

**ALASKA LEGISLATURE**

**1106**

**HOUSE and SENATE FINANCE COMMITTEE FILES,**

**1993-1994**

180

**SB**

**40**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

DATE: 3/24/93

FURTHER: \_\_\_\_\_

DATE TURNED INTO OFFICE: \_\_\_\_\_

The Finance Committee considered SENATE BILL NO. 40

"An Act relating to health insurance for small employers; and providing for an effective date."

*Died in SFC 1994.*

and recommends:

- replace with \_\_\_\_\_ CS \_\_\_\_\_ (FINANCE)  
or  not previous \_\_\_\_\_ CS \_\_\_\_\_ ( )  
 attaches amendment(s)

- same title  
 new title  
 technical title change (HB only)

adopts \_\_\_\_\_ Letter of Intent

further referral to the \_\_\_\_\_

do pass

do not pass

no recommendation

individual recommendations

## NEW FISCAL NOTES

Department	Date	Zero	Fiscal

## PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

DO PASS.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

OTHER RECOMMENDATIONS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

1. \_\_\_\_\_  
Co-Chair: Signature/Recommendation

2. \_\_\_\_\_  
Co-Chair: Signature/Recommendation

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

DATE: 1/11/93

FURTHER: FINANCE

Date of 5-Day Notice: \_\_\_\_\_  
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: \_\_\_\_\_

L&C Committee considered SENATE BILL NO. 40

"An Act relating to health insurance for small employers; and providing for an effective date."

and recommends:

replace with \_\_\_\_\_ CS \_\_\_\_\_

- same title
- new title
- technical title change (HB only)

attaches amendment(s)

adopts \_\_\_\_\_ Letter of Intent

further referral to the \_\_\_\_\_

do pass

do not pass

no recommendation

individual recommendations

FISCAL NOTE INFORMATION			
Department	Date	Zero	Fiscal

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

Governor's Bill with Previous Fiscal Notes (enter information above)

DO PASS:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

OTHER RECOMMENDATIONS:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Chair: Signature and Recommendation

ALASKA STATE LEGISLATURE  
SENATE BILL NO. 40

HISTORY IN THE SENATE

1993  
1/11  
3/24

Read first time and referred to:  
L+C FIN

L+C RPT( ) CS DP NR DNP AM  
New Title Same Title Vote 11-9 Previous FN  
FN OFN Waived To FIN

RPT( ) CS DP NR DNP AM  
New Title Same Title Previous FN  
FN OFN To

RPT( ) CS DP NR DNP AM  
New Title Same Title Previous FN  
FN OFN To

Rules Calendar( ) CS AM Other  
New Title Same Title Previous FN  
FN OFN

Read second time

CS Adopted ( ) New Title  
Amended Advanced

Read third time

Letter of Intent adopted  
Return to second for specific amendment

PASSED	EFD Same ___ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Reconsideration  
Reconsideration not taken up

PASSED	EFD Same ___ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Reported correctly engrossed  
Signed by President, to House

Secretary of the Senate

HISTORY IN THE HOUSE

19

Read first time and referred to:

RPT CS( ) New Title  
DP DNP NR AM  
FN OFN Previous FN

RPT CS( ) New Title  
DP DNP NR AM  
FN OFN Previous FN

RPT CS( ) New Title  
DP DNP NR AM  
FN OFN Previous FN

Read second time  
CS( ) Adopted

Amended

Advanced

Read third time

Return to second for specific amendment

PASSED	EFD Same ___ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Intent adopted

Reconsideration  
Reconsideration not taken up

PASSED ON RECON.	EFD Same ___ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Intent adopted

Reported correctly engrossed, signed by the Speaker  
and returned to the Senate

Chief Clerk of the House

SENATE-HOUSE HISTORY Continued

19

Received from the House

Version: \_\_\_\_\_

Concur in House amendment

Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_  
\_\_\_\_ Efd same or Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_

Failed to concur in House amendment, ask House recede

Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_

House failed to / receded from amendment

Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_

CC appointed by Senate \_\_\_\_\_ Chair

CC appointed by House \_\_\_\_\_ Chair

(S) Granted Limited Powers of Free Conference

(H) Granted Limited Powers of Free Conference

19

(S) Adopted CC Rpt \_\_\_\_\_

Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_  
\_\_\_\_ Efd same or Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_

(H) Adopted CC Rpt \_\_\_\_\_

Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_  
\_\_\_\_ Efd same or Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_

To enrolling

Received from enrolling

Sent to Governor

\_\_\_\_\_ By Governor

Chapter Number \_\_\_\_\_

Filed with Lieutenant Governor

**FISCAL NOTE**

**STATE OF ALASKA**  
**1994 LEGISLATIVE SESSION**

**BILL NO. SB 40**

Revision Date: \_\_\_\_\_  
 Title: Health Insurance for Small Employers

Department Affected: Commerce and Economic Development  
 BRU: Insurance  
 Component: Operations

Sponsor: Senators Pearce and Salo  
 Requestor: \_\_\_\_\_

COMPONENT SERIAL NO. 354

**Expenditures/Revenues:**

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>CAPITAL EXPENDITURES</b>	0	0	0	0	0	0
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<b>CHANGE IN REVENUES ( )</b>	0	0	0	0	0	0
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**FUND SOURCE**

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
Other	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimate of current year (FY 94) cost: \$ 0

**POSITIONS**

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

**ANALYSIS: (Attach a separate page if necessary.)**

No fiscal impact.

Prepared by: Joan Brown, Administrative Officer  
 Division: Insurance

Phone: 465-2597  
 Date: 12-9-93

Approved by Commissioner: Paul Fuhs  
 Agency: Commerce and Economic Development

Date: 12/13/93

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**SB**

**42**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

DATE: 3/18/93

FURTHER:

DATE TURNED INTO OFFICE: 3-25-93

The Finance Committee considered **SENATE BILL NO. 42**

"An Act relating to municipal taxation of alcoholic beverages; and providing for an effective date."

and recommends:

- replace with \_\_\_\_\_ CS \_\_\_\_\_ (FINANCE)
- or  adopt previous CS SB 42 (CRA)
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

adopts \_\_\_\_\_ Letter of Intent

further referral to the \_\_\_\_\_

do pass

do not pass

no recommendation

individual recommendations

**NEW FISCAL NOTES**

Department	Date	Zero	Fiscal

**PREVIOUS FISCAL NOTES**

Department	Date	Zero	Fiscal
DC & RA	2-17-93	<del>0</del>	

Appropriation No Fiscal Note

**DO PASS:**

*George Tadey*  
*John Rabe*  
*John H. ...*  
*[Signature]*

**OTHER RECOMMENDATIONS:**

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

1. *Mark Do-pass*  
 Co-Chair: Signature/Recommendation

2. *True Lance - 10/2/93*  
 Co-Chair: Signature/Recommendation

Revision Date: \_\_\_\_\_ Dept. Affected: Community and Regional Affairs  
 Title: Local Sales Tax on Alcoholic Beverages BRU: \_\_\_\_\_  
 Component: \_\_\_\_\_  
 Sponsor: Jacko  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. N/A

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CAPITAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

REVENUE FUND SOURCE: \_\_\_\_\_

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

POSITIONS:

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

Estimate of current (FY93) Impact \$ \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary)  
 The bill has no impact on DCRA programs.  
 Changes in CS SB 42 (CRF) have no fiscal impact. This fiscal note is appropriate.  
3/9/93 date A. Anthony Comte Aide (initial)

Prepared by: Remond Henderson Phone: 465-4708

Division: Division of Administrative Services Date: 2/17/93

Approved by <sup>for</sup> Commissioner: [Signature] Deputy Commissioner Date: 2/17/93

Agency: Community and Regional Affairs

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Back-up

# SENATOR GEORGE JACKO

STATE CAPITOL, ROOM 125 JUNEAU, ALASKA 99801-1182 (907) 465-4942 FAX: (907) 465-2997

## COMMITTEE CHAIRMANSHIPS

Rules, Chair  
Finance, Vice-Chair  
Finance Subcommittees  
DC&RA, Chair  
DM&VA, Chair  
Revenue, Chair



## COMMITTEE MEMBERSHIPS

Judiciary  
Legislative Council  
Finance Subcommittees  
Public Safety  
Fish & Game  
University

## MEMORANDUM

TO: Senator ~~Don~~ Pearce. Co-Chair  
Senate Finance Committee

FROM: Senator ~~George~~ Jacko

DATE: March 24, 1993

RE: Sponsor Statement - CSSB 42

CSSB 42 will enable municipalities of 2500 residents or less to hold municipal elections to decide whether residents want to levy a higher sales tax on alcohol beverages beyond the sales tax imposed on other sales within the municipality.

Local voters will have to approve the measure before implementation can take place. The Alaska Supreme Court has ruled that all sales tax items must be levied at the same rate.

CSSB 42 will create an additional revenue tool for small municipalities. As municipal assistance and revenue sharing funds continue to decrease, the ability for communities to maximize local revenue-generating capability will be important.

CSSB 42 is supported by the Alaska Municipal League, the Southwest Alaska Municipal Conference and the Department of Community and Regional Affairs.

STATE OF ALASKA  
DEPARTMENT OF COMMUNITY  
& REGIONAL AFFAIRS

POSITION PAPER

Bill No.: SB 42  
Sponsor: SENATOR JACKO

DCRA FN: Zero (attached)  
Position: Support

Title: An Act relating to municipal taxation of alcoholic beverages;  
and providing for and effective date.

The bill amends AS 04.21.010(c)(2) to allow municipalities to impose a sales tax "on alcoholic beverages equal to or higher than the sales tax imposed on other sales within the municipality, but may not be lower than the sales tax imposed on other sales within the municipality."

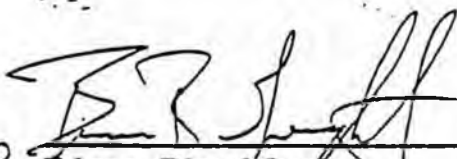
The bill also amends AS 29.45.650(b). This section AS 29.45.650 is the BOROUGH SALES AND USE TAX statute. The amendment removes this section from applying to AS 04.21.010(c). Subsection (b) reads "A borough levying a sales tax may also by ordinance levy a use tax on the storage, use, or consumption of tangible personal property in the borough. The use tax rate must equal the sales tax rate and the use tax shall be levied only on buyers."

The bill has no impact on DCRA programs.

The department supports this legislation for two primary reasons.

- 1) it allows municipalities to place a greater tax on alcoholic beverages; and
- 2) it allows a greater "use" tax to be imposed on alcoholic beverages in communities that do not allow sales of alcohol, but permit importation for personal use.

Alcohol is one of the most destructive drugs in use in rural Alaska today. This bill allows local communities to appropriately discourage its use, and stem the resultant negative impacts on rural families.

  
Edgar Blatchford  
Commissioner

2-18-93  
Date

File No.: SB 42/P

C&RA POSITION PAPER

3:48 PM

To: Bryce Edgemon  
Senator Jacko's Office  
Fax: 465-2997

From: Alice Ruby  
Dillingham

Date: 3/10/93

Re: Alcohol Tax Information

I've obtained some information that may be useful in Senator Jacko's effort to pass the alcohol tax legislation. Following is a description of attached info.

**1. Memo from Ward Jones to Christy Tilden**

Ward Jones is an employee of BBAHC and provided the information in the memo to Christy Tilden at her request - probably in relationship to her grant program. Ward gave me permission to release the information to you. He advises that he will continue to tabulate this kind of information but will not have the results for a while.

The most interesting to me are paragraph's IV, VI and VII on the second page. Adding these figures brings a total of \$180,925 spent per quarter for alcohol related incidents by the Dillingham Police Department and Ambulance. This means that just the City of Dillingham spends an estimated \$723,700 per year on alcohol related incidents.

**2. Estimated Alcohol Sales in Dillingham, July - December 1992**

I obtained these figures from actual sales tax reports submitted by the businesses who reported in Dillingham. Note that the AhSaWan just recently opened and will be operating under the Captains Table liquor license and is not reported in this group and Ricardo's is not reported (liquor and food are not separated so I didn't count them).

Estimated sales for that six month period were \$997,382. Using this figure to estimate a years sales brings us to \$1,994,764.00. Note that this does not take April - June into account which as you probably know are part of the busiest season for the liquor sales businesses.

I did some rough calculations on sales taxes at the current 5%, 8%, 10% and 15%. You can extend it further by adding any percentage to the Tot. Tax. Sales (which is the total taxable sales for that month).

### 3. Effect on individual product prices

I did this just out of curiosity. I wondered what the effect of the tax would be on the consumer's price. I used the price sheet from one business in town (who shall remain anonymous). I had to break out the current 5% sales tax to determine the base prices charged for various products. Then I added 8%, 10% and 15% just to see what happened.

I'll have to admit that I was fairly surprised when I saw the price sheet. I haven't been out for a while and hadn't realized how much prices have gone up. If you want to know what some of the drink categories are let me know. (Example: a Premium is the expensive liquors like baileys, sloe gin, etc.).

### 4. Miscellaneous

I made the Mayor and Manager aware that I was going to send this information to you. As well I let Fred Torrisi know because he has been supportive of this legislation. I'll be passing the information on to them as well.

Please let me know if I can provide more information. Also, I will be happy to testify when appropriate and will probably use some of this info that I am passing on to you.

In case this information is helpful.....I and the City (I think) are convinced that the alcohol tax will not deter alcohol consumption, nor will it solve some of our social problems by itself. It will, however, provide funding to off-set existing alcohol related expenses and maybe allow us to develop some solutions to the problems. You can see, however, that we would have to tax pretty high before we could actually balance out expenses and income. I don't know if the citizens will allow a really high tax - I do think that they would support a moderate tax in Dillingham.

