831.16
September	96,426.98	10,800.96	1,119.26	108,347.20	75,318.58	8,427.23	450.48	84,196.29	702,075.17	1,265.60	2,066.12	705,406.97
October	96,006.88	14,410.04	177.95	110,604.87	67,923.91	13,840.05	309.57	82,073.53	620,282.92	2,789.53	4,022.48	627,095.98
November	135,393.19	5,626.29	216.24	141,235.72	106,626.33	1,055.43	211.32	109,943.08	677,763.60	560.64	8,525.36	686,833.60
December 1977	119,347.34	4,470.38	797.47	124,615.19	88,528.70	3,778.95	152.21	92,459.86	560,133.40	373.16	12,783.28	572,615.24
January 1978	70,209.91	4,088.74	567.92	74,866.57	59,379.49	3,749.58	426.50	63,555.57	556,468.44	1,377.20	6,772.72	564,705.49
February	61,747.19	699.95	153.02	62,600.16	61,146.20	557.34	361.17	62,064.71	565,634.36	1,485.54	1,060.24	568,180.46
March	91,742.95	6,587.31	405.74	98,735.00	79,727.31	9,122.31	205.56	89,055.18	761,194.68	1,148.00	8,024.54	770,367.72
April	89,693.50	7,023.58	445.13	97,162.21	72,629.99	4,355.70	680.39	77,666.08	786,467.72	1,150.24	1,935.56	791,551.84
May	93,316.47	2,995.41	315.08	96,626.96	80,120.30	3,166.55	107.49	83,394.34	949,079.04	2,471.08	475.88	952,326.30
June	106,352.08	4,060.05	271.36	110,683.49	86,668.30	3,484.10	4,214.33	94,366.73	1,032,123.64	2,983.84	10,464.68	1,045,572.16
Total Gallons	1,163,850.68	68,818.82	5,773.17	1,238,442.67	948,218.40	61,491.56	10,443.80	1,020,153.76	9,222,485.37	25,187.33	75,493.59	9,323,835.69
Tax Rate		\$4.00 per gallon			\$6.60 per gallon				\$1.25 per gallon			
Tax Amounts	\$4,735,402.72	\$275,275.28	\$23,092.68	\$5,033,770.68	\$568,931.04	\$36,894.94	\$6,266.28	\$612,092.26	\$2,305,621.34	\$6,297.33	\$18,873.50	\$5,330,792.17

SUMMARY OF TOTAL CREDITS

Military Sales

Liquor	\$275,275.28
Wine	36,894.74
Beer	6,297.33
Total	\$318,467.35

COMMITTEE REPORT
SENATE

3/12/79

FURTHER:

Date: March 15, 1979

Mr. President:

The Committee on FINANCE has had SB 228
excise tax on and license fees for sale of intoxicating liquors

under consideration and (a majority of the committee) (the committee)
reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for SB 228 - Finance same title
 new title
- and recommends Individual Recommendation
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]
[Signature]
[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]
[Signature]
[Signature]

[Signature]

 CHAIRMAN
[Signature]

Original sponsor: Rules/Governor

Draft

IN THE SENATE

BY THE FINANCE COMMITTEE

CS FOR SENATE BILL NO. 228

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the excise tax on intoxicating liquors; and providing for an effective date."

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

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

(a) Every brewer, distiller, bottler, jobber, retailer, wholesaler, or manufacturer who sells intoxicating liquors in the state or who consigns shipments of intoxicating liquors into the state, whether or not the liquors are brewed, distilled, bottled, or manufactured in the state, shall pay on all malt beverages (alcoholic content of one per cent or more by volume), wines, and hard or distilled liquors, the following taxes: (1) malt beverages at the rate of 27 1/2 [25] cents a gallon or fraction of a gallon; (2) wine or other liquor of 21 per cent alcohol by volume or less at the rate of 90 [60] cents a gallon or fraction of a gallon; and (3) other liquors having a content of more than 21 per cent alcohol by volume at the rate of \$5.75 [\$4.00] a gallon.

