

ALASKA LEGISLATURE

1239

HOUSE and SENATE FINANCE COMMITTEE FILES,

1993-1994

20

PRINCESS TOURS 

May 5, 1994

The Honorable Ron Larson
The Honorable Eileen MacLean
Co-Chairs
House Finance Committee
Capitol Building
Juneau, Alaska 99801

519
West Fourth
Avenue
Anchorage,
Alaska
99501

Telephone:
907-276-7711
Telefax:
907-265-9222

Dear Mr. and Madam Chair:

This letter is offered in support of House CS for CS for SB 370 (Jud). This legislation would allow gambling aboard cruise ships within Alaskan waters for ticketed cruise passengers. Cruise ships would be required to pay a fee to the State for an exemption prior to conducting gambling under this legislation.

This legislation has been improved by several changes during the committee hearing process. The definition of cruise ships has been tightened to insure against "gambling cruises to nowhere". The legislation prohibits gambling aboard cruise ships within three miles of ports of call. Fees paid for exemptions have been doubled. We estimate that revenues to the State could exceed \$500,000 in 1994 and reach \$575,000 in 1995. Ships offering Alaskan cruises in the next two years would pay either \$20,000 or \$30,000 each per year for the exemptions. Larger ships are scheduled to sail in Alaska in 1996, and several would pay \$40,000 each year.

The legislation sunsets December 31, 1996. A provision has been added to insure full disclosure of payments for onboard promotion of gift shops in Alaskan ports of call. Princess does not approve of such promotions in Alaska, and we believe that other long term cruise line operators agree with us. We have no objection to this section of the bill.

Cruise ships have offered gambling as an ancillary entertainment activity for their passengers in Alaska for over twenty years. Alaska competes in the international marketplace. Onboard gambling has become generally accepted as one of the variety of activities offered by cruise lines in all the major cruising destinations.

Over the past twenty years Alaska has become one of the premier cruising destinations in the world, currently ranking number two. During this period of growth and development, there is no evidence that these onboard activities have ever had any impact whatsoever, on Alaska communities or Alaskan residents.

This absence of impact is a direct result of the way in which cruise ships operate onboard casinos. For over twenty years cruise ships coming to Alaska have operated casinos only while underway. Casinos are closed while ships are in port.

The public policy concerns related to gambling are not compromised by the passage of House CS for CS for SB 370 (Jud). There is no impact to Alaskan families or communities or to the "peace and tranquillity" of any area of Alaska as a result of these activities aboard cruise ships.

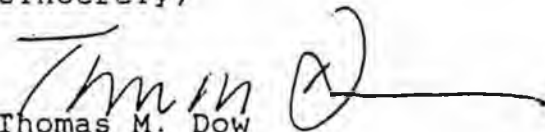
Research clearly shows that Alaskans appreciate the importance of tourism to the economy of the state. It also shows that Alaskans don't favor prohibiting the traditional operation of casinos aboard cruise ships because these operations are not causing any problems and never have.

Although gambling has never been a primary reason to choose an Alaskan cruise, both passengers and travel agents have come to expect gambling as a part of the package of activities which they would find in a world class cruise vacation. Eliminating gambling within Alaskan waters would mean that an Alaskan cruise vacation would offer something less than available to passengers on the same ships when they are sailing in other locations.

We believe that there is no public policy reason to prohibit this activity. There is public support to allow it to continue. And with the provision of an exemption fee, there is a simple method for the State to secure revenues from cruise lines who wish to continue to offer this entertainment option to their passengers. There is very little administrative expense or burden placed on the State for the collection of these revenues.

Thank you for your consideration.

Sincerely,


Thomas M. Dow
Vice President

CS FOR SENATE BILL NO. 370(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 4/27/94

Referred: Rules

Sponsor(s): SENATE TRANSPORTATION COMMITTEE BY REQUEST

A BILL

FOR AN ACT ENTITLED

1 "An Act providing an exemption from gambling laws for gambling conducted by
 2 cruise ships for their ticketed passengers in the offshore water of the state;
 3 relating to promotions on board cruise ships; defining 'cruise ship'; providing for
 4 exemption procedures for certain cruise ships before they can conduct gambling
 5 in the offshore water of the state; and providing for an effective date."

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

7 * Section 1. AS 05.15 is amended by adding a new section to read:

8 ARTICLE 4. CRUISE SHIP EXEMPTION.

9 Sec. 05.15.250. EXEMPTION OF CRUISE SHIPS. (a) A cruise ship may
 10 conduct gambling under AS 11.66.275 in the offshore water of the state if

11 (1) the operator of the cruise ship annually applies on a date set by the
 12 department on a form provided by the department;

13 (2) the operator of the cruise ship agrees to comply with AS 45.50.474;

1 and

2 (3) the operator pays the annual exemption fee required under (b) of
3 this section.

4 (b) The exemption fee for a cruise ship to conduct gambling under (a) of this
5 section is for cruise ships with a capacity of

- 6 (1) 500 or fewer passengers \$10,000;
7 (2) 501 - 999 passengers \$20,000;
8 (3) 1000 - 1999 passengers \$30,000;
9 (4) 2,000 passengers or more \$40,000.

10 (c) The department shall revoke the exemption of a cruise ship that becomes
11 ineligible to hold an exemption under this section, provides false information in an
12 application for an exemption, violates an order issued under AS 05.15.200, or conducts
13 gambling in violation of the provisions of AS 11.66.275. When revoking an
14 exemption under this subsection, the department may bar a cruise ship from obtaining
15 an exemption under this section in the future or for a specified number of years in the
16 future.

17 (d) Except for AS 05.15.195, 05.15.200, and 05.15.210, other provisions of this
18 chapter do not apply to gambling on a cruise ship.

19 (e) In this section,

20 (1) "cruise ship" means a ship that operates at least 120 days a year
21 anywhere in the world, provides cruises of at least 72 hours in length for ticketed
22 passengers, provides overnight accommodations and meals for those passengers, is
23 operated by an authorized cruise ship operator, and is certified under the International
24 Convention for the Safety of Life at Sea or otherwise certified by the United States
25 Coast Guard;

26 (2) "offshore water of the state" has the meaning given in
27 AS 11.66.275.

28 * Sec. 2. AS 05.15.200(b) is amended to read:

29 (b) A person who, with the intent to mislead a public servant in the
30 performance of the public servant's duty, submits a false statement in an application
31 for a permit, license, exemption, or vendor registration under this chapter is guilty of

1 unsworn falsification.

2 * Sec. 3. AS 05.15.200(b) is amended to read:

3 (b) A person who, with the intent to mislead a public servant in the
4 performance of the public servant's duty, submits a false statement in an application
5 for a permit, license, [EXEMPTION,] or vendor registration under this chapter is guilty
6 of unsworn falsification.

7 * Sec. 4. AS 11.66 is amended by adding a new section to read:

8 Sec. 11.66.275. CRUISE SHIP EXEMPTION. (a) The provisions of
9 AS 11.66.200 - 11.66.280 do not apply to gambling conducted by a cruise ship for its
10 ticketed passengers in the offshore water of the state if

11 (1) the cruise ship is exempt under AS 05.15.250; and

12 (2) the gambling is ancillary to the cruise and the cruise has as its main
13 purpose scenic cruising and port visits at maritime communities in the state.

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15 (1) "cruise ship" means a ship that operates at least 120 days a year
16 anywhere in the world, provides cruises of at least 72 hours in length for ticketed
17 passengers, provides overnight accommodations and meals for those passengers, is
18 operated by an authorized cruise ship operator, and is certified under the International
19 Convention for the Safety of Life at Sea or otherwise certified by the United States
20 Coast Guard;

21 (2) "offshore water of the state" means the marine water over which
22 the state has jurisdiction.

23 * Sec. 5. AS 45.50.471(b) is amended by adding a new paragraph to read:

24 (37) violating AS 45.50.474 (on board promotions).

25 * Sec. 6. AS 45.50 is amended by adding a new section to read:

26 Sec. 45.50.474. REQUIRED DISCLOSURES IN PROMOTIONS ON BOARD
27 CRUISE SHIPS. A person may not conduct a promotion on board a cruise ship that
28 mentions or features a business in a state port that has paid something of value for the
29 purpose of having the business mentioned or featured, unless the person conducting
30 the promotion clearly and fully discloses orally and in all written materials used in the
31 promotion that the featured businesses have paid to be included in the promotion. A

1 violation of this section constitutes an unfair trade practice under AS 45.50.471. In
2 this section, "cruise ship" means a ship that operates at least 120 days a year anywhere
3 in the world, provides cruises of at least 72 hours in length for ticketed passengers,
4 provides overnight accommodations and meals for those passengers, is operated by
5 an authorized cruise ship operator, and is certified under the International Convention
6 for the Safety of Life at Sea or otherwise certified by the United States Coast Guard.

7 * Sec. 7. AS 05.15.250 and AS 11.66.275 are repealed December 31, 1996.

8 * Sec. 8. Section 3 of this Act takes effect December 31, 1996.

9 * Sec. 9. Except for sec. 3 of this Act, this Act takes effect immediately under
10 AS 01.10.070(c).

Alaska State Legislature



House of Representatives
House Judiciary Committee

State Capitol, Room 120
Juneau, Alaska 99801-1182
(907) 465-4990

House Judiciary Committee

Letter of Intent

For

House CS for CS for SB 370 (JUD)

It is the intent of the House Judiciary Committee that the exemption fee for cruise ships collected under Section 1 (b) of this bill, shall be separately accounted for and may be appropriated for tourism promotion.

A handwritten signature in cursive script that reads "Brian S. Porter".

Representative Brian S. Porter, Chair
House Judiciary Committee

AMENDMENT

AMENDMENT TO HOUSE CS SB 370(JUD):

Offered in the House Finance Committee:

Page __, Line __:

Delete Section 6 and replace with:

Sec. 6. AS 45.50 is amended to read:

Sec. 45.50.474. PROHIBITION IN ADVERTISING PROMOTIONS ON

BOARD CRUISE SHIPS. A person may not conduct an advertising promotion on board a cruise ship that mentions or features a business in a state port that has paid something of value for the purpose of having the business mentioned or featured.

This prohibition does not apply to on-shore excursions which are sold on board a cruise ship. ~~A violation of this section constitutes an unfair trade practice under AS 45.50.471.~~

up to, not including "A"
Pg 3, line 31
Pg 4 lines 1-5: insert
The Following

Add to 8LS16267Q

make into

HCS CS SB 370 (Fin)

5/5/94 pm
Rheinwald

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Offered in the House Finance Committee:

Page __, Line __:

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Sec. 45.50.474. PROHIBITION ^{of} IN ADVERTISING PROMOTIONS ON BOARD CRUISE SHIPS. A person may not conduct an advertising promotion on board a cruise ship that mentions or features a business in a state port that has paid something of value for the purpose of having the business mentioned or featured. This prohibition does not apply to on-shore excursions which are sold on board a cruise ship. A violation of this section constitutes an unfair trade practice under AS 45.50.471.

pg 3 line, 31 5
pg 4, line 1 - 8, Insert

HOUSE CS FOR CS FOR SENATE BILL NO. 370(JUD)
 IN THE LEGISLATURE OF THE STATE OF ALASKA
 EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE JUDICIARY COMMITTEE

Offered:
 Referred:

Sponsor(s): SENATE TRANSPORTATION COMMITTEE BY REQUEST

A BILL

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 4 exemption procedures for certain cruise ships before they can conduct gambling
 5 in the offshore water of the state; and providing for an effective date."