## Memo:

TO: Cristy Tilden, Program Director, BBAHC Alcohol Program

FROM: Ward Jones, Injury Prevention Specialist, BBAHC  
Environmental Health *WJ*

RE: Costs of alcohol and drugs to BBAHC and Dillingham  
community first quarter FY 93 (10/1-12/31)

DATE: February 2, 1993

In my capacity as Injury Prevention Specialist, I have been charged with surveillance of serious injuries. The following are alcohol and drug related incidents and costs:

I.	2 Detox admits @		
	A. 72 hr. hospital stay @ \$425/da.	= \$	1275
	B. ER fee	= \$	70
	C. Physician fee	= \$	60
	D. Average lab fee	= \$	200
	E. Average medicine fee	= \$	20
	F. Average supplies	= \$	20
	Total	= \$	1,645

Grand Total = \$ 3,290

II.	25 Title 47 admits @		
	A. 24 hr. hospital stay @ \$425/da.	= \$	425
	B. Other costs as above	= \$	370
	Total	= \$	785

Grand Total = \$19,625

III. In addition to the above there were the following items that were determined to be alcohol and or drug related:

- A. Two drug overdoses
- B. One alcohol and drug overdose
- C. One skull fracture
- D. One suicide attempt
- E. One loss of consciousness
- F. One undetermined trauma
- G. One hypothermia

If we assume one nights stay and similar other expenses to the above the total for these injuries is \$6,360

IV. There were a total of five ambulance runs associated with the above @ \$125 = \$625

V. There are some expenses not documented with the above, such as xray and medevac that would add significantly to the total.

VI. The City of Dillingham Community Service Patrol is run for the sole purpose of alcohol mitigation so its yearly budget of approximately \$176,000 plus \$30,000 in kind services from the city can be divided by four for a quarterly total of \$51,500.

VII. Seventy percent of the Dillingham City Police Department calls are alcohol related. Consequently if we take seventy percent of the approximately \$736,000 and divide by four we have a quarterly total of \$128,800.

The expenses from the above are not all inclusive and can be expanded upon, however they give us a rough total of \$209,670 spent by agencies in the mitigation of alcohol problems.

The above list is rough and by no means comprehensive. Other agencies and departments that are impacted are:

1. BBAHC Alcohol Program 100%
2. BBAHC Mental Health Department
3. SAFE
4. Alaska State Troopers
5. BBAHC EMS Department
6. BBAHC Community Health Aide Program
7. Others?

Estimated  
Alcohol Sales  
In  
City of Dillingham  
July-December 1992

Taxable Income figures taken from Sales Tax Reports prepared by businesses  
and submitted to City of Dillingham

FAX NO. 8425462

Current Local Businesses	Reported Taxable Sales for July 92 to December 92						Tot.Tax Sales	(Current)			
	Dec-92	Nov-92	Oct-92	Sep-92	Aug-92	Jul-92		Tax@5%	Tax@8%	Tax@10%	Tax@15%
Cannery Lounge	\$3,827.49	\$6,577.61	\$1,461.54	\$7,621.37	\$12,756.73	NA	\$35,244.74	\$1,762.24	\$2,819.58	\$3,524.47	\$5,286.71
Dig. Liquor	\$55,454.32	\$52,583.30	\$58,986.29	\$62,848.54	\$80,730.31	\$105,908.19	\$416,310.95	\$20,815.55	\$33,304.88	\$41,831.10	\$62,446.84
Olson Liquor	\$21,087.14	\$18,813.72	\$20,332.98	\$19,009.30	\$28,213.33	\$42,453.18	\$149,910.15	\$7,495.51	\$11,992.81	\$14,991.02	\$22,486.52
Sea Inn	\$28,125.02	\$34,989.63	\$34,209.47	\$35,614.20	\$48,271.17	\$57,925.92	\$237,135.41	\$11,856.77	\$18,970.83	\$23,713.54	\$35,570.31
Willow Tree	\$17,589.11	\$20,500.91	\$23,730.76	\$21,179.42	\$31,200.60	\$44,580.01	\$158,780.81	\$7,939.04	\$12,702.46	\$15,878.08	\$23,817.12
<b>Tot.Taxable Sales</b>							<b>\$967,382.08</b>				
<b>Estimated Tax</b>								<b>\$49,869.10</b>	<b>\$79,790.56</b>	<b>\$99,738.21</b>	<b>\$149,807.31</b>

CHONGTUNG LTD

MAR-10-93 WED 14:23

## Estimated effect on individual product prices

Based on prices currently charged by one business in Dillingham

Mar-93

Alcohol Item	Current Price w/5% tax	Base Price	Price w/8% tax	Price w/10%	Price w/15%
House Wine/glass	\$3.50	\$3.33	\$3.60	\$3.87	\$3.83
Can Beer	\$3.00	\$2.86	\$3.09	\$3.14	\$3.29
Bottle Beer	\$3.50	\$3.33	\$3.60	\$3.67	\$3.83
Import Beer	\$4.00	\$3.81	\$4.11	\$4.19	\$4.38
Specials	\$2.50	\$2.38	\$2.57	\$2.62	\$2.74
Well Drinks	\$3.50	\$3.33	\$3.60	\$3.87	\$3.83
Call Drinks	\$4.00	\$3.81	\$4.11	\$4.19	\$4.38
Premium	\$4.50	\$4.29	\$4.63	\$4.71	\$4.93
Super Premium	\$5.00	\$4.78	\$5.14	\$5.24	\$5.48
Mixed Liq (2 or more)	\$5.00	\$4.78	\$5.14	\$5.24	\$5.48
Blended	\$8.00	\$5.71	\$6.17	\$6.29	\$6.57
Multi Liquor	\$7.00	\$6.67	\$7.20	\$7.33	\$7.67

Note: the prices I obtained were the actual cost to consumer, which includes tax. I backed the sales tax out by dividing the price by 1.05 which gives you the base price of the product to the consumer

jury instruction defining sale as requiring a transfer of title from the defendant to the consumer. *Herrera v. State*, 753 P.2d 150 (Alaska Ct. App. 1988).

Conviction and sentence affirmed.

In accord with main pamphlet. *Tuckfield v. State*, 805 P.2d 982 (Alaska Ct. App. 1991).

Sentence of six months' incarceration as a condition of receiving a suspended imposition of sentence, upon conviction of one

count of selling intoxicating beverages without a license in a local option area, was not clearly mistaken, where defendant had set up a commercial enterprise, although of short duration, and sold a pint of whiskey to a man who murdered a woman shortly after buying the whiskey. *Wasaille v. State*, 790 P.2d 1385 (Alaska Ct. App. 1990).

Cited in *Cleland v. State*, 759 P.2d 553 (Alaska Ct. App. 1988).

### Chapter 21. General Provisions.

Section

10. Municipal regulation

15. Private manufacture of alcoholic beverages

Section

65. Posting of warning signs

80. Definitions

**Sec. 04.21.010. Municipal regulation.** (a) A municipality may adopt ordinances governing the importation, barter, sale, and consumption of alcoholic beverages within the municipality and may ban possession of alcoholic beverages under AS 04.11.498(d) or (e). An ordinance adopted under this section may not be inconsistent with this title or regulations adopted under this title.

(b) If, as a result of an election held in accordance with AS 04.11.502 in a municipality, the board is prohibited from issuing, renewing, or transferring a license between holders or locations or if the importation of alcoholic beverages is prohibited in the municipality, the municipality may adopt an ordinance making the sale or importation of alcoholic beverages a misdemeanor. The ordinance may not be inconsistent with this title or the regulations adopted under this title.

(c) A municipality may not impose taxes on alcoholic beverages except a

- (1) property tax on alcoholic beverage inventories;
- (2) sales tax on alcoholic beverage sales if sales taxes are imposed on other sales within the municipality;
- (3) sales tax on alcoholic beverage sales that was in effect before July 1, 1985; and
- (4) sales and use tax on alcoholic beverages if the sale of alcoholic beverages within the municipality has been prohibited under AS 04.11.490.

(d) At least 10 days before the date set for municipal action on an application for the issuance, renewal, relocation, or transfer of ownership of a proposed license, the municipality shall provide written notice of the proposed action and the time and place for a hearing to a community council that

- (1) is established by municipal charter or ordinance to advise the municipal governing body; and

**LAGOS v. CITY AND BOROUGH OF SITKA** Alaska 641

Cite as 823 P.2d 641 (Alaska 1991)

does not apply to partial indemnity claims based on implied contracts since the contribution act has never applied to implied contract cases. The majority opinion's reliance on the *Vertecs* rule is thus difficult to justify. To repeat, the *Vertecs* rule barred partial non-statutory loss shifting in tort cases because there was a partial statutory loss-shifting remedy. There has never been a partial statutory loss-shifting remedy in implied contract cases, and therefore the rationale of the *Vertecs* rule does not apply to such cases.

In summary, where two parties are at fault and are responsible for an indivisible loss, any rule that provides that one of them must bear the entire loss without the opportunity to shift part of the loss to the other is manifestly unjust. What should happen is that the loss should be shared in proportion to the fault of each party. In accord with this, the trial court should be directed on remand to instruct the jury to apportion the damages which the Borough must pay between the Borough and Roen according to the comparative degree of fault of each.



Mike LAGOS and Mei Fong Lagos, Individually, and d/b/a Marina Restaurant, House of Liquors, Inc. d/b/a House of Liquors, an Alaska corporation; and Pioneer Liquor, Inc., d/b/a Pioneer Bar, an Alaska corporation, Appellants,

v.

**CITY AND BOROUGH OF SITKA, Appellees.**

No. S-4136.

Supreme Court of Alaska.

Dec. 27, 1991.

Owners of business and businesses which sold alcoholic beverages filed com-

plaint for declaratory judgment and injunctive relief against ordinance of city and borough imposing additional tax on alcoholic beverages above and beyond consumer sales tax imposed on other commodities. The Superior Court, First Judicial District, Sitka, Rodger W. Peques, J., granted summary judgment for city, and owners appealed. The Supreme Court, Rabinowitz, C.J., held that statute authorizing municipalities to impose "sales tax on alcoholic beverages if sales taxes are imposed on other sales within the municipality" prohibits municipality from imposing greater tax on sales of alcoholic beverages than on sales made on other commodities.

Reversed.

**1. Statutes §188**

Supreme Court does not adhere to plain meaning rule in interpretation of statutes.

**2. Statutes §188**

In interpreting statute, Supreme Court looks first to language of statute.

**3. Intoxicating Liquors §91**

Statute authorizing municipalities to impose "sales tax on alcoholic beverages if sales taxes are imposed on other sales within the municipality" prohibits municipality from imposing greater tax on sales of alcoholic beverages than on sales made on other commodities. AS 04.21.010(c), (c)(2).

William G. Royce, Anchorage, for appellants.

Theron J. Cole, Sitka, for appellees.

Barbara J. Blasco, Juneau, for amicus curiae, City and Borough of Juneau.

Before RABINOWITZ, C.J., and BURKE, MATTHEWS, COMPTON and MOORE, JJ.

**OPINION**

RABINOWITZ, Chief Justice.

**I. FACTS AND PROCEEDINGS**

This appeal raises the question of the validity of 4.08.040 of the Sitka General Code. This ordinance provides,

ANCHORAGE LAW LIBRARY

LAGOS v. SITKA COURT CASE

A consumer sales tax is levied on all sales made in the City and Borough of Sitka at the rate of 4% of the selling price. An additional 4% consumer sales tax is placed upon the sale of alcoholic beverages. Normally the burden of this tax rests upon the consumer.

In 1989, the City and Borough of Sitka ("Sitka") had amended this ordinance to include the additional tax on alcoholic beverages in response to a ballot proposition passed by voters on October 3, 1989. The ballot proposition also provided for "the resulting revenue to be dedicated toward the prevention and treatment of alcohol and drug abuse in Sitka." Just prior to the election, appellants, as owners of business and businesses which sold alcoholic beverages, ("Lagos") filed a complaint for declaratory judgment and injunctive relief, seeking to have the ballot proposition invalidated.

Lagos alleged that the ballot proposition and the ordinance were unlawful on three grounds:

(1) AS 04.21.010(c) prohibits taxing alcoholic beverage sales at a rate higher than the tax on other sales;

(2) The regulation and taxation of alcohol has been preempted by state law except where such power is specifically conferred on municipalities; and

(3) A municipal tax purporting to dedicate resulting revenues violates Article IX, § 7, of the Alaska Constitution.

Lagos filed for summary judgment on the first ground, that Sitka's sales tax was illegal under AS 04.21.010(c). This statute provides,

A municipality may not impose taxes on alcoholic beverages except

(1) property taxes on alcoholic beverage inventories;

(2) sales taxes on alcoholic beverage sales if sales taxes are imposed on other sales within the municipality; and

1. The parties agree that this appeal does not raise any issues of fact, but rather concerns the interpretation of statutes. This court will employ *de novo* review to a grant of summary judgment. *Kollodge v. State*, 757 P.2d 1028, 1032

(3) sales taxes on alcoholic beverage sales that were in effect before July 1, 1985.

Lagos read subsection two of this statute to ban discriminatory sales tax rates on alcoholic beverages. In this regard he argued that the legislative history of AS 04.21.010(c) showed that the legislature intended to ban discriminatory rates when it enacted AS 04.21.010(c)(2).

Sitka filed its own motion for summary judgment, requesting the superior court to dismiss Lagos' complaint for declaratory and injunctive relief. Sitka argued that none of the contentions advanced by Lagos raised any "issue as to any material fact and that [Sitka] is entitled to judgment as a matter of law."

The superior court granted summary judgment in favor of Sitka. The court thought Lagos' legislative history argument unpersuasive, and concluded that "[h]ad uniformity in rates of taxation been intended, the language of the legislation could easily have been written to say so.... Some legislators may have opposed a requirement for uniform rates." The superior court did not address Lagos' remaining preemption and unconstitutional dedication arguments. This appeal followed.<sup>1</sup>

## II. DISCUSSION

In this appeal Lagos raises the same arguments against Sitka's differential alcoholic beverage sales tax as were urged before the superior court.

### A. Does AS 04.21.010(c) prohibit taxing sales of alcoholic beverages at a higher rate than other commodities?

AS 04.21.010(c)(2) authorizes municipalities to impose a "sales tax on alcoholic beverages if sales taxes are imposed on other sales within the municipality." Lagos interprets this provision to mean "that

(Alaska 1988), and will adopt the rule of law which is "most persuasive in light of precedent, reason and policy." *Langdon v. Champion*, 745 P.2d 1371, 1372 n. 2 (Alaska 1987) (citations omitted).

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## LAGOS v. CITY AND BOROUGH OF SITKA Alaska 643

Cite as 823 P.2d 641 (Alaska 1991)

sales taxes on alcoholic beverages are allowed only to the extent sales taxes are imposed on other sales." 3

We have stated that the goal of statutory construction is:

[T]o give effect to the legislature's intent, with due regard for the meaning the statutory language conveys to others. In this respect, we have repeatedly stated that unless the words have acquired a peculiar meaning, by virtue of statutory definition or judicial construction, they are to be construed in accordance with their common usage.