* Sec. 2. This Act takes effect July 1, 1979.

Introduced: 2/13/79
Referred: Commerce and
Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 228

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

10 * Section 1. AS 04.10.110 is amended to read:

11 Sec. 04.10.110. WHOLESALE LICENSE. (a) The holder of a general
12 wholesale license may sell intoxicating liquors in the original pack-
13 age, and wine in bulk, in quantities of not less than five wine gallons
14 to holders of licenses. The holder of a general wholesale license may
15 not sell to a consumer. Liquor requiring internal revenue strip
16 stamps shall have the stamps intact on the package. A general whole-
17 sale license shall be required for each distributing point. The
18 general wholesale license fee schedule is based upon the total amount
19 of business transacted during any year and is \$500 as a minimum license
20 fee, to accompany the application, and in payment of the fee for the
21 first \$50,000 of business transacted, and, in addition thereto, on the
22 business transacted during any year,

23	above \$50,000 and not	
24	over \$75,000	a fee of \$250
25	above \$75,000 and not	
26	over \$100,000	a fee of \$500
27	above \$100,000 and not	
28	over \$125,000	a fee of \$750
29	above \$125,000 and not	

1	over \$150,000	a fee of \$1000
2	above \$150,000 and not	
3	over \$175,000	a fee of \$1250
4	above \$175,000 and not	
5	over \$200,000	a fee of \$1500
6	above \$200,000 and not	
7	over \$250,000	a fee of \$2000
8	above \$250,000 and not	
9	over \$300,000	a fee of \$2500
10	above \$300,000 and not	
11	over \$350,000	a fee of \$3000
12	above \$350,000 and not	
13	over \$400,000	a fee of \$3500
14	above \$400,000 and not	
15	over \$500,000	a fee of \$4500
16	above \$500,000	<u>1 per cent of the business</u>
17		<u>transacted</u>
18		[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,

above \$10,000 and not

1	over \$25,000	a fee of \$150
2	above \$25,000 and not	
3	over \$50,000	a fee of \$500
4	above \$50,000 and not	
5	over \$75,000	a fee of \$750
6	above \$75,000 and not	
7	over \$100,000	a fee of \$1000
8	above \$100,000 and not	
9	over \$150,000	a fee of \$1500
10	above \$150,000 and not	
11	over \$200,000	a fee of \$2000
12	above \$200,000 and not	
13	over \$300,000	a fee of \$3000
14	above \$300,000 and not	
15	over \$400,000	a fee of \$4000
16	above \$500,000	<u>1 per cent of the business</u>
17		<u>transacted</u>
18		[A FEE OF \$5000]

* Sec. 2. AS 04.10.040(a) is amended to read:

(a) The holder of a beverage dispensary license may sell for cash or serve on the premises beer, wine and hard liquors for consumption on the premises only. The beverage dispensary license fee is \$750 [\$500] in all unincorporated communities and incorporated cities having a population not exceeding 1,500 persons and \$1500 [\$1,000] in all unincorporated communities and incorporated cities having a population in excess of 1,500 persons. The population shall be determined at the time of filing the application. Each applicant for a beverage dispensary license shall file with the application a cash bond or a surety bond executed by a surety company approved by the board. The

1 condition of the bond or undertaking shall be that the applicant or
2 applicants are the sole owners of the business to be licensed, and
3 that no other person is financially interested directly or indirectly,
4 and that the applicant or applicants will conduct the business in
5 accordance with the applicable laws pertaining to intoxicating liquor
6 in the state. The bond shall be in the penal sum of \$2,500. Upon
7 revocation of the license, the bond may be forfeited and the amount
8 deposited into the general fund of the state.

9 * Sec. 3. AS 04.10.050 is amended to read:

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

13 * Sec. 4. AS 04.10.060 is amended to read:

14 Sec. 04.10.060. ROADHOUSE LICENSE. The holder of a roadhouse
15 license whose licensed premises are located not less than 18 miles
16 from the corporate limits of a city and who serves food to the travel-
17 ing public, may sell beer and wine for consumption on the premises
18 only. The roadhouse license fee is \$250 [\$150].

