

ALASKA LEGISLATIVE COMMITTEES JOINT JOINT 00/2

1682

SJ

SB 117

-

SB 132

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB117
 Title Relating to hours for sale and consumption of alcohol on licensed premises
 Requested by Senator Ferguson Date 1/29/81

II. FISCAL DETAIL

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

There will not be any fiscal impact on this BRU with passage of this legislation.

IV. DATE February 3, 1981 PREPARED BY Patrick L. Sharrock, Director
 AGENCY Alcoholic Beverage Control Board
 PHONE 277-8638
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)



JUNEAU, ALASKA

Alaska State Legislature
Senate

6 February 1981

To: Senator Pat Rodey
Chairman
Senate Judiciary Committee

From: Senator Frank Ferguson *frf*

re: Senate Bill 117

By request of several rural residents, I have introduced Senate Bill 117 which limits bar hours but still allow municipalities to restrict the hours further if they so desire.

A few of the major reason why I introduced the bill stem from the fact that Alaska has the highest alcohol related offences in the United States. In some local areas of the state, deaths by car accidents, snowmachine accidents, drownings, suicides are as high as 84 % alcohol related. Even child molesting is a significant alcohol related crime in Alaska.

Several cities in Alaska have recently instituted shorter hours for bars and liquor stores, and in turn enjoyed a substantial decrease in police and ambulance calls related to the offenses outlined above.

Closing hours which are shortended have a positive effect on reducing crime which is outlined in the attached report compiled by the Juneau police department. While the statistics are a few years old the trends hold true, according to the police department.

These are very serious problems that need tough action. I feel this is one approach that will help combat the alcohol related problems.

MEMORANDUM

THE CITY AND BOROUGH OF JUNEAU

CAPITAL OF ALASKA

155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

TO: File

DATE: February 16, 1979

FILE NO. 78

SUBJECT: 1977/78 Alcohol Related Offenses

FROM: James T. Hasty *JTH*
Lieutenant of Police

Considering only those offenses which are commonly, or by their nature, alcohol related; such as minor assaults, driving under the influence, liquor law violations, and disorderly conduct, during 1978 the JPD received 304 fewer such reports than in 1977. During 1978, the bars were restricted in hours of operation--weekdays until 2:00 a.m.--and during the 1977 reporting period, bars remained open on weekdays until 5:00 a.m.

JTH/plh

ANNUAL REPORT OF OFFENSES REPORTED AND ARRESTS

Year Ending: 12/31/77

CLASS I. OFFENSES:	Offenses Reported	Unfounded Reports	Actual Offenses	Adult Arrests	Juvenil Arrests
1. Criminal Homicide:					
a. Murder & Nonnegligent Manslaughter	-	-	-	-	-
b. Manslaughter by Negligence	-	-	-	-	-
2. Forcible Rape	5	2	3	1	0
3. Robbery	14	2	12	2	6
4. Assault	274	27	247	62	13
5. Burglary; Breaking and Entering	188 ³⁰	38	150	12	23
6. Larceny--Theft	391	19	372	8	38
7. Motor Vehicle Theft	51	11	40	3	1
TOTAL CLASS I OFFENSES:	923	99	824	88	81
CLASS II. OFFENSES:					
1. Other Assaults (4e) included in number 4 above	244	25	219	53	10
2. Arson	3	0	3	0	3
3. Forgery & Counterfeiting	19	0	19	3	0
4. Fraud	38	3	35	6	0
5. Embezzlement	2	1	1	0	0
6. Stolen Property; Buying, Receiving, Possessing	8	0	8	4	1
7. Vandalism	260	7	253	30	8
8. Weapons; Carrying, Possession, etc.	25	3	22	11	2
9. Prostitution & Commercialized Vice	-	-	-	-	-
10. Sex Offenses, except 2 & 16	16	2	14	2	1
11. Narcotic Drug Laws	52	2	50	19	29
12. Gambling	-	-	-	-	-
13. Offenses Against Family and Children	8	0	8	0	0
14. Driving Under the Influence	153	1	152	124	5
15. Liquor Laws	253	15	238	68	160
16. Drunkenness	1	0	1	1	0
17. Disorderly Conduct	835	36	799	52	4
18. Vagrancy	-	-	-	-	-
19. All Other Offenses, except traffic	343	12	331	113	71
TOTAL, CLASS II. OFFENSES:	2,260	107	2,153	486	294
TOTAL CLASS I. & II. OFFENSES:	3,183	206	2,977	574	375
LESS 4 (e) ASSAULTS	244	25	219	53	10
GRAND TOTAL--OFFENSES ACTUAL	2,939	181	2,758	521	365

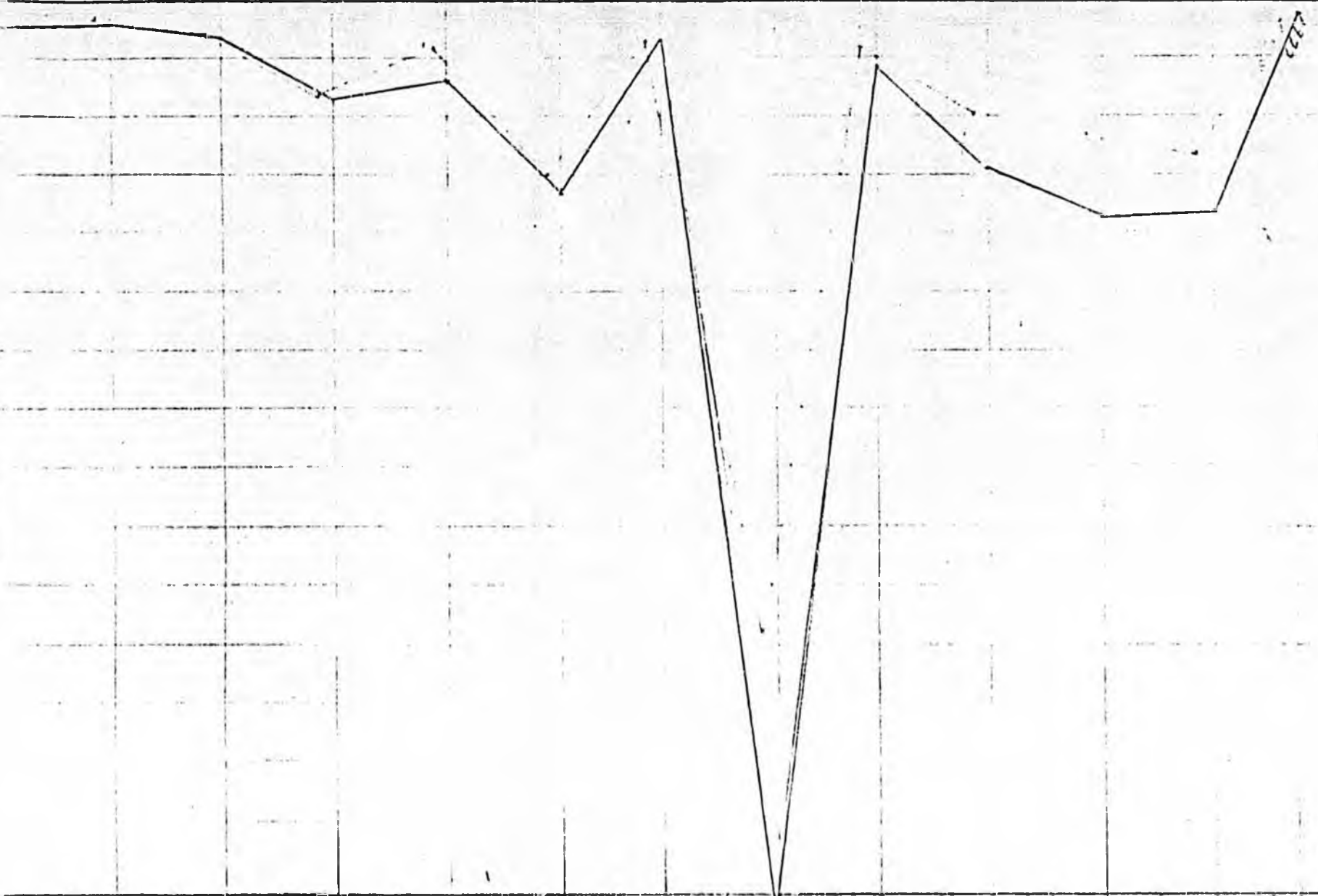
CORRECTED COPY

ANNUAL REPORT OF OFFENSES REPORTED AND ARRESTS

Year Ending: 12/31/78

CLASS I OFFENSES:	Offenses Reported	Unfound Reports	Actual Offenses	Adult Arrests	Juven Arrests
1. Criminal Homicide:					
a. Murder & Non-negligent Manslaughter	3		3	2	
b. Manslaughter by Negligence	2		2	1	
2. Forcible Rape	4	3	1		
3. Robbery	10	1	9	3	
4. Assault (Except 4e)	26	1	25	15	2
5. Burglary; Breaking and Entering	147	9	138	17	25
6. Larceny--Theft	423	19	404	22	34
7. Motor Vehicle Theft	89	13	76	7	5
TOTAL CLASS I OFFENSES:	704	46	658	67	66
CLASS II OFFENSES:					
1. Other Assaults (4e Only)	174	9	165	36	9
2. Arson	2		2		
3. Forgery & Counterfeiting	12	2	10	4	
4. Fraud	45		45	14	1
5. Embezzlement					
6. Stolen Property; Buying, Receiving, Possessing	10		10	21	7
7. Vandalism	257	6	251	21	13
8. Weapons; Carrying, Possession, etc.	23	2	21	2	3
9. Prostitution & Commercialized Vice					
10. Sex Offenses, Except 2 & 9	16		16	4	
11. Narcotic Drug Laws	52		52	16	41
12. Gambling					
13. Offenses Against Family and Children	7	1	6		
14. Driving Under the Influence	134	2	132	125	3
15. Liquor Laws	231	3	228	80	126
16. Drunkenness					
17. Disorderly Conduct	642	15	627	44	1
18. Vagrancy					
19. All Other Offenses, Except Traffic	470	11	459	144	46
TOTAL CLASS II OFFENSES:	2,075	51	2,024	511	250
TOTAL CLASS I & II OFFENSES:	2,779	97	2,682	578	316

11/22



0
25
50
75
100
125
150
175
200

1
Copper
Lt. Tiger
Lonsik
Dordani
Venous
Rader
D. ...
M. ...
AMU
P. ...
...
...

	Public Drinking	Liquor Law Vials	Intox-Metabol %	Drows	?	?	MVA	HER	DL	Prowler	Vandalism	Burglary	Larceny	Auto Theft	Assault	Curtain	Drugs
Jan - April 1977	0	1	72	74	52	23	18	305	14	65	27	34	13	58	8	9	= 773
Jan - April 1978	0	2	52	45	39	10	16	215	14	55	17	33	12	36	6	3	= 555
Less in '78	0	-	20	29	13	13	2	90	0	10	10	1	1	22	2	6	= 218
More in '78	1																= 1

Total Calls

Comparison made Jan-April 1977 & Jan-April 1978, between 1900 hrs (7-8m) & 0700 hrs (7-8m).
 → offenses not directly related to alcohol.