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9 Sec. 05.15.250. EXEMPTION OF CRUISE SHIPS. (a) A cruise ship may
 10 conduct gambling as permitted under AS 11.66.275 in the offshore water of the state
 11 if

12 (1) the operator of the cruise ship annually applies on a date set by the
 13 department on a form provided by the department;

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(2) the operator of the cruise ship agrees to comply with AS 45.50.474;

and

(3) the operator pays the annual exemption fee required under (b) of this section.

(b) The exemption fee for a cruise ship to conduct gambling under (a) of this section is for cruise ships with a capacity of

- (1) 500 or fewer passengers \$10,000;
- (2) 501 - 999 passengers \$20,000;
- (3) 1000 - 1999 passengers \$30,000;
- (4) 2,000 passengers or more \$40,000.

(c) The department shall revoke the exemption of a cruise ship that becomes ineligible to hold an exemption under this section, provides false information in an application for an exemption, violates an order issued under AS 05.15.200, or conducts gambling in violation of the provisions of AS 11.66.275. When revoking an exemption under this subsection, the department may bar a cruise ship from obtaining an exemption under this section in the future or for a specified number of years in the future.

(d) Except for AS 05.15.195, 05.15.200, and 05.15.210, other provisions of this chapter do not apply to gambling on a cruise ship.

(e) In this section,

(1) "cruise ship" means a ship that operates at least 120 days a year anywhere in the world, provides cruises of at least 72 hours in length for ticketed passengers, provides on board the ship overnight accommodations for at least 300 passengers, is operated by an authorized cruise ship operator, and is certified under the International Convention for the Safety of Life at Sea or otherwise certified by the United States Coast Guard;

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9 Sec. 11.66.275. CRUISE SHIP EXEMPTION. (a) The provisions of
10 AS 11.66.200 - 11.66.280 do not apply to gambling conducted by a cruise ship for its
11 ticketed passengers in the offshore water of the state if

12 (1) the cruise ship is exempt under AS 05.15.250;

13 (2) the cruise ship does not conduct gambling in, or within three miles
14 of, a state port visited by the cruise ship;

15 (3) the gambling is ancillary to the cruise and the cruise has as its main
16 purpose scenic cruising and port visits at maritime communities in the state; and

17 (4) the cruise ship operates under an itinerary that either originates or
18 terminates in a port outside the state.

19 (b) In this section,

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22 passengers, provides or board the ship overnight accommodations for at least 300
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4 the promotion clearly and fully discloses orally and in all written materials used in the
5 promotion that the featured businesses have paid to be included in the promotion. A
6 violation of this section constitutes an unfair trade practice under AS 45.50.471. In
7 this section, "cruise ship" means a ship that operates at least 120 days a year anywhere
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10 operated by an authorized cruise ship operator, and is certified under the International
11 Convention for the Safety of Life at Sea or otherwise certified by the United States
12 Coast Guard.

- 13 * Sec. 7. AS 05.15.250 and AS 11.66.275 are repealed December 31, 1996.
- 14 * Sec. 8. Section 3 of this Act takes effect December 31, 1996.
- 15 * Sec. 9. Except for sec. 3 of this Act, this Act takes effect immediately under
16 AS 01.10.070(c).

FISCAL NOTE

No. 4

Bill Version: 0295370 (FIN)

(S) Publish Date: 5-2-94

**STATE OF ALASKA
1994 LEGISLATIVE SESSION**

BILL

Revision Date: April 28, 1994 Dept. Affected: Revenue
 Title: *An Act providing an exemption from gambling laws for gambling BRU: Revenue Operations
 conducted by cruise ships for their ticketed passengers in the offshore waters of Alaska Component: Charitable Gaming Division
 Sponsor: Senate Transportation Committee by Request
 Requestor: Senate Rules COMPONENT SERIAL NO. 1883

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	27.0	27.0	27.0	27.0	27.0	27.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	11.7	11.5	11.5	11.5	11.5	11.5
SUPPLIES	.1	.1	.1	.1	.1	.1
EQUIPMENT	4.8	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	43.6	38.6	38.6	38.6	38.6	38.6

CAPITAL						
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REVENUE FUND SOURCE:	620.0	620.0	620.0	620.0	620.0	620.0
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FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	43.6	38.6	38.6	38.6	38.6	38.6
1006 GF/MHTIA						
Other						
TOTAL	43.6	38.6	38.6	38.6	38.6	38.6

POSITIONS:

FULL-TIME (Seasonal)	1	1	1	1	1	1
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary.)

See attached.

Prepared by: Don Stolworthy, Director *Don Stolworthy* Phone: 465-2229
 Division: Charitable Gaming Division
 Approved by Commissioner: Darrel J. Rexwinkel *Darrel J. Rexwinkel* Date: April 28, 1994
 Agency: Department of Revenue Date: April 28, 1994

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For further distribution information call the Governor's Legislative Office**

CSSB 370 (FIN)

Estimated Costs

Personal Services	[Seasonal Investigator II]	\$27.0
Contractual		
Legal Services		10.0
Communications		.5
Printing & Binding		.5
Postage		.5
Supplies	[pens, paper, file folders, etc.]	.1
Total Annual Costs		<u>\$38.6</u>

One Time Costs

Contractual	[phone line installation]	.2
Equipment		
Office Furniture		1.0
Phone		.3
Computer		3.5
Total Start-up Costs		<u>\$5.0</u>

CSSB 370 (FIN)

Estimated Revenues

Fee Schedule

Passengers	Fee	1994	1995
		Total Ships	Total Ships
Fewer than 500	\$10.0	10	10
500 to 1,000	\$20.0	08	08
1,000 or more	\$30.0	11	12
	Total Exemption Fees	\$590.0	\$620.0

SB

370

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/8/94

FURTHER:

DATE TURNED INTO OFFICE: 4-26-94

The Finance Committee considered SENATE BILL NO. 370

"An Act providing an exemption from gambling laws for gambling conducted by cruise ships for their ticketed passengers in the offshore water of the state outside of ports; defining 'cruise ship'; and providing for the licensing of certain cruise ships before they can conduct gambling in the offshore water of the state."

and recommends:

- replace with _____ CS SB 370 (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
Revenue	4/1/94	<input checked="" type="checkbox"/>	
Revenue	7/27/94		\$43.6

(295.0)
revenue
(620.0)
revenue

Appropriation No Fiscal Note

DO PASS:

[Signature]

OTHER RECOMMENDATIONS:

*SEA [Signature] N R
Tom Kelly - No Rec*

1. *Grant Do Pass*

Co-Chair: Signature/Recommendation

2. *1 rule change - 10 not pass*

Co-Chair: Signature/Recommendation

REPORTED OUT OF
SFC 4-26-94

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. CSSB 370(FIN)

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(Thousands of Dollars)

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8-LS1626D ✓
Luckhaupt
4/26/94

ADOPTED

CS FOR SENATE BILL NO. 370(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

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13 (2) the operator of the cruise ship agrees to comply with AS 45.50.474;

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2 (3) the operator pays the annual exemption fee required under (b) of
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- 7 (2) 501 - 999 passengers \$20,000;
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18 chapter do not apply to gambling on a cruise ship.

19 (e) In this section,

- 20 (1) "cruise ship" has the meaning given in AS 11.66.275;
- 21 (2) "offshore water of the state" has the meaning given in
22 AS 11.66.275.

23 * Sec. 2. AS 05.15.200(b) is amended to read:

24 (b) A person who, with the intent to mislead a public servant in the
25 performance of the public servant's duty, submits a false statement in an application
26 for a permit, license, exemption, or vendor registration under this chapter is guilty of
27 unsworn falsification.

28 * Sec. 3. AS 11.66 is amended by adding a new section to read:

29 Sec. 11.66.275. CRUISE SHIP EXEMPTION. (a) The provisions of
30 AS 11.66.200 - 11.66.280 do not apply to gambling conducted by a cruise ship for its
31 ticketed passengers in the offshore water of the state if

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- (1) the cruise ship is exempt under AS 05.15.250; and
- (2) the gambling is ancillary to the cruise and the cruise has as its main purpose scenic cruising and port visits at maritime communities in the state.

(b) In this section,

(1) "cruise ship" means a ship that operates at least 120 days a year anywhere in the world, provides cruises of at least 72 hours in length for ticketed passengers, provides overnight accommodations and meals for those passengers, is operated by an authorized cruise ship operator, and is certified under the International Convention for the Safety of Life at Sea or otherwise certified by the United States Coast Guard;

(2) "offshore water of the state" means the marine water over which the state has jurisdiction.

* Sec. 4. AS 45.50.471(b) is amended by adding a new paragraph to read:

(37) violating AS 45.50.474 (on board promotions).

* Sec. 5. AS 45.50 is amended by adding a new section to read:

Sec. 45.50.474. REQUIRED DISCLOSURES IN PROMOTIONS ON BOARD CRUISE SHIPS. A person may not conduct a promotion on board a cruise ship that mentions or features a business in a state port that has paid something of value for the purpose of having the business mentioned or featured, unless the person conducting the promotion clearly and fully discloses orally and in all written materials used in the promotion that the featured businesses have paid to be included in the promotion. A violation of this section constitutes an unfair trade practice under AS 45.50.471. In this section, "cruise ship" has the meaning given in AS 11.66.275.

* Sec. 6. This Act takes effect immediately under AS 01.10.070(c).

amend #2

*insert date on regulation only
Dec 30, 1996. Sec 12, #3*

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

April 27, 1994

SUBJECT: CSSB 370(FIN) (Work Order No. 8-LS1626\I)

TO: Senator Drue Pearce
Attn: Marie Murray

FROM: Jerry Luckhaupt *JEL*
Legislative Counsel

In the above-captioned final committee substitute the committee requested that we sunset the cruise gambling exemption at the end of 1996. To implement this we added a new bill section 7, to repeal AS 05.15.250 (added in sec. 1 of the bill) and AS 11.66.275 (added in sec. 4 of the bill). We were unable to repeal the changes made in section 2 of the bill in this same manner because that section amends an existing section of law that has vitality outside of cruise ship exemption context. As a result we added a new bill section 3 that removes the amendment made in section 2 of the bill and made bill section 3 effective with the sunset of the other provisions. Also since bill section 6 incorporated by reference the definition of cruise ship in section 4 of the bill we were forced to define cruise ship specifically in section 7 of the bill as the definition of cruise ship in section 4 of the bill was being sunsetted.

GPL:gc
94-291.glc

Enclosure

8-LS1626U
Luckhaupt
4/21/94

CS FOR SENATE BILL NO. 370(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): **SENATE TRANSPORTATION COMMITTEE BY REQUEST**

A BILL

FOR AN ACT ENTITLED

1 "An Act providing an exemption from gambling laws for gambling conducted by
2 cruise ships for their ticketed passengers in the offshore water of the state;
3 relating to promotions on board cruise ships; defining 'cruise ship'; relating to
4 funding of the Alaska Tourism Marketing Council; creating the Alaska tourism
5 marketing council fund; and providing for exemption fees for certain cruise ships
6 before they can conduct gambling in the offshore water of the state; and
7 providing for an effective date."

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

9 * Section 1. AS 05.15 is amended by adding a new section to read:

10 **ARTICLE 4. CRUISE SHIP EXEMPTION.**

11 **Sec. 05.15.250. EXEMPTION OF CRUISE SHIPS.** (a) A cruise ship may
12 conduct gambling under AS 11.66.275 in the offshore water of the state if

13 (1) the operator of the cruise ship annually applies on a date set by the

x typo

1 department on a form provided by the department;

2 (2) the operator of the cruise ship agrees to comply with all state laws,
3 including those relating to unfair trade practices; and

4 (3) the operator pays the annual exemption fee required under (b) of
5 this section.