19 * Sec. 5. AS 04.10.070 is amended to read:

20 Sec. 04.10.070. CLUB LICENSE. A club license gives to clubs,
21 fraternal organizations, and patriotic organizations, that have a
22 state or national charter, and that have been so incorporated and
23 active for a period of two years or more, the right to sell intoxicat-
24 ing liquors to members and their families only in their club rooms.
25 The club license fee is \$800 [\$400], except that where any club has
26 certified to the board that the gross sales of intoxicating liquor for
27 the preceding year were less than \$5,000 the club license fee is \$200.

28 * Sec. 5. AS 04.10.080 is amended to read:

29 Sec. 04.10.080. BOTTLING WORKS LICENSE. The holder of a bottling

1 works license may operate a bottling works where beer and wine may be
2 bottled and sold. No sale of beer or wine may be made to a consumer
3 or in quantities less than five wine gallons. The bottling works
4 license fee is \$500 [\$100].

5 * Sec. 7. AS 04.10.100 is amended to read:

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

16 * Sec. 8. AS 43.60.010(a) is amended to read:

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

1 per cent alcohol by volume at the rate of \$5 [\$4.00] a gallon.

2 * Sec. 9. This Act takes effect July 1, 1979.

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Introduced: 2/13/79
Referred: Commerce and
Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 228

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

10 * Section 1. AS 04.10.110 is amended to read:

11 Sec. 04.10.110. WHOLESALE LICENSE. (a) The holder of a general
12 wholesale license may sell intoxicating liquors in the original pack-
13 age, and wine in bulk, in quantities of not less than five wine gallons
14 to holders of licenses. The holder of a general wholesale license may
15 not sell to a consumer. Liquor requiring internal revenue strip
16 stamps shall have the stamps intact on the package. A general whole-
17 sale license shall be required for each distributing point. The
18 general wholesale license fee ^{is \$7500} ~~schedule is based upon the total amount~~
19 ~~of business transacted during any year and is \$500 as a minimum license~~
20 ~~fee, to accompany the application, and in payment of the fee for the~~
21 ~~first \$50,000 of business transacted, and, in addition thereto, on the~~
22 ~~business transacted during any year,~~

23 ~~above \$50,000 and not~~

24 ~~over \$75,000~~ a fee of \$250

25 ~~above \$75,000 and not~~

26 ~~over \$100,000~~ a fee of \$500

27 ~~above \$100,000 and not~~

28 ~~over \$125,000~~ a fee of \$750

29 above \$125,000 and not

1	over \$150,000	a fee of \$1000
2	above \$150,000 and not	
3	over \$175,000	a fee of \$1250
4	above \$175,000 and not	
5	over \$200,000	a fee of \$1500
6	above \$200,000 and not	
7	over \$250,000	a fee of \$2000
8	above \$250,000 and not	
9	over \$300,000	a fee of \$2500
10	above \$300,000 and not	
11	over \$350,000	a fee of \$3000
12	above \$350,000 and not	
13	over \$400,000	a fee of \$3500
14	above \$400,000 and not	
15	over \$500,000	a fee of \$4500
16	above \$500,000	<u>1 per cent of the business</u>
17		<u>transacted</u>
18		[A FEE OF \$5000]

19 (b) The holder of a wholesale malt beverage and wine license may
20 sell malt beverages and wine in the original packages and malt bever-
21 ages and wine in bulk in quantities of not less than five wine gallons
22 to holders of licenses. The holder of a wholesale malt beverage and
23 wine license may not sell to a consumer. The malt beverages and wine
24 license fee ^{is \$7500} ~~schedule is based on the total amount of business trans-~~
25 ~~acted in any year and is \$100 as a minimum license fee, to accompany~~
26 ~~the application, and in payment of the fee for the first \$10,000 of~~
27 ~~business transacted, and, in addition, on the business transacted~~
28 ~~during any year,~~
29 ~~above \$10,000 and not~~