

ALASKA LEGISLATURE COMMITTEE FILES 1985-1986 86/2

3922 SHEETS SB 86 - SB 94

798



RECORDS CERTIFICATION

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James O. Smith
Signature of Camera Operator

10/31/89
Date

S B

g e

Senate Health, Education and Social Services Committee

Legislation Checklist

Bill number: SB 86

Sponsor: DeVries

Date referred to committee: 1/23/85

Synopsis completed: 1/28

Fiscal note:

Further referrals: Judiciary [SA waived, Jvd added
P. 122 Senate found]

CONTACTS:

Offered: 3/27/85
Referred: Judiciary

Original sponsor: DeVries

*Died Sen France
CS HB 19 (Jud) used as vehicles
(identical)*

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 86 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to runaway and missing minors."

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

8 * Section 1. AS 47.10.140(e) is amended to read:

9 (e) Except for temporary detention pending a detention hearing
10 [OR TEMPORARY DETENTION UNDER (f) OF THIS SECTION], a minor may [NOT]
11 be detained only [EXCEPT] by court order.

12 * Sec. 2. AS 47.10 is amended by adding a new section to read:

13 Sec. 47.10.141. RUNAWAY AND MISSING MINORS. (a) Upon receiving
14 a request to locate a minor evading the minor's legal custodian or
15 otherwise missing, a law enforcement agency shall make reasonable
16 efforts to locate the minor and shall immediately complete a missing
17 person's report containing information necessary for the identifica-
18 tion of the minor. As soon as practicable, but not later than 24
19 hours after completing the report, the agency shall transmit the
20 report for entry into the Alaska Public Safety Information Network and
21 the National Crime Information Center computer system. As soon as
22 practicable, but not later than 24 hours after the agency learns that
23 the minor has been located, it shall request that the Department of
24 Public Safety and the Federal Bureau of Investigation remove the
25 information from the computer systems.

26 (b) A peace officer shall take into protective custody a minor
27 described in (a) of this section if the minor is not otherwise subject
28 to arrest or detention. The peace officer shall honor the minor's
29 preference to either (1) return the minor to the legal custodian or

1 (2) take the minor to an office specified by the Department of Health
2 and Social Services or a facility or contract agency of the depart-
3 ment. If an office specified by the department or a facility or
4 contract agency of the department does not exist in the community, the
5 officer shall take the minor to another suitable location and promptly
6 notify the department. A minor under protective custody may not be
7 housed in a jail or other detention facility. Immediately upon taking
8 a minor into protective custody the officer shall advise the minor
9 orally and in writing of the right to social services under AS 47.10.-
10 142(b), and, if known, the officer shall advise the legal custodian
11 that the minor has been taken into protective custody.

12 * Sec. 3. AS 47.10.140(f) and (g) are repealed.

SEARCH - QUERY
00001 CSHB ADJ 631

HB0631 -P00 DOCUMENT= 7 OF 9

BILL = HB0631
CHAMBER = S
DATE = 07/24/84
PAGE = 03683
YEAR = 84

BILL HB0631
PAGE 03683
DATE 07/24/84
CHAMBER SENATE

TEXT MESSAGE DATED AND RECEIVED JULY 3:
RE: CS FOR HOUSE BILL NO. 631 (JUD) AM
AN ACT RELATING TO RUNAWAY CHILDREN.

DEAR SENATOR KERTTULA:

I HAVE TODAY VETOED COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 631 (JUD) AM, PERTAINING TO RUNAWAY CHILDREN.

THIS BILL WOULD HAVE MANDATED WHOLESALe INCARCERATION OF RUNAWAY CHILDREN WITHOUT REGARD FOR INDIVIDUAL CIRCUMSTANCES OR AVAILABILITY OF APPROPRIATE FACILITIES. IT WOULD HAVE MANDATED A REGRESSIVE, PUNITIVE RESPONSE TO FAMILY PROBLEMS PROBLEMS THAT ARE BEST ADDRESSED THROUGH POSITIVE STATE AND LOCAL PROGRAMS.

THIS BILL WOULD HAVE PLACED AN ADDITIONAL BURDEN ON LAW ENFORCEMENT AND SOCIAL SERVICE AGENCIES, AS WELL AS THE COURTS, YET IS WAS NOT ACCOMPANIED BY AN APPROPRIATION. IN FACT, THE BILL WOULD HAVE MADE ALASKA INELIGIBLE TO RECEIVE FEDERAL FUNDS UNDER THE JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT, P.L. 93-415.