*Tesoro Alaska Petroleum Co. v. Kenai Pipeline Co.*, 746 P.2d 896, 905 (Alaska 1987).

[1,2] We do not adhere to the plain meaning rule in interpretation of statutes. *University of Alaska v. Geistauts*, 666 P.2d 424, 428 n. 5 (Alaska 1983). However, we have stated that "where a statute's meaning appears clear and unambiguous, ... the party asserting a different meaning has a correspondingly heavy burden of demonstrating contrary legislative intent." *Id. See also State v. Alex*, 646 P.2d 203, 208 n. 4 (Alaska 1982) (under Alaska's sliding scale approach to statutory interpretation, the plainer the language of the statute the more convincing the evidence of contrary legislative intent must be). In interpreting a statute, we look first to the language of the statute. *Ward v. State*, 758 P.2d 87, 89 n. 5 (Alaska 1988). Here, the language of the statute, on its face, proscribes imposition of a sales tax solely

2. Before the superior court Lagos argued in part:

If one restricts the analysis to the language amending (c)(2), one may argue (as Sitka does) that the statute allows Sitka to tax alcoholic beverages at any rate, so long as sales taxes are imposed on some other sales within the municipality. It is true that (c)(2) contains no discussion regarding the *rate* of taxation on alcoholic beverage sales. Thus, so long as the analysis is restricted to (c)(2), one could argue (as Sitka does) that municipalities are free to single out sales of alcoholic beverages for taxation at a rate greater than taxes imposed on other sales. Others could argue with equal convincing force that sales taxes on alcoholic beverages are allowed only to the extent sales taxes are imposed on other sales

on alcohol. It does not explicitly address rates of taxation.

1. The legislative history

The language requiring a municipality to tax sales of other commodities before taxing sales of alcoholic beverages was added to AS 04.21.010(c) in 1985. Ch. 74, § 20, SLA 1985. Similar language had been deleted from the statute in 1980.<sup>3</sup> Ch. 131, § 4, SLA 1980.

Lagos argues that the legislative history supports his interpretation of the 1985 amendments to AS 04.21.010(c). Senator Eliason sponsored the amendment to AS 04.21.010(c), and the Senate Finance Committee deliberated over the merits of the amendment. In proceedings before the Senate Finance Committee, Senator Eliason asked Senator Ray to "testify on the background of this particular amendment." Proceedings of the Senate Finance Committee, May 8, 1985 ("Proceedings") (testimony of Senator Eliason). Senator Ray testified as to his involvement with the 1980 recodification of the code dealing with alcoholic beverages. He noted that the 1980 elimination of the language in the amendment was inadvertent. He then stated, "[I]n fact, two or three years after the bill had passed when ... Junesu ... considered adding an additional tax, it surprised me immensely, and I said, 'Well, they can't do that.'" *Id.* Senator Ray went on to explain, "It would seem to me it would be discriminatory to have an additional tax on anything." *Id.* Because Ju-

within the municipality—thus requiring an equality of rate.

Thus, it is necessary to consider the meaning and intended effect of (c)(3) adopted as part of the 1985 amendment....

(Emphasis in original.)

3. The original language read, "nor shall any municipality impose taxes other than property taxes on liquor inventories and sales taxes on liquor sales when such taxes are levied on other property and sales within the community." Ch. 86, § 1, SLA 1960. Apparently, the language requiring taxes on all commodities was inadvertently eliminated when the code was revised in 1980. See Senate Finance Comm. Proceedings, May 7, 1985 (testimony of Sen. Eliason); *id.*, May 8, 1985 (testimony of Senator Ray).

neau did in fact enact a tax which taxes sales of alcohol at a higher rate than it taxes other commodities, Lagos concludes that Senator Ray was interpreting the missing language to prohibit enactment of differential sales taxes on sales of alcohol.

After listening to Senator Ray's testimony, Senator Eliason explained:

The only limitations we're imposing on local governments is the fact that they cannot take a specific sales tax on a specific industry. What we're saying is that if you want to tax liquor and whatever else you might want to tax, that's alright. But we want to—it's keeping any specific industry—going out and point and saying, "We're going to tax you and no one else." ... They can ... impose a ten percent tax on liquor and tobacco—that wouldn't be in violation of this provision.... If the proposition read, "Shall we impose a ten percent tax on tobacco only?" they couldn't under this provision.

*Id.* Earlier in the proceedings, Senator Eliason had stated,

Under this language, no they can't discriminate between alcohol or food or clothing or any other commodity that's sold in the market. Its reasoning being that the state does regulate very stringently the alcoholic program in Alaska, so that's what the intent of the legislation is to treat them all equally.

*Id.* This history suggests that both senators intended to eliminate differential rates of taxation on sales of alcohol.

Additional support for Lagos' position is found in a comment by Senator Ferguson. At the May 7, 1985 proceedings of the Senate Finance Committee, Senator Ferguson

4. After hearing the testimony of the Acting Commissioner, the committee then questioned the drafter of the amendment, Tamara Cook (of the legislative affairs committee staff). She stated, "[a]s I read this language, if a municipality, whether it be a city or a borough, in fact imposed a sales tax on anything other than alcohol, it would be free to then also include alcohol within its sales tax structure." Proceedings, May 7, 1985.

5. The amicus, City and Borough of Juneau, argues in part as follows:

son asked, "Dillingham is thinking about raising the taxes on alcohol, and would they be allowed to continue their movement? I guess they wouldn't be able to after July 1, 1985?" *Id.* Senator Kerttula in response stated that "[a]s long as their ordinance is fully implemented prior to July 1st, they would be grandfathered in." *Id.* Apparently, both these senators believed that the amendment in question prohibited differential rates on alcohol sales tax.

Subsequently, at the same May 7, 1985 Senate Finance Committee meeting, the strongest statement concerning the subject of differential rates of taxation was made by the then Acting Commissioner of the Department of Community & Regional Affairs, in response to the comment by Senator Ferguson. The Acting Commissioner stated, "I understand then in the amendment that this refers to tax equalization and you cannot set a sales tax for alcohol higher than any other commodity within the community." *Id.*

Sitka counters by noting that

the Lagos' are relying upon the statements of individual legislators made in a single committee. There are no committee findings, no report, no journal entries, no indication that the whole legislature knew of or considered the statements or even considered anything beyond the words of the amendment that was part of a much larger bill.... Since there is no indication that the statements made in the committee were before the legislature, the legislature's intent must be presumed to be that expressed in the words of the statute.<sup>5</sup>

Sitka, and the amicus, also rely on an opinion from an Assistant Attorney General

Under the statute, a preexisting sales tax on alcoholic beverages was "grandfathered" regardless of whether the tax was part of a two-tiered sales tax system (such as Juneau's sales tax on alcoholic beverages) or part of a single-tiered system which imposed a tax on the sales of alcoholic beverages only. Thus, the only sales tax system proscribed by the statute is one which would impose a tax on the sales of alcoholic beverages only and which was not in effect before July 1, 1985.

(Emphasis in original.)

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LAGOS v. CITY AND BOROUGH OF SITKA Alaska 645  
Cite as 323 P.2d 641 (Alaska 1991)

al and a memorandum from the then Deputy Director of the Division of Legal Services for the Legislative Affairs Agency, both of which concluded that the 1985 amendment to AS 04.21.010(c) did not speak to the rate of taxation.<sup>6</sup>

2. The effect of AS 04.21.010(c)(3)

Lagos further argues that the grandfather clause of AS 04.21.010(c)(3), which permits the continuation of "sales taxes on alcoholic beverage sales that were in effect before July 1, 1985," demonstrates that the legislature intended to prohibit differential rates of taxation when it enacted its amendments to AS 04.21.010(c). Lagos asserts that this grandfather clause applied to the communities of Craig, Juneau, and Kotzebue, because those communities had in place differential taxes on the sale of alcoholic beverages at the time the 1985 amendments were enacted. Additionally, Lagos points to the discussions of the Senate Finance Committee which indicate that the committee believed these three communities were the only communities affected by the grandfather clause. From a review of the legislative history of the amendment to AS 04.21.010(c)(3), and the differential sales tax ordinances of Juneau, Craig, and Kotzebue, Lagos concludes that AS 04.21.010(c)(3) was enacted for the specific purpose of preserving the two-tiered municipal sales taxes on alcohol in these three communities. Thus, Lagos concludes that any ambiguity as to whether AS 04.21.010(c)(2) prohibits discriminatory rates of taxation on sales of alcoholic beverages is resolved by the provisions of AS 04.21.010(c)(3).

The City and Borough of Sitka reply that there is no indication in the wording of AS 04.21.010(c)(3) that it is limited to instances of unequal taxation or that it is limited to the communities of Craig, Juneau, and Kot-

6. In support of its reliance on these two documents Sitka cites *State, Dep't of Natural Resources v. City of Haines*, 627 P.2d 1047, 1049 nn. 6 & 7 (Alaska 1981) and *Corney v. State, Bd. of Fisheries*, 785 P.2d 544, 548 (Alaska 1990) ("Opinions of the Attorney General, while not controlling on matters of statutory interpretation are entitled to some deference.").

7. In addition to the text and legislative history surrounding the adoption of AS 04.21.010(c)(3),

zebue. "It could just as easily be applied to communities taxing alcohol alone prior to July 1, 1985."

III. CONCLUSION

[3] Our review of the merits leads us to the conclusion that Lagos' position is the more persuasive one. We therefore hold that the Sitka ordinance which taxes the sales of alcoholic beverages at a 4% higher rate than sales made on other commodities within the City and Borough of Sitka is violative of AS 04.21.010(c).

The text of AS 04.21.010(c)(2) is ambiguous in that it fails to clearly indicate whether it prohibits the imposition of discriminatory rates of sales taxes on sales of alcoholic beverages. On the other hand, the text of AS 04.21.010(c)(3) and the relevant legislative history concerning this 1985 amendment to AS 04.21.010(c), indicate that the legislature intended its amendments to prohibit the imposition of discriminatory sales taxes, whether in the form of sales tax rate differentials or a sales tax imposed solely on the sale of alcoholic beverages.<sup>7</sup> Thus, we conclude that AS 04.21.010(c)(2) and AS 04.21.010(c)(3) when read together, bar a municipality from taxing only the sale of alcoholic beverages and further require that if sales taxes are imposed on other commodities then the rate of taxation on the sale of alcoholic beverages may not exceed the rate of taxation imposed upon such other commodities sales.

REVERSED.<sup>8</sup>



the legislative history of AS 04.21.010(c)(2) noted above, provides evidence that some members of the Senate Finance Committee, including the amendment's sponsor, intended that there be no discrimination in a municipality's rate of taxation concerning alcoholic beverages.

8. Our holding that the ordinance in question is unlawful makes it unnecessary to address any of the remaining issues in this appeal.

STATE OF ALASKA  
DEPARTMENT OF COMMUNITY  
& REGIONAL AFFAIRS

POSITION PAPER

Bill No.: SB 42  
Sponsor: SENATOR JACKO

DCRA FN: Zero (attached)  
Position: Support

Title: An Act relating to municipal taxation of alcoholic beverages;  
and providing for and effective date.

The bill amends AS 04.21.010(c)(2) to allow municipalities to impose a sales tax "on alcoholic beverages equal to or higher than the sales tax imposed on other sales within the municipality, but may not be lower than the sales tax imposed on other sales within the municipality."

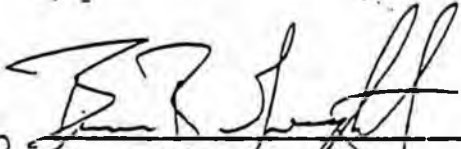
The bill also amends AS 29.45.650(b). This section AS 29.45.650 is the BOROUGH SALES AND USE TAX statute. The amendment removes this section from applying to AS 04.21.010(c). Subsection (b) reads "A borough levying a sales tax may also by ordinance levy a use tax on the storage, use, or consumption of tangible personal property in the borough. The use tax rate must equal the sales tax rate and the use tax shall be levied only on buyers."

The bill has no impact on DCRA programs.

The department supports this legislation for two primary reasons.

- 1) it allows municipalities to place a greater tax on alcoholic beverages; and
- 2) it allows a greater "use" tax to be imposed on alcoholic beverages in communities that do not allow sales of alcohol, but permit importation for personal use.

Alcohol is one of the most destructive drugs in use in rural Alaska today. This bill allows local communities to appropriately discourage its use, and stem the resultant negative impacts on rural families.

  
Edgar Blatchford  
Commissioner

2-18-93  
Date

File No.: SB 42/P

C&RA POSITION PAPER

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DISTILLED  
SPIRITS  
COUNCIL  
OF THE  
UNITED  
STATES

February 4, 1993

The Honorable George Jacko  
Senate Finance Committee  
State of Alaska  
State Capitol *SBH2*  
Juneau, Alaska 99801

Dear Senator Jacko:

The Distilled Spirits Council of the United States (DISCUS) represents the producers and marketers of over 85 percent of the liquor sold in this country.

As a result of the nation's sluggish economy, the state of Alaska is facing difficult budget issues. You will probably hear it said that your budget problems can be solved in 1993 by increasing excise taxes on distilled spirits. The seductive argument will be that "it's easy, it's politically expedient and no one will care since it is only the liquor industry that is being taxed."

The fact is that whether one supports or opposes the liquor industry on any given social issue, excise taxes on liquor should be opposed for these fundamental public policy positions -- they are regressive, hitting hardest those least able to pay; they hurt your state by costing jobs (especially in small businesses); reduce state economic activity; increase state costs and have repeatedly produced less revenue than forecast.

The National Governor's Association and the National Conference of State Legislators' draft study "Financing State Government in the 1990's" examined every avenue to help states cope with budget issues in the 90's: business taxes, individual taxes, retail sales and use taxes, value-added taxes and property taxes.

Excise taxes were not mentioned as an avenue of future financial help for the states, perhaps because they do not meet the five principles of good tax policy that are consistently recognized in economics and public administration:

...they do not provide: (1) "appropriate and timely revenues"; they do not (2) "distribute burdens equitably"; they do not (3) "promote economic efficiency and growth"; and a strong case can be made that they are not (4) "easily administered"; and (5) "ensure accountability".