See Only
Cleared

	Public District	Liquor Law Vials	Miscellaneous	James	CMV3	MVA	H&A	DC	Proctor	Van-Nelson	Burglar	Lawrence	Auto Theft	Domestic	Curfew	Drugs	Totals
Feb 177	0	0	3	9	0	0	0	14	0	3	0	4	0	0	0	0	= 29
Feb 178	0	2	1	1	0	0	0	9	0	1	0	0	0	0	0	0	= 14
Less in 178		2	2	2				5	2	2	4	4		0			= 27
More in 178		2															= 2
March 177	0	0	6	11	0	0	0	23	1	1	1	0	1	1	1	0	= 46
March 178	0	0	1	5	0	0	0	11	0	1	1	3	0	0	0	0	= 22
Less in 178			5	6				12	1	0	0	3	1	1	1		= 27
More in 178												3					= 3
April 177	0	1	6	12	1	0	0	19	0	0	0	1	0	3	0	1	= 35
April 178	0	0	1	3	0	0	0	7	0	0	1	4	0	3	0	0	= 19
Less in 178		1	5	0	1			12				1		0		1	= 20
More in 178											1	3					= 4

Voluntary
 Workers
 Licensed Practitioners

	Public Drinking	Liquor Law Vials	Minors Alcohol	Drugs	DMV I	MVA	A.R.C.	DC	Procur	Vendor	Burglary	Larceny	Auto Theft	Assault	Cashes	Drugs	Totals
Feb 77	0	0	-	3	0	0	0	0	0	0	0	0	0	0	0	0	= 25
Feb 78	0	0	2	1	0	0	0	2	0	0	0	0	0	2	0	0	= 18
Less in 78			1	2				1			1	1		1			= 10
More in 78			1														= 3
March 77	0	0	1	1	0	0	0	2	0	1	0	4	0	0	0	0	= 19
March 78	0	0	4	3	0	0	0	2	1	0	0	2	0	0	0	0	= 22
Less in 78			1	1			0	0	1	1		2					= 3
More in 78			3	2			0	0	1								= 6
April 77	0	0	2	0	0	0	0	7	0	0	0	1	0	2	0	0	= 12
April 78	0	0	1	3	1	0	0	7	0	0	0	1	1	1	0	0	= 15
Less in 78			1	1	1		0	0				2	1	1			= 2
More in 78			3		1		0	0					1				= 5

Weekly Totals

JANUARY

	Public Drivng	Liquor Lic. viols.	Minors. Alcohol	Downs	OMVI	MVA	HQR	D.C.	PROWER	VANDALISM	BURGLARY	LARCENY	Auto Theft	ASSAULT	CRASH	DEATHS
1977	0	0	5	12	4	2	1	41	2	19	7	7	5	12	1	1
1978	0	0	5	5	4	2	4	41	3	10	1	6	0	3	0	0
more in 1977	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
than in 1978	1	1	0	7	0	0	1	0	1	9	6	1	5	9	1	1
more in 1978	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
than in 1977	-	-	-	-	-	-	3	-	1	-	-	-	-	-	-	-

FEBRUARY

1977	0	0	7	18	6	3	6	36	3	7	4	11	2	11	0	2
1978	0	2	8	5	4	3	1	31	1	4	4	2	2	1	0	0
more in 1977	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
than in 1978	1	1	-	13	2	0	5	5	2	3	0	9	0	10	0	2
more in 1978	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
than 1977	-	2	1	-	-	-	-	-	-	-	-	-	-	-	-	-

MARCH

1977	0	0	18	16	5	1	4	62	2	8	7	1	3	9	4	3
1978	0	0	8	7	1	1	2	34	1	4	2	4	2	6	1	0
more in 1977	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
than 1978	1	1	10	9	4	0	2	28	1	4	5	-	1	3	3	3
more in 1978	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
than 1977	-	-	-	-	-	-	-	-	-	-	-	3	-	-	-	-

APRIL

1977	0	1	14	12	14	2	1	45	3	10	3	1	1	8	2	1
1978	0	0	7	8	7	1	2	25	2	8	1	5	2	6	1	5
more in 1977	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
than 1978	1	1	7	4	7	1	-	19	1	2	2	-	-	2	1	1
more in 1978	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
than 1977	-	-	-	-	-	-	1	-	-	-	-	1	1	-	-	-

1930-0
 WEEK END, 1978
 Totals

JANUARY

	Public Drinking	liquor lic. viols	Minors Alcoholic	Debris	DMV	MVA	H&R	DC	Browline	Vandalism	Burglary	Carney	Auto Theft	Assault	Curfew	Drugs
1977	0	0	7	3	2	6	2	23	2	10	1	3	1	4	1	2
1978	0	0	7	5	5	0	1	13	3	7	5	4	2	5	0	1
more in 1977 than 1978	-	-	0	-	-	6	1	10	-	3	-	-	-	-	1	1
more in 1978 than 1977	-	-	-	2	3	-	-	-	1	-	4	1	1	1	-	-

FEBRUARY

1977	0	0	4	4	3	1	2	43	1	5	1	1	1	4	0	0
1978	0	0	2	3	6	3	0	19	0	0	4	1	1	5	1	1
more in 1977 than 1978	-	-	2	1	-	-	2	24	1	5	-	0	0	-	-	-
more in 1978 than 1977	-	-	-	-	3	2	-	-	-	-	3	-	-	1	1	1

MARCH

1977	0	0	9	4	3	3	1	24	0	4	2	5	0	4	0	0
1978	0	0	9	5	7	0	2	23	2	3	0	3	2	4	2	0
more in 1977 than 1978	-	-	0	-	-	3	-	1	-	1	2	2	-	0	-	-
more in 1978 than 1977	-	-	-	1	4	-	1	-	2	-	-	-	2	1	2	1

April

1977	0	0	8	5	15	5	1	21	1	2	2	2	1	6	0	0
1978	0	0	6	7	3	0	4	28	2	19	0	8	1	6	1	1
more in 1977 than 1978	-	-	2	-	12	5	-	-	-	-	-	-	0	0	-	-
more in 1978 than 1977	-	-	-	2	-	-	3	7	1	17	-	-	-	-	1	1

4

JANUARY

1977	21	12	15	6	8	3	64	4	29	8	10	9	16	2	3
1978	0	12	10	9	2	5	54	6	17	6	10	2	8	0	1
More in 1978 than in 1977	-	0	5	-	6	-	10	-	12	2	0	4	8	2	2

FEBRUARY

1977	0	11	22	9	4	8	79	4	12	5	12	3	15	0	2
1978	0	10	8	10	6	1	50	1	4	8	3	3	6	1	1
More in 1977 than 1978	-	1	14	-	-	8	29	3	8	-	9	0	9	-	1
More in 1977 than in 1977	2	-	-	1	2	-	-	-	-	3	-	-	-	-	1

MARCH

1977	0	7	70	5	4	5	86	2	12	9	6	2	12	4	3
1978	0	12	12	12	1	4	57	3	7	2	7	4	10	3	2
More in 1977 than 1978	-	10	8	-	3	1	29	-	5	7	-	-	3	1	0
More in 1977 than in 1977	-	-	-	2	-	-	-	1	-	-	1	1	-	-	-

April

1977	0	1	22	17	29	7	2	16	4	12	5	6	2	14	2
1978	0	0	13	15	10	1	6	54	4	27	1	13	3	12	2
More in 1977 than 1978	-	1	9	2	19	6	-	12	0	-	4	-	-	2	0
More in 1977 than in 1977	-	-	-	-	-	-	4	-	-	15	-	7	1	-	-

Jan - April

	Public Drinking	Liquor Law Viol.	Mind's Alcohol	Drugs	OMVI	MVA	HR	DC.	Proxier	Vandalism	Burglary	Larceny	Auto Theft	Assault	Curfew	Shop		
1978 WEEKDAY INCREASES over 1977	2	1					4		1			4	1					more calls
1978 WEEKEND & HOLIDAY INCREASES over 1977				5	12				4		7	7	3	2	2	2		"
Total 198 INCREASES over 1977	2	1		5	12		4		5		7	11	4	2	2	2		"
1978 WEEKDAY Decreases from 1977		10	32	13	1	7	51	4	18	13	10	6	24	5	7			Less calls
1978 WEEKEND & HOLIDAY Decreases from 1977		4	1	12	14	3	35	1	9	6	2				1	1		"
Total 198 Decrease from 1977		11	29		15	9	80	3	25	13	9	4	20	3	3			"

JAN 1977
MONTH YEAR

WEEKDAYS

WEEKENDS & HOLIDAYS

WORKSHEET

1900-0700 HOURS

1900-0700 HOURS

Public Drinking
Liquor License Violations
MC - MIP - MOP
Incapacitated Person
OMVI

Motor Vehicle Accident
Hit & Run
Disorderly Conduct
Prowler
Vandalism
Burglary
Larceny
Auto Theft
Assault
Cuts
Drugs

Public Drinking
Liquor License Violations
MC - MIP - MOP
Incapacitated Person
OMVI

Motor Vehicle Accident
Hit & Run
Disorderly Conduct
Prowler
Vandalism
Burglary
Larceny
Auto Theft
Cuts

Grid containing handwritten data for each hour slot (1900-0600) across various categories. Includes numerical counts and circled symbols.