FINALLY, THIS BILL WAS INARTFULLY WORDED. BY FOCUSING ONLY ON EMERGENCY DETENTION, IT WOULD HAVE SWIFTLY CREATED REVOLVING DOORS IN THE LIMITED FACILITIES THAT NOW EXIST. THE MANDATORY LANGUAGE OF THE BILL WENT FAR BEYOND THE DISCRETIONARY AUTHORITY CONTEMPLATED BY THE SENATE IN ITS LETTER OF INTENT (1984 S.J., P. 3567).

UNDER EXISTING LAW, BOTH PEACE OFFICERS AND STATE SOCIAL WORKERS CAN TAKE EMERGENCY CUSTODY OF RUNAWAYS IF CONDITIONS WARRANT. ALTHOUGH I RECOGNIZE THAT ALASKA HAS A SERIOUS RUNAWAY PROBLEM, WHOLESALe INCARCERATION UNDER CSHB 631 (JUD) AM IS NOT THE SOLUTION.

SINCERELY,
/S/ BILL SHEFFIELD
BILL SHEFFIELD
GOVERNOR

END OF DOCUMENT

CHAMBER = S
DATE = 06/08/84
PAGE = 03567
YEAR = 84

BILL HB0631
PAGE 03567
DATE 06/08/84
CHAMBER SENATE

TEXT (CS FOR HOUSE BILL NO. 631 (JUD) AM) (RUNAWAY CHILDREN) WHICH WAS HELD FROM JUNE 5 WAS BEFORE THE SENATE IN THIRD READING. SENATOR HALFORD OFFERED THE FOLLOWING:

LETTER OF INTENT
CSHB 631 (JUD) AM

IT IS THE INTENT OF THE SENATE THAT THE DEPARTMENT OF PUBLIC SAFETY AND THE DEPARTMENT OF HEALTH AND SOCIAL SERVICES IN IMPLEMENTING THE PROVISIONS OF THIS ACT ENSURE THAT MINORS NOT BE EXPOSED TO YOUTH CORRECTIONAL FACILITIES EXCEPT IN THE MOST EXTREME CASES. THE DEPARTMENT SHOULD NOT TAKE CUSTODY OF A MINOR THROUGH ACTION OF AS 47.10.140(F) UNLESS ADEQUATE SERVICE FACILITIES ARE AVAILABLE. UNDER NO CIRCUMSTANCES SHOULD MINORS BE DETAINED IN AN ADULT CORRECTIONAL FACILITY. SENATOR HALFORD MOVED FOR THE ADOPTION OF THE LETTER OF INTENT ON CS FOR HOUSE BILL NO. 631 (JUD) AM. SENATOR SACKETT ASKED UNANIMOUS CONSENT. WITHOUT OBJECTION, THE SENATE LETTER OF INTENT WAS ADOPTED.

THE QUESTION BEING: "SHALL CS FOR HOUSE BILL NO. 631 (JUD) AM (RUNAWAY CHILDREN) PASS THE SENATE?" THE ROLL WAS TAKEN WITH THE FOLLOWING RESULT:

END OF DOCUMENT

BILL = CSHB631(JUD)AM
ROOT = HB0631

BILL ROOT:
HB0631

BILL NUMBER:
CSHB631(JUD)AM

INTRODUCED:
5/14/84

REFERRED: FINANCE

ORIG SPONSOR:
LISKA AND LINDAUER

SPONSOR: BY THE JUDICIARY COMMITTEE

BILL HEADING:
IN THE HOUSE
CS FOR HOUSE BILL NO. 631 (JUDICIARY) AM
IN THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE - SECOND SESSION
A BILL

TITLE: FOR AN ACT ENTITLED:
"AN ACT RELATING TO RUNAWAY CHILDREN."