6 (b) The exemption fee for a cruise ship to conduct gambling under (a) of this
7 section is the greater of

8 (1) for cruise ships with a capacity of

9	500 or fewer passengers	\$7,500;
10	501 - 999 passengers	\$15,000;
11	1000 - 1999 passengers	\$30,000;
12	2,000 passengers or more	\$40,000; or

13 (2) five percent of the adjusted gross proceeds of all gambling activities
14 conducted aboard ship while the cruise ship is in the offshore water of the state.

15 (c) An operator of a cruise ship shall pay the appropriate fee specified in (b)(1)
16 of this section at the time of application for an exemption under this section. Not later
17 than 60 days after the cruise ship completes its last cruise in a calendar year in the
18 offshore water of the state, the operator of the cruise ship shall report to the
19 department the total proceeds from all gambling conducted aboard ship while the
20 cruise ship was in the offshore water of the state, the total amount of prizes or wagers
21 paid out to winners of all gambling conducted aboard ship while the cruise ship was
22 in the offshore water of the state, and the adjusted gross proceeds of all gambling
23 activities conducted aboard ship while the cruise ship was in the offshore water of the
24 state. If the fee specified in (b)(2) exceeds the fee specified in (b)(1) of this section,
25 the operator of the cruise ship shall pay the difference in the amounts to the
26 department at the time the report required under this subsection is submitted.

27 (d) The department shall revoke the exemption of a cruise ship that becomes
28 ineligible to hold an exemption under this section, provides false information in an
29 application for an exemption or in any report required under this section, violates an
30 order issued under AS 05.15.200, or conducts gambling in violation of the provisions
31 of AS 11.66.275. The department may revoke the exemption of a cruise ship that

1 violates a regulation issued under (f) of this section. When revoking an exemption
2 under this subsection, the department may bar a cruise ship from obtaining an
3 exemption under this section in the future or for a specified number of years in the
4 future.

5 (e) Except for AS 05.15.195, 05.15.200, and 05.15.210, other provisions of this
6 chapter do not apply to gambling on a cruise ship.

7 (f) The department may adopt regulations to implement this section.

8 (g) The legislature may appropriate the annual estimated balance in the account
9 maintained under AS 37.05.142 for money collected under this section to the Alaska
10 tourism marketing council fund for use as provided in AS 44.33.733. Appropriations
11 to the Alaska tourism marketing council fund under this subsection shall be applied
12 to the required contributions of a qualified trade organization under AS 44.33.705. In
13 this subsection, "qualified trade organization" has the meaning given in AS 44.33.735.
14 Nothing in this subsection creates a dedicated fund.

15 (h) In this section,

16 (1) "adjusted gross proceeds" means the total gross of gambling activity
17 conducted aboard ship while a cruise ship is in the offshore water of the state less
18 prizes or wagers paid to winners of the gambling activity;

19 (2) "cruise ship" has the meaning given in AS 11.66.275;

20 (3) "offshore water of the state" has the meaning given in
21 AS 11.66.275.

22 * Sec. 2. AS 05.15.200(b) is amended to read:

23 (b) A person who, with the intent to mislead a public servant in the
24 performance of the public servant's duty, submits a false statement in an application
25 for a permit, license, exemption, or vendor registration under this chapter is guilty of
26 unsworn falsification.

27 * Sec. 3. AS 11.66 is amended by adding a new section to read:

28 Sec. 11.66.275. CRUISE SHIP EXEMPTION. (a) The provisions of
29 AS 11.66.200 - 11.66.280 do not apply to gambling conducted by a cruise ship for its
30 ticketed passengers in the offshore water of the state if

31 (1) the cruise ship is exempt under AS 05.15.250; and

1 (2) the gambling is ancillary to the cruise and the cruise has as its main
2 purpose scenic cruising and port visits at maritime communities in the state.

3 (b) In this section,

4 (1) "cruise ship" means a ship that operates at least 120 days a year
5 anywhere in the world, provides cruises of at least 72 hours in length for ticketed
6 passengers, provides overnight accommodations and meals for those passengers, and
7 is operated by an authorized cruise ship operator certified under the International
8 Convention for the Safety of Life at Sea;

9 (2) "offshore water of the state" means the marine water over which
10 the state has jurisdiction.

11 * Sec. 4. AS 44.33 is amended by adding a new section to read:

12 Sec. 44.33.733. ALASKA TOURISM MARKETING COUNCIL FUND. The
13 Alaska tourism marketing council fund is created in the general fund. The fund
14 consists of appropriations made by the legislature to the fund. The legislature may
15 appropriate to the fund the annual estimated balance in the accounts maintained under
16 AS 37.05.142 for money collected under AS 05.15.250, AS 44.33.705, and 44.33.727.
17 The money collected under AS 05.15.250, AS 44.33.727, and contributed by a
18 qualified trade organization under AS 44.33.705 that is appropriated to the fund should
19 equal at least 25 percent of the total appropriations to the fund. The council may
20 expend money from the fund to carry out its powers and perform its duties under
21 AS 44.33.700 - 44.33.735. Nothing in this section creates a dedicated fund.

22 * Sec. 5. AS 45.50.471(b) is amended by adding a new paragraph to read:

23 (37) violating AS 45.50.474 (on board promotions).

24 * Sec. 6. AS 45.50 is amended by adding a new section to read:

25 Sec. 45.50.474. REQUIRED DISCLOSURES IN PROMOTIONS ON BOARD
26 CRUISE SHIPS. A person may not conduct a promotion on board a cruise ship that
27 mentions or features a business in a state port that has paid something of value for the
28 purpose of having the business mentioned or featured, unless the person conducting
29 the promotion clearly and fully discloses orally and in all written materials used in the
30 promotion that the featured businesses have paid to be included in the promotion. A
31 violation of this section constitutes an unfair trade practice under AS 45.50.471. In

- 1 this section, "cruise ship" has the meaning given in AS 11.66.275.
- 2 * Sec. 7. This Act takes effect immediately under AS 01.10.070(c).

A M E N D M E N T

OFFERED IN THE SENATE

TO: CSSB 370(JUD)

Page 2, line 7:

Delete "\$5,000"

Insert "\$ 7,500"

Page 2, line 8:

Delete "more than 500 passengers but fewer than 1,000 passengers"

Insert "501 - 999 passengers"

Page 2, line 9:

Delete "\$10,000"

Insert "\$15,000"

Page 2, line 10:

Delete "1,000 passengers or more"

Insert "1,000 - 1,499 passengers"

Delete "\$15,000"

Insert "\$25,000;

(4) 1,500 - 1,999 passengers \$30,000;

(5) 2,000 passengers or more \$40,000"

SENATE FINANCE
COMMITTEE
Amendment Number: 1
Bill Number: SB 370
Sponsor: _____ Date: 4/14/94
Logged In By: [Signature]

FISCAL NOTE

Replaced
~~REVISED~~

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. CSSB 370(JUD)

Revision Date: April 11, 1994 Dept. Affected: Revenue
 Title: *An Act providing an exemption from gambling laws for gambling BRU: Revenue Operations
conducted by cruise ships for their ticketed passengers in the offshore waters of Alaska Component: Charitable Gaming Division
 Sponsor: Senate Transportation Committee by request
 Requestor: Senate Judiciary COMPONENT SERIAL NO. 1883

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE FUND SOURCE:	295.0				310.0	310.0
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*waiting for Bill's OK
EE 4-27
2:10P*

FUNDING:	FY95	FY96	FY97	FY98	FY99	FY00
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary.)

Based upon the exemption fee structure in CSSB 370, total program receipts should equal \$295.0 in 1994 and \$310.0 in 1995. See attached.

Replaced w/ 4/22/94 note

Prepared by: Don Stolworthy, Director *Don Stolworthy* Phone: 465-2229
 Division: Charitable Gaming Division Date: April 11, 1994
 Approved by Commissioner: Darrel J. Rexwinkel *Darrel J. Rexwinkel* Date: April 11, 1994
 Agency: Department of Revenue

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FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. SB 370

Revision Date: _____ Dept. Affected: Revenue
 Title: "An Act providing an exemption from gambling laws for gambling
 conducted by cruise ships for their ticketed passengers in the offshore waters of Alaska" BRU: Revenue Operations
 Sponsor: Senate Transportation Committee Component: Charitable Gaming Division
 Requestor: Senate Judiciary COMPONENT SERIAL NO. 1883

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	102.4	102.4	102.4	102.4	102.4	102.4
TRAVEL	7.0	7.0	7.0	7.0	7.0	7.0
CONTRACTUAL	30.0	30.0	30.0	30.0	30.0	30.0
SUPPLIES	1.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	20.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	160.4	140.4	140.4	140.4	140.4	140.4

CAPITAL						
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REVENUE FUND SOURCE:						
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	160.4	140.4	140.4	140.4	140.4	140.4
1006 GF/MHTIA						
Other						
TOTAL	160.4	140.4	140.4	140.4	140.4	140.4

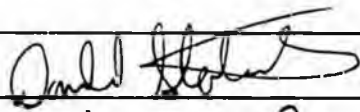
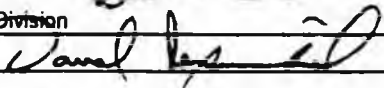
POSITIONS:

FULL-TIME	2	2	2	2	2	2
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary.)

Based upon the licensing fee structure in SB 370 and the scheduled number of vessels sailing in Alaska waters in 1994, total program receipts should equal \$295.0.

Prepared by: Don Stolworthy, Director  Phone: 465-2229
 Division: Charitable Gaming Division Date: April 6, 1994
 Approved by Commissioner: Darrel J. Rexwinkel  Date: April 6, 1994
 Agency: Department of Revenue

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FISCAL NOTE

Replaced
~~REVISED~~

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. CSSB 370(JUD)

Revision Date: April 11, 1994 Dept. Affected: Revenue
 Title: An Act providing an exemption from gambling laws for gambling BRU: Revenue Operations
 conducted by cruise ships for their ticketed passengers in the offshore waters of Alaska Component: Charitable Gaming Division
 Sponsor: Senate Transportation Committee by request
 Requestor: Senate Judiciary COMPONENT SERIAL NO. 1883

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
REVENUE FUND SOURCE:	295.0				310.0	310.0

*Writing for Bill's OK
EX 4-27 2:10 PM*

FUNDING:

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary.)
 Based upon the exemption fee structure in CSSB 370, total program receipts should equal \$295.0 in 1994 and \$310.0 in 1995. See attached.

Replaced w/ 4/27/94 note

Prepared by: Don Stolworthy, Director *Don Stolworthy* Phone: 465-2229
 Division: Charitable Gaming Division Date: April 11, 1994
 Approved by Commissioner: Darrel J. Rexwinkel *Darrel J. Rexwinkel* Date: April 11, 1994
 Agency: Department of Revenue

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CSSB 370

Alaska Cruise Ship Sailings

1994

1995

Passengers	Fee	Total Ships	Total Ships
Fewer than 500	\$5,000	10	10
500 to 1,000	\$10,000	08	08
1,000 or more	\$15,000	11	12
	Total Revenue	\$295.0	\$310.0

Prepared by: Alaska Department of Revenue
Charitable Gaming Division
April 11, 1994

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. SB 370

Revision Date: _____ Dept. Affected: Revenue
 Title: An Act providing an exemption from gambling laws for gambling BRU: Revenue Operations
conducted by cruise ships for their ticketed passengers in the offshore waters of Alaska Component: Charitable Gaming Division
 Sponsor: Senate Transportation Committee
 Requestor: Senate Judiciary COMPONENT SERIAL NO. 1883

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	102.4	102.4	102.4	102.4	102.4	102.4
TRAVEL	7.0	7.0	7.0	7.0	7.0	7.0
CONTRACTUAL	30.0	30.0	30.0	30.0	30.0	30.0
SUPPLIES	1.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	20.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	160.4	140.4	140.4	140.4	140.4	140.4

CAPITAL						
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REVENUE FUND SOURCE:						
-----------------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	160.4	140.4	140.4	140.4	140.4	140.4
1006 GF/MHTIA						
Other						
TOTAL	160.4	140.4	140.4	140.4	140.4	140.4

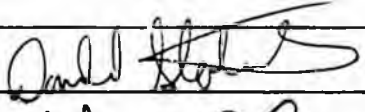
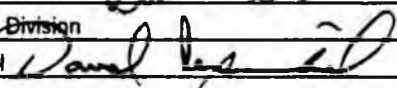
POSITIONS:

FULL-TIME	2	2	2	2	2	2
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary.)