Am Time Unknown

13 15 6 8 1 64 4 24 8 10 6 16 2 3 12 15 6 8 3 64 4 29 8 10 6 16

FEB '78
MONTH YEAR

WEEKDAYS

WEEKENDS & HOLIDAYS

1900-0700 HOURS

WORKSHEET

1900-0700 HOURS

1900-0700 HOURS	Public Drinking	Liquor License Violations	MC - MIP - MOP	Incapacitated Person	OWVI	Motor Vehicle Accident	Hit & Run	Disorderly Conduct	Prowler	Vandalism	Burglary	Larceny	Auto Theft	As.	Other	Days	1900-0700 HOURS	Public Drinking	Liquor License Violations	MC - MIP - MOP	Incapacitated Person	OWVI	Motor Vehicle Accident	Hit & Run	Disorderly Conduct	Prowler	Vandalism	Burglary	Larceny	Auto Theft	Assault							
1900					5													1900				1																
2000		1																2000																				
2100		5	3															2100																				
2200			6										1					2200				1								1								
2300	1	1			1						1							2300													1							
2400		1	1	1														2400				1	1															
0100																		0100		1														1				
0200	1	6	1	1		1												0200		1																		
0300		1																0300																				
0400				1									1					0400																				
0500																		0500			1	1																
0600											1							0600																				
		7	4	4																2	2	6	3															
	2	1	1																		1																	
																				2	3	6	3															
	2	10	4	10																0	10	8	10	6	1													

As Time Unknown

DATE MONTH YEAR

WEEKDAYS

WEEKENDS & HOLIDAYS

WORKSHEET

1900-0700 HOURS

1900-0700 HOURS

Public Drinking
Liquor License Violations
MC - MIP - MOP
Incapacitated Person
OMVI
Motor Vehicle Accident
Hit & Run
Disorderly Conduct
Prowler
Vandalism
Burglary
Larceny
Auto Theft
Assault
Curt
Days

Public Drinking
Liquor License Violations
MC - MIP - MOP
Incapacitated Person
OMVI
Motor Vehicle Accident
Hit & Run
Disorderly Conduct
Prowler
Vandalism
Burglary
Larceny
Auto Theft
Assault
Curt

1900			①	①									①			1900				①								①				
2000			①	①									①			2000				①								①				
2100						①						①				2100				①								①				
2200			①													2200				①												
2300			①	①	①		①									2300				①								①				
2400			①	①			①					①				2400				①							①					
0100								①					①			0100				①										①		
0200								①					①			0200				①						①						
0300			①					①					①			0300				①							①					
0400								①								0400				①							①		①	①		
0500														①		0500				①							①					
0600			①													0600				①							①					
AM TIME INTERVAL								①		①			①			AM TIME INTERVAL											①		①			
			1	2	1	1	2	3	1	3	1	1	2	6	1					5	2	9		2	11	1	3		1	2	4	2
			1	5			11	1		1	3									4	3			12	1			1	2			
			7	1	1		1	1	4	2	4	2	6	1					9	5	7		1	2	3	0	3	2	4	2		
			17	12	10	1	4	57	13	7	2	7	(4)	10	3				17	12	10	1	4	57	3	7	2	7	4	10	3	

MONTH YEAR

WEEKDAYS

WEEKENDS & HOLIDAYS

WORKSHEET

1900-0700 HOURS

1900-0700 HOURS

Public Drinking
Liquor License Violations
MC - MIP - MOP
Incapacitated Person
OMVI

Motor Vehicle Accident
Hit & Run
Disorderly Conduct
Prowler
Vandalism
Burglary
Larceny
Auto Theft
Assault
(Law)

Public Drinking
Liquor License Violations
MC - MIP - MOP
Incapacitated Person
OMVI
Motor Vehicle Accident
Hit & Run
Disorderly Conduct
Prowler
Vandalism
Burglary
Larceny
Auto Theft
Assault

Grid for Weekdays with columns for offense types and rows for hourly intervals (1900-0600). Includes handwritten counts and symbols.

Grid for Weekends & Holidays with columns for offense types and rows for hourly intervals (1900-0600). Includes handwritten counts and symbols.

Am Time Unmanned

Am Time Unmanned



Official Business

Alaska State Legislature

Senate

Committee on Judiciary

Pouch V
State Capitol
Juneau, Alaska 99811

February 20, 1981

Mr. Ron Hammett
Administrator
South Central Health Planning
and Development, Inc.
1135 West Eighth Avenue, Suite 1
Anchorage, Alaska 99501

Dear Mr. Hammett:

Thank you for your letter in support of Senate Bill 117, which relates to the hours of sale of alcoholic beverages.

I agree with you and Senator Ferguson that reducing the hours for dispensing alcohol has merit as a possible method of reducing alcohol-related problems.

I am concerned, however, that limiting the hours of sale by state law is perhaps an intrusion into local control over this matter. Several cities, including Anchorage, have asked the Legislature to not enact SB 117, or similar legislation that imposes statewide uniformity, without considering the different needs of each community.

The Judiciary Committee will be holding hearings on the Bill in the future, and I will be sure to notify you of the date.

Thank you again for providing me with your views of this proposed legislation.

Sincerely,


Patrick M. Rodey, Chairman

PMR/ods



**South Central
Health Planning and Development, Inc.**

1135 West Eighth Avenue • Suite 1 • Anchorage, Alaska 99501

(907) 278-3631

February 17, 1981

RECEIVED

Honorable Pat Rodey
Senate Judiciary Committee
Pouch V
Juneau, AK 99811

FEB 19 1981

Dear Senator Rodey:

Senator Ferguson's introduction of Senate Bill 117 relating to the hours of sale of alcoholic beverages has been noted. The intent of the bill appears to be consistent with the position of the Board of Directors of South Central Health Planning and Development. The Annual Implementation Plan of our organization, which was approved by the Board at its meeting on December 6, 1980, includes among its recommendations appearing on page 42, "Statewide minimums on closing hours (2:00 a.m. - 8:00 a.m.) - six hours". This appears under the objective "By June, 1981, introduce and pass State Legislation to reduce the availability of alcohol".

South Central Health Planning and Development, the Health Systems Agency for Southcentral and Western Alaska had devoted much of its planning energy to evaluating alcohol related issues in our health service area. Over the past years, the Board has made several recommendations geared toward decreasing the availability of alcohol as a possible remedy toward diminishing alcohol related problems. Reducing the number of hours for dispensing of alcohol is a means of decreasing availability.

The Board appreciates your favorable consideration of this and similar interventions.

Sincerely,

Ron Hammett
Administrator

RH/gfa

cc: Senator Ferguson
SCHPD Board of Directors
Don DeMers, Municipal Health Commission

Two petitions ready if bars hours not cut

By JOHN LINDBACK
Daily News reporter

Forcing bars and liquor stores to close from 2 to 10 a.m. is the aim of two separate petition drives poised for action and awaiting the outcome of deliberations by the Anchorage Assembly.

One of the drives is lead by Chancy Croft, a former state legislator and gubernatorial candidate. The other is organized by an informal coalition of religious and public health advocacy groups.

If the Anchorage Assembly approves a plan other than a 2 a.m. to 10 a.m. ordinance, it is highly likely the petition drives would begin immediately. Local businesses with liquor licenses now are required to close between 5 a.m. and 8 a.m.

"I sure think it's the best idea of anything proposed so far. If the assembly doesn't do anything close to it, I plan to circulate the petition," Croft said.

"Unless you do something about the amount of alcohol



available, some of the money you put into those alcohol programs is just going to be wasted," Croft said.

The informal coalition has sent the same message to the assembly.

"It is apparent that if an ordinance like this is not adopted, the groups involved are in a position to generate four or five times the required number of signatures necessary to place the issue on the ballot," said a letter to the assembly from Obed Nelson of the Alaska Council on Prevention of Alcohol and Drug Abuse.

"They have not yet drafted the language of the petitions and some of the coalition organizations are pushing for 1 a.m. or even midnight closings to be

placed on the ballot," Nelson added.

The assembly on April 16 will conduct public hearings on four different proposals to combat alcoholism. They are:

- Limiting liquor sale hours to 16 hours per day. The bars and liquor stores would be able to choose which 16 hours they prefer to remain open;

- Mandatory closure of licensed liquor businesses just in the downtown area between 2 a.m. and 10 a.m.;

- Mandatory closure of all licensed liquor businesses between 2 a.m. and 10 a.m.; and

- A proposal calling for a special downtown drunk patrol financed on a trial basis by the liquor industry, empowered to detain drunks for up to 12 hours at a detoxification center.

The Cabaret, Hotel and Restaurant Association has opposed the cutback in liquor sales, claiming a substantial loss of business and jobs will result. The organization has endorsed the drunk patrol proposal.

Tumor problems

Dear Editor: 2/6/81

The opposition of CHAR to shorter hours for gin mills is a classic example of greed's triumph over reason and common sense.

Instead of attacking the disease, they much prefer the taxpayers pick up the tab for treating the patients.

Felix P. Castro
330 E. 4th Ave.

Roving patrol to monitor drunks urged

By JOHN LINDBACK
Daily News reporter

Fourth Avenue bar owners are willing on a trial basis to pay for a new drunk patrol empowered to detain public inebriates for up to 12 hours.

Robert Johnson, spokesman for the Cabaret, Hotel and Restaurant Association (CHAR), and Anchorage Assemblyman Fred Chiel said Friday that the bar owners are willing to try the self-policing program as a way to combat both Skid Row alcoholism and prospects that their business hours may be cut back.

The owners of eight Fourth Avenue bars and two package liquor stores agreed Friday morning to pay the expenses for a 12-hour patrol during daytime hours by two officers at time, Johnson said.

"They're going to have a Fourth Avenue Patrol from 6 in the morning to 6 in the evening," Johnson said, who credited Chiel with the idea.

See Page A-10, BAR

Bar owners propose patrol

Continued from Page A-1

Chiel said he will present a five-part proposal on Skid Row alcoholism to the Anchorage Assembly Tuesday that includes the drunk patrol provision. The bar owners are willing to pay for the patrol if they are empowered to detain drunks at the Pt. Woronzof Detoxification Center, Chiel said.

Mayor George Sullivan this week proposed amending a municipal ordinance to cut hours for downtown businesses with liquor licenses.

The ordinance now requires businesses with liquor licenses to close between 5 a.m. and 8 a.m. The proposed amendment calls for the establishments to be closed between 2 a.m. and 10 a.m.

"I talked to about six or seven bar owners — all on that strip," Chiel said. "They all agreed to the plan. They weren't the happiest guys in the world but what could they do?"

"I'm (backing) it on that basis that the resolution gives them six months to do this trial thing with self policing. If it doesn't work, as far as I'm concerned I'd support something like Sullivan is proposing," Chiel said.

"Before we do that (Sullivan's plan) I'd rather try this," Chiel said. "I don't think (cutting) the hours is going to do it."

The Community Service Patrol will pick up drunks, Chiel said, but the inebriate isn't forced to stay at the detox center for any period of time. Detaining drunks longer at the center would keep them from public view, Chiel said.

"You're recycling drunks, that's all you're doing," he said, "But you're getting them out of view."

Sullivan issued his proposal after a Blue Ribbon Committee he commissioned on Skid Row alcoholism recommended a reduction in liquor sale hours. Fourth Avenue for years has been considered for years the center of Skid Row alcoholism in Anchorage.

Johnson said the patrol is needed the most during daytime hours.

"They're really gone at night," he said. "They're real believers in 'early to bed, early to rise.'"

CHAR has so far taken no position on Sullivan's proposed amendment to the city ordinance but he presumed the members would be opposed, Johnson said.

"It's tantamount to closing the filling stations part of the day to clean up air pollution."

Constructive plan from the mayor

2/5/81

Mayor George Sullivan, we're pleased to note, has joined his own Blue Ribbon Committee in recommending shorter bar and liquor store hours in Anchorage — where liberal access to the sale of alcoholic beverages certainly contributes to the city's tragic alcoholism problem.

The proposal would amend a city ordinance to require closure of downtown bars and liquor stores between 2 a.m. and 10 a.m.

We've advocated shorter hours of sale before, and our only quarrel with the plan now is that it's limited to only part of Anchorage. The plan appears to discriminate unfairly against bars that happen to be located downtown, and only works to displace the problem to other areas. We'd prefer to extend the shorter hours citywide.

The mayor's plan is a step in the right direction — and certainly better than an offer by downtown bars and liquor stores to pay for a "Community Service Patrol." Under that plan, bar and liquor store owners would pay for a 12-hour drunk patrol to guard downtown streets — if the patrol is empowered to hustle drunks off the the Pt. Woronzof Detoxification Center and detain them there.

Bar and liquor store owners are free to do what they can to improve public safety in their own neighborhoods, but the plan they suggest only removes the victims from the scene without dealing with the problem at hand. The creation of a private patrol force, moreover, is not a concept this community should embrace.

Responsible alcohol use would remain convenient even under limited hours of sale. Responsible public policy would recognize as much — and impose tighter controls on the sale of alcoholic beverages.

Shorter liquor hours seen in city's future

by Lyn Whitley
Times Writer

Bar and liquor store hours in Anchorage probably will be shortened, the mayor and several Anchorage Assembly members said Tuesday.

But they aren't sure whether the decision will be made by the Assembly or by voters.

Meanwhile, private security guards may patrol Fourth Avenue along the two-block area city leaders have identified as Anchorage's skid

row, representatives of the liquor industry said Tuesday.

The proposed drunk patrol is the Cabaret, Hotel and Restaurant Association's way of showing that by helping to enforce existing laws, the problem of public drunks can be solved without closing bars earlier.

Joe Majors, president of CHAR, said the guards would not carry guns. "We view it as a neighborhood crime watch that we'll pay for," he said.

The Assembly Tuesday postponed approval of Assemblyman Fred Chiel's resolution that would give the industry six months to try the drunk patrol plan.

Instead, members agreed to wait until April 16 to hold a public hearing on that plan, along with three ordinances that would limit bar and liquor store hours.

Mayor George Sullivan proposed two of those ordinances "to get the Assembly started."

One of Sullivan's proposals would require bars and liquor stores in the downtown area to close between 2 a.m. and 10 a.m. They now may stay open until 5 a.m.

Sullivan's other measure would allow the businesses to decide which 16 consecutive hours between 8 a.m. and 5 a.m. they want to sell liquor. This plan would apply to all establishments in the municipality.

(See LIQUOR, page A-3)

Liquor . . .

(Continued from page A-1)

A third ordinance also introduced Tuesday would close all bars between 2 a.m. and 10 a.m. That plan is favored by the Alaska Council on Prevention of Alcohol and Drug Abuse Inc.

Sullivan has said that if the Assembly doesn't take some action to limit bar hours, an initiative petition will be circulated restricting all bars to 10 a.m. to 2 a.m. hours.

"In my judgement, based on my contacts with a broad segment of the community, such an initiative would be approved overwhelmingly by the voters," he said.

Tuesday he said he doesn't know which of the three proposed ordinances he favors, "but I think the Assembly should make a decision."

A few Assembly members agreed, but others said the issue will probably be decided by voters at the polls in October.

Assemblyman Joe Josephson agreed with Sullivan that the Assembly should make a decision.

"The buck stops with the Assembly," he said, adding that he wants to wait until after the public hearing to decide which plan he'll support.

Assemblyman Paul Baer thinks the issue will be put on the ballot for voters to decide. "I'll vote for some type of restriction on the bar hours, but I don't know which one at this point," he said.

Jane Angvik, an Assembly member from the downtown district, agreed the issue probably will be decided at the polls. "And I think the results will be close."

She was the only Assembly member who voted against the motion to continue discussion of Chiel's resolution. "I don't know what it accomplishes to move the drunks along, and that's really all the security guards can do," she said.

Assembly member Don Smith, who owns a business downtown near the Fourth Avenue bars, disagreed. "With a little prodding (from the security guards), these people will see that their behavior is not a welcome activity."

Fred Chiel, the other Assembly member who, along with Smith, strongly supports the drunk patrol plan, said it's worked before in the Loussag Library and the Sunshine Mall, where private guards are stationed to keep drunks out of the buildings.

Assembly member Dave Walsh predicted the Assembly will approve some type of restriction on liquor sales, or put the issue to voters, unless there's some significant improvement in the Fourth Avenue drunk problem.

His position, he said, will depend on the testimony at the April 16 public hearing.

Cut in downtown liquor hours sought

By JOHN LINDBACK
Daily News reporter

Downtown bars and liquor stores would be forced to close from 2 a.m. to 10 a.m. under an amendment to a city ordinance proposed this week by Mayor George Sullivan.

The ordinance now on the books requires all businesses with liquor licenses to be closed between 5 a.m. and 8 a.m.

2/13/81
The Anchorage Assembly is scheduled to consider the proposed ordinance in mid-March.

"As the assembly is aware, there has been steadily increasing concern in the community over problems related to alcohol consumption in general and the so-called 'downtown' or 'Fourth Avenue' problem in particular," the mayor said in a memo to the assembly.

"Other communities have

reduced hours of operations a means of dealing with alcohol-related community problems," Sullivan said. "Studies show that over 50 percent of all accidental deaths, 70 percent of all reported suicides and 65 percent of all homicides are associated with alcohol abuse. In addition, alcohol abuse is connected with well over 50 percent of all arrests for various forms of violent crimes."

The ordinance would affect seven package liquor stores and an undetermined number of bars.

The Cabaret, Hotel and Restaurant Association stepped up its campaign against proposals that would restrict liquor sale hours after a Blue Ribbon Committee commissioned by the mayor's office recently recommended reducing the number

See Back Page, SULLIVAN

Sullivan wants liquor hours reduced

Continued from Page A-1

of hours alcoholic beverages can be purchased in the community.

The committee met for two days to study and make recommendations on Anchorage's Skid Row alcoholism problem.

CHAR spokesman Robert Johnson has said his organization would oppose restricting

bar hours because establishments throughout the city would suffer economically due to a downtown problem. Johnson could not be reached for comment Thursday on the proposal.

"The assembly should be aware that there is substantial community pressure for a municipal-wide reduction in sale

hours," the mayor said.

"At least two groups are apparently considering an initiative petition to reduce hours in all areas to between 2 a.m. and 10 a.m. In my judgment, based on my contacts with a broad segment of the community, such an initiative would be approved overwhelmingly by the voters."

Shorter liquor hours seen in city's future

by Lyn Whitley
Times Writer

Bar and liquor store hours in Anchorage probably will be shortened, the mayor and several Anchorage Assembly members said Tuesday.

But they aren't sure whether the decision will be made by the Assembly or by voters.

Meanwhile, private security guards may patrol Fourth Avenue along the two-block area city leaders have identified as Anchorage's skid

row, representatives of the liquor industry said Tuesday.

The proposed drunk patrol is the Cabaret, Hotel and Restaurant Association's way of showing that by helping to enforce existing laws, the problem of public drunks can be solved without closing bars earlier.

Joe Majors, president of CHAR, said the guards would not carry guns. "We view it as a neighborhood crime watch that we'll pay for," he said.

The Assembly Tuesday postponed approval of Assemblyman Fred Chiel's resolution that would give the industry six months to try the drunk patrol plan.

Instead, members agreed to wait until April 16 to hold a public hearing on that plan, along with three ordinances that would limit bar and liquor store hours.

Mayor George Sullivan proposed two of those ordinances "to get the Assembly started."

One of Sullivan's proposals would require bars and liquor stores in the downtown area to close between 2 a.m. and 10 a.m. They now may stay open until 5 a.m.

Sullivan's other measure would allow the businesses to decide which 16 consecutive hours between 8 a.m. and 5 a.m. they want to sell liquor. This plan would apply to all establishments in the municipality.

(See LIQUOR, page A-3)

Mayor proposes shorter bar hours

by Lyn Whitley
Times Writer

Mayor George Sullivan is proposing two ways for the Anchorage Assembly to shorten bar and liquor store hours. Each proposal would limit the open time to 16 hours.

In one ordinance to be introduced to the Anchorage Assembly, Sullivan will propose that liquor be available in the central business district from 10 a.m. until 2 a.m. only. Another ordinance set for introduction would allow liquor to be sold during any consecutive 16-hour period between 8 a.m. and 5 a.m. Currently, liquor is available from 8 a.m. until 5 a.m.

The proposed ordinances will be introduced to the assembly Tuesday.

In a memorandum to the assembly, Sullivan warned that unless some plan to limit bar hours is adopted, an initiative petition to reduce hours in all areas of the city to between 2 a.m. and 10 a.m. will be circulated.

"In my judgement, based on my contacts with a broad segment of the community, such an initiative would be approved overwhelmingly by the voters," he said.

Sullivan said that if assembly member Fred Chiei's resolution supporting the liquor industry's alterna-

tive to the problem of public drunks on Fourth Avenue is adopted, "it would effectively postpone any change in closing hours or hours of operation for six months."

And that, according to the mayor, would prompt immediate circulation of the initiative petition restricting bar hours.

Chiei's resolution, scheduled for public hearing at Tuesday's meeting, supports the liquor industry plan to hire private security guards who would help bar owners enforce liquor laws.

Chiei's resolution also would obligate the assembly to defer any further attempts to regulate the sale of liquor for "approximately six months."

Sullivan first suggested restricting liquor sale hours downtown several weeks ago. That ordinance "proposes to reduce hours of operation in the central business district as an alternative to an immediate, municipal-wide restriction on sale hours."

The second suggestion allows liquor license owners throughout the municipality to select up to 16 continuous hours between 8 a.m. and 5 a.m. of the next day as the time they would sell liquor.

"This would in effect reduce the

total possible hours for liquor sales in any one establishment in the municipality from the present 21 hours to a maximum of 16 hours," he said.

This alternative, in addition to helping reduce alcohol related problems connected with the public drunks on Fourth Avenue, "is expected to aid in reducing the overall incidence of alcohol related crime in the community," Sullivan said.

He said his proposal will reduce the overall time liquor can be sold, while at the same time allowing businesses to decide their own 16 hours of operation.

"It is hoped that a substantial impact on alcohol related problems can be made without unfairly restricting legitimate businesses."

The assembly will meet at 6 p.m. at 3500 Tudor Road to consider Sullivan's proposed ordinances along with Chiei's suggested resolution.

Also Tuesday, the assembly will be asked to approve an ordinance that sets higher pay ranges for executives in the municipality.

Currently, the municipality's top executives have been getting less money in their pay checks since January than they are entitled to under a budget okayed by the assembly.

Under the city's executive pay plan, administrators Ron Carzini,

John Spencer, Larry Crawford and about six others, can't collect the entire 7 percent raise the Anchorage Assembly approved for them in November.

The 1981 budget has enough money to cover the raises, but the pay plan sets the highest municipal executive salary at \$58,000 a year. The raise would place the administrators over that limit.