It has been well documented that excise taxes on distilled spirits do not produce the expected revenue. At the Federal level, the eight percent tax increase on liquor passed in 1990 was estimated to produce an additional \$104 million by the end of FY-91. In fact, for the first time ever the Federal government received no new taxes. The eight percent increase actually resulted in \$87 million less in revenues than before the tax. The point of diminishing returns has occurred. The resulting loss in revenue had to be made up by cuts in other parts of the budget, or by increasing the Federal deficit.

Clearly the 1991 excise tax increase did not provide "appropriate and timely revenue." It is not hard to picture the problems Alaska would have if it depended on such an unstable revenue base for a program like Medicaid or universal health care.

Excise taxes are unfair to Alaska residents because they do not "distribute burdens equitably." An excise tax, Federal or state, is paid equally by all regardless of income levels. The poor and middle class pay a larger percentage of their income for the excise tax than do the wealthy. In a word, excise taxes are unfair and heavily regressive since the largest burden falls on those least able to pay.

Excise taxes act as a drag on the state's economy by costing jobs, income, state revenue and increased costs through unemployment compensation.

The 1991 excise tax increase did not "promote economic efficiency and growth." It not only lost revenues for the Federal government, it lost an estimated 26,000 jobs nationwide, because of business cut-backs; it cost state government an extra \$25 million in unemployment compensation; state and local governments lost an additional \$60 million in direct and indirect revenues and state economies overall lost \$1.4 billion in economic output. 30 of those jobs and \$3 million of those dollars belonged to Alaska.

Let me close with a warning from another report by the National Governor's Association and the National Association of State Budget Officers, "The Fiscal Survey of States: October 1992":

"Alcohol taxes. Two states changed alcohol taxes. This category accounts for a net revenue reduction. After both state and Federal increases the past several years, states have reached the limit in the revenue capacity of this tax."

Sincerely,



F. A. Meister  
President/CEO

FAM:bp  
Attachments

## ALASKA VS THE EXCISE TAX

### Fact

The beverage alcohol industry in Alaska contributes \$710 million to the gross state product; generates \$5,700 in wages annually; accounts for 6,000 direct and indirect jobs and provides \$36 million in state and local revenues.

### Public Policy Question

Recent facts at the Federal and state level indicate that any future excise tax increase in distilled spirits will hurt the residents of Alaska through increasing unemployment, reducing state economic activity and increasing unemployment compensation costs.

Is it good public policy, or does it make political sense, to pass a tax law with this kind of negative economic impact if experience shows it will cost the state jobs; will curtail economic activity; will not meet revenue estimates; and is very regressive by favoring the rich at the expense of low and middle income tax payers?

### Excise Tax Increases

Regardless of any social issues concerning beverage alcohol, the fact is that a state hurts itself when it increases the excise tax on distilled spirits.

As the result of an 8% increase in the Federal excise tax on liquor in 1991, the Federal government collected \$87 million less in liquor excise taxes after the tax went into effect than it had in FY-90, before the increase was passed. Alaska lost 30 jobs and \$3 million in economic activity.

The same experience holds in the states as well. Numerous states have found out the hard way that increased liquor taxes are a tax failure.

Excise taxes also are regressive and unfair. They fall heaviest on low and middle income taxpayers. They favor the rich.

Excise taxes are a demonstrated unstable source of revenue and they are hidden from the public because they are paid by manufacturers.

### Alaska Considerations

Any decreased revenues, lost jobs and reduced economic activity is especially critical for the State of Alaska, since the liquor tax burden in Alaska already is virtually at the point of diminishing returns and any future increase could produce substantially negative results for Alaska.

Is it good government to hurt your own low and middle income taxpayers, put your own people out of work and run the risk of having to cut other beneficial state programs because revenue estimates are not met? The answer is no, no matter how "easy" or how "popular" it seems to be to raise so-called sin taxes. Economically and politically, the "sin" is in the tax:

**Alaska's liquor tax burden is exceptionally high -- another increase would be counterproductive:**

- Federal, state and local taxes now account for 29% of the 1992 retail price of a typical bottle of liquor (\$3.49 of the \$12.20 price for a 750 ml bottle at 80 proof).
- State and local taxes alone account for 11% of the Alaska price. Federal taxes account for 18% (\$2.15/750 ml bottle) after the 1991 federal excise tax (FET) increase.
- Liquor taxes constitute 50% of state revenues from all beverage alcohol, but liquor accounts for less than 37% of total alcohol consumed in the state. The liquor revenue burden per gallon of actual alcohol is \$14.70.
- At \$5.60 per gallon, Alaska's revenue burden on liquor is 55% higher than the U.S. license state average.

**Liquor tax hikes already have caused sales to fall decreasing state revenues:**

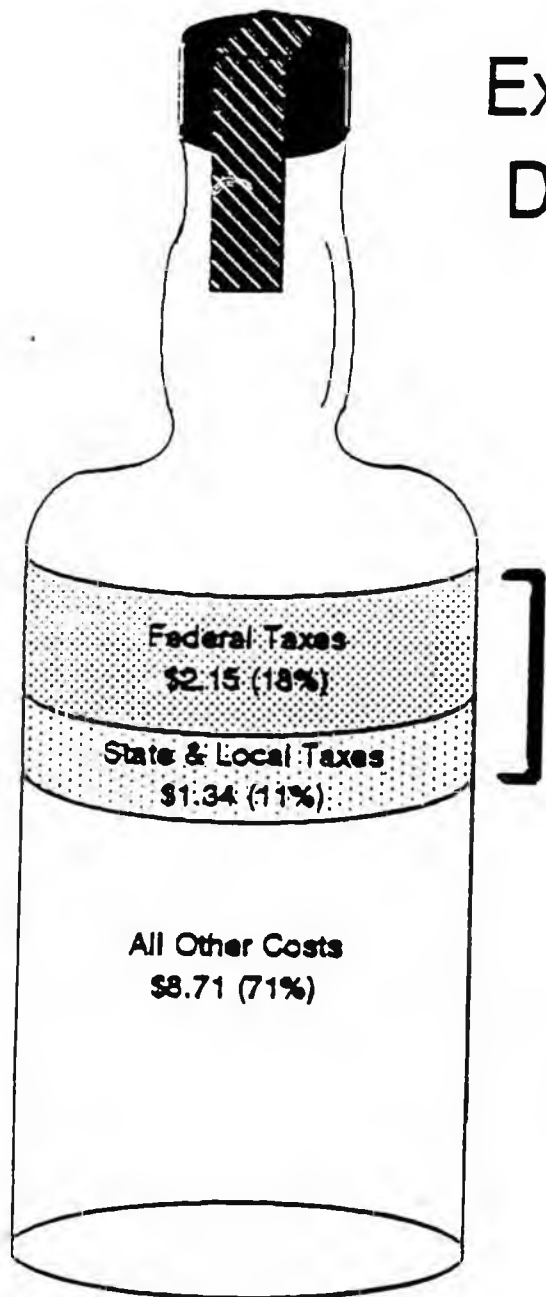
- It is estimated that the January, 1991, 9% Federal tax increase cost the state \$210,000 in state revenue and cut employment in the state by 30 jobs.
- In 1983, when Alaska raised the excise tax rates on liquor to \$5.60 per gallon, liquor consumption in the state declined 11%.
- The 19% liquor FET increase of October, 1985, was followed by a 5.6% decline in the tax base nationwide. Alaska citizens paid an additional \$1.6 million to the federal government in higher liquor taxes.

**Alaska's liquor industry is in a persistent downturn -- this means lost revenue:**

- Apparent consumption of liquor is down 21% in Alaska since 1983, an average drop of 2.9% per year. Liquor consumption declined 5.6% in 1991 alone.
- Nationwide, liquor apparent consumption has fallen an average of 2.0% annually from 1981 to 1990.

# Excessive Tax Burden Distilled Spirits, 1992

## ALASKA



\$3.49 (29%) Goes  
to Taxes and Fees

Retail Price of a Typical  
750-ml Bottle of  
80 Proof Spirits:  
\$12.20

TORRISI & SNYDER

ATTORNEYS AT LAW  
Box 210 DILLINGHAM, AK 99576  
(907) 842-5608

FREDERICK TORRISI

September 14, 1992

DAVID B. SNYDER

George Jacko  
Box 47001  
Pedro Bay, Alaska 99647

Dear George:

Enclosed is a copy of a draft resolution that I prepared for SWAMC seeking amendment of AS 4.21.010(c), the issue we discussed when you were in Dillingham. Lagos v. City of Sitka was the court decision that made it plain that this statute is an obstacle to taxing the sale of booze at a rate higher than other items.

I'm sure you will be receiving the official version of this from SWAMC later. It is an issue that merits attention, and it will be interesting to see who leads the opposition. Please let me know if I can help on this.

Sincerely,  
TORRISI & SNYDER



Fred Torrissi  
Attorney

FT:ilk  
enclosure

cc: Henry E. Graper, Jr., City Manager

LETTERS OF SUPPORT

Alice J. Ruby  
P.O. Box 121

Dillingham, Alaska 99576

November 11, 1992

Senator George Jacko  
Alaska State Legislature  
3111 C Street, Suite 200C  
Anchorage, Alaska 99503-3957

Dear Senator Jacko,

I was given copies of your letters to Mr. Graper and Mr. Torrisi in my recent Council packet. I was very happy to be made aware of your willingness to work on the alcohol taxation issue during the upcoming legislative session. As you may be aware, a resolution submitted by the City of Dillingham supporting this effort was adopted by the Southwest Alaska Municipal Conference during their Fall Conference.

I would like to offer my support for the effort to amend the statute. Thank you for your time and interest.

Sincerely,



Alice Ruby



217 Second Street, Suite 200 ■ Juneau, Alaska 99801 ■ Tel (907) 586-1325, Fax (907) 463-5480

February 18, 1993

TO: Senator Randy Phillips, Chair  
and Members, Senate Community and Regional Affairs Committee

FROM: Kent E. Swisher, Executive Director

RE: SB 42 - Relating to municipal taxation of alcoholic beverages

The Alaska Municipal League supports SB 42, relating to municipal taxation of alcoholic beverages, to the extent that it would expand the authority of local governments to determine the level and type of taxes appropriate to their communities.

As a general policy, the League, which represents over 100 municipalities throughout the state, recognizes that local governments should be given the maximum amount of authority and flexibility to make use of the resources available to them. Removing artificial obstacles such as the existing limit on the municipal sales tax that can be levied on alcoholic beverages is one way to accomplish that.

The League's 1993 *Policy Statement* includes the following goal statement:

AML further wishes to manage public assets in an efficient and effective way by working with all government officials to . . . increase the revenue base to support the provision of services, collect and redistribute resources in a fair and logical manner, and maintain maximum control of financial prerogatives at the local level of government, which is under the highest level of scrutiny by Alaskans. [Part I, Taxation and Finance]

In addition, Part I, D.1, Tax-Levying Authority, in the *Policy Statement* includes the statement "The League supports broader municipal authority to consider alternatives to property taxes."

SB 42 would provide greater flexibility and autonomy to local governments, and the Alaska Municipal League supports it for that reason.

cc: Senator George Jacko

LEG933:sb42.222

Member of

ALASKA MUNICIPAL LEAGUE'S  
POSITION PAPER

of Counties



# Southwest Alaska Municipal Conference

*Putting Resources to Work For People*

3300 Arctic Blvd., Suite 203 • Anchorage, Alaska 99503 • (907) 562-7380 • FAX (907) 562-0438

## RESOLUTION 92-29

**A RESOLUTION OF THE SOUTHWEST ALASKA MUNICIPAL CONFERENCE SEEKING REPEAL OF THE LEGISLATIVE PROHIBITION OF HIGHER RATES OF SALES TAX ON THE SALES OF ALCOHOLIC BEVERAGES BY MUNICIPALITIES.**

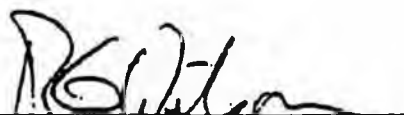
**WHEREAS, it is well established that significant sums of money are spent by municipalities as a result of the sale of alcoholic beverages in these municipalities, and**

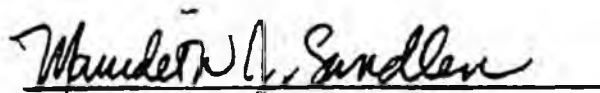
**WHEREAS, the members of SWAMC believe that the liquor industry should bear more of the costs associated with such sales, and**

**WHEREAS, Alaska law apparently does not presently allow the imposition of a sales tax upon alcoholic beverages at a rate higher than the general sales tax rate, now therefore,**

**BE IT RESOLVED by the Southwest Alaska Municipal Conference that as 4.21.0010(c) be amended to allow a municipality to impose a sales tax on alcoholic beverages only and to allow a sales tax on alcoholic beverages at a higher rate than is imposed on other sales within the municipality.**

**PASSED this 13th day of September, 1992.**

  
Richard G. Wilson, President

  
Marideth J. Sandler, Executive Director



SWAMC Resolution

Representing the Bristol Bay, Pribilof, Kodiak Island and Aleutian Island areas.

S.W. ALASKA MUNICIPAL CONFERENCE  
RESOLUTION

5B42



# Southwest Alaska Municipal Conference

*Putting Resources to Work For People*

3300 Arctic Blvd., Suite 203 • Anchorage, Alaska 99503 • (907) 562-1380 • FAX (907) 562-0438

## RESOLUTION 92-29

**A RESOLUTION OF THE SOUTHWEST ALASKA MUNICIPAL CONFERENCE SEEKING REPEAL OF THE LEGISLATIVE PROHIBITION OF HIGHER RATES OF SALES TAX ON THE SALES OF ALCOHOLIC BEVERAGES BY MUNICIPALITIES.**

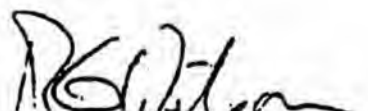
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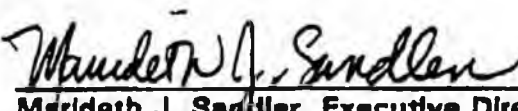
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SWAMC Resolution

Representing the Bristol Bay, Pribilof, Kodiak Island and Aleutian Island areas.