TEXT: BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
* SECTION 1. AS 47.10.140(F) IS REPEALED AND REENACTED
TO READ:

(F) IT IS UNLAWFUL FOR A MINOR TO EVADE THE PERSON HAVING LEGAL CUSTODY OF THE MINOR. A PEACE OFFICER, UPON RECEIVING A REQUEST TO LOCATE A MINOR WHO IS EVADING THE PERSON HAVING LEGAL CUSTODY OF THE MINOR, SHALL MAKE ALL REASONABLE EFFORTS TO LOCATE AND DETAIN THE MINOR AND MAY EITHER RETURN THE MINOR TO THE PERSON HAVING LEGAL CUSTODY OR, IF THE MINOR DOES NOT WISH TO RETURN TO THE PERSON HAVING LEGAL CUSTODY, TAKE THE MINOR TO AN OFFICE SPECIFIED BY THE DEPARTMENT OF HEALTH AND SOCIAL SERVICES OR TO A FACILITY OR CONTRACT AGENCY OF THE DEPARTMENT OF HEALTH AND SOCIAL SERVICES IN THE COMMUNITY. IMMEDIATELY UPON DETAINING A MINOR UNDER THIS SUBSECTION, THE PEACE OFFICER SHALL ADVISE

- (1) THE MINOR OF THE RIGHT TO SOCIAL SERVICES UNDER AS 47.10.142(B); AND
- (2) THE PERSON HAVING LEGAL CUSTODY OF THE MINOR, IF THE PERSON'S IDENTITY IS KNOWN, OF THE MINOR'S DETENTION.

* SEC. 2. AS 47.10.142(B) IS AMENDED TO READ:

(B) A MINOR WHO HAS LEFT HOME AND IS EVADING THE PERSON HAVING LEGAL CUSTODY OF THE MINOR ~~WHICH~~ MAY OBTAIN THE SERVICES OF THE DEPARTMENT. THE DEPARTMENT SHALL ASSESS THE SITUATION AND FURNISH THE MINOR WITH THE SOCIAL SERVICES IT CONSIDERS APPROPRIATE TO PROTECT THE WELL-BEING OF THE MINOR AND TO PRESERVE THE MINOR'S ~~WHICH~~ FAMILY LIFE IF PRESERVING IT IS CONSIDERED DESIRABLE UNDER THE CIRCUMSTANCES. IF, AFTER ASSESSING THE SITUATION, CONSIDERING THE WISHES OF THE MINOR, AND FURNISHING

APPROPRIATE SOCIAL SERVICES, THE DEPARTMENT CONSIDERS IT NECESSARY, THE DEPARTMENT MAY TAKE EMERGENCY CUSTODY OF THE MINOR. IF THE DEPARTMENT DETERMINES THERE IS CAUSE TO BELIEVE THAT A MINOR DELIVERED TO IT BY A PEACE OFFICER UNDER AS 47.10.140(F) WILL NOT VOLUNTARILY ACCEPT AND PARTICIPATE IN SOCIAL SERVICES THE DEPARTMENT CONSIDERS APPROPRIATE TO FURNISH, THE DEPARTMENT SHALL TAKE EMERGENCY CUSTODY OF THE MINOR AND SHALL DETAIN THE MINOR UNTIL A HEARING IS HELD BY THE COURT UNDER (D) OF THIS SECTION.

ARCH - QUERY
002 RUNAWAY ADJ CHILDREN

HB631JUD DOCUMENT# 2 OF 3

BILL = CSHB631(JUD)

ROOT = HB0631

BILL ROOT:

HB0631

BILL NUMBER:

CSHB631(JUD)

INTRODUCED:

5/14/84

REFERRED: FINANCE

ORIG SPONSOR:

LISKA

SPONSOR: BY THE JUDICIARY COMMITTEE

BILL HEADING:

IN THE HOUSE

CS FOR HOUSE BILL NO. 631 (JUDICIARY)
IN THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE - SECOND SESSION
A BILL

TITLE: FOR AN ACT ENTITLED:

"AN ACT RELATING TO RUNAWAY CHILDREN."

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

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END OF DOCUMENT

Introduced: 2/12/85
Referred: Judiciary

BY RODEY, V.FISCHER,
KERTTULA, HALFORD,
STURGULEWSKI, FAIKS,
AND ZHAROFF

1 IN THE SENATE

2

SENATE CONCURRENT RESOLUTION NO. 5

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

Relating to printing pictures of and

6

information about missing children on

7

milk cartons.