Based upon the licensing fee structure in SB 370 and the scheduled number of vessels sailing in Alaska waters in 1994, total program receipts should equal \$295.0.

Prepared by: Don Stolworthy, Director  Phone: 465-2229
 Division: Charitable Gaming Division Date: April 6, 1994
 Approved by Commissioner: Darrel J. Rexwinkel  Date: April 6, 1994
 Agency: Department of Revenue

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DIVISION OF LEGAL SERVICE

**LEGISLATIVE AFFAIRS AGENCY
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(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

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

MEMORANDUM

April 8, 1994

SUBJECT: Cruise Ship Gambling - CSSB 370(JUD)
(Work Order No. 8-LS1626\K)

TO: Senator Robin Taylor
Attn: Kevin Sullivan

FROM: Jerry Luckhaupt *JEL*
Legislative Counsel

Enclosed is the final committee substitute you requested. I have one comment. The committee substitute removes the authority of the Department of Revenue to revoke a license, or in the case of the committee substitute an exemption, if the cruise ship provides false information in seeking the exemption or conducts gambling in violation of AS 11.66.275 (i.e., is not a cruise ship, conducts gambling other than in the offshore water of the state, conducts gambling within three nautical miles of a port the ship visits, or conducts gambling that is not merely ancillary to the purpose of the cruise which must be scenic cruising and port visits) the bill does not provide a mechanism for the department to revoke the exemption.^{1/} While criminal sanctions would be available for violations of AS 11.66 if the cruise ship violates the provisions of AS 11.66.275, it might also be desirable to revoke the exemption of such a cruise ship.

GPL:lmb:pl
94-109.lmb

Enclosure

^{1/} While an argument can be made that false statements in the application for an exemption would render it void ab initio it would be much easier just to give the department the authority to revoke an exemption on that ground.

SECTIONAL ANALYSIS

CSSB-370(JUD)

Section 1. AS 05.15 is amended by adding a new section.

Section 05.15.250(a) allows cruise ships to conduct gambling under AS 11.66.275 in offshore waters if the following criteria is met:

(1) the operator of the cruise ship applies for an annual exemption form provided by the state;

(2) the operator of the cruise ship agrees to comply with all state laws relating to unfair trade practices;

(3) the operator pays the annual exemption fee required under (b) of this section.

(b) the exemption for a cruise ship for gambling under (a) is for cruise ships with the following capacity:

(b)(1)	500 or fewer passengers	\$5,000;
(b)(2)	500 to 1000 passengers	\$10,000;
(b)(3)	over 1000 passengers	\$15,000.

Section (1)(c) Exempts cruise ships from other provisions of the chapter.

Section (1)(d) The definition of "cruise ship" and "offshore water of the state" mean the same as in AS 11.66.275.

Section 2. AS 11.66.275 adds Cruise Ship Exemption.

Section 2(a) Exempts cruise ships from the provision in AS.11.66.200 and 11.66.280 if it meets the following criteria;

Sen. Shano.

(a)(1) the cruise ship is exempt under AS 05.15.250;

(a)(2) the cruise ship is three nautical miles from the nearest port; and

(a)(3) the main purpose of the cruise is for something other than gambling.

Section 2(b) Defines "cruise ship" and "offshore water of the state".

Section 3. AS 45.50.471(b) is amended by adding new paragraph to read that on board violations will be in violation of AS 45.50.474.

Section 4. Defines required disclosures in promotions on board cruise ships.



Alaska State Legislature

Senate

Office of the Secretary

OFFICIAL BUSINESS

P.O. BOX V
CAPITOL BUILDING
JUNEAU, ALASKA 99811

FOR YOUR IMMEDIATE ATTENTION

DATE:

4/12/94

TO SENATE
COMMITTEE:

S. Finance - Kathy Halmquist

FROM: Office of the Senate Secretary

The attached fiscal note(s) relate to the following bill(s) pending in your Committee.

Please place the fiscal note inside the front cover of the blue or yellow committee folder.

Thanks.

Junk

Thank you.

SIGNATURE OF PERSON RECEIVING THIS NOTE

JR/s

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERR.

jud

DATE: 3/30/94

FURTHER: FINANCE

Date of 5-Day Notice: 3/31/94
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 4/8/94

The Judiciary Committee considered

SENATE BILL NO. 370

"An Act providing an exemption from gambling laws for ~~gambling conducted by~~^{on} cruise ships for their ticketed passengers in the offshore water of the state outside of ports; defining 'cruise ship'; and providing for the licensing of certain cruise ships before they can conduct gambling in the offshore water of the state."

and recommends: **and recommends it be replaced with**
 replace with _____ CS SB 370 (JUD) same title
 attaches amendment(s) **and report it back as follows** new title
 adopts _____ Letter of Intent technical title change (HB only)
 further referral to the _____

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

Fov's

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:

1 *Regina Jones*

Rich Halford - NO REC

1 *Chair: Signature and Recommendation*

SB

371

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/14/94

FURTHER: _____

DATE TURNED INTO OFFICE: _____

The Finance Committee considered SENATE BILL NO. 371

"An Act providing for exploration incentive credits for activities involving locatable and leasable minerals and coal deposits on certain land in the state; and providing for an effective date."

Died in SFC 1994.

and recommends:

- replace with _____ CS _____ (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

Appropriation No Fiscal Note

DO PASS.

Co-Chair: Signature/Recommendation

OTHER RECOMMENDATIONS:

2. _____

Co-Chair: Signature/Recommendation

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

Jan

DATE: 3/30/94

FURTHER: FINANCE

Date of 5-Day Notice: 4.7.94
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 4.14.94

The Resources Committee considered

SENATE BILL NO. 371

"An Act providing for SB 371 MINERAL EXPLORATION INCENTIVE CREDITS on certain land in the state; and providing for an effective date."

and a majority of the committee recommends it be replaced with

and recommends:

replace with _____ CS SB 371 (RES)

attaches amendment(s) _____

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

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

FN & φ FN

FISCAL NOTE INFORMATION

Department	Date	Zero	Fiscal
DNR	4.13.94		
REVENUE	4.11.94		

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

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

DO PASS:

OTHER RECOMMENDATIONS:

Allen J. Roman
Travis D. ...
...

21 David Wiley NO REC
22 ... NO REC

Mike Miller **DO PASS**
Chair: Signature and Recommendation

SB (OS)

ALASKA STATE LEGISLATURE
SENATE BILL NO. 371

HISTORY IN THE SENATE

1994

Read first time and referred to:

3/30

RES. FIN

4/14

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

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	<p>Received from the House Version: _____</p> <p>Concur in House amendment Y ___ N ___ E ___ A ___ _____ Efd same or Y ___ N ___ E ___ A ___</p> <p>Failed to concur in House amendment, ask House recede Y ___ N ___ E ___ A ___</p> <p>House failed to / receded from amendment Y ___ N ___ E ___ A ___</p> <p>CC appointed by Senate _____ Chair _____</p> <p>CC appointed by House _____ Chair _____</p> <p>(S) Granted Limited Powers of Free Conference</p> <p>(H) Granted Limited Powers of Free Conference</p>
-----------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

19	<p>(S) Adopted CC Rpt _____ Y ___ N ___ E ___ A ___ _____ Efd same or Y ___ N ___ E ___ A ___</p> <p>(H) Adopted CC Rpt _____ Y ___ N ___ E ___ A ___ _____ Efd same or Y ___ N ___ E ___ A ___</p> <p>To enrolling Received from enrolling Sent to Governor</p> <p>_____ By Governor</p> <p>Chapter Number _____</p> <p>Filed with Lieutenant Governor</p>
-----------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

FISCAL NOTE

No. L
 Bill Version: SB 371
 B) (S) Publish Date: 4-14-94

STATE OF ALASKA
1994 LEGISLATIVE SESSION

Revision Date: Original Dept Affected: Natural Resources
 Title: "An Act providing for exploration incentive
credits for activities involving locatable and leasable minerals...: BRU: Resource Development
 Sponsor: Senate Resources Committee Component: Mining Development
 Requestor: Senate Resources Committee Component Serial No. 442

Expenditures/Revenues	(Thousands of Dollars)					
	FY95	FY96	FY97	FY98	FY99	FY00
OPERATING EXPENDITURES						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES (1004)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GFMHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY94) cost: \$ None

POSITIONS	FY95	FY96	FY97	FY98	FY99	FY00
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) SEE ATTACHED.	Changes in <u>CS SB 371 (RES)</u> reflect NO FISCAL CHANGE from the original fiscal note. This fiscal note is appropriate. 4.14.94 date Comte Aide (initial)
---------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Prepared by: <u>Jerry Gallagher, Director</u>	Phone: <u>465-2400</u>
Division: <u>Mining</u>	Date: <u>13-Apr-94</u>
Approved by Commissioner: <u>[Signature]</u>	Date: <u>13-Apr-94</u>
Agency: <u>Natural Resources</u>	

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SB 371

Fiscal Impacts for Royalty

- Assume:
- 1) Calculations for this F/N only applies to royalty portions. Corporate tax impacts to be provided by Dept. of Revenue.
 - 2) Development work at existing mines does not fall under the definition, or intent, of "exploration" of SB 371.
 - 3) Credit calculated after 50% of royalty accounted to Permanent Fund. Therefore, credit is 50% of the remaining 50% of royalty paid (or 25% of total paid).
 - 4) Exploration that can be credited can only be counted after the effective date of this act. (For example, exploration conducted at a site in 1985 that's now in production cannot be used to affect current royalty obligation.)
 - 5) Ten (10) new placer mines that qualify during the first year; and at year 10, one new major hardrock and one new coal mine.

therefore:

- 1) Annual Royalty from 10 Placer Mine = \$2,000
25% x \$2,000 = \$500.00/year credit
- 2) Annual Royalty from 1 Coal Mine = \$1,000,000
25% x \$1,000,000 = \$250,000/year credit
- 3) Annual Royalty from 1 Hardrock Mine = \$100,000
25% x \$100,000 = \$25,000/year credit

Fiscal impact from SB 171 credits for royalty:

in thousands

Year 1	<0.5>
2	<0.5>
3	<0.5>
4	<0.5>
5	<0.5>
6	<0.5>
7	<0.5>
8	<0.5>
9	<0.5>
10	<275>
11	<275>
12	<275>
13	<275>
14	<275>
15	<275>

FISCAL NOTE

No. 2

Bill Version: SB 371

(S) Publish Date: 4-14-94

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL N

Revision Date: _____ Dept. Affected: Revenue
 Title: Mineral Exploration Incentive Credits BRU: Revenue Operations
 Component: Income and Excise Audit
 Sponsor: (S) RES
 Requestor: (S) RES COMPONENT SERIAL NO. 113

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE FUND SOURCE: General	Up to (17MM)	Up to (17MM)	Up to (17MM)	Up to (17MM)	Up to (17MM)	Up to (17MM)
-------------------------------------	--------------	--------------	--------------	--------------	--------------	--------------

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary.)