S.W. ALASKA MUNICIPAL CONFERENCE  
RESOLUTION



217 Second Street, Suite 200 ■ Juneau, Alaska 99801 ■ Tel (907) 586-1325. Fax (907) 463-5480

February 18, 1993

TO: Senator Randy Phillips, Chair  
and Members, Senate Community and Regional Affairs Committee

FROM: Kent E. Swisher, Executive Director

RE: SB 42 - Relating to municipal taxation of alcoholic beverages

The Alaska Municipal League supports SB 42, relating to municipal taxation of alcoholic beverages, to the extent that it would expand the authority of local governments to determine the level and type of taxes appropriate to their communities.

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SB 42 would provide greater flexibility and autonomy to local governments, and the Alaska Municipal League supports it for that reason.

cc: Senator George Jacko

LEG933:sb42.222

ALASKA MUNICIPAL LEAGUE'S  
POSITION PAPER

Member of

of Counties

TORRISI & SNYDER  
ATTORNEYS AT LAW  
Box 210 DILLINGHAM, AK 99576  
(907) 842-5608

FREDERICK TORRISI

September 14, 1992

DAVID B. SNYDER

George Jacko  
Box 47001  
Pedro Bay, Alaska 99647

Dear George:

Enclosed is a copy of a draft resolution that I prepared for SWAMC seeking amendment of AS 4.21.010(c). the issue we discussed when you were in Dillingham. Lagos v. City of Sitka was the court decision that made it plain that this statute is an obstacle to taxing the sale of booze at a rate higher than other items.

I'm sure you will be receiving the official version of this from SWAMC later. It is an issue that merits attention, and it will be interesting to see who leads the opposition. Please let me know if I can help on this.

Sincerely,  
TORRISI & SNYDER



Fred Torrison  
Attorney

FT:ilk  
enclosure

cc: Henry E. Graper, Jr., City Manager

LETTERS OF SUPPORT

Alice J. Ruby  
P.O. Box 121

Dillingham, Alaska 99576

November 11, 1992

Senator George Jacko  
Alaska State Legislature  
3111 C Street, Suite 200C  
Anchorage, Alaska 99503-3957

Dear Senator Jacko,

I was given copies of your letters to Mr. Graper and Mr. Torrisi in my recent Council packet. I was very happy to be made aware of your willingness to work on the alcohol taxation issue during the upcoming legislative session. As you may be aware, a resolution submitted by the City of Dillingham supporting this effort was adopted by the Southwest Alaska Municipal Conference during their Fall Conference.

I would like to offer my support for the effort to amend the statute. Thank you for your time and interest.

Sincerely,



Alice Ruby

jury instruction defining sale as requiring a transfer of title from the defendant to the consumer. *Herrera v. State*, 753 P.2d 150 (Alaska Ct. App. 1988).

Conviction and sentence affirmed. In accord with main pamphlet. *Tuckfield v. State*, 805 P.2d 982 (Alaska Ct. App. 1991).

Sentence of six months' incarceration as a condition of receiving a suspended imposition of sentence, upon conviction of one

count of selling intoxicating beverages without a license in a local option area, was not clearly mistaken, where defendant had set up a commercial enterprise, although of short duration, and sold a pint of whiskey to a man who murdered a woman shortly after buying the whiskey. *Wassille v. State*, 790 P.2d 1385 (Alaska Ct. App. 1990).

Cited in *Cleland v. State*, 759 P.2d 553 (Alaska Ct. App. 1988).

### Chapter 21. General Provisions.

Section  
 10. Municipal regulation  
 15. Private manufacture of alcoholic beverages

Section  
 65. Posting of warning signs  
 80. Definitions

**Sec. 04.21.010. Municipal regulation.** (a) A municipality may adopt ordinances governing the importation, barter, sale, and consumption of alcoholic beverages within the municipality and may ban possession of alcoholic beverages under AS 04.11.498(d) or (e). An ordinance adopted under this section may not be inconsistent with this title or regulations adopted under this title.

(b) If, as a result of an election held in accordance with AS 04.11.502 in a municipality, the board is prohibited from issuing, renewing, or transferring a license between holders or locations or if the importation of alcoholic beverages is prohibited in the municipality, the municipality may adopt an ordinance making the sale or importation of alcoholic beverages a misdemeanor. The ordinance may not be inconsistent with this title or the regulations adopted under this title.

(c) A municipality may not impose taxes on alcoholic beverages except a

- (1) property tax on alcoholic beverage inventories;
- (2) sales tax on alcoholic beverage sales if sales taxes are imposed on other sales within the municipality;
- (3) sales tax on alcoholic beverage sales that was in effect before July 1, 1985; and
- (4) sales and use tax on alcoholic beverages if the sale of alcoholic beverages within the municipality has been prohibited under AS 04.11.490.

(d) At least 10 days before the date set for municipal action on an application for the issuance, renewal, relocation, or transfer of ownership of a proposed license, the municipality shall provide written notice of the proposed action and the time and place for a hearing to a community council that

- (1) is established by municipal charter or ordinance to advise the municipal governing body; and

SENATE COMMITTEE REPORT

*JK*

DATE: 3/10/93

FURTHER FINANCE

DATE TURNED INTO OFFICE: 3/16/93

L&C Committee considered SENATE BILL NO. 42

"An Act relating to municipal taxation of alcoholic beverages and providing for an effective date."

*Reports it back w/ no rec*

and recommends:

- replace with \_\_\_\_\_ CS \_\_\_\_\_ ( )  same title
- reword* or  adopt previous \_\_\_\_\_ CS SB 42 CRA ( )  new title
- attaches amendment(s)  technical title change (HB only)
- adopts \_\_\_\_\_ Letter of Intent *u/ no rec*
- further referral to the \_\_\_\_\_

- do pass
- do not pass
- no recommendation
- individual recommendations

*FIN*

NEW FISCAL NOTES

Department	Date	Zero	Fiscal
DC&RA	2/17/93	<input checked="" type="checkbox"/>	previous

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

DO PASS:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

OTHER RECOMMENDATIONS:

*reword/leave - No Rec*  
*Alton King - No Rec*  
~~\_\_\_\_\_~~  
*J. E. S. Lo - No Rec*  
*\_\_\_\_\_ - NR*

*Tom Kelly - No Rec*

**SENATE COMMITTEE REPORT**  
FIRST COMMITTEE OF REFERRAL

*JR*

DATE: 1/11/93

FURTHER: L&C  
FINANCE

Date of 5-Day Notice: 2/25/93  
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 3-9-93

CRA Committee considered SENATE BILL NO. 42

"An Act relating to municipal taxation of alcoholic beverages; and providing for an effective date."

and recommends:  
and recommends it be replaced with

replace with \_\_\_\_\_ CS SB 42 (CRA)

attaches amendment(s) + a msg of the Cmte rpt it to w/ no

adopts \_\_\_\_\_ Letter of Intent me

further referral to the \_\_\_\_\_

- same title
- new title
- technical title change (HB only)

do pass

do not pass

no recommendation

individual recommendations

**FISCAL NOTE INFORMATION**

Department	Date	Zero	Fiscal
Dept CRA	2/17/93	0	

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

Governor's Bill with Previous Fiscal Notes (enter information above)

**DO PASS:**

**OTHER RECOMMENDATIONS:**

2 Rick Harford

1 Adm'l. Taylor No Rec.

1 Paul Haroff 2 HAROFF No Rec

1 Roll EC Philp No Rec

Chair: Signature and Recommendation

**SB**

**43**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

DATE: 1/27/93

FURTHER:

DATE TURNED INTO OFFICE: 3-8-93

The Finance Committee considered **SENATE BILL NO. 43**

"An Act establishing a grant program relating to transplantation of elk."

and recommends:

- replace with \_\_\_\_\_ CS SB 43 (FINANCE)
- or  adopt previous \_\_\_\_\_ CS \_\_\_\_\_
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

adopts \_\_\_\_\_ Letter of Intent

further referral to the \_\_\_\_\_

do pass

do not pass

no recommendation

individual recommendations

**NEW FISCAL NOTES**

Department	Date	Zero	Fiscal

**PREVIOUS FISCAL NOTES**

Department	Date	Zero	Fiscal
<u>DF&amp;G</u>	<u>1-20-93</u>	<u>0</u>	

Appropriation No Fiscal Note

**DO PASS:**

Best Way

1. Don Dopass  
Co-Chair: Signature/Recommendation

**OTHER RECOMMENDATIONS:**

George Ashu - No Rec  
Tim Kelly - No Rec  
Steve King - No Rec  
AK [unclear] - No Rec

2. Steve Deance - No Pass  
Co-Chair: Signature/Recommendation

REPORTED OUT OF  
SFC 3-8-93 FISCAL NOTE

No. 1

Bill Version: SB 43

(S) Publish Date: 1-27-93

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_

Department Affected: Fish and Game

Title: An Act establishing a grant program relating to the

BRU: Wildlife Conservation

transplantation of elk

Component: Wildlife Conservation

Sponsor: Senator Taylor

Requestor: Senate Resources

COMPONENT SERIAL NO. 0473

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING:

(Thousands of Dollars)

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	Changes in <u>CSSB 43 (File)</u> have no fiscal impact. This fiscal note is appropriate.	Changes in <u>CSSB 43 (RES)</u> have no fiscal impact. This fiscal note is appropriate.
PART-TIME	<u>3-8-93</u> date	<u>ML</u> Comte Aide (initial)
TEMPORARY	<u>3-8-93</u> date	<u>ML</u> Comte Aide (initial)

Estimate of current year (FY93) impact: \$ 0

ANALYSIS: (Attach a separate page if necessary.)

No additional costs are anticipated to adopt regulations required under this bill; see attached page for other costs.

Prepared By: Larry Jones

Phone: 465-6085

Division: Administration

Date: 1/20/93

Approved by Commissioner: [Signature]

Agency: Department of Fish and Game

Date: 1/20/93

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

The implementation of SB 43 would be purely administrative, and costs would thus be minimal. However, should an elk transplant take place, there would be significant costs associated with the venture.

Prior to any actual transplant the department would want to spend two years gathering baseline data. After a transplant occurred the department would want to monitor the health of the animals and the effect of the transplanted animals on the animal community into which they had been transplanted. This would involve the use of radio collars and tracking.

Costs for a five year program to accomplish the above goals would range from \$200.0 to \$250.0 per year. The department estimates that one additional full-time employee and one to two seasonal employees would be necessary to perform the work.

Back-up

# DIVISION OF LEGAL SERVICES

## LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

130 Seward Street, Suite 409  
Juneau, Alaska 99801-2105

### MEMORANDUM

January 19, 1993

**SUBJECT:** Sectional Summary: SB 43; An Act establishing a grant program relating to transplantation of elk

**TO:** Senator Robin Taylor  
ATTN: Joe Ambrose

**FROM:** George Utermohle *GUH*  
Legislative Counsel

You have requested a sectional summary of SB 43; An Act establishing a grant program relating to transplantation of elk.

A sectional summary of a bill is not an authoritative interpretation of the bill. The bill itself is the best statement of its contents.

Section 1 of the bill amends AS 16.25 by adding a new section providing for elk transplantation grants. The elk transplantation grant account is established in the general fund and is funded through legislative appropriation. The Department of Fish and Game may award matching grants to nonprofit organizations to pay up to 50 percent of the cost of transplanting elk to suitable habitats. An organization receiving a transplantation grant may match the grant in cash or in kind. An application for a transplantation grant shall be made on a form provided by the department. The department shall adopt regulations to implement the transplantation grant program.

If I may be of further assistance, please advise.

GU:gc  
93-039.glc

# Alaska State Legislature

Senate Majority Leader  
Chair, Judiciary Committee  
Vice Chair, Community &  
Regional Affairs

Member, State Affairs Committee  
Committee on Committees  
Western States Legislative Forestry Task Force  
Legislative Council



State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-3873  
Fax: (907) 465-3922

352 Front Street  
Ketchikan, Alaska 99901  
(907) 225-8008  
Fax: (907) 225-0713

**Senator Robin L. Taylor**

## SPONSOR STATEMENT

### PROPOSED COMMITTEE SUBSTITUTE FOR SENATE BILL 43, RELATING TO ELK TRANSPLANTS

Please consider the blank committee substitute for Senate Bill 43 in lieu of the original bill. I am concerned the Department of Fish and Game will never perform a follow-up to the previously successful transplant with the original measure.

The department has made no effort to study the effects of elk transplants on indigenous species since that transplant occurred in 1987. Not one of the department's employees has, while in the field, taken elk scat samples to determine what they forage upon to determine whether there is competition with other members of the deer family.

Although the original transplant of elk occurred in 1927 on Afognak Island, no studies have been done indicating what these animals eat. Yet, the department continues to insist a study is needed to determine whether competition exists. None of this would be a problem if it wasn't for the fact that the entire department has reached the conclusion that elk and deer will compete for the same food without ever finding out what elk eat. I maintain the department has had many opportunities to perform such baseline studies here in southeast and on Afognak Island years ago.

The department insisted the elk transplant would fail -- it did not. I think the department ought to get on with managing the existing elk populations and determine when the first hunt might be sustained. These elk will provide a source of food for the residents of southeast Alaska. They can cut trails through which deer and other game can pass. The deer and elk seem to coexist quite well.

I suggest that the transplantations proceed. The sportsman groups in southeast have recommended transplantation of animals to Kruzof Island near Sitka first, then Gravina next to Ketchikan, to Cleveland Peninsula north of Ketchikan and finally Prince of Wales Island.

The estimate cost of transporting the animals is \$1000 per animal.

District A:

Hyder • Ketchikan • Kupreanof • Meyers Chuck • Petersburg • Saxman • Sitka • Wrangell

# Alaska State Legislature

Senate Majority Leader  
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Regional Affairs

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Fax: (907) 225-0713

**Senator Robin L. Taylor**

## Memorandum

To: Senator Steve Frank, Co-chair  
Senator Drue Pearce, Co-chair  
Senate Finance Committee

From: Senator Robin Taylor 

Date: February 3, 1993

Subject: SB 43, Elk transplant program

I would appreciate it if you would schedule Senate Bill 43, An Act establishing a grant program relating to the transplantation of elk, before the finance committee next week. I would like to see action on this legislation so an already successful program begun in 1987 can be further enhanced by volunteer efforts.

Please consider one change to the bill. I have been informed by the Department of Fish and Game that the resources committee amendment of Section 1, subsection (d) adding the public hearing requirement, is unnecessary. The department can already follow the administrative hearing procedure as provide by statute. I would appreciate it if a finance committee substitute could be written to make this change.

The department has stated there has been no change in the fiscal note or in their attached position papers so they are both appropriate. Attached are letters of support and the back up requested by your memorandum of procedure regarding bills before the finance committee. Should you require any further information please contact Terry Otness at 6550.

I appreciate your consideration of my request.

District A:

Hyder • Ketchikan • Kupreanof • Meyers Chuck • Petersburg • Saxman • Sitka • Wrangell

# Alaska State Legislature

*Chair*, Special Committee on Oil & Gas  
*Vice Chair*, Transportation Committee  
*Member*, Resources Committee  
Rules Committee  
Committee on Committees  
Western States Legislative Forestry Task Force

*District A*  
Ketchikan, Wrangell, Petersburg, Saxman  
Hyder, Meyers Chuck, Kupreanof



*Senator Robin L. Taylor*

State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-3873  
Fax: (907) 465-3922

352 Front Street  
Ketchikan, Alaska 99901  
(907) 225-8088  
Fax: (907) 225-8546

## SPONSOR SUMMARY SB 43

The purpose of this legislation is to augment an already successful elk transplanted program I initiated during my tenure in the Fourteenth Alaska Legislature. This bill would provide the opportunity for further enhancement of the existing herds in the area by organized non-profit sportsman groups.

The elk transplanted grant account is established in the general fund and funded through an appropriation. The bill allows the Department of Fish and Game to award matching grants to nonprofit organizations to pay up to 50 percent of the cost of transplanting elk to suitable habitats. The organization receiving the grant may match it in cash or in-kind. The application for a transplanted grant would be on a form prescribed by the department. The department will adopt regulations to implement the program.

The herds, planted in 1987, have expanded their range from Etolin Island, to Zarembo Island. There have also been unconfirmed sightings on Bushy, and Deer Island near the Cleveland Peninsula as well as the Cleveland Peninsula.

There were two different transplanted groups. The first was 33 Roosevelt elk from Jewell Meadows in Oregon; the second was 17 Rocky Mountain Elk From Oregon's Elkhorn range.

In a five year period the elk have expanded their numbers from the original 50 to 75 - 120 animals.

The creation of this fund will aid in bolstering the present herd numbers and accelerating the first hunting opportunity date.

DEPARTMENT OF FISH AND GAME

POSITION PAPER

**Bill No:** SB 43  
**Sponsor:** Senator Taylor  
**Division:** Wildlife Conservation  
**Bill Title:** An Act establishing a grant program relating to transplantation of elk

**Background/Legislative Intent:** The purpose of this bill is to encourage the introduction of elk to locations within Southeast Alaska and establish a population of these animals for sport hunting and recreation. This bill would provide authorization for future transplants and encourage private participation using monetary incentives.

**Analysis of Bill/Program Effects:** The department is concerned about authorization of a transplant program at this time for the following reasons:

1. The Forest Service has expressed the following concerns over future elk introductions into the Tongass National Forest: (1) elk are not an indigenous species and are an "ecological exotic"; (2) impacts on designated wilderness areas may result from invasion of elk introduced in other locations; (3) potential negative impacts on indigenous flora and fauna have not been studied; and 4) dispersal from Etolin Island (the previously authorized transplant site) is well documented.
2. Organizational interest in obtaining state funds to implement a transplant program appears to be very limited (i.e., only one organization has expressed interest).
3. The most recent transplant effort to Etolin Island is still being monitored to determine success. Attempting to establish elk herds in other locations at this time would be premature.
4. Elk introduced into the state should be monitored, and the department has no funding to undertake such an effort.
5. Recent outbreaks of disease, include bovine tuberculosis, in elk and other cervids in some westerns states and provinces has resulted in reevaluation of translocation of such animals. Most states and provinces are tightening their import/export regulations in an effort to protect native wildlife populations.

6. Transplanted elk in Southeast Alaska will negatively impact deer populations where critical habitats overlap.
7. The department's *Species Management Policies* generally oppose introductions of elk because transplants often have unforeseen detrimental effects. These policies state that "proposed transplants must meet the following minimum requirements to be approved: 1) the proposed transplant site must provide sufficient and suitable habitat to support a viable population of elk as determined by comprehensive study; 2) prior study must establish that the introduction of elk will not adversely affect the numbers, health, or utilization of resident species; 3) protection of the proposed transplant population must be assured; and 4) future public use of the resource must be guaranteed." The currently proposed legislation does not provide the funding or means for meeting these requirements.

Commissioner's Signature

*Don Smith*

Date 1/20/93

# Alaska State Legislature

Senate Majority Leader  
Chair, Judiciary Committee  
Vice Chair, Community &  
Regional Affairs

Member, State Affairs Committee  
Committee on Committees  
Western States Legislative Forestry Task Force  
Legislative Council



**Senator Robin L. Taylor**

State Capitol  
Juneau, Alaska 99801-1182  
907/465-3873  
Fax: 907/465-3922

352 Front Street  
Ketchikan, Alaska 99901  
907/225-8000  
Fax: 907/225-0113

## **Resources Committee Substitute for Senate Bill 43**

### **Summary of Senate Resource Committee changes to SB 43**

Section 1 (b) was amended to provide the department the ability to transplant elk to public or private land.

Section 1 (d) was amended to eliminate the requirement to adopt regulations, instead calling for a public hearing process. After the public hearing process the department would develop criteria to implement this section.

Section 2 was amended to add an immediate effective date.

District A:

Hyder • Ketchikan • Kupreanof • Meyers Chuck • Petersburg • Saxman • Sitka • Wrangell

# FISCAL NOTE

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

BILL NO. CSSB43(FIN)

Revision Date: 12/16/93  
 Title: An Act relating to transplanta n of elk  
 Sponsor: Senator Taylor  
 Requestor: House Resources

Dept. Affected: Fish and Game  
 BRU: Wildlife Conservation  
 Component: Wildlife Conservation  
 COMPONENT SERIAL NO. 0473

**EXPENDITURES/REVENUES**

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	179.1	185.3	196.0	40.8	40.8	40.9
TRAVEL	29.0	29.0	29.0	5.0	5.0	5.0
CONTRACTUAL	125.4	125.4	125.4	27.0	27.0	27.0
SUPPLIES	70.8	70.8	70.8	14.0	14.0	14.0
EQUIPMENT	10.0	5.0	5.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>414.3</b>	<b>415.5</b>	<b>426.2</b>	<b>86.8</b>	<b>86.8</b>	<b>86.8</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	414.3	415.5	426.2	86.8	86.8	86.8
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>414.3</b>	<b>415.5</b>	<b>426.2</b>	<b>86.8</b>	<b>86.8</b>	<b>86.8</b>

Estimate of any current year (FY 94) cost: \$ 15.0

**POSITIONS**

FULL-TIME	4	4	4	1	1	1
PART-TIME						
TEMPORARY						

**ANALYSIS:** (Attach a separate page if necessary)

See page 2 and attached Requests for New Positions for detailed breakdown.

Prepared By: Kim Titus, Regional Supervisor  
 Division: Wildlife Conservation  
 Approved by Commissioner: [Signature]  
 Agency: Alaska Department of Fish and Game

Phone: 465-4265  
 Date: 12/16/93  
 Date: 12/20/93

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## Assumptions for Operating Expenditures:

1. Approximately 350 elk will be obtained and introduced to four locations in Southeast Alaska during a 3-year period, with approximately 1/3 of the animals moved each year. Estimates of cost are based on costs of moving 50 elk to Etolin Island in the mid-1980s with an adjustment for inflation, multiplied by seven.

2.	Current fiscal year (FY94) costs =	\$	15.0
	Total 3-year cost w/o monitoring =		950.4
	Total 6-year monitoring cost =		566.0
	TOTAL =		1,531.4

3. Due to the magnitude of this undertaking, four new positions will be necessary to conduct a successful operation without impacting other regional functions and responsibilities. Three of these positions (WB III, WB I, FWT III) will lapse after the program's third year (FY97), and the fourth position (FWT III) will continue to monitor elk movements, mortality, etc. through FY00. (See "Request for New Position" forms.)

4. Summary of other major expenditures:

Travel (line 200): includes point-to-point travel and per diem for department staff within Southeast Alaska and outside to assist in capture efforts and escort elk from "lower 48" capture sites. Also, includes per diem expenses for wildlife agency staffs in affected states.

Contractual (line 300): includes costs of elk. In the past acquisition was by exchange for mountain goats, river otters, etc., which the department captured in Alaska and crated and shipped to states where elk were obtained. Also includes costs of veterinary services, rental of animal transport vehicles, fixed-wing and helicopter charters for monitoring, expense of holding public meetings, negotiations with other states for animal acquisition, telephone, miscellaneous.

Supplies (line 400): includes costs of drugs for elk and/or other "game"; materials for crates for elk, otters, other "game"; 200 radios; visual collars; corrals and wing traps.

Equipment (line 500): includes telemetry equipment.

Position Title WILDLIFE BIOLOGIST III		No. of Positions 1	Range / Step 18/A	Barg. Unit GGU
Time Status PFT	Staff Months 12	Location Juneau		Election District 1,2,3,4,5
TYPE OF EXPENDITURE		AMOUNT		
Salary	42.0	42.0		
Benefits	16.2	16.2		
Premium Pay				
Other				
<b>Total Personal Services</b>	<b>58.2</b>	<b>58.2</b>		
Travel				
Contractual				
Commodities				
Equipment				
Other				
<b>Total Cost</b>		<b>58.2</b>		
<b>FUNDING SOURCE FOR TOTAL COST</b>				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004	58.2		
I-A Receipts	1007			
CIP Receipts	1061			
Other				

**Justification**  
This position will report directly to the Regional Supervisor and will perform the following tasks:

1. Negotiate with other states or Canadian Provinces to secure elk. Arrange terms and conditions for exchanging native Alaskan wildlife for elk in other states. Other states will not sell elk to Alaska.
2. Draft MOU's and cooperative agreements with other states/provinces to identify the obligations of each party; i.e., time-lines, numbers of animals to be relocated, etc.
3. Coordinate physical relocation of elk and species exchanged for elk. Based upon previous department experience, at least 15 separate elk relocations will be necessary. Coordinate all public participation in relocations. Work with regional administrative staff to develop contractual arrangements with other states/provinces to fund travel for employees of other wildlife agencies, secure trucks, landing craft, ferry space, etc.
4. Coordinate and attend public meetings in Southeast Alaska and in other states. Past experience has shown that obtaining elk from other states requires broad public support in the other states.
5. Supervise all field activities involving elk introductions and trades for other species. The 1987 transplant to Etolin Island involved capturing mountain goats and otters. It also involved buying otters from Louisiana to provide to Nebraska to pay a 15-year debt Oregon owed Nebraska for wild turkeys.
6. Work with U.S. Forest Service to draft management guidelines, feasibility reports, and NEPA documents.
7. Coordinate media contacts, news releases, and respond to information requests from the media, the public, the Board of Game, the Alaska Legislature, and conservation and environmental organizations.
8. Develop and implement all elk monitoring programs.
9. Supervise a staff of three full-time positions: one WBI and two F&W Tech III's.

# Request For New Position

AGENCY DEPARTMENT OF FISH AND GAME  
BRU Division of Wildlife Conservation  
COMPONENT Fiscal Note CSSB43 - Elk Transplant

FY 95

<b>Position Title</b> WILDLIFE BIOLOGIST I			<b>No. of Positions</b> 1	<b>Range / Step</b> 14/A	<b>Barg. Unit</b> GGU	
<b>Time Status</b> PFT	<b>Staff Months</b> 12		<b>Location</b> Juneau	<b>Election District</b> 1,2,3,4,5		
<b>TYPE OF EXPENDITURE</b>			<b>AMOUNT</b>			
Salary		31.7		31.7	<b>Justification</b> 1. Provide direct support and assistance to Elk Transplant project leader (WB III) on all aspects of the project. Serve as project leader in absence of WB III. 2. Directly supervise handling of all wildlife species involved. Travel to states/provinces providing elk to oversee trapping efforts, veterinary services (e.g disease screening), and transport. The incumbent in this position must be someone with experience in handling large ungulates. 3. Work with other states/provinces on all technical aspects of wildlife exchanges. 4. Purchase equipment and supplies (including drugs, antibiotics, and telemetry equipment), and materials for constructing traps, crates, cages, etc. 5. Supervise and participate in all capture operations.	
Benefits		13.4		13.4		
Premium Pay						
Other						
<b>Total Personal Services</b>		45.1		45.1		
Travel						
Contractual						
Commodities						
Equipment						
Other						
<b>Total Cost</b>				45.1		
<b>FUNDING SOURCE FOR TOTAL COST</b>						
Federal Receipts	1002					
G.F. Match	1003					
General Fund	1004			45.1		
I-A Receipts	1007					
CIP Receipts	1061					
Other						

# Request For New Position

AGENCY DEPARTMENT OF FISH AND GAME  
BRU Division of Wildlife Conservation  
COMPONENT Fiscal Note CSSB43 - Elk Transplant

FY 95

Page 1 of 1  
Revised Date: 12/16/93



<b>Position Title</b> FISH & WILDLIFE TECHNICIAN III			<b>No. of Positions</b> 1	<b>Range / Step</b> 11/A	<b>Barg. Unit</b> GGU
<b>Time Status</b> PFT	<b>Staff Months</b> 12		<b>Location</b> Juneau	<b>Election District</b> 1,2,3,4,5	
<b>TYPE OF EXPENDITURE</b>			<b>AMOUNT</b>		
Salary		26.4	26.4	<b>Justification</b> 1. Conduct all monitoring activities for transplanted elk including flying telemetry surveys as well as conducting ground and water-based surveys. 2. Monitor mortality sensors and whenever possible determine cause of death by immediate, on-the-ground inspection. 3. Maintain complete files of all data obtained through monitoring, including movements and survivorship. 4. Work with U.S. Forest Service staff on monitoring programs; arrange logistics with USFS to minimize costs to both parties. 5. Assist with initial capture and transplant activities.	
Benefits		11.9	11.9		
Premium Pay					
Other					
<b>Total Personal Services</b>		38.3	38.3		
Travel					
Contractual					
Commodities					
Equipment					
Other					
<b>Total Cost</b>			38.3		
<b>FUNDING SOURCE FOR TOTAL COST</b>					
Federal Receipts	1002				
G.F. Match	1003				
General Fund	1004		38.3		
I-A Receipts	1007				
CIP Receipts	1061				
Other					

# Request For New Position

AGENCY DEPARTMENT OF FISH AND GAME

BRU Division of Wildlife Conservation

COMPONENT Fiscal Note CSSB43 - Elk Transplant

FY 95

Page 1 of 1  
Revised Date: 12/16/93

PROPOSALIntroduction:

Mountain Goat and Elk introduction to Prince of Wales Island.