With his raise, Crawford should have been getting paid since January at an annual rate of \$61,650. But the pay plan is set by ordinance, so the city's been bound by its own law not to pay Crawford his full raise.

The proposed pay plan would increase the minimum base pay for executives from \$27,000 to \$30,000 and the maximum pay from \$58,000 to \$70,000.

But it would not mean immediate salary increases for any employees other than those eight or nine executives who've reached the top of the current ranges and therefore can't receive their approved 7 percent raises, a personnel department spokesman said.

The assembly meeting begins at 6 p.m. at 3500 Tudor Road. It is open to the public.

Coping with our alcohol problem

Anchorage Assembly members were wise Tuesday night not to endorse a plan by downtown bar and liquor store owners to establish a community "drunk patrol." They'll be wiser still if they proceed to embrace the measure advocated by a municipal Blue Ribbon Committee that studied alcoholism downtown: closing liquor establishments between the hours of 2 a.m. and 10 a.m.

Bar and liquor store owners hope to defuse the issue by creating a drunk patrol that presumably would improve public safety downtown. Public safety surely is a commendable goal, but we doubt that a patrol force created and financed by private business is a viable way to pursue it.

The owners will need to see results, and soon, to gain ammunition in the battle over the issue they're really concerned with — hours of operation. Getting drunks off the streets is the obvious aim, but the techniques a drunk patrol might use to accomplish it pose serious questions. A patrol force selected and financed by private sources, moreover, would have precious little accountability to the public — and granting that group police authority would be highly questionable indeed. The assembly recognized as much in refusing to grant the power to detain drunks at a detoxification center.

The danger of depriving citizens of their civil liberties, it must be stressed, is of paramount concern.

Beyond that, the community drunk patrol proposal distracts attention from the real issue: the public purpose in reducing the dangers and suffering associated with alcoholism. A drunk patrol will not get drunk drivers off the streets, nor will it reduce the availability and abuse of alcohol. Limiting hours of sale is "only" a small step in coping with those problems, but it is a reasonable measure advocated by responsible groups.

Cutting back on the present 21 hours per day in which alcohol is sold in Anchorage will not, we're confident, diminish the opportunity for moderate consumption. Nor will it destroy the economic viability of responsible liquor establishments.

Bar and liquor store owners are within their rights to oppose a tightening of hours of operation. They have a legitimate interest in keeping their opportunities open. But interests conflict, and the public must consider a wider perspective. The owners are playing a political game, one that seeks to remove public pressure — but does not cope with the problem at hand.

It's up to the assembly to do that. Public pressure evidently is growing; two citizens groups are said to be planning petition drives calling for an initiative requiring shorter hours of liquor sales.

Keeping drunks off the street — or under the eye of a private patrol force — does not reduce the potential for abuse. If this community is serious about coping with its alcohol problem, it must spread that concern to all.

The citizens of Anchorage already pay for alcohol abuse — in higher traffic risks, in a rising incidence of violent crime, in increased costs of social services. Now there are many who believe that businesses who profit handsomely from the sale of alcohol ought to bear greater responsibility for the costs. That, surely, is little to ask in the face of a human problem of tragic proportions.

Bar hours bill introduced; local leaders say no

Lyn Whitley
Staff Writer

1/31/81

Anchorage officials said no links Friday to a bill introduced in the state Senate to limit bar hours across the state, even though the legislation could take a political monkey off their backs.

They said the issue should be decided locally. Sen. Frank Ferguson, D-Kotzebue, introduced a bill to cut two to ten hours off the time bars and liquor stores can remain open. Liquor would not be sold from midnight to 10

a.m. on Monday, 2 a.m. to 10 a.m. Tuesday through Friday, and 5 a.m. to 10 a.m. on Saturday and Sunday.

Ferguson said laws which now permit bars to be open 21 hours a day — from 8 a.m. to 5 a.m. — “allow for a very little time” when people can’t abuse alcohol.

Under his proposal, municipalities would retain their present option of shortening hours even more. A bill similar to Ferguson’s failed to make it to the House floor for debate during the 1975-76 session, dying in a House committee. Ferguson said he

introduced the bill (SB117) at the request of his constituents. Statistics show that Alaskans drink at a rate double the national average, and Kotzebue heads the list with the highest rate of alcohol-related deaths and accidents in the nation.

In Anchorage, local leaders are concerned primarily with the effect public drunks have on the tourist trade and businesses in area of Fourth Avenue and C Street.

But they are hesitant to support shorter hours throughout the municipality. They say it would punish all

the liquor businesses for a problem centered in one area of town. Several also question the effect it would have on alcoholics.

Anchorage Assembly chairman Ben Marsh, who worked as a lobbyist to defeat the proposed state legislation five years ago, said Friday the new bill “probably doesn’t make any more sense now than it did then.”

“I lobbied against that bill when Gov. Jay Hammond proposed it in the 1975-76 session because it was supposed to cut down on alcoholism,

which is obviously stupid,” said Marsh, who lobbied under contract for the Casaret Hotel and Restaurant Owners Association from about 1973 to 1976.

“I still can’t see that closing the bars earlier will have any beneficial effect on the Fourth Avenue problem,” he said. “It won’t effect the wine population, only people like visitors and people who don’t get off from work until late a night.”

Another Assembly member with legislative experience in Juneau

agreed with Marsh that liquor sale hours should be set by local governments, not the state.

“It would be incongruous for a home rule government official to welcome that kind of answer,” Joe Josephson said of the proposed state mandate.

“If the bill is adopted, it would remove the issue from the scene from a political point of view, but I can’t believe there’s a uniformity of answers that would fit the needs of each community,” he said.

New bill would cut bar hours

By The Associated Press *2/2/81*

Bar hours would be shortened, a state office complex built in Anchorage and sports fishermen could catch king salmon and steelhead without permits under legislation introduced in the Senate.

Statistics show that Alaskans drink double the national average, while Kotzebue has the highest rate of alcohol-related deaths and accidents in the nation. To deal with the problem, Sen. Frank Ferguson, D-Kotzebue, introduced a bill (SB117) to shorten the hours bars could be open throughout the state.

Ferguson said current laws which permit bars to be open 21 hours a day "allow for very little time" when

people can't abuse alcohol. Ferguson said Kotzebue residents asked him to seek state-mandated closure of bars from 2 a.m. to 10 a.m. Tuesday through Friday, from 5 a.m. to 10 a.m. Saturday and Sunday, and from 12 a.m. to 10 a.m. Monday. Those are the hours included in his bill.

Municipalities would retain their present option of shortening hours even more.

Sen. Dick Eliason, R-Sitka, has introduced a bill to end the requirement for sport king and steelhead fishing permits that a person now must obtain in addition to regular fishing licenses (SB111). He said the permits are a "nuisance."

To save Anchorage residents the frustration of dealing with state offices scattered throughout their city, Sen. Vic Fischer, D-Anchorage, introduced a bill (SB124) to build a state office complex there.

The bill has nothing to do with the capital move issue, Fischer said.

Sen. Ed Dankworth, R-Anchorage, has introduced a bill (SB125) to appropriate \$45.1 million to the municipal assistance fund and \$4.6 million for distribution to municipalities for miscellaneous services and hospital construction.

Bar hours bill introduced; local leaders say no

Lyn Whitley
News Writer

1/31/81

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S

B

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ERWIN, SMITH & GARNETT

ATTORNEY'S AT LAW
1345 WEST 9TH AVENUE, SUITE 201
ANCHORAGE, ALASKA 99501
PHONE (907) 276-3125

ROBERT C. ERWIN
FLOYD V. SMITH
RICHARD W. GARNETT III
JAMES BENDELL

March 2, 1981

The Honorable Mike Colletta
Senate Majority Leader
Pouch V
Juneau, Alaska 99811

Re: SB 130

Dear Mike:

Thank you for your letter of February 11. We very much appreciate your work in connection with this matter. We have no strenuous objection to the wording provided by legislative counsel. The wording that I originally suggested was taken directly from the exemptions to payment of unemployment security tax under AS 23.20.526(9).

The exemption provided in the bill you sent is possibly somewhat broader than the original language because it refers to "education offered by" a religious organization, not just "religious education". Naturally, we are interested in as little state regulation as possible, and so welcome that nuance.

In theory, we would be concerned about the requirement that a religious organization be "recognized by the commission" in order to qualify for the exemption. We would prefer that that phrase be omitted so that the exemption would apply to "education offered by a bona fide religious organization." However, we do not regard this as a terribly serious problem because of the commission's presumed reasonableness in recognizing religious organizations and, more basically, because of the constitutional limitations on its discretion in that regard.

Again, we are grateful for your help and would appreciate information as to the progress of the bill.

Best personal regards.

Richard W. Garnett III

RWG

RWG/jec

cc: Dick Benjamin
Abbott Loop

ERWIN, SMITH & GARNETT

ATTORNEY'S AT LAW
1345 WEST 9TH AVENUE, SUITE 201
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PHONE (907) 276-3125

ROBERT C. ERWIN
FLOYD V. SMITH
RICHARD W. GARNETT III
JAMES BENDELL
JULIE SIMON

December 11, 1980

Honorable Mike Colletta
SRA Box 1458-K
Anchorage, Alaska 99502

Re: State Regulation of Religious Colleges

Dear Mike:

I am writing on behalf of the Abbott Loop Christian Center. As you may know, Abbott Loop operates a Bible college. The program of the college is directed toward deepening the student's knowledge and understanding of the Bible. Other courses relate to counselling and other pastoral functions in a Christian ministry.

When originally founded the college did not seek or obtain any sort of State approval. In fact, the statute which then applied to post secondary education contained a specific exemption for religious instruction. (A.S. 14.47.040(5))

Later, the school did become State approved. It did so in order that its students would be entitled to VA benefits if otherwise qualified. Since that time the involvement by the State, primarily through the VA program, has increased steadily. The college has been required to submit detailed course plans, schedules, enrollment figures and the like. On several occasions the State certifying authority has withheld approval until changes were made. Recently, the college realized that it could not conscientiously submit to such a State role in its religious instruction. Accordingly, it has opted not to seek further approval for VA purposes.

However, a problem remains in that the college seems to come within the technical coverage of the new statute providing for regulation of post secondary educational institutions (A.S. 14.48.010-210). Significantly, this enactment omits an exemption for religious institutions. This omission may have been a mere oversight.

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to exemption of post secondary religious instruction from state regulation.

Section 1. A.S. 14.48.030 is amended by adding a new subparagraph (b)(6) to read:

(b)(6) programs or courses of instruction on religious subjects given under the auspices of a religious organization.

Section 2. This Act takes effect immediately in accordance with A.S. 01.10.070(c).

Honorable Mike Colletta
Page 2.
December 11, 1980

In any event, we do not believe that the State has a legitimate interest in regulation of such institutions, and certainly not an interest which would override the right of a church to provide for post secondary instruction in the manner it deems appropriate.

The amendment we have suggested would simply restore the exemption which formerly appeared.

You will recall that in 1977 the legislature largely exempted elementary and secondary private schools from State regulation. (A.S. 14.30.010(a)(1)-(C)). State regulation of religious post secondary education seems even less warranted than regulation of elementary and secondary schools. Accordingly, I would not expect any serious objection to the proposed amendment.

The Elders at Abbott Loop asked me to contact you and request your assistance in causing this suggested amendment, or another of similar effect, to be introduced in the coming legislative session. We would very much appreciate your help in this matter. If you would like to discuss any aspect, please feel free to contact me or Dick Benjamin or Dick Strutz at Abbott Loop. Thank you for your consideration.

Very truly yours,

Rik

Richard W. Garnett III

RWG:jm
Encl.



ABBOTT LOOP CHRISTIAN CENTER

2626 ABBOTT ROAD, ANCHORAGE, ALASKA 99507 907-344-4577

Preaching and teaching the gospel of the Lord Jesus Christ.

SB/30

March 3, 1981

Ephesians 4:11
And he gave some:

Apostles
Richard C. Benjamin
Richard K. Strutz

Prophets
Tom Abbott
Tom Edmondson

Evangelists
Daniel Bradford

Pastors
James M. Brenn
Wayne Coggins
John Custer

Teachers
Jim Feeney

Senator Mike Colletta
Alaska State Legislature
SRA Box 1458-K
Anchorage, Alaska 99502

Dear Mike:

I want to thank you, Mike, for introducing Senate Bill 130. It would be a great help to us if this were to go through. As far as the changes made by the Legislative Counsel, they seem to be o.k. to me. It does broaden the scope of our intent somewhat in that we were looking to exclude only programs and courses on religious subjects. Nor do I fully understand all that being recognized by the Commission entails. But all in all it looks great and if we have to drop back to our original intent of covering only religious subjects, that will be just fine.

Thanks again for all your help, Mike.

Sincerely,

Dick Strutz
Dick Strutz

DS:mg

See sponsor file

POSTSECONDARY INSTITUTIONS WITH RELIGIONS AFFILIATION
CURRENTLY AUTHORIZED TO OPERATE IN ALASKA
UNDER AS 14.48, THE STATE'S POSTSECONDARY
INSTITUTION REGULATORY STATUTE

1. Alaska Bible College
Glennallen, Alaska
Pres. Don Campbell
2. Alaska Bible Institute
Homer, Alaska
Rev. Raymond L. Arno
3. Alaska Pacific University
Anchorage, Alaska
Pres. Glenn Olds
4. Arctic Bible Institute
Palmer, Alaska
Rev. Russell W. Arnold
5. Brigham Young University
Provo, Utah
Pres. Dallin H. Oaks
6. Charismatic Bible School of Anchorage
Anchorage, Alaska
Rev. Jerry Wilkinson
7. Christianview College of Alaska
Juneau, Alaska
Pastor Goerge McNeven
8. Muldoon Bible Institute
Anchorage, Alaska
Sid Robertson, Director
9. St. Herman's Theological Seminary
Kodiak, Alaska
Father Joseph Kreta
10. Seattle Pacific University
Seattle, Washington
Pres. David L. McKenna
11. Sheldon Jackson College
Sitka, Alaska
Pres. Hugh Holloway
12. Southern Methodist University
Dallas, Texas
Pres. James H. Zumberge

S

B

/

3

2

THE FOLLOWING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

WORK ORDER REQUEST FORM

12-

KEYWORDS: _____

ASSIGNED TO _____

REQUEST FOR: BILL RESOLUTION RESEARCH OTHER

SUBJECT _____

REQUESTED FOR _____ BY _____ EXT. _____

* DELIVER TO _____ TAKEN BY _____

INSTRUCTIONS, EXPLANATIONS _____

OBTAIN

SPECIAL DRAFTING INSTRUCTIONS ATTACHED

AUTHORIZED TO CONFER WITH _____

RETURN _____

_____ TO REQUESTER

APPROVED: _____ Director, Legal Services

REVIEWED _____

IN _____ DUE _____

TYPED - Draft _____ DATE _____

Final _____ DATE _____

PROOFED _____ DELIVERED _____

SPECIAL INSTRUCTIONS TO TYPIST/PROOFREADER

DRAFT

FINAL

WORK ORDER REQUEST FORM

42-1001

KEYWORDS: loan funds/loans
bankruptcy
claims

ASSIGNED TO Asper

REQUEST FOR: BILL RESOLUTION RESEARCH OTHER

SUBJECT Claims of the State

REQUESTED FOR Sen. Roddy BY Kevin Bruce EXT. 3737

* DELIVER TO Senator Roddy TAKEN BY None

INSTRUCTIONS, EXPLANATIONS Can the state exempt state student loans from bankruptcy laws? See SB 132 and attached memo.

OBTAIN

SPECIAL DRAFTING INSTRUCTIONS ATTACHED

AUTHORIZED TO CONFER WITH _____

RETURN _____

TO REQUESTER

APPROVED: 401 Director, Legal Services

REVIEWED _____

SPECIAL INSTRUCTIONS TO TYPIST/PROOFREADER

IN _____ DUE _____

TYPED - Draft _____ DATE _____

Final _____ DATE _____

PROOFED _____ DELIVERED _____

DRAFT

FINAL

AMENDMENT

OFFERED IN THE SENATE:

By: Senate Judiciary

To: Senate Secretary SENATE BILL No. 132

HOUSE BILL No. _____

PAGE: _____

LINE: _____

To page 1, lines 13 & 28:

Delete "set off" and insert "offset" in its place.

To page 2, lines 12 & 13:

Delete "setting Off" and insert "offsetting" in its place.

To page 2, lines 15, 16, & 27:

Delete "set off" and insert "offset" in its place.

To page 3, line 19:

Delete "set off" and insert "offset" in its place.

To page 4, line 26:

Delete "set off" and insert "offset" in its place.

To page 5, lines 7 & 10:

Delete "set off" and insert "offset" in its place.

COMMITTEE REPORT

SENATE

FURTHER: Finance

2/2/81

Date: APRIL 3, 1981

Mr. President:

The Committee on JUDICIARY has had SB 132

claims of the state

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

- do pass do not pass
 - do pass with attached amendments(s) same title
 - replace with CS for _____ new title
- and recommends _____

AND attaches a "Letter of Intent" New Fiscal Note

reports it back without recommendation

referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Charles R. ...

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Thomas ...
...

...

 CHAIRMAN

AMENDMENT

OFFERED IN THE SENATE:

By: Senate Judiciary

To: Senate Secretary SENATE BILL No. 132

HOUSE BILL No. _____

PAGE: _____

LINE: _____

To page 1, lines 13 & 28:

Delete "set off" and insert "offset" in its place.

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To page 4, line 26:

Delete "set off" and insert "offset" in its place.

To page 5, lines 7 & 10:

Delete "set off" and insert "offset" in its place.

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5
JUNEAU, ALASKA 99811

February 23, 1981

The Honorable Patrick M. Rodey
Chairman, Senate Judiciary Committee
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Chairman Rodey:

The purpose of Senate Bill 132 is to consolidate the collection of delinquent accounts of the State of Alaska in one agency. The Department of Revenue has accumulated a great deal of expertise and experience in the collection of delinquent taxes. A major portion of those delinquent accounts will be eliminated as the statute of limitations runs out, now that the individual income tax has been repealed. It is desirable to retain that expertise in the interest of improving the cash flow of the state by collecting other delinquent accounts and thereby returning to the Treasury additional funds which may be used for other purposes in the interests of the citizens of the state. This bill will establish a system whereby those objectives can be achieved.

The bill provides for two methods for the department to collect liquidated debts of various state agencies. The department may either offset amounts owed by the state to individuals or businesses against debts which they owe the state, or it may proceed with collection methods allowed any creditor under Title 9.

Sections 050 - 090 largely deal with the offset procedure. Those procedures require that an agency desiring to collect a debt by offset must notify the Commissioner of Revenue of the existence of the debt and the Commissioner must then determine whether a payment is due the debtor by the state. The claiming agency is then required to notify the debtor of an attempt to offset and, at that time, the debtor has an opportunity to challenge the amount of the debt. If the debtor challenges the amount of the debt, the claiming agency is required to hold a hearing and notify the Department of Revenue of the result of that hearing. If the agency determines that the debt is still due, it shall so notify the Commissioner of Revenue so that an offset may be made. A time limit of 20 days is set for the agency to notify the Commissioner of Revenue of the results of a hearing determination. If that 20 day period is not met, then the department shall release the payment due the debtor without any offset. On the other hand, if certification under 080 is made by the claiming agency based on the results of a hearing, then the offset will be made; if any amounts remain over and above the offset, those amounts will then be paid to the debtor. If ruling by the claiming agency is appealed by the debtor, the offset procedure will still take

February 23, 1981

effect. If the administrative decision is later overturned, then the Department of Administration will pay to the debtor the amount offset, with interest at the rate of 8% from the date of the offset.

The bill also establishes priorities in the case of multiple claims. Priority is according to the date a claim is received by the department. The Department of Revenue, however, has priority over other claiming agencies for amounts owed to it.

The bill also provides that the department shall attempt to collect judgement debts under the provisions of AS 09 if the offset procedures are inadequate. It further provides definitions of "claiming agency", "liquidated debt", "Commissioner", "debtor", "department", and "payment". Finally, the Act would take effect July 1, 1981.

If you have any questions about this Bill, please feel free to contact me at 465-2300 or Fred Boetsch, Director of our Enforcement Division at 465-2366.

Sincerely,



Thomas K. Williams
Commissioner

OFFICE OF THE COMMISSIONER

FEB 2. 1981

ALASKA DEPARTMENT OF REVENUE

February 2, 1981

The Honorable Jalmar Kerttula
President of the Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill which would centralize collection of state claims in the Department of Revenue. This bill, based on Oregon law, provides for the Department of Revenue to withhold refunds and any other payments from the state and credit those payments to a debtor's account with a state agency.

State agencies, under this bill, will submit a list of debtors having liquidated debts with the agency to the Department of Revenue which will determine whether those debtors are entitled to a tax refund or other payment. If it is determined that enough money is available for setoff, the claimant agency will notify the debtor of its intent to set off the debt and provide the debtor with an opportunity to request a hearing. After a hearing, or after the expiration of time for a hearing, the Department of Revenue will divert part or all of the payment to the agency, which in turn will credit the debtor's account in the amount of the setoff. This bill will provide an efficient method of collecting debts owed to the state.

Sincerely,

Jay S. Hammond
Governor

MEMORANDUM

State of Alaska

TO: *Joseph K. Donohue*
Deputy Commissioner
Department of Revenue

DATE: January 19, 1981

FILE NO:

TELEPHONE NO:

FROM: Fred P. Boetsch *F.P.B.*
Director
Enforcement Division

SUBJECT: Fiscal Note for
Statewide Collection
Act

The Statewide Collection Act which the Governor is introducing is similar to House Bill 869 from last year's session. Some changes have been made to that bill in order to strengthen its operation. In the first place, the Act requires that liquidated debts be turned over to the Department of Revenue for collection procedures unless certain exceptions delineated in section 2 exist. Secondly, the set-off procedure would be against any amount owed by the state to the debtor instead of just taxes and/or Permanent fund dividends. And third, the Department of Revenue would also have the authority to follow concurrent collection procedures under AS 09.

It appears from our research that accounts receivable of 3 1/2 to 4 million dollars might be subject to collection by the Department of Revenue under this bill. The bulk of these delinquent accounts is in the student loan program, although a certain amount of delinquency also exists in most of the other state loan programs. We will initiate the program with a modest core unit designed to implement all the responsibilities and functions assigned to us under this bill. The first year of experience will give us an opportunity to ascertain the precise workload that will be assigned to the Department of Revenue. It is possible that this group could be expanded horizontally in subsequent years if there is sufficient workload justification.

The Department of Revenue, through its experience with tax collection efforts, has developed expertise in the areas of skip-tracing, progressive collection efforts, and levy and seizure. With the elimination of individual income tax and the collection workload related to that, we are in a good position to pick up other collection efforts. Although this fiscal note identifies additional resources necessary to do this job, it should be pointed out that our FY '82 budget contemplates the deletion of some sixteen positions during FY '82. The operation of that budget and this fiscal note concurrently would result in our retaining some of those positions scheduled for deletion under the FY '82 budget proposal. Accordingly, the cost indicated below would merely be retractions of the deletion proposed for FY '82 rather than actual additions to the FY '81 continuation level (that is we would drop 16 positions and add back 4 with a net deletion of 12).

The cost associated with implementation of this bill would amount to \$152,200 for FY '82. This includes the salary and benefits for a Revenue Enforcement Officer III, 2 Tax Collection Specialists II's, (or Paralegal Assistants) and an Accounts Receivable Clerk. In addition, we would require \$5,000 in travel money for the Revenue Enforcement Officer to meet face to face with debtors in the extremely difficult collection cases. We would also need an enhancement of the existing accounts receivable system in order to accommodate the liquidated debts assigned to us. The basic design for that

system already exists and would need some minor modification to include these additional accounts. Detailed design and programming effort in order to get an up and running system which would accommodate the debts under this bill would cost an additional \$20,000, which is included in contractual services. I have also included \$5,000 for additional telephone costs and \$2,000 for postage. Additional commodities and equipment costs are also included in the fiscal note.

It is difficult to estimate at this time the potential results which could be achieved from this bill. Based on our past performance with the collection of taxes, a very difficult item to collect these days, I feel that the Enforcement Division is well situated to significantly improve the collection of delinquent accounts on a statewide basis. We will find that the amount collected will far exceed the cost involved. The first year of experience will give us a better handle on the cost/benefits as well as the potential workload for this unit.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. _____
 Title Statewide Collection Act
 Requested by Governor Date January 19, 1981

II. FISCAL DETAIL

Agency Affected Revenue
 Program Category Affected Revenue Collection and Management
 BRU, Program, or Subprogram(s) Affected Enforcement

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		114.6				
200 TRAVEL		5.0				
300 CONTRACTUAL		27.0				
400 COMMODITIES		1.6				
500 EQUIPMENT		4.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		152.2				

FUNDING (Thousands of Dollars)

GENERAL FUND		152.2				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		4				
PART TIME						
TEMPORARY						

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

See memo from Fred Boetsch, Director, Enforcement Division to Joseph K. Donohue, Deputy Commissioner of Taxation, dated January 19, 1981, attached.

IV. DATE January 19, 1981 PREPARED BY Fred P. Boetsch
 AGENCY Revenue
 PHONE 465-2366

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

FISCAL NOTE

I. REQUEST

Bill/Resolution No. _____
 Title Relating to Claims of the State
 Requested by the Governor Date 1/26/81

II. FISCAL DETAIL

Agency Affected _____ Revenue _____
 Program Category Affected _____ General Government _____
 BRU, Program, or Subprogram(s) Affected Administration & Support, Management Services
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		9.9	30.2			
200 TRAVEL						
300 CONTRACTUAL			50.5			
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		9.9	80.7			

FUNDING (Thousands of Dollars)

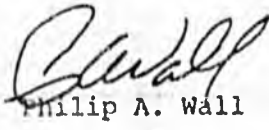
GENERAL FUND		9.9	80.7			
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME		1/3mn	2/12mn			
TEMPORARY						

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

See Page 2.

IV. DATE 1-28-81 PREPARED BY  Philip A. Wall
 AGENCY Revenue
 PHONE 465-2313
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Assumptions

Claims submitted by State agencies will off-set against tax refund and Permanent Fund Dividend payments being processed by the Department of Revenue and against payments being made by the Department of Administration. The computer programs to data capture claims information, attach payments being made and process the off-set must be written. Resources will be needed to process the claims and apply controls will also be required. The expenditures defined below will enable system design and initial process and will define on-going costs for future budget requests.

Positions

One Systems Analyst to design the processing system and write the computer programs:

6mm @ R 18, \$2,640 per mo, plus 25%	19.8
--------------------------------------	------

One Accounting Clerk to batch claims, apply controls, make corrections, prepare offset adjustments and release payment of money excess to debts:

6mm @ R 8, \$1,393 per mo., plus 25%	10.4
--------------------------------------	------

Other Expenditures

Data Processing Costs: Storage, 50mgb @ \$4 - 24.0;
 Program Development and Processing @ 2.0 per mo - 24.0

Communications: Postage and Toll Calls - 1.5

Miscellaneous Contractual - 1.0	<u>50.5</u>
---------------------------------	-------------

	<u>80.7</u>
--	-------------

STATE OF ALASKA

file copy
JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5 - JUNEAU 99811

March 6, 1980

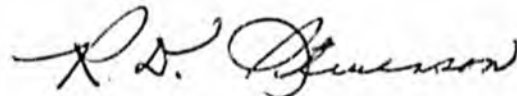
The Honorable Charles Parr
Chairman
House Judiciary Committee
Room 124 - Capitol Building
Juneau, Alaska 99811

Dear Mr. Parr:

House Bill No. 869, an Act relating to claims of the state, was introduced in the House on February 18, 1980 and was referred to the House Judiciary Committee.

For the consideration of the House Judiciary Committee, I am enclosing copies of Fiscal Notes prepared by P. A. Wall, Director, Administrative Services Division and Fred Boetsch, Director, Enforcement Division of the Department of Revenue concerning the proposed legislation.

Sincerely,



R. D. Stevenson
Special Assistant

cc: Joseph K. Donohue
Deputy Commissioner
Department of Revenue

P. A. Wall, Director
Administrative Services Division
Department of Revenue

Fred Boetsch, Director
Enforcement Division
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

REQUEST
 Bill/Resolution No. HB869
 Title Claims of the State
 Requested by Parr Date _____

II. FISCAL DETAIL

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

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		22.7	22.7	22.7	22.7	22.7
200 TRAVEL						
300 CONTRACTUAL		4.7	4.7	4.7	4.7	4.7
400 COMMODITIES		.5	.5	.5	.5	.5
500 EQUIPMENT		1.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		28.9	27.9	27.9	27.9	27.9

FUNDING (Thousands of Dollars)

GENERAL FUND		28.9	27.9	27.9	27.9	27.9
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

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

The Enforcement Division would require the services of one Tax Collection Specialist to implement its portion of the administration of this bill. Our part of the procedure would be to prepare a short audit in order to apply the proposed refund to the claimed debt. This would require a CRT terminal to access the refund and agency claims files and appropriate forms for handling the short audits. In the initial year a desk, chair, calculator and files storage would be purchased.

We do not have specific information as to the probable volume of claims. However, since the new procedure would be functionally differentiated from other procedures, an appropriate organizational module would have to be created to implement the program. It is possible that the volume would be come great enough to require additional personnel and/or equipment in subsequent years.

IV. DATE 2-28-80 PREPARED BY Fred Boetsch
 AGENCY Department of Revenue
 PHONE 465-2366
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

1	POSITION TITLE Tax Collection Specialist I			RANGE/STEP 10A	BARG. UNIT. G	LOCATION Juneau	COV	APPROV	DISAPP
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No. NEW	PRIORITY	FORM 12 PAGE/LINE	LEG		
3	TYPE OF EXPENDITURE		AMOUNT		JUSTIFICATION:				
	1	2	3						
4	PERSONAL SERVICES: SALARY 1,440/mo.		17,280						
5	BENEFITS		3,059						
6	FICA		1,059						
7	HEALTH INS.		1,272						
8	TOTAL PERSONAL SERVICES		22,670						
9	TRAVEL								
10	CONTRACTUAL		4,700						
11	COMMODITIES		500						
12	EQUIPMENT		1,000						
13	OTHER								
14	TOTAL COST		28,870						
	CODE	FUNDING SOURCE							
15		FED RCPTS.							
16		GF MATCH.							
17		GEN. FUND		28,870					
18		I-A RCPTS.							
19		PGM RCPTS							
20		OTHER							
21	CONTINUATION	FOR B&M USE ONLY							
22	ADDITION								
4A KEY NUMBER		COLDIAN NO.							

(continued on next page.)

P. A. Wall
P. A. Wall
Revenue
465-2313

PREPARED BY
AGENCY
PHONE

IV. DATE 3-5-80

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

33-001 (Rev. 12/79)

AGENCY Department of Revenue PROGRAM AREA Revenue Collection & Management

DRU Enforcement

FY 81

13 REQUEST FOR NEW POSITION.

COMPONENT _____

Page _____ of _____

REVISED DATE _____

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST HB 869
 Bill/Resolution No. _____
 Title Claim of the State
 Requested by _____ Date 2-26-80

II. FISCAL DETAIL
 Agency Affected _____ Revenue _____
 Program Category Affected _____ General Government _____
 BRU, Program, or Subprogram(s) Affected Administration & Support, Management Services
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		29.5	31.6	33.8	36.1	38.7
200 TRAVEL						
300 CONTRACTUAL		4.0	4.3	4.6	4.9	5.2
400 COMMODITIES		.3	.3	.3	.4	.4
500 EQUIPMENT		.5				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		34.3	36.2	38.7	41.4	44.3

FUNDING (Thousands of Dollars)

GENERAL FUND		34.3	36.2	38.7	41.4	44.3
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

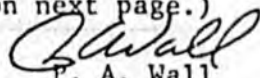
FULL TIME		1/12mm	1/12mm	1/12mm	1/12mm	1/12mm
PART TIME		1/3mm	1/3mm	1/3mm	1/3mm	1/3mm
TEMPORARY						

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

HB 869 would allow all State agencies to offset certain debt claims against individual income tax refunds. The procedure in the Bill should be changed by four considerations:

1. Most refunds held because of claimed debt will exceed the 30 days contained in AS 43.20.215 and result in interest penalties. The action to be taken should be defined.
2. There is no provision for early release of the held refund should the debtor pay the claimant agency directly. An early release feature by the claimant agency would be helpful.