MM equals million
(See Attached)

Prepared by: Larry E. Meyers Phone: 465-2320
 Division: Income and Excise Audit Division Date: April 11, 1994
 Approved by Commissioner: Darrel J. Rexwinkel Date: April 11, 1994
 Agency: Department of Revenue

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Changes in CS SB 371 (RES)
 reflect **NO FISCAL CHANGE** from the original
 fiscal note. This fiscal note is appropriate.

4.14.94
 date Comte Aide (initial)

SB 371

Mineral Exploration Incentive Credits

April 11, 1994

Page 2 of 2

Bill Analysis

This bill grants an exploration incentive credit to qualified applicants for activities related to determining the existence, location, extent and quality of a locatable or leasable mineral or coal deposits. The credit may be claimed against corporation net income and mining license taxes under AS 43.20 and AS 43.65, respectively, and royalties under AS 38.05.135 - 38.05.175.

The credit is limited in any one tax year to 60% of direct labor costs for Alaska residents and 50% of direct labor costs for nonresidents and other eligible costs that qualify for the credit not to exceed 50% of the sum amount payable as taxes and royalties under AS 43.20, AS 43.65 and AS 38.05. The credit is available as a carryforward for 15 years.

The credit may be assigned to the applicant's successor in interest for the site at which exploration activities occur if the successor is a qualified applicant.

This bill has a retroactive effective date of January 1, 1994 and applies to activities undertaken after December 31, 1993.

Operating Costs

Department of Revenue does not anticipate additional costs to administer the provisions of this bill. The Department would modify current forms to provide for taxpayers to claim credits.

Revenue

Average corporation net income and mining license tax collections over the past three fiscal years were approximately \$186 million. According to Department of Natural Resources' publication *Alaska's Mineral Industry 1993: A Summary*, exploration expenditures in 1993 were \$28.2 million.

Since credits are limited to the lesser of the percentages of eligible costs outlined above or 50% of taxes payable, the maximum amount of credits which could have been claimed for 1993 would have been limited to 60% of expenditures (assuming all costs are for direct labor for residents) or approximately \$17 million. Total expenditures may increase as a result of the incentive program under this bill. Accordingly, the maximum amount of credits would increase over time in proportion to expenditures.

Amounts claimed as credits will vary each year depending on amounts expended for exploration, credits assigned to successor corporations, credits carried forward over the 15 year period allowed, and the effect of credits applied against royalty payments as provided for under this bill.



Official Business

Alaska State Legislature

SENATE RESOURCES COMMITTEE

State Capitol
Juneau, AK 99801-1182

Senate Bill 371

Mineral Exploration Incentive Credits

SB 371 allows credits of up to 50% of qualified exploration expenditures that can be used to offset state royalty payments and income taxes. There is an additional 10% credit for the use of Alaska Resident labor that meets specific criteria. The credit must be used within 15 years after it is extended by the commissioner of Natural Resources.

The credit must be granted if the applicant is authorized to do business in the state and adequately documents the exploration activity. Data provided to the Commissioner must be kept confidential for 36 months after receipt. Credits are site specific, assignable and may be carried forward and/or apportioned between royalty and taxes, in the applicants discretion, but may not exceed the combined amount of taxes and royalties due for the period in which the credit is being used.

This bill implements a 1994 recommendation of the Alaska Minerals Commission. Over the past several years there has been a significant decline in mineral exploration investment from the lower 48 states and to a lesser extent, away from Alaska. These dollars are now being invested in other countries such as Mexico, Chile, Indonesia, and Russia. Much of this shift is attributable to the combination of ever-increasing regulatory and political obstacles in the U.S. and proactive foreign mineral exploration and development policies, including elimination of royalties and tax incentives. Alaska's image has fortunately been improving for the past several years after a long period of disfavor; although there is still a concern that our remoteness and lack of infrastructure and access to public lands are significant disadvantages.

Alaska is blessed with an abundance of geologically favorable terrain. SB 371 will help to reinforce the distinction between Alaska and the lower 48, address the issue of foreign competition, and encourage further investment in our mining industry. It proposes a meaningful and reasonably attractive economic incentive that will help offset real and perceived problems facing exploration here, sending a clear message that Alaska is a good place to do business.



Resource Development Council

for Alaska, Inc.

121 West Fireweed Lane, Suite 250, Anchorage, Alaska 99502-2035

Phone 907/276-0700 Fax 276-3887

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RDC Testimony on SB 371 to Senate Finance Committee, April 13, 1994:

The Resource Development Council supports SB 371: *"An act providing for exploration credits for activities involving locatable and leasable minerals and coal deposits."*

The Resource Development Council is a non-profit, membership funded organization made up of individuals, business associations, labor unions, Native corporations and local governments. RDC's purpose is to encourage a strong, diversified resource development sector in Alaska and expand the state's economic base.

This bill is important because it encourages investments, ensures that the state and the rest of the industry will have access to the data generated, and allows companies to assign their exploration credit to another company that may become the owner of the project at a later date.

Few mineral deposits are economical and it is not possible to know where these deposits are until they are discovered and evaluated by firms willing to take the very high risk involved. It's important to provide incentives so exploration will be undertaken.

The issue of multiple use is central to the future of mining in Alaska. State lands should be managed for multiple use and not restricted to limited uses in certain areas. Approximately 60% of Alaska is already closed to mineral entry or any other form of development. The lands originally selected by the State were often chosen for resource development and nothing should be done to compromise this objective. With the amount of land already protected in conservation units all around Alaska, it is reasonable and realistic to allow and promote mineral exploration on parcels of land remaining in productive status.

It's important for the State to provide economic incentives for mining activities. Mining is a vital resource activity in Alaska, and the economic driving force for many individuals and communities. The local prospector, mining companies and lending institutions need to be re-assured that the State of Alaska supports mining and minerals development.

Thank you for the opportunity to submit comments on SB 371.

CC: Sen. Pearce
Sen. Frank



ALASKA MINERS ASSOCIATION, INC.

401 W. Northern Lights Blvd., Suite 203, Anchorage, Alaska 99503 FAX: (907) 278-7997 Telephone: (907) 278-0347

April 11, 1994

Honorable Mike Miller
Chairman
Senate Resources Committee
State Capitol
Juneau, AK 99811

RE: SB-371, Exploration Incentives

Dear Senator Miller,

The Alaska Miners Association wishes to go on record in support of the Senate Bill 371 which provides financial incentives for companies and individuals to explore for and develop mineral deposits in the state. This is an important bill that will encourage both the small prospector as well as large international mining companies to invest here in Alaska.

In addition to being an encouragement to invest, SB-371 also insures that the state and the rest of the industry will have access to the data generated. This bill requires that the company wishing to receive the incentive credit document the expenditures it has made and provide the State Division of Geologic & Geophysical Surveys with drill core, drill cuttings, sample analysis, etc. This can be a tremendous help for other companies as they search for minerals. Without this provision the data would remain proprietary and would not be available to the industry as a whole.

One important aspect of the bill is that a company can assign their exploration credit to another company that may become the owner of the project at a later date. This can become very important when developing financing for a mineral project. A company that may otherwise not invest can be encouraged if they know they can assign their expenditures, if for example they are not able to continue in the project due to other un-related financial reasons. If they can assign their credits to the new company to buy into the project, they can recover some of their expenditures. The bottom line is that more exploration will result and more mineral deposits will likely be discovered that can provide jobs, facilities that increase the local tax base, and ultimately company profits that can then be taxed by the state.

SB-371 comes at an important time for encouraging mineral investment in Alaska. There is now a mass exodus of exploration funds away from federal lands throughout the western U.S. This is due primarily to the increasingly oppressive regulatory climate in the U.S. and to the efforts to change the federal mining law. Alaska cannot correct all of these problems but Alaska can add the exploration incentive of this bill to encourage investment. SB-371 will send the message to the international mining industry that Alaska is seeking to improve the investment climate. This bill is one more indication that Alaska is working to encourage mineral development.

If you have any questions regarding this bill please contact me.

Sincerely,

Steven C. Borell, P.E.
Executive Director

04/12/94

HOUSE JOURNAL

PAGE 3384

HB 498

The following, which was advanced to third reading from the April 11, 1994, calendar (page 3250), was read the third time:

CS FOR HOUSE BILL NO. 498(FIN)

"An Act providing for exploration incentive credits for activities involving locatable and leasable minerals and coal deposits on certain land in the state; and providing for an effective date."

The question being: "Shall CSHB 498(FIN) pass the House?" The roll was taken with the following result:

CSHB 498(FIN)
Third Reading
Final Passage

YEAS: 33 NAYS: 3 EXCUSED: 0 ABSENT: 4

Yeas: Barnes, Brice, Bunde, Carney, Davies, B.Davis, G.Davis, Foster, Green, Grussendorf, Hanley, Hudson, James, Kott, Larson, Mackie, MacLean, Martin, Menard, Moses, Mulder, Nicholia, Nordlund, Olberg, Parnell, Phillips, Porter, Sanders, Therriault, Ulmer, Vezey, Williams, Willis

Nays: Brown, Finkelstein, Navarre

04/12/94

HOUSE JOURNAL

PAGE 3385

HB 498

Absent: Davidson, Hoffman, Sitton, Toohey

And so, CSHB 498(FIN) passed the House.

Representative Phillips moved and asked unanimous consent that the roll call on the passage of the bill be considered the roll call on the effective date clause. There being no objection, it was so ordered.

Representative Ulmer gave notice of reconsideration of her vote on

Selection=>

PF1	PF2	PF3	PF4	PF5	PF6	PF7	PF8	PF9	PF10	PF11	PF12
HELP		EXIT	MENU		PRINT	BWD	FWD		FIRST	LAST	QUIT

SB

372

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/25/94

FURTHER:

DATE TURNED INTO OFFICE: 5-5-94

The Finance Committee considered **SENATE BILL NO. 372**

"An Act relating to community local options for control of alcoholic beverages; relating to the control of alcoholic beverages; relating to the definition of 'alcoholic beverage'; and providing for an effective date."

and recommends:

- replace with _____ CS SB 372 (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
DRS	4/14/94	0	

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal
Gov. Elections	4/7/94		1.06
JDR ABC Bd	4/25/94	0	

Appropriation No Fiscal Note

DO PASS: Tim Kelly
Steve Rios

OTHER RECOMMENDATIONS:
Keep Down Pass
Best Shop Do Pass if amend

1. Tim Kelly DO PASS
 Co-Chair: Signature/Recommendation

2. Steve Rios DO PASS
 Co-Chair: Signature/Recommendation

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO: SB 372

N/S

Revision Date: _____ Dept. Affected: Public Safety
 Title: Alcoholic Beverages: Local Option & Misc. BRU: Alaska State Troopers
 Component: Detachments
 Sponsor: (S) Judiciary by Request
 Requestor: (S) Finance COMPONENT SERIAL NO. 799

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL EXPENDITURES	-0-	-0-	-0-	-0-	-0-	-0-
CHANGE IN REVENUES ()	-0-	-0-	-0-	-0-	-0-	-0-
<small>Revenue Code</small>						

FUNDING: (Thousands of Dollars)

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

Estimate of current year (FY 94) impact: \$ _____

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 on the Alaska State Troopers is anticipated.

Prepared By: Lee Ann Lucas Phone: 465-4322
 Division: Commissioner's Office Date: 04/14/94
 Approved by Commissioner: *Richard L. Burton* Date: 04/14/94
 Agency: Richard L. Burton, Dept. of Public Safety

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FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

No. 1

Bill Version: SB 372

(S) Publish Date: 4-12-94

Revision Date: _____ Department Affected: Office of the Governor

Title: AN ACT RELATING TO COMMUNITY LOCAL

OPTIONS FOR CONTROL OF ALCOHOLIC BEVERAGES.BRU: Division of Elections

Component: Elections

Sponsor: Judiciary by Request

Requestor: _____

COMPONENT SERIAL NO. 21

EXPENDITURES/REVENUES:

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	1.06	1.06	1.06	1.06	1.06	1.06
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND &	0	0	0	0	0	0
GRANTS,	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL	1.06	1.06	1.06	1.06	1.06	1.06

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING:

1002 Federal	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	1.06	1.06	1.06	1.06	1.06	1.06
1005 GF/Program	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	1.06	1.06	1.06	1.06	1.06	1.06

POSITIONS:

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

Estimate of current year (FY94) impact: 0

ANALYSIS: (Attach a separate page if necessary.) PLEASE SEE ATTACHED FOR FISCAL DOCUMENTATION:

Prepared by: Joseph L. Swanson, Director
Division: Division of Elections

Phone: 465-4611
Date: APRIL 7, 1994

Approved by Commissioner: John B. Coghill, Lieutenant Governor

Agency: Office of the Governor Date: APRIL 7, 1994

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Cost for by-mail elections

Ballots:

Ballots for all registered voters (Ballots ordered in pad of 25, 100 at \$.74 ea)	Total \$74.00
Ballots for each regional offices to act as absentee voting officials. 25 ballots for each election, which can be distributed, 5 to each area. (\$.74 x 25)	Total \$18.50
Sample ballots for all elections (Approx. 25 at \$1.00 ea)	Total \$25.00
Total cost for ballots:	<u>Total \$117.50</u>

Postage:

Postage for mailing Advance Flyer (mail first class, \$.29 x 100) or to number of registered voters at time sent	Total \$29.00
Mailing ballots to all registered voters, (based on 500 x \$.29) Mailed first class	Total \$29.00
Shipping charged for sending ballots and materials to the city. (Alaska Airlines Goldstreak) \$25.00 a box	Total \$ 25.00
Total Cost for Postage/shipping	<u>Total \$83.00</u>
Grand Total	\$1059.50 or \$1.06

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

Bill Version: SB 372

(S) Publish Date: 4-12-94

Revision Date: _____ Department Affected: Office of the Governor

Title: AN ACT RELATING TO COMMUNITY LOCAL

OPTIONS FOR CONTROL OF ALCOHOLIC BEVERAGES. BRU: Division of Elections

Component: Elections

Sponsor: Judiciary by Request

Requestor: _____

COMPONENT SERIAL NO. 21

EXPENDITURES/REVENUES:

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	1.06	1.06	1.06	1.06	1.06	1.06
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND &	0	0	0	0	0	0
GRANTS,	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL	1.06	1.06	1.06	1.06	1.06	1.06

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING:

1002 Federal	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	1.06	1.06	1.06	1.06	1.06	1.06
1005 GF/Program	0	0	0	0	0	0
1008 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	1.06	1.06	1.06	1.06	1.06	1.06

POSITIONS:

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

Estimate of current year (FY94) impact: 0

ANALYSIS: (Attach a separate page if necessary.) PLEASE SEE ATTACHED FOR FISCAL DOCUMENTATION:

Joseph L. Swanson for

Prepared by: Joseph L. Swanson, Director

Division: Division of Elections

Phone: 465-4611

Date: APRIL 7, 1994

Approved by Commissioner: John B. Coghill, Lieutenant Governor

Agency: Office of the Governor

Date: APRIL 7, 1994

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COST FOR BY-MAIL ELECTIONS FOR SB372

The following is a cost estimate for a by-mail local option election in unincorporated areas. Cost estimates are based on 100 voters, as we order ballots in pads of 25 and allowing for additional registration.

Personnel:	Estimated Cost:
Absentee Voting Official available in the city 15 days before the election. (Flat fee of \$50.00 for each city)	Total \$50.00
1 hour for person to post 40/10 Posters (Total \$8.00 Per Hour)	Total \$40.00
District Absentee Review Board... 1 City	Total \$40.00
State Review Board (four board members) \$12.50 Per Hour	Total \$50.00
Total Cost for Personnel:	<u>Total \$180.00</u>

Outreach/Advertising:	Estimated Cost:
2 - 40/10 Posters per city (Approx. \$2.00 per poster)	Total \$ 4.00
Printing Advance Flyer (approx. 100 voters) (.15 a copy x 100)	Total \$15.00
Newspaper, radio or RATNET advertisement (Newspaper Display Ad is 4" x 4" at \$112.00 ea.)	Total \$560.00
General Instructions to voters to be included with the ballot. (Based on 100 card at \$1.00 ea.)	Total \$100.00
Total Cost for Advertising:	<u>Total \$679.00</u>

Cost for by-mail elections

Ballots:

Ballots for all registered voters (Ballots ordered in pad of 25, 100 at \$.74 ea)	Total \$74.00
Ballots for each regional offices to act as absentee voting officials. 25 ballots for each election, which can be distributed, 5 to each area. (\$.74 x 25)	Total \$18.50
Sample ballots for all elections (Approx. 25 at \$1.00 ea)	Total \$25.00
Total cost for ballots:	<u>Total \$117.50</u>

Postage:

Postage for mailing Advance Flyer (mail first class, \$.29 x 100) or to number of registered voters at time sent	Total \$29.00
Mailing ballots to all registered voters, (based on 500 x \$.29) Mailed first class	Total \$29.00
Shipping charged for sending ballots and materials to the city. (Alaska Airlines Goldstreak) \$25.00 a box	Total \$ 25.00
Total Cost for Postage/shipping	<u>Total \$83.00</u>

Grand Total \$1059.50 or \$1.06

FISCAL NOTE

No. 3

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL N

Bill Version: CSRB 372 (Jud)

(S) Publish Date: 4-25-94

Revision Date: _____ Dept. Affected: Revenue
 Title: Alcoholic Beverages: Local Option ... BRU: Alcoholic Beverage Control Board
 Component: Alcoholic Beverage Control Board
 Sponsor: Senate Judiciary Committee
 Requestor: Senate Judiciary Committee COMPONENT SERIAL NO. 0100

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL						
REVENUE FUND SOURCE:1005	3.0	6.0	3.0	6.0	3.0	6.0

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary.) Revenue analysis attached.

Prepared by: Patrick L. Sharrock, Director *[Signature]* Phone: 277-8638
 Division: Alcoholic Beverage Control Board Date: April 25, 1994
 Approved by Commissioner: Darrel J. Rexwinkel *[Signature]* Date: April 25, 1994
 Agency: Revenue

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4-26-94
TK moved
Adopted

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Ford
4/26/94

Amend. #1
TK

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Secs. 454
58

Adopted

SR Motion
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CS FOR SENATE BILL NO. 372()

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATE JUDICIARY COMMITTEE BY REQUEST

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to community local options for control of alcoholic beverages;
2 relating to the control of alcoholic beverages; relating to the definition of
3 'alcoholic beverage'; relating to purchase, sale, and taxation of alcoholic beverages;
4 relating to alcohol server education courses; and providing for an effective date."

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

6 * Section 1. AS C4.11.010(b) is amended to read:

7 (b) A person may not solicit or receive orders for the delivery of an alcoholic
8 beverage in an area that has adopted a local option under AS 04.11.491. If the
9 area has adopted a local option under AS 04.11.491(a)(1), (2), or (3), or (b)(1) or
10 (2), a package store licensee outside of that local option area may receive orders
11 as provided under AS 04.11.150 but may not solicit in that area or receive orders
12 through an agent or employee in that area. This subsection does not apply to a
13 package store licensee who operates a package store in an area that has adopted
14 a local option under AS 04.11.491(a)(2)(C) or (3)(C) or (b)(2)(C) [WHERE THE

1 RESULTS OF A LOCAL OPTION ELECTION HAVE, UNDER AS 04.11.490 -
2 04.11.500, PROHIBITED THE BOARD FROM ISSUING, RENEWING OR
3 TRANSFERRING ONE OR MORE TYPES OF LICENSES OR PERMITS UNDER
4 THIS TITLE, UNLESS THE PERSON IS LICENSED UNDER THIS TITLE AND
5 THE ORDER IS ACTUALLY RECEIVED BY THAT PERSON FROM THE
6 PURCHASER OF THE ALCOHOLIC BEVERAGE]. A person who violates this
7 subsection is punishable upon conviction as provided under AS 04.16.200(a) or (b).

8 * Sec. 2. AS 04.11.010(c) is amended to read:

9 (c) In a criminal prosecution for possession of alcoholic beverages for sale in
10 violation of (a) of this section, the fact that a person possessed more than 12 liters of
11 distilled spirits, 24 liters or more of wine, or 12 gallons [45 LITERS] or more of malt
12 beverages in an area where the sale of alcoholic beverages is restricted or prohibited
13 under AS 04.11.491 [AS 04.11.490, 04.11.492, 04.11.496, OR 04.11.500] creates a
14 presumption that the person possessed the alcoholic beverages for sale.

15 * Sec. 3. AS 04.11.110(d) is amended to read:

16 (d) Alcoholic beverages sold under a club license may be purchased only by
17 (1) members of the club and their families, (2) widows or widowers of deceased
18 members who have been given [ACCORDED] club privileges, and (3) military
19 personnel [IN UNIFORM] on active duty who are extended the privilege by patriotic
20 organizations upon special occasions. Alcoholic beverages may be purchased only in
21 the portion of the club rooms that are [PART OF THE] licensed premises.

22 * Sec. 4. AS 04.11.135(b) is amended to read:

23 (b) Except as provided under AS 04.11.360(10) [AS 04.11.360(12)], the
24 brewpub license is not transferable, shall remain the property of the state, and is not
25 subject to any form of alienation.

26 * Sec. 5. AS 04.11.150(a) is repealed and reenacted to read:

27 (a) Except as provided under (h) of this section, a package store license
28 authorizes the licensee to sell alcoholic beverages to a person present on the licensed
29 premises or to a person known to the licensee who makes a written solicitation to that
30 licensee for shipment. A licensee, agent, or employee may only ship alcoholic
31 beverages to the person who is purchasing the alcoholic beverages being shipped.

1 Before commencing the practice of shipping alcoholic beverages, and with a
2 subsequent application to renew the license, a licensee shall notify the board in writing
3 of the licensee's intention to ship alcoholic beverages in response to a written
4 solicitation. The package store licensee, agent, or employee shall include written
5 information on fetal alcohol syndrome and fetal alcohol effects resulting from a woman
6 consuming alcohol during pregnancy in a shipment of alcoholic beverages sold in
7 response to a written solicitation.

8 * Sec. 6. AS 04.11.150(h) is repealed and reenacted to read:

9 (h) If a shipment is to an area that has restricted the sale of alcoholic
10 beverages under AS 04.11.491(a)(1), (2), or (3) or (b)(1) or (2), a package store
11 licensee, agent, or employee may not ship to a purchaser more than 12 liters of
12 distilled spirits, 24 liters or more of wine, or 12 gallons or more of malt beverages in
13 a calendar month.

14 * Sec. 7. AS 04.11.160 is amended by adding new subsections to read:

15 (f) A person who applies for issuance or renewal of a license under this
16 section shall file, on forms provided by the board, the following information regarding
17 each brand of alcoholic beverage that the person intends to purchase, offer for sale, or
18 sell: (1) the full and correct brand or trade name; (2) the nature and type of the brand;
19 (3) the name of the distiller, brewer, vintner, or importer of the brand; and (4) a
20 certification by the distiller, brewer, vintner, or importer of the brand that the person
21 is a primary source of supply for the brand. In addition to the fees imposed under (a)
22 and (b) of this section, a person filing under this subsection shall pay a biennial filing
23 fee of \$50 for each brand of alcoholic beverage the person intends to purchase, offer
24 for sale, or sell. In this subsection, "distiller, brewer, vintner, or importer" includes
25 an exclusive agent of the distiller, brewer, vintner, or importer if the agent's name
26 appears on the label of the brand approved by the Federal Bureau of Alcohol, Tobacco
27 and Firearms.

28 (g) A person licensed under this section shall notify the board within 10 days
29 of a change in a primary source of supply designation required under (f) of this
30 section.

31 * Sec. 8. AS 04.16 is amended by adding a new section to read:

1 Sec. 04.16.172. RESTRICTIONS ON PURCHASE AND SALE OF
2 ALCOHOLIC BEVERAGES. A person licensed under AS 04.11.090, 04.11.100,
3 04.11.110, or 04.11.150 may not purchase, sell, or offer for sale an alcoholic beverage
4 unless the alcoholic beverage being purchased, sold, or offered for sale was obtained
5 from a person licensed under

6 (1) AS 04.11.160 as a primary source of supply for the alcoholic
7 beverage being purchased, sold, or offered for sale; or

8 (2) AS 04.11.130, 04.11.140, or 04.11.170.

9 * Sec. 9. AS 04.11.270(b) is amended to read:

10 (b) A license shall be renewed as follows:

11 (1) on or before November 1 [OF EACH YEAR], the director shall
12 mail a renewal application to each licensee whose license, unless renewed, will expire
13 on December 31 of that year; the application shall be mailed to the licensee at the
14 licensed premises or at a mailing address furnished by the licensee;

15 (2) the licensee shall submit the completed renewal application and the
16 biennial license fee to the director before January 1 [ON OR BEFORE
17 DECEMBER 31];

18 (3) a renewal application filed after December 31 is delinquent and
19 must be accompanied by a \$500 [\$200] penalty fee;

20 (4) if December 31 falls on a weekend or a state holiday, the deadline
21 is extended to the first business day following December 31.

22 * Sec. 10. AS 04.11.320 is amended to read:

23 Sec. 04.11.320. DENIAL OF NEW LICENSES AND PERMITS. (a) An
24 application requesting issuance of a new license shall be denied if

25 (1) the board finds, after review of all relevant information, that
26 issuance of the license would not be in the best interests of the public;

27 (2) issuance of the license is prohibited by AS 04.11.390, relating to
28 residency, or AS 04.11.410, relating to location of premises near churches and schools;

29 (3) the application has not been completed in accordance with
30 AS 04.11.260;

31 (4) issuance of the license would violate the restrictions pertaining to

1 the particular license imposed under this title;

2 (5) issuance of the license is prohibited under this title as a result of
3 an election conducted under AS 04.11.507 [IN ACCORDANCE WITH
4 AS 04.11.502];

5 (6) the requirements of AS 04.11.420 - 04.11.450 relating to zoning,
6 ownership and location of the license, and the identity and financing of a licensee have
7 not been met;

8 (7) [THE LICENSED PREMISES ARE TO BE LOCATED IN A
9 MUNICIPALITY, THE TYPE OF LICENSE SOUGHT IS A BEVERAGE
10 DISPENSARY OR PACKAGE STORE LICENSE, AND THAT TYPE OF LICENSE
11 IS ALREADY IN EFFECT IN THE MUNICIPALITY UNDER A COMMUNITY
12 LIQUOR LICENSE, UNLESS THE NEW LICENSE IS TO BECOME EFFECTIVE
13 AFTER THE COMMUNITY LIQUOR LICENSE IS NO LONGER EFFECTIVE,
14 WHETHER AS THE RESULT OF A LOCAL OPTION ELECTION OR
15 OTHERWISE;

16 (8) THE AUTHORITY SOUGHT IS AUTHORITY TO OPERATE A
17 BEVERAGE DISPENSARY OR PACKAGE STORE UNDER A COMMUNITY
18 LIQUOR LICENSE FOR PREMISES TO BE LOCATED IN A MUNICIPALITY
19 WHERE THE AUTHORITY SOUGHT IS ALREADY HELD BY A PRIVATE
20 LICENSEE UNDER A BEVERAGE DISPENSARY OR PACKAGE STORE
21 LICENSE, UNLESS THE COMMUNITY LIQUOR LICENSE IS TO BECOME
22 EFFECTIVE AFTER THE PRIVATELY HELD LICENSE IS NO LONGER
23 EFFECTIVE, WHETHER AS THE RESULT OF A LOCAL OPTION ELECTION OR
24 OTHERWISE;

25 (9)] issuance of the license is prohibited under AS 04.11.400(a) or
26 prohibition of issuance of the license is found necessary under AS 04.11.400(b);

27 ~~(8)~~ [(10)] the application contains false statements of material fact;

28 ~~(9)~~ [(11)] the license is sought for the sale of alcoholic beverages in a
29 first or second class city where [IN WHICH] there are no licensed premises at the
30 time of application unless a majority of the voters have voted not to approve [IN] a
31 local option to restrict or prohibit the sale of alcoholic beverages under

1 AS 04.11.491, have voted to approve a local option to allow the type of premises
2 under AS 04.11.491(a)(2) or (3), or have voted to remove a restriction or
3 prohibition on the sale of alcoholic beverages under AS 04.11.495 [ELECTION
4 CONDUCTED IN ACCORDANCE WITH AS 04.11.502 HAVE VOTED "NO" ON

5 THE QUESTION SET OUT IN AS 04.11.490, OR HAVE VOTED "YES" ON A

6 QUESTION SET OUT IN AS 04.11.492 OR 04.11.500]; or

7 (10) [(12)] the license is sought for the sale of alcoholic beverages in
8 an established village where [IN WHICH] there are no licensed premises at the time
9 of application unless a majority of the voters have voted not to approve [IN] a local
10 option to restrict or prohibit the sale of alcoholic beverages under AS 04.11.491,
11 have voted to approve a local option to allow the type of premises under
12 AS 04.11.491(b)(2), or have voted to remove a restriction or prohibition on the
13 sale of alcoholic beverages under AS 04.11.495 [ELECTION CONDUCTED IN
14 ACCORDANCE WITH AS 04.11.502 HAVE VOTED "NO" ON THE QUESTION

15 SET OUT IN AS 04.11.490 OR HAVE VOTED "YES" ON THE QUESTION SET

16 OUT IN AS 04.11.500].

17 (b) An application requesting issuance of a new permit shall be denied if

18 (1) the board finds, after review of all relevant information, that
19 issuance of the permit would not be in the best interests of the public;

20 (2) the board finds that any of the statements made in the application
21 are untrue;

22 (3) the application has not been completed in accordance with
23 AS 04.11.260; or

24 (4) the permit is sought for the sale of alcoholic beverages in a first or
25 second class city or established village where [IN WHICH] there are no licensed
26 premises at the time of application unless a majority of the voters have voted not to
27 approve [IN] a local option to restrict or prohibit the sale of alcoholic beverages
28 under AS 04.11.491, have voted to approve a local option to allow the type of
29 permit under AS 04.11.491(a)(2) or (b)(2), or have voted to remove a restriction
30 or prohibition on the sale of alcoholic beverages under AS 04.11.495 [ELECTION
31 CONDUCTED IN ACCORDANCE WITH AS 04.11.502 HAVE VOTED "NO" ON

1 THE QUESTION SET OUT IN AS 04.11.490].

2 * **Sec. 11.** AS 04.11.330(a) is amended to read:

3 (a) An application requesting renewal of a license shall be denied if

4 (1) the board finds, after review of all relevant information, that
5 renewal of the license would not be in the best interests of the public;

6 (2) the license has been revoked for any cause;

7 (3) the applicant has not operated the licensed premises for at least 30
8 eight-hour days during each of the two preceding calendar years, unless the board
9 determines that the licensed premises are under construction or cannot be operated
10 through no fault of the applicant;

11 (4) the board finds that issuance of an existing license under
12 AS 04.11.400(g) has not encouraged tourist trade;

13 (5) the requirements of AS 04.11.420 - 04.11.450 relating to zoning,
14 ownership of the license, and financing of the licensee have not been met;

15 (6) renewal of the license would violate the conditions or restrictions
16 pertaining to the particular license under this title;

17 (7) renewal of the license is prohibited under this title as a result of an
18 election conducted under AS 04.11.507 [IN ACCORDANCE WITH AS 04.11.502];

19 (8) the application has not been completed in accordance with
20 AS 04.11.270; or

21 (9) the license was issued under AS 04.11.400(j), and the board finds
22 that the public convenience does not require renewal.

23 * **Sec. 12.** AS 04.11.340 is amended to read:

24 **Sec. 04.11.340. DENIAL OF REQUEST FOR RELOCATION.** An application
25 requesting approval for the relocation of licensed premises shall be denied if

26 (1) the board finds, after review of all relevant information, that
27 relocation of the license would not be in the best interests of the public;

28 (2) the relocation is prohibited under AS 04.11.400(a) or (b);

29 (3) the license would be relocated out of the established village,
30 incorporated city, unified municipality, or population area established under
31 AS 04.11.400(a) within which it is located;

1 (4) transfer of ownership is to be made concurrently with the relocation
2 of the licensed premises and a ground for denial of the transfer of ownership under
3 AS 04.11.360 is presented;

4 (5) the application has not been completed in accordance with
5 AS 04.11.290;

6 (6) relocation of the license would result in violation of a local zoning
7 law;

8 (7) relocation of the license would violate the restrictions pertaining to
9 the particular license imposed by this title;

10 (8) relocation of the license is prohibited under this title as a result of
11 an election conducted under AS 04.11.507 [IN ACCORDANCE WITH
12 AS 04.11.502]; or

13 (9) [THE LICENSED PREMISES ARE TO BE LOCATED IN A
14 MUNICIPALITY, THE TYPE OF LICENSE SOUGHT TO BE RELOCATED IS A
15 BEVERAGE DISPENSARY OR PACKAGE STORE LICENSE, AND THAT TYPE
16 OF LICENSE IS ALREADY IN EFFECT IN THE MUNICIPALITY UNDER A
17 COMMUNITY LIQUOR LICENSE, UNLESS THE RELOCATION IS TO BECOME
18 EFFECTIVE AFTER THE COMMUNITY LIQUOR LICENSE IS NO LONGER
19 EFFECTIVE, WHETHER AS THE RESULT OF A LOCAL OPTION ELECTION OR
20 OTHERWISE;

21 (10)] the license was issued under AS 04.11.400(g), (h), or (j).

22 * Sec. 13. AS 04.11.360 is amended to read:

23 Sec. 04.11.360. DENIAL OF TRANSFER OF A LICENSE TO ANOTHER
24 PERSON. An application requesting approval of a transfer of a license to another
25 person under this title shall be denied if

26 (1) the board finds, after review of all relevant information, that transfer
27 of a license to another person would not be in the best interests of the public;

28 (2) the application has not been completed in accordance with
29 AS 04.11.280;

30 (3) the application contains false statements of material fact;

31 (4) the transferor has not paid all debts or taxes arising from the

1 conduct of the business licensed under this title unless

2 (A) the transferor gives security for the payment of the debts
3 or taxes satisfactory to the creditor or taxing authority; or

4 (B) the transfer is pursuant to a promise given as collateral by
5 the transferor to the transferee in the course of an earlier transfer of the license
6 under which promise the transferor is obliged to transfer the license back to the
7 transferee in the event of default in payment for property conveyed as part of
8 the earlier transfer of the license;

9 (5) transfer of the license to another person would result in violation
10 of the provisions of this title relating to identity of licensees and financing of licensees;

11 (6) transfer of the license to another person would violate the
12 restrictions pertaining to the particular license under this title;

13 (7) transfer of the license to another person is prohibited under the
14 provisions of this title as a result of an election conducted under AS 04.11.507 [IN
15 ACCORDANCE WITH AS 04.11.502];

16 (8) the prospective transferee does not have the qualifications required
17 under this title of an original applicant;

18 (9) [THE LICENSED PREMISES ARE LOCATED IN A
19 MUNICIPALITY, THE TYPE OF LICENSE SOUGHT TO BE TRANSFERRED IS
20 A BEVERAGE DISPENSARY OR PACKAGE STORE LICENSE, AND THAT TYPE
21 OF LICENSE IS ALREADY IN EFFECT IN THE MUNICIPALITY UNDER A
22 COMMUNITY LIQUOR LICENSE, UNLESS THE TRANSFER IS TO BECOME
23 EFFECTIVE AFTER THE COMMUNITY LIQUOR LICENSE IS NO LONGER
24 EFFECTIVE, WHETHER AS THE RESULT OF A LOCAL OPTION ELECTION OR
25 OTHERWISE;

26 (10) THE AUTHORITY SOUGHT IS AUTHORITY TO OPERATE
27 A BEVERAGE DISPENSARY OR PACKAGE STORE UNDER A COMMUNITY
28 LIQUOR LICENSE FOR PREMISES TO BE LOCATED IN A MUNICIPALITY
29 WHERE THE AUTHORITY SOUGHT IS ALREADY HELD BY A PRIVATE
30 LICENSEE UNDER A BEVERAGE DISPENSARY OR PACKAGE STORE
31 LICENSE, UNLESS THE TRANSFER IS TO BECOME EFFECTIVE AFTER THE

1 PRIVATELY HELD LICENSE IS NO LONGER EFFECTIVE, WHETHER AS THE
2 RESULT OF A LOCAL OPTION ELECTION OR OTHERWISE;

3 (11)] the license was issued under AS 04.11.400(j); or

4 (10) [(12)] the license was issued under AS 04.11.135, unless the
5 transferor is also applying to transfer the beverage dispensary license required under
6 AS 04.11.135 to the same transferee.

7 * **Sec. 14.** AS 04.11.370 is amended to read:

8 Sec. 04.11.370. SUSPENSION AND REVOCATION OF LICENSES AND
9 PERMITS. A license or permit shall be suspended or revoked if the board finds
10 [THAT ONE OR MORE OF THE FOLLOWING GROUNDS EXISTS:]

11 (1) misrepresentation of a material fact on an application made under
12 this title or a regulation adopted under this title [FOR A LICENSE OR PERMIT];

13 (2) continuation of the manufacture, sale, or service of alcoholic
14 beverages by the licensee [ACTIVITIES AUTHORIZED UNDER A LICENSE OR
15 PERMIT] would be contrary to the best interests of the public;

16 (3) failure on the part of the licensee to correct a defect [DEFECTS]
17 that constitutes a violation [CONSTITUTE VIOLATIONS] of this title, a condition
18 or restriction imposed under AS 04.11.395, a regulation [REGULATIONS] adopted
19 under this title, or other laws [WITHIN A PRESCRIBED TIME] after receipt of notice
20 issued by the board or its agent;

21 (4) conviction of a licensee of a violation of [A PROVISION OF] this
22 title, a regulation adopted under this title, or an ordinance adopted under AS 04.21.010;

23 (5) conviction of an [THE] agent or employee of a licensee of a
24 violation of this title, a regulation adopted under this title, or an ordinance adopted
25 under AS 04.21.010, if the licensee is found by the board to have either knowingly
26 allowed the violation or to have recklessly or with criminal negligence failed to act in
27 accordance with the duty prescribed under AS 04.21.030 with the result that the [AN]
28 agent or employee violates a law, regulation, or ordinance;

29 (6) failure of the licensee to comply with the public health, fire, or
30 safety laws and regulations [PERTAINING TO PUBLIC HEALTH] in the state;

31 (7) use of the licensed premises as a resort for illegal possessors or

1 users of narcotics, prostitutes, or promoters of prostitution; in addition to any other
 2 legally competent evidence, the character of the premises may be proved by the
 3 general reputation of the premises in the community as a resort for illegal possessors
 4 or users of narcotics, prostitutes, or promoters of prostitution;

5 (8) occurrence of illegal gambling within the limits of the licensed
 6 premises;

7 (9) the licensee permitted a [PERMITTING ANY] public offense
 8 involving moral turpitude to occur on the licensed premises;

9 (10) violation by a licensee of this title, a condition or restriction
 10 imposed under AS 04.11.395, a regulation adopted under this title, or an ordinance
 11 adopted under AS 04.21.010; or

12 (11) violation by an agent or employee of a licensee of a provision of
 13 this title, a condition or restriction imposed under AS 04.11.395, a regulation
 14 adopted under this title, or an ordinance adopted under AS 04.21.010, if the licensee
 15 is found by the board to have either knowingly allowed the violation or to have
 16 recklessly or with criminal negligence failed to act in accordance with the duty
 17 prescribed under AS 04.21.030 with the result that the agent or employee violates the
 18 law, condition or restriction, regulation, or ordinance.

19 * Sec. 15. AS 04.11 is amended by adding a new section to read:

20 Sec. 04.11.395. BOARD IMPOSED CONDITIONS OR RESTRICTIONS.

21 The board may, in the best interests of the public, impose conditions or restrictions on
 22 a license or permit issued under this chapter.

23 * Sec. 16. AS 04.11.400(a) is amended to read:

24 (a) Except as provided in (g), (h), (i), (j), and (k) of this section, a new license
 25 may not be issued and the board may prohibit relocation of an existing license

26 (1) outside an established village, incorporated city, unified
 27 municipality, or organized borough if after the issuance or relocation there would be
 28 more than one restaurant or eating place license for each 1,500 population or fraction
 29 of that [1,500] population; or more than one license of each other type, including
 30 licenses that have been issued under (g) or (h) of this section, for each 3,000
 31 population or fraction of that [3,000] population; in a radius of five miles of the

1 licensed premises [OR LOCATION OF PREMISES SOUGHT TO BE LICENSED],
2 excluding the populations of established villages, incorporated cities, unified
3 municipalities, and organized boroughs that are wholly or partly included within the
4 radius;

5 (2) inside an established village, incorporated city, or unified
6 municipality if after the issuance or relocation there would be inside the established
7 village, incorporated city, or unified municipality

8 (A) more than one restaurant or eating place license for each
9 1,500 population or fraction of that [1,500] population; or

10 (B) more than one license of each other type, including licenses
11 that have been issued under (g) or (h) of this section, for each 3,000 population
12 or fraction of that [3,000] population [INSIDE THE ESTABLISHED
13 VILLAGE, INCORPORATED CITY, OR UNIFIED MUNICIPALITY];

14 (3) inside an organized borough but outside an established village or
15 incorporated city located within the borough, if after the issuance or relocation there
16 would be inside the borough, but outside the established villages and incorporated
17 cities located within the borough, more than one restaurant or eating place license for
18 each 1,500 population or fraction of that [1,500] population; or more than one license
19 of each other type, including licenses that have been issued under (g) or (h) of this
20 section, for each 3,000 population or fraction of that [3,000] population [INSIDE THE
21 BOROUGH,] excluding the population of those established villages that have adopted
22 a local option under AS 04.11.491(b)(1), (3), or (4) [CONDUCTED AN ELECTION
23 ON A QUESTION SET OUT IN AS 04.11.490, 04.11.496, OR 04.11.500], and
24 excluding the population of incorporated cities located within the organized borough.

25 * Sec. 17. AS 04.11.480(a) is amended to read:

26 (a) A [IF A] local governing body may [WISHES TO] protest the issuance,
27 renewal, relocation, [TRANSFER OF LOCATION] or transfer to another person of
28 a license by sending [, IT SHALL FURNISH] the board and the applicant [WITH] a
29 protest and the reasons for the protest within 30 days of receipt from the board of
30 notice of filing of the application. The local governing body may protest the
31 continued operation of a license during the second year of the biennial license

1 period by sending the board and the licensee a protest and the reasons for the
 2 protest by January 31 of the second year of the license. The procedures for
 3 action on a protest of continued operation of a license are the same as the
 4 procedures for action on a protest of a renewal application. The board shall
 5 consider a protest and testimony received at a hearing conducted under
 6 AS 04.11.510(b)(2) or (b)(4) when it considers the application or continued
 7 operation, and the protest and the record of the hearing conducted under
 8 AS 04.11.510(b)(2) or (b)(4) shall be kept [RETAINED] as part of the board's
 9 permanent record of its review [OF THE APPLICATION]. If an application or
 10 continued operation is protested, the board shall deny [MAY NOT APPROVE] the
 11 application or continued operation unless the board finds that the protest is arbitrary,
 12 capricious, and unreasonable.

13 * Sec. 18. AS 04.11 is amended by adding a new section to read:

14 Sec. 04.11.491. LOCAL OPTIONS. (a) If a majority of the persons voting
 15 on the question vote to approve the option, a municipality shall adopt a local option
 16 to prohibit

17 (1) the sale of alcoholic beverages;

18 (2) the sale of alcoholic beverages except by one or more of the
 19 following listed on the ballot:

20 (A) a restaurant or eating place licensee;

21 (B) a beverage dispensary licensee;

22 (C) a package store licensee; or

23 (D) a caterer holding a permit under AS 04.11.230 to sell
 24 alcoholic beverages at a site within the municipality who is also licensed under
 25 a beverage dispensary license for premises outside of the municipality;

26 (3) the sale of alcoholic beverages except on premises operated by the
 27 municipality and under a type of licensed premises listed on the ballot, that may
 28 include one or more of the following:

29 (A) a restaurant or eating place license;

30 (B) a beverage dispensary license; or

31 (C) a package store license;

- 1 (4) the sale and importation of alcoholic beverages; or
2 (5) the sale, importation, and possession of alcoholic beverages.

3 (b) If a majority of the persons voting on the question vote to approve the
4 option, an established village shall exercise a local option to prohibit

- 5 (1) the sale of alcoholic beverages;
6 (2) the sale of alcoholic beverages except by one or more of the
7 following listed on the ballot:

8 (A) a restaurant or eating place licensee;

9 (B) a beverage dispensary licensee;

10 (C) a package store licensee; or

11 (D) a caterer holding a permit under AS 04.11.230 to sell
12 alcoholic beverages at a site within the established village who is also licensed
13 under a beverage dispensary license for premises outside of the established
14 village;

15 (3) the sale and importation of alcoholic beverages; or

16 (4) the sale, importation, and possession of alcoholic beverages.

17 (c) A ballot question to adopt a local option under this section must at least
18 contain language substantially similar to: "Shall (name of municipality or village)
19 adopt a local option to prohibit (local option under (a) or (b) of this section)? (yes or
20 no)."

21 (d) The ballot for an election on the option set out in (a)(2)(A), (a)(3)(A), or
22 (b)(2)(A) of this section must include an explanation of the authority to sell alcoholic
23 beverages given to a restaurant or eating place. The ballot for an election on the
24 option set out in (a)(2)(B) or (D), (a)(3)(B), or (b)(2)(B) or (D) of this section must
25 include a statement that a beverage dispensary license is commonly known as a "bar"
26 and an explanation of the authority to sell alcoholic beverages given to a beverage
27 dispensary licensee. The ballot for an election on the option set out in (a)(2)(C),
28 (a)(3)(C), or (b)(2)(C) of this section must include a statement that a package store
29 license is commonly known as a "liquor store" and an explanation of the authority to
30 sell alcoholic beverages given to a package store licensee.

31 (e) If a municipality dissolves under AS 29.06.450(a) or (b), a local option