8

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

9

WHEREAS thousands of children in the United States are abducted each

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year; and

11

WHEREAS a lack of coordination among law enforcement agencies in

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different jurisdictions has made it difficult to locate missing children

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taken across state lines; and

14

WHEREAS milk carton manufacturers have developed a program to print

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the pictures of missing children and information about them on millions of

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milk cartons across the country; and

17

WHEREAS the program provides wide dissemination on a product that has

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a short shelf life, allowing frequent rotation of pictures and information;

19

and

20

WHEREAS the program already has been responsible for the return of

21

some missing children;

22

BE IT RESOLVED by the Alaska State Legislature that milk producers and

23

distributors in the state are respectfully requested to participate fully

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in the program and encourage others in the dairy industry to participate.

Alaska Juvenile Crime Commission



**What is our
responsibility
as community
members
in the effort
to prevent
child exploitation
and juvenile
delinquency?**

The Problem- Child Exploitation

General Summary

The Alaska Juvenile Crime Commission is committed to the goal of measurably decreasing the growing problem of child exploitation and resultant delinquency in order to create a safer state and community for children and families.

One half of all of the serious crimes committed in Alaska are committed by juveniles. The key to the problem, the Alaska Juvenile Crime Commission believes, lies in the exploitation of children by adults. It is our hope to better understand and guard against the growing phenomenon of runaway, exploited, and murdered children.

Of the approximately 1.8 million children who are reported missing each year 90 percent are likely to be runaways. Included in this group are 50,000 missing children presumed to be victims of 'strangers.' These crimes of predatory cruelty are usually committed by pedophiles, pornographers, black-market baby peddlers or childless psychotics bidding desperately for parenthood. Only a few cases are solved. Few stranger-abducted children are recovered alive.

The past five years have

seen increased public and professional concern about an insidious form of child abuse - the exploitation of children for sexual stimulation and criminal purposes. Media attention to the problem by the "Chicago Tribune" and "Time Magazine" and the CBS television program "60 Minutes," among others, have produced graphic and alarming reports about a situation too disturbing to fully comprehend. Additionally, Congressional hearings on the subject, culminating in new federal legislation, have given the problem national attention.

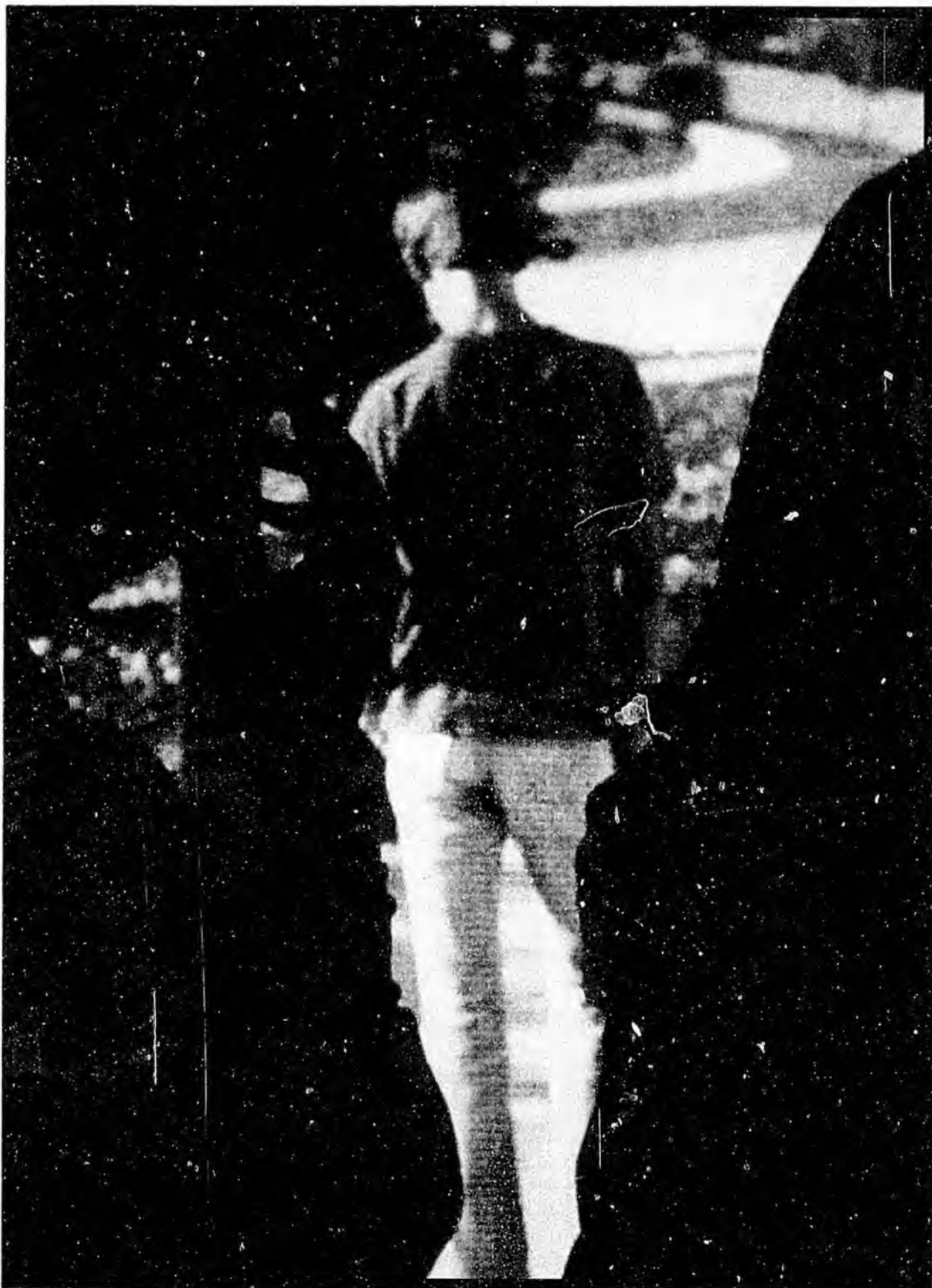
Children are being sexually exploited throughout the country in a variety of ways. Most commonly, they are used as prostitutes or models for the production of pornographic photographs and films.