(continued on next page.)

IV. DATE 3-5-80 PREPARED BY  P. A. Wall
 AGENCY Revenue
 PHONE 465-2313
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

HB 869 Analysis (continued)

3. Most important, Sec. 44.78.070 does not provide for notifying Revenue should a hearing be requested by the debtor. This is necessary to insure the refund is held to determination of the hearing and through the 20-day certification period in Sec. 44.78.080. A subsection 44.78.070(c) could say, "The department shall hold action upon the refund until Sec. 44.78.080 is complete."
4. It appears that AS 44.78.060 should be corrected to 050(c) under Sec. 44.78.060 (page 2, line 28).

Assumptions

An estimate of the number of debt claims is not possible. Claims from the student, veterans and agriculture loan, motor vehicle and other programs which serve large numbers of individuals are assumed. The promulgation of regulations, design and distribution of a debt claim form and the procedure to establish and control debt claim offsets is assumed to constitute one additional employee's work load.

Positions

1 PFT Accounting Clerk II, Range 8 A	
\$1,277 per mo. X 12 months	= 15.3
Benefits - 2.3, FICA - 1.0, H.I. - 1.5	= 4.8
1 PPT Systems Analyst, Range 18 A	
\$2,465 per mo, X 3 months	= 7.4
Benefits - 1.1, FICA - .5, H.I. - .4	= 2.0

Other Expenditures

Contractual	= 4.0
Forms - 1.0	
Postage, Phone - 1.5	
DP Chargeback - 1.0	
Miscellaneous - .5	
Commodities	= .3
Equipment	= .5

This debt offset concept would be even more effective if the control was placed on the Daily Warrant Process in the Department of Administration where the warrants which make all State payments, including the refund warrants, are written each day.

A M E N D M E N T

OFFERED IN THE SENATE:

By: Senate Judiciary

To: Senate Secretary SENATE BILL No. 132

HOUSE BILL No. _____

PAGE: _____

LINE: _____

To page 1, lines 13 & 28:

Delete "set off" and insert "offset" in its place.

To page 2, lines 12 & 13:

Delete "setting Off" and insert "offsetting" in its place.

To page 2, lines 15, 16, & 27:

Delete "set off" and insert "offset" in its place.

To page 3, line 19:

Delete "set off" and insert "offset" in its place.

To page 4, line 26:

Delete "set off" and insert "offset" in its place.

To page 5, lines 7 & 10:

Delete "set off" and insert "offset" in its place.

Introduced: 2/2/81
Referred: Judiciary and
Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 132

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to claims of the state; and providing
7 for an effective date."

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

9 * Section 1. LEGISLATIVE PURPOSE. The purpose of this Act is to

10 (1) require departments and agencies of the state to cooperate in
11 identifying debtors who owe money to the state and who also qualify for
12 payments from the state;

13 (2) establish procedures to ^{OFFSET} ~~set off~~ against a payment from the
14 state the amount of a debt owed to the state.

15 * Sec. 2. AS 44 is amended by adding a new chapter to read:

16 CHAPTER 78. COLLECTION OF CLAIMS OF THE STATE.

17 Sec. 44.78.010. COLLECTION BY DEPARTMENT OF REVENUE. (a) Each
18 claimant agency of the state shall submit a liquidated debt to the de-
19 partment for collection under the procedures established in this chap-
20 ter unless:

21 (1) the agency is advised by the attorney general not to
22 submit a claim because the validity of the debt is in dispute;

23 (2) an alternative remedy is available and is believed by
24 the claimant agency to be more effective; or

25 (3) the collection attempt may result in a loss of federal
26 financial participation in state programs.

27 (b) If the amount of the liquidated debt exceeds any payment due
28 the debtor by the state, the ^{OFFSET} ~~set off~~ procedures established in this
29 chapter may be used concurrently with other methods for collection of

1 the excess due.

2 Sec. 44.78.020. IDENTIFYING INFORMATION. A claimant agency shall
3 obtain the full name, the social security number, the residence address
4 and mailing address, and any other identifying information required
5 under regulations of the department for a person who may be subject to
6 the collection procedures of this chapter.

7 Sec. 44.78.030. MINIMUM SUM COLLECTIBLE. In collecting a debt, a
8 claimant agency may not use the procedures established under this
9 chapter unless that debt and the payment from the state from which it
10 would be offset is at least \$100.

11 Sec. 44.78.040. COLLECTIONS. The commissioner shall attempt to
12 collect a delinquent account or debt owed to a claimant agency by ^{OFFSETTING} [set-
13 ting off] a payment due the debtor from the state or by the use of other
14 collection methods permitted under AS 09.

15 Sec. 44.78.050. PROCEDURE FOR ^{OFFSET} [SETOFF] (a) A claimant agency
16 that attempts to collect a liquidated debt by ^{OFFSET} [setoff] under this chapter
17 shall notify the commissioner in writing and provide the commissioner
18 with the information required under AS 44.78.020.

19 (b) If the commissioner determines that a debtor qualifies for a
20 payment of \$100 or more from the state, the department shall notify the
21 claimant agency in writing that a payment is pending, specify the
22 amount of the payment, and indicate the address of the debtor set out
23 on the invoice, billing, or other document which forms the basis of the
24 debtor's claim for payment from the state. Payment to the debtor may
25 not be made by the Department of Administration until approval is
26 received from the commissioner under AS 44.78.080(a).

27 Sec. 44.78.060. NOTICE OF INTENT TO ^{OFFSET} [SET OFF] (a) Upon notifi-
28 cation under AS 44.78.050(b) that a debtor is entitled to a payment,
29 the claimant agency shall within 10 days after receiving the notice

1 send a notice in writing to the debtor of its claim against the pay-
2 ment. The claimant agency shall provide a copy of this notice to the
3 commissioner.

4 (b) If the commissioner receives a copy of the notice sent under
5 (a) of this section within 30 days after the department's notice to the
6 claimant agency under AS 44.78.050(b), the commissioner shall notify
7 the Department of Administration to not issue a payment to the debtor.

8 (c) The contents of the notice to the debtor must clearly set out

9 (1) the basis for the agency's claim;

10 (2) the claimant agency's intention to apply the payment
11 against the claimed debt;

12 (3) the debtor's right to request a hearing before the
13 claimant agency within 30 days after the date of the mailing of the
14 notice;

15 (4) the mailing address to which the request for the hearing
16 must be sent; and

17 (5) the fact that failure to request a hearing in writing
18 within 30 days is a waiver of the opportunity to contest the liquidated
19 debt and is a consent to the ^{OFFSET} setoff or other collection action.

20 (d) A request by the debtor for a hearing is effective when
21 mailed if the postage is prepaid and the request is properly addressed
22 to the claimant agency.

23 Sec. 44.78.070. HEARING PROCEDURES. (a) The claimant agency
24 shall grant a hearing request by a debtor under AS 44.78.060 if the
25 debtor demonstrates that there is a genuine issue with respect to the
26 amount of the debt or the identity of the debtor. An issue may not be
27 considered at this hearing which has been decided at an earlier hearing,
28 or should have been raised at an earlier hearing.

29 (b) Efforts to collect the liquidated debt must be deferred until

1 the agency either denies the debtor's request for a hearing or issues a
2 final decision after a hearing.

3 (c) Except as provided in AS 44.78.080(c), AS 44.62.330 -- 44.-
4 62.640 do not apply to hearings held under this section.

5 Sec. 44.78.080. CERTIFICATION OF DEBT. (a) Within 20 days after
6 expiration of the date for requesting a hearing, denial of a hearing
7 request, or a final determination after hearing favorable to the
8 claimant agency, the claimant agency shall certify to the commissioner
9 the debt determined to be due. If no certification is made within the
10 20-day period, the commissioner shall notify the Department of Admini-
11 stration to issue the payment.

12 (b) When the commissioner receives a certification under (a) of
13 this section, he or she shall transfer the amounts determined to be due
14 under the final decision issued under AS 44.78.070 to the claimant
15 agency and authorize the Department of Administration to pay any re-
16 maining money to the debtor.

17 (c) A final action by the claimant agency under AS 44.78.070 may
18 be appealed under AS 44.62.560 and 44.62.570. However, no stay of the
19 commissioner's action under (b) of this section may be granted. If the
20 claimant agency's action is reversed or modified on appeal, the Depart-
21 ment of Administration shall promptly pay to the debtor any sum due,
22 together with interest computed at the rate of eight percent per year
23 from the date the Department of Revenue transmits the money to the
24 claimant agency.

25 Sec. 44.78.090. ~~PRIORITIES~~. The priority of multiple claims to
26 money allowed to be ^{OFFSET} set off under this chapter is established by the
27 sequence in which each claimant agency notifies the commissioner under
28 AS 44.78.050(a). The department has priority over other claimant agen-
29 cies if it has a claim against a payment.

1 Sec. 44.78.100. REGULATIONS. The commissioner may adopt regula-
2 tions under the Administrative Procedure Act (AS 44.62) to implement
3 this chapter, including regulations governing hearing procedures under
4 AS 44.78.070 if the claimant agency has not adopted regulations which
5 establish hearing procedures.

6 Sec. 44.78.110. ADDITIONAL REMEDIES; COLLECTION OF JUDGMENTS.

7 (a) The ^{OFFSET} [setoff] procedure established under this chapter is in addition
8 to any other remedy available by law.

9 (b) The department shall attempt to collect judgment debts under
10 AS 09 if the ^{OFFSET} [setoff] procedures established in this chapter are inade-
11 quate or if no payment is found to be due under AS 44.78.050(b).

12 Sec. 44.78.120. DEFINITIONS. In this chapter,

13 (1) "claimant agency" means a department or agency of the
14 executive or judicial branch of the state government which believes
15 that a debt is owed to it by the debtor;

16 (2) "liquidated debt" means money owed to the state under an
17 express agreement or by operation of law which is determined by a
18 claimant agency to be a valid, enforceable debt after a hearing or by
19 expiration of the time to request a hearing;

20 (3) "commissioner" means the commissioner of revenue or his
21 designee;

22 (4) "debtor" means a person who owes money or who has a de-
23 linquent account with a claimant agency which has not been satisfied by
24 a judgment of a court of competent jurisdiction, set aside by a ju-
25 dgment, or discharged in bankruptcy;

26 (5) "department" means the Department of Revenue;

27 (6) "payment" means a claim for refund under AS 43.20, a
28 distribution of permanent fund revenues to a debtor that may be pro-
29 vided by law, and a claim for a service, material, lease, rental, or

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other amount owed to the debtor by the state.

* Sec. 3. This Act takes effect July 1, 1981.