Objective:

To establish self sustaining herds of Mountain Goat and Elk to Prince of Wales Island. To allow the residents of Prince of Wales the opportunity of a varied wildlife population.

Justification:

This proposal is based on public demand as supplied in the petition enclosed. The ADF&G's obligation according to Alaska State Statute Title 16, Fish and Game chapter 25 Section 16.25.010, Stocking of Public Lands.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rifa Haskin", followed by the date "2/10/93".

Rifa Haskin

cc: Sen. Robin Taylor  
Repr. Jerry Mackie  
Sen. Fred Zharoff  
Dave Kellyhouse, ADF&G  
Ketchikan Sports & Wildlife Club

# RIH ENTERPRISES

RTA HASKIN / INDEPENDENT RELIV DISTRIBUTOR

October 25, 1992

Senator Robin Taylor  
P.O. Box 1441  
Wrangell, Alaska 99929

Dear Senator Taylor,

I'd like to thank you for the good time my husband and I had at the Rocky Mountain Elk Foundation banquet. We are members of the foundation (6 yrs), and of the Ketchikan Sports & Wildlife Club. I am responsible for the petitions around Prince of Whales Island to transplant Mountain Goat and Elk. I seen you on a tape I received from the Rain Country television program involed in the Deer Mountain transplant for goats. I wanted to make you aware of the interest on POW for goats & elk.

I'd like to personally thank you for your support of the Rocky Mountain Elk Foundation. It is something very dear to my heart.

Enclosed are copies of the signatures I've received so far. I keep in contact with Noel Putman, and will keep you posted of the residents interest in goats & elk.

Respectfully Yours,

*Rita Haskin*  
Rita Haskin

Enclosures

cc: Steve Weaver - Rocky Mountain Elk Foundation  
Noel Putman - Ketchikan Sports & Wildlife Club

*I thought I had sent  
this, but obviously I didn't.  
Rita 2/10/93*

*I was raised around Shelton, WA  
and have a great love for Elk!*

P.O. Box 468

Craig, Alaska 99921

1-800-478-2479



We, as residents of Prince of Wales Island would like to see Mountain Goats and Elk introduced to our island. We'd like to show our support by signing our name to help the Ketchikan Sports and Wildlife Club help us to bring this about.



Name	Address	City
Jennifer Taylor	P.O. BOX 122	Craig
Deneise M. Weyhmler Deneise Weyhmler	P.O. Box 19	Craig
Mary Hamman	P.O. 454	CRAIG
T.L. Blake	"	CRAIG
Henry Julian	Box 367	Craig
Sally Jensen Nette Crowe	Box 114	Craig
Don Borders	P.O. Box 432	Craig
Pam E. Chols <sup>Hi Pam</sup>	P.O. Box 133	Klawock
CLARENCE MAXEY	P.O. BOX 19198	THORNE BAY
Cindy Clark	P.O. Box 176	Klawock, AK 99921
Gymnast	P.O. Box 200	Craig 99921
Lester Lip	P.O. Box 103	Craig 99921
Shae Roenick	P.O. Box 418	Craig AK 99921
Ketina Larriere	Post 170	Craig AK 99921
Carl Benson	P.O. BOX 321	Klawock, Alaska
Emily Taylor	Box 110	Craig
Kathy Perry	Dr 442	Craig AK 99921
Vicki Sleasman	Box 372	Craig AK 99921
T. Peterson	Box 447	Craig
Dick Wilson	Box 395	CRAIG
Lyle Yates	Box 251	Craig, A.K.
Michael Horner	Box 434	CRAIG
Vicki Horner	"	"
Richard Hansen	Box 317	CRAIG

THANKS FOR THE SUPPORT!

77 May 29, 1992





We, as residents of Prince of Wales Island would like to see Mountain Goats and Elk introduced to our island. We'd like to show our support by signing our name to help the Ketchikan Sports and Wildlife Club help us to bring this about.



Name	Address	City
Francis Schur	Box 144	Klawock AK 99925
<del>Michael Schur</del>	<del>Box 144</del>	<del>Klawock AK 99925</del>
Nalores Lantles	PO Box WWP	KITU, AK 99950
Pa Chieham	P.O. Box 1428	Whale Pass AK 99950
<del>ES</del>	Box 811 Craig	Craig
AA. Ko-RUAN	Box 25 C	Craig
Bette Wassman	Box 163	Thorne Bay
W. F. ...	...	...
Robert Young JR	Kasaan Box KXA	Kasaan
Angie Bink	Box KXA	Kasaan
W. H. Walt	1510 Fritz Cove Rd	Genese, AK.
Kurt Kuehl	6061 So. Tongass	Ketchikan, AK.
Elena James	P.O. BOX 45	Craig AK
Harold Sampson	Box 187	Craig
D. H. ...	Gen Del Craig.	876-2244
TONY COSENTINO	PO 269 Klawock	755-2404
Keith Wayne	PO Box 853	Nakati
Ernie Pine	312 Harbor Ave	Coffman Cove -
Frank Berge	Box 383	Hydaburg
<del>...</del>		
Bill Sinclair	PO BOX 327	Klawock AK
Lee Whitney	PO Box 9814	Coffman Cove AK
Charley A Lane	P.O. Box 307	Klawock AK

THANKS FOR THE SUPPORT!

5/29/92





We, as residents of Prince of Wales Island would like to see Mountain Goats and Elk introduced to our island. We'd like to show our support by signing our name to help the Ketchikan Sports and Wildlife Club help us to bring this about.



Name	Address	City
Charley Alene	PO Box 307	Klawock AK
Ann Williams	Box 350	Klawock AK
Daye Wick	Bx 240	Klawock
Louy Howell	242	Craig
Danny Howell	242	Craig
Megan Quintan	234 <small>111 equal 26 number 26</small>	Klawock
Cheryl Siffitts	82	Klawock
Wade & Marie Wadley	Gen Del	Craig
Louise White	GEN DEL	CRAIG
Debbie White	GEN DEL	CRAIG
Ken C. ...	Gen Del	Klawock
Keith Stiska	Box 102	KLW
Mark ...	Box 141	Klawock ALASKA (PO)
Ann Reed	Box 162	Klawock AK 99925
Jon Rowan	Box 51	Klawock AK 99925
James Rowan	Box 261	Klawock AK 99925
Dmit	Do Lt.	
Yves	259	
Larry D. Lemons	Box 102	Craig, AK, 99921
Sonie Anderson	Box 83	Craig, Ak. 99921
Carol ...		
G. Abel	259	
Darin B. Kingway	Box 124	Craig
Colby Curtis	Box 9813 Ken	Calder Bay

THANKS FOR THE SUPPORT!

29/92

10



We, as residents of Prince of Wales Island would like to see Mountain Goats and Elk introduced to our island. We'd like to show our support by signing our name to help the Ketchikan Sports and Wildlife Club help us to bring this about.



Name	Address	City
Rosemary Lloyd	Po Box 19422	TNB
Earl Nash	Po Box 207	TnB
Shonda Lane	PO Box 19104	TNB
Jerald M. Kitcher	PO Box 19206	TNB
Earl Kuehn	PO 40	Myers Creek
<del>Steve Jones</del>	PO 156	TNB
W.M. Lewis	P.O. Box 19290	Thorne Bay
<del>Steve Jones</del>	PO Box 303	
<del>Steve Jones</del>	<del>PO Box 303</del>	
Juane Spink	PO BOX 100	
Jason Blubaum	PO BOX 100	
Bruce Garland	PO BOX 100	
Gene & Martha	Po Box 19448	Thorne Bay
Elzabe Stensson	Box TH1	TOKEN AK 99950
James B. Melhorn	P.O. Box 456	Thorne Bay
Roxy Wilson	P.O. Box 19426	Thorne Bay
Barbara Best	P.O. Box 19328	Thorne Bay, AK 99919
Paul Clasen	PO Box 19397	Thorne Bay AK 99919
Lindy Grant	P.O. Box 19318	Thorne Bay AK 99919
Kathy Cook	PO. Box 19121	Thorne Bay, AK 99919
Leah Ackersman	Gen. Del	Thorne Bay AK 99919
Jim Keller	Gen. Del	Thorne Bay AK 99919
Laura Holt	Box 446	TNB, AK
Mark Finn	Box 19215	THORNE BAY, ALASKA
Debra Richardson	Box 19442	Thorne Bay, AK 99919

THANKS FOR THE SUPPORT!







We, as residents of Prince of Wales Island would like to see Mountain Goats and Elk introduced to our island. We'd like to show our support by signing our name to help the Ketchikan Sports and Wildlife Club help us to bring this about.



Name	Address	City
John W. Smith	Box 19	CRAIG AK
Mark Meyer	Box 14	Nauyas
PEGGY STEVENS	BOX 247	CRAIG AK
G. WENTWORTH	BOX 101	CRAIG AK
Bert A. Cole	P.O. Box 312	Craig, AK
Robert Hall	Box 2921	Ketchikan, AK
<del>XXXXXXXXXXXX</del>		
Dick Jones	204	Craig
ERNEST W STILLER	PO Box 494 <del>CRAIG</del>	CRAIG
JOHN C SCHIMMEL	Box TKT	KETCHIKAN
Dennis White	General Delivery	CRAIG
Dennis White	General Delivery	Craig
Rebecca White	General Delivery	Craig
Norma White	General Delivery	Craig
Bernie White	General Delivery	Craig
Maldie Davis	General Delivery	Craig
Dw. Beck	BX 377	Craig
Jerry Luttan	Box 405	Craig
Charlie Kissell	Gen Del	CRAIG
Dick Wayne	A.D.	CRAIG
Susan Peterson		
Hal Chandler	Box 248	Craig
Gwenne Bider	Box 467	Craig
Cathy Yzaguirre	Green Hill	Craig
Carl W. Skrank	Hill Hill	Craig

THANKS FOR THE SUPPORT!

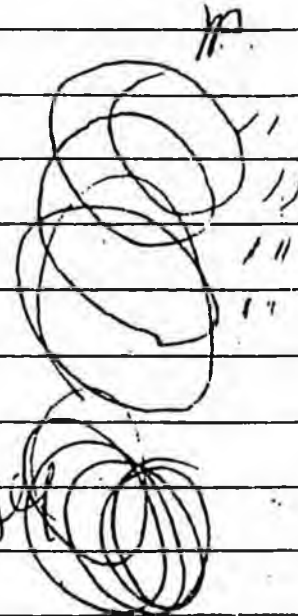
5/29/92



We, as residents of Prince of Wales Island would like to see Mountain Goats and Elk introduced to our island. We'd like to show our support by signing our name to help the Ketchikan Sports and Wildlife Club help us to bring this about.



Name	Address	City
George B. Woods	Box 292 Bayview Blvd	Klawock, 99925
Russell	P.O. Box 249 Craig	99921
Alma Cook		
Gate Price	P.O. Box 69 Craig	
Dorell	Box 309 Klawock AK	99925
Jeremy Howell	" "	" "
Randy Dobbins	" "	" "
Amy Howell	" "	" "
Kristi Howell	" "	" "
Delorrah Richards	Gen Del Craig, AK	99921
Annie Strobel	Gen. Del Craig, AK	
Amelia D. Wood	Box WLB KTN AK 99920	LAB. BAY
Thomas Mills	Box 100 Craig AK	99921
John Blea	522 Craig	Craig
Quent Jones	Box 108 Cr	Craig
<del>John Jones</del>		<del>Box 108</del>
Kelli Jones	Box 282	Klawock
John P.	Box 282	Klawock
James J. Ferguson	P.O. Box 161	Craig
Mike Sundry	P.O. Box WLP	Whale Pass AK
Walt Sundry	PO Box WLP	Whale Pass AK



THANKS FOR THE SUPPORT!

-5/29/92



We, as residents of Prince of Wales Island would like to see Mountain Goats and Elk introduced to our island. We'd like to show our support by signing our name to help the Ketchikan Sports and Wildlife Club help us to bring this about.



Name	Address	City
Cheryl Halter	PO Box 21	Hydaburg
-Doris Mann	Box 267	Craig
L R HALL	Box 181	CRAIG
Gerald White	Box 1111 Ketchikan	WHALE PASS
Patricia J White	Box 1111 Ketchikan	Whale Pass
Fred Turpin	Box 370	Craig
Idea Pundick	Box 370	Craig
LARRY LEMONS	Box 102	CRAIG, AK. 99921
Jony Jones	P.O. Box 193	Craig, AK
Kevin Haines	PO Box 254	Klawock AK
Garry Ad...	P.O. Box 50	Craig
Pat Simpson	P.O. Box 493	CRAIG
DALE YOUNG	P.O. BOX 569	CRAIG
Justin Barrera	P.O. Box 569	CRAIG
James Barnes	Box 45	II
Jay Latta	Box 405	Craig
Derek Parsons	Box 204	CRAIG
Bandy Kirk	Box 41	-
Jeff Craig	P.O. Box 362	Hydaburg
Janice ...	PO Box 477	Craig
Boris Halter	PO Box 86	Craig

THANKS FOR THE SUPPORT!

Aug 11, 92  
~~11/92~~

SB 43

KETCHIKAN SPORTS and WILDLIFE CLUB

P.O. Box 5122 • Ketchikan, Alaska 99901

APR 10 RECD

PROPOSAL

April 5, 1992

Roosevelt Elk Introduction to Revillagigedo Island, S.E. Alaska.

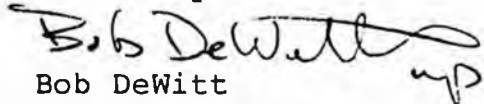
Objective: Establish a self sustaining population of Roosevelt Elk to this area.

Justification: Alaska Statutes Title 16 Fish and Game chapter 25 Section 16.250.010 Stocking of Public Lands.

Respective Cooperators:

Alaska Department of Fish and Game  
U.S.D.A. Forest Service  
Ketchikan Sports and Wildlife Club

Sincerely;



Bob DeWitt  
Ketchikan Sports and  
Wildlife Club

cc; Carl Rossier, Alaska Department of Fish and Game  
Mike Barton, U.S.D.A. Forest Service  
Robin Taylor, District Representative

SB 43

RECEIVED AUG 13 1991

**KETCHIKAN SPORTS and WILDLIFE CLUB**

P.O. Box 5122 • Ketchikan, Alaska 99901

*File*

RECEIVED AUG 13 1991

CARL ROSIER  
COMMISSIONER  
STATE OF ALASKA  
DEPARTMENT OF FISH AND GAME  
P.O. BOX 3-2000  
JUNEAU, ALASKA 99802

Dear Commissioner Rosier;

August 13, 1991

Inclosed you will find proposals regarding the introduction of Roosevelt Elk to areas indicated. Our organization feels these introductions would benefit the residents of S.E. Alaska.

As you are aware, Elk have been successfully introduced to South Etolin Island west of Wrangell and are doing exceptionally well. Since South Etolin Island has been designated a Wilderness area we feel another introduction to one or all of the locations we are proposing should be taken into consideration by the Department of Fish and Game.

Our organization is looking forward to meeting with your staff to evaluate the proposed sites.

SINCERLY;

*Bob DeWitt*

Bob DeWitt  
Vice President  
Ketchikan Sports and Wildlife Club

cc; Ron Sommerville  
Rep. Robin Taylor ✓  
Sen. Lloyd Jones  
Mike Barton U.S.F.S.

# KETCHIKAN SPORTS and WILDLIFE CLUB

P.O. Box 5122 • Ketchikan, Alaska 99901

## PROPOSAL ROOSEVELT ELK TO KRUZOFF ISLAND

### INTRODUCTION

The Ketchikan Sports and Wildlife Club believes the multiple use concept relating to the S.E. Regional District would be more beneficial to Hunters and Non-hunters of the District if Roosevelt Elk were to be established to suitable habitat on Kruzoff Island .

### OBJECTIVE

To introduce Roosevelt Elk outside of National Monuments and designated Wilderness areas, to utilize suitable habitat for Elk where they are not present at this time, to allow future Hunters and Non-hunters alternate areas to utilize these resources.

### JUSTIFICATION

This proposal is based upon public interest and demand, population expansion within the local area and increasing pressure on existing populations of local Wildlife. We feel this introduction would be consistent with the directives outlined in Alaska State Statute Title 16. Studies of various areas on Kruzoff Island were done in the mid 60's and again in the mid 70's in consideration of Roosevelt Elk.

### FINANCING

Funding and support for this proposal will be provided by the following organizations and groups:

Ketchikan Sports and Wildlife Club  
Alaska Department of Fish and Game  
United States Forest Service  
Rocky Mountain Elk Foundation (RMEF)

### CONCLUSION

It appears from private aerial surveys that there are many areas available and suitable for introducing Roosevelt Elk to Kruzoff Island. We hope this information we have provided will help in evaluating this proposal.

Sincerely,

KETCHIKAN SPORTS AND WILDLIFE CLUB

*Bob DeWitt bygem*

Bob DeWitt  
Vice President

# KETCHIKAN SPORTS and WILDLIFE CLUB

P.O. Box 5122 • Ketchikan, Alaska 99901

## PROPOSAL ROOSEVELT ELK TO GRAVINA ISLAND

### INTRODUCTION

The Ketchikan Sports and Wildlife Club believes the multiple use concept relating to the S.E. Regional District would be more beneficial to Hunters and Non-hunters of the District if Roosevelt Elk were to be established to suitable habitat on Gravina Island .

### OBJECTIVE

To introduce Roosevelt Elk outside of National Monuments and designated Wilderness areas, to utilize suitable habitat for Elk where they are not present at this time, to allow future Hunters and Non-hunters alternate areas to utilize these resources.

### JUSTIFICATION

This proposal is based upon public interest and demand, population expansion within the local area and increasing pressure on existing populations of local Wildlife. We feel this Introduction would be consistent with the directives outlined in Alaska State Statute Title 16. Studies of various areas on Gravina Island were done in the mid 60's and again in the mid 70's in consideration of Roosevelt Elk.

### FINANCING

Funding and support for this proposal will be provided by the following organizations and groups:

Ketchikan Sports and Wildlife Club  
Alaska Department of Fish and Game  
United States Forest Service  
Rocky Mountain Elk Foundation (RMEF)

### CONCLUSION

It appears from private aerial surveys that there are many areas available and suitable for introducing Roosevelt Elk to Gravina Island. We hope this information we have provided will help in evaluating this proposal.

Sincerely,

KETCHIKAN SPORTS AND WILDLIFE CLUB

*Bob DeWitt by com*

Bob DeWitt  
Vice President

# KETCHIKAN SPORTS and WILDLIFE CLUB

P.O. Box 5122 • Ketchikan, Alaska 99901

## PROPOSAL ROOSEVELT ELK TO PRINCE OF WALES ISLAND

### INTRODUCTION

The Ketchikan Sports and Wildlife Club believes the multiple use concept relating to the S.E. Regional District would be more beneficial to Hunters and Non-hunters of the District if Roosevelt Elk were to be established to suitable habitat on Prince of Wales Island .

### OBJECTIVE

To introduce Roosevelt Elk outside of National Monuments and designated Wilderness areas, to utilize suitable habitat for Elk where they are not present at this time, to allow future Hunters and Non-hunters alternate areas to utilize these resources.

### JUSTIFICATION

This proposal is based upon public interest and demand, population expansion within the local area and increasing pressure on existing populations of local Wildlife. We feel this introduction would be consistent with the directives outlined in Alaska State Statute Title 16. Studies of various areas on Prince of Wales Island were done in the mid 60's and again in the mid 70's in consideration of Roosevelt Elk.

### FINANCING

Funding and support for this proposal will be provided by the following organizations and groups:

Ketchikan Sports and Wildlife Club  
Alaska Department of Fish and Game  
United States Forest Service  
Rocky Mountain Elk Foundation (RMEF)

### CONCLUSION

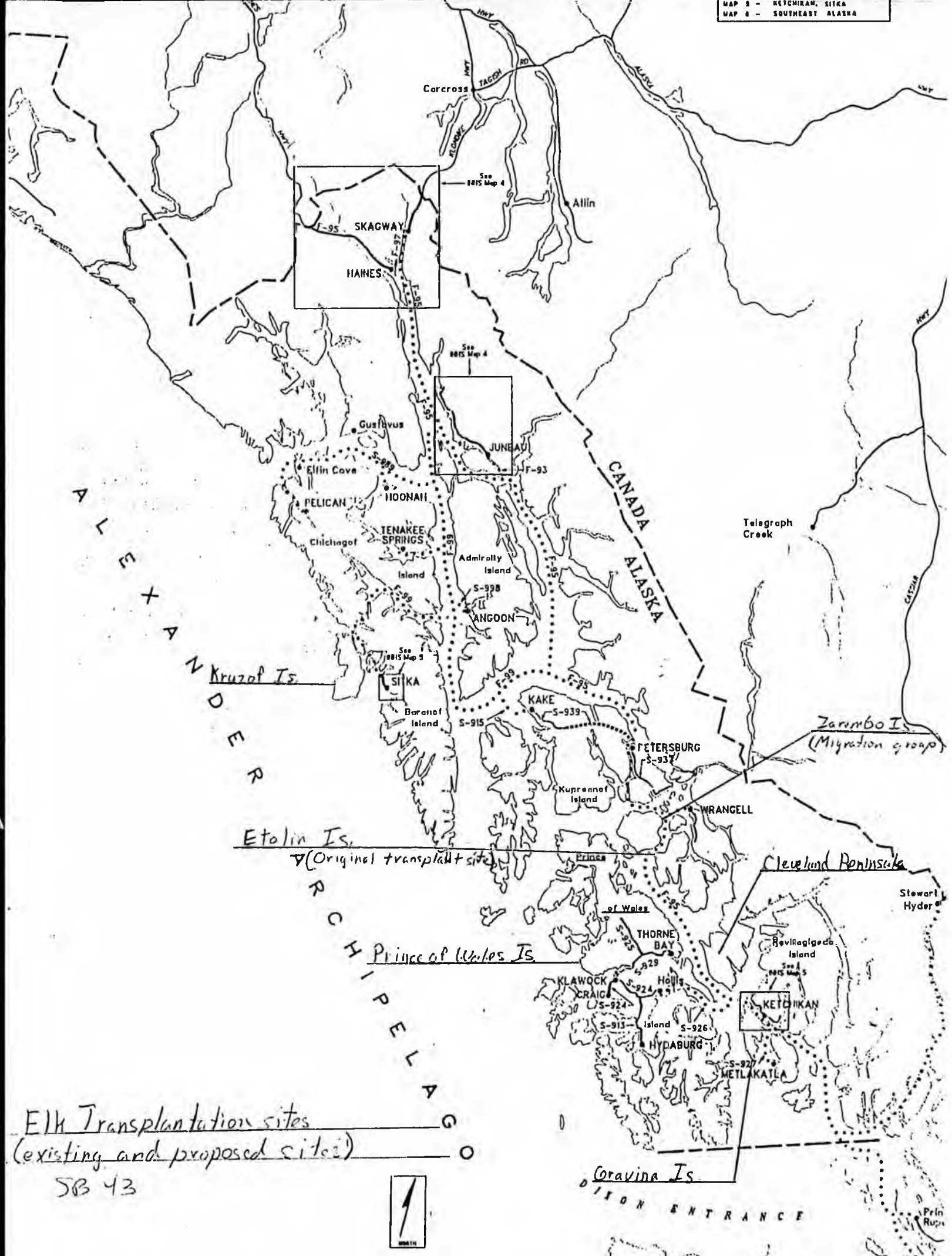
It appears from private aerial surveys that there are many areas available and suitable for introducing Roosevelt Elk to Prince of Wales Island. We hope this information we have provided will help in evaluating this proposal.

Sincerely,

KETCHIKAN SPORTS AND WILDLIFE CLUB

*Bob DeWitt by em*

Bob DeWitt  
Vice President



Elk Transplantation sites  
(existing and proposed sites)

SB 43



# OUTDOOR NEWS



John Hyde

## SOUTHEAST'S ELK INVASION

**W**ITH A LITTLE LUCK, elk hunting may someday become an annual tradition for southeastern Alaska sportsmen. According to state game biologist Charlie Land, a transplant of 50 elk from Oregon to Etolin Island is showing promise.

Roosevelt elk, taken from the Jewell Meadows Wildlife Management Area in Oregon, and Rocky Mountain elk from eastern Oregon, were released in 1987 on Etolin Island near Wrangell. Of the 30 elk that were

fitted with radio collars and released there, 10 were still alive in the spring of 1990. Alaska Department of Fish and Game surveys and reports from loggers, fishermen and other observers in the area indicate the remaining elk are in good condition and have produced calves annually.

Despite reports that elk have spread to nearby Zarembo, Brownson and Deer islands, Land says, "The elk on Etolin are now at the crucial point of success or

failure. Every indication is that the introduction will succeed."

Until recently, the only elk in Alaska were found on Raspberry and Afognak islands near Kodiak. Transplanted in 1928 from Washington's Olympic Peninsula, the animals eventually established stable, huntable populations. In the 1989-90 season, hunters harvested 206 Roosevelt elk on Raspberry and Afognak islands, up from a total of 124 in 1988-89. ●

## BURBOT BLUES

**F**ISHING PRESSURE ON burbot, or freshwater ling, has increased dramatically over the last decade in many parts of interior Alaska. In fact, state biologists say that so many burbot have been taken, especially with set-lines through lake and river ice, that they are concerned stocks may soon be depleted.

Last November, the Alaska Department of Fish and Game issued emergency closures on a number of lakes and streams in the Tanana and Tyone river drainages and the Lake Louise area near Glennallen. Results of studies in some lakes revealed a 60 percent drop in burbot populations between 1987 and 1988. The decreases have been attributed to the winter set-line sport fishery.

Burbot, brownish-yellow bottom feeders with long tapering bodies, are savored for their firm, white flesh. The fish provide winter sport for set-line fishermen who are allowed to catch them through the ice using as many as 15 baited lines per angler.

In the past, bag limits have been liberal, but because the fish grow slowly and are late to mature, popular waters have quickly been overfished. ●

## Wolf Season Extended

**W**olves in game management Unit 15A on the Kenai Peninsula appear to be flourishing. In fact, the 45 or so predators were doing so well last February that the state extended the trapping season one month.

According to a report in *The Peninsula Clarion*, the reason for the extension is not to control wolves on the Kenai, but "to provide additional trapping experiences in the field

because of surplus wolves." Area wildlife biologist Ted Spraker said at least 45 wolves were residing in GMU 15A last winter—well above the Alaska Department of Fish and Game's population objective of 25 to 35 wolves.

ADF&G reported that two large wolf packs in GMU 15A containing 26 wolves are infested with lice. The department hoped the extended season might slow or prevent the spread of lice to other packs. ●

**SENATE COMMITTEE REPORT**  
FIRST COMMITTEE OF REFERRAL

DATE: 1/11/93

FURTHER: FINANCE *[Signature]*

Date of 5-Day Notice: 1.14.93  
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 1.26.93

RESOURCES Committee considered SENATE BILL NO. 43

~~"An Act~~ establishing a grant program relating to transplantation of elk."

and recommends it  
be replaced with

and recommends:

replace with CS S.B. 43 (Res)

- same title
- new title
- technical title change (HB only)

attaches amendment(s)

~~to any of the~~  
*Costs reports is back with an amendment*

adopts \_\_\_\_\_ Letter of Intent

*as follows*

further referral to the \_\_\_\_\_

do pass

do not pass

no recommendation

individual recommendations

FISCAL NOTE INFORMATION

Department	Date	Zero	Fiscal
ADE & G	1/20/93	✓	

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

Governor's Bill with Previous Fiscal Notes (enter information above)

DO PASS: *[Signature]* who signed do pass

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OTHER RECOMMENDATIONS:

*True source - No Rec*

*Paul Hancock No Rec*

*Al Adams No Rec*

*Herw D. Loman No Rec*

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*Mike Miller* Do Pass  
Chair: Signature and Recommendation