Larger numbers of juveniles run away from home each year; they are becoming more mobile and are increasingly forced to survive on the streets. This "child liberation" which is a product of societal change generally, has a devastating by-product, the increased vulnerability of young people to various kinds of exploitation and made them more likely targets for adult exploiters and violent criminals.

Organized crime has discovered these children and

youth to be a highly marketable commodity. Hardcore adult criminals have also found juveniles to be saleable for a variety of criminal activities and sexual abuses limited only by the imagination and resources of the criminal minds involved.

Tremendous damage is done to the children. They come to view themselves as objects to be sold, rather than people. The bitter attitude towards adults who required them to sell their bodies causes a lifelong rebellion against authority; they become cynical and exploitive in their relationships. Society must address the question, "do exploited children graduate to more sophisticated criminality?" Deputy Director of the Center for missing and Exploited Children, John Rabun, said "When a child has been coerced or seduced into giving his only true possession - his body, he loses his self-respect and his morality." If he doesn't care about himself, how can he care about somebody else? Such a child could be destroyed psychologically and may never be a productive member of our society. Most victims of child exploitation will not only become a drain on society but will have a good chance of acting out in a violent manner.



Joining the Ranks of Runaway Juveniles

Progress Report

by
the Alaska
Juvenile Crime
Commission

Goals will be achieved by providing ongoing community education and avenues of involvement for individuals and businesses interested in achieving a safer environment for children and the rehabilitation of exploited and emotionally damaged children and delinquent juveniles.

The Commission is currently giving direction and aid for families involved in exploited or juvenile problems. Identifying and soliciting help from appropriate organizations is often bewildering to emotionally distraught parents or youth. The Commission, by its existence and media visibility, has inherited quite a number of complicated cases. Trained volunteers and investigators aid where time and funds permit.

In 1983 the Commission unveiled findings that rings of juveniles, controlled by adults, were engaged in burglaries and prostitution in Anchorage.

Problem: Dramatic increase in sexual assault arrests of individuals in child care

services.

Action: AJCC actively supported bill permitting youth service businesses and organizations to check employees for sexual molestation records.

- Records check passed into law, 1983.

- Petitioned school districts and private child care to utilize the FBI record check.

Fairbanks and Anchorage School Districts initiated finger print checks June 1983.

Problem: Parents and community lacked information on the specific problems of child exploitation and methods of prevention.

Action: AJCC developed the 'Family Protection Packet' for parents. Packets include a brochure on International Marketing of Children, specific prevention methodology, Parenting Checklists, How to Report Suspected Child Abuse, and How Child Service Organizations Can Protect against employing child exploiters.

The Commission has appeared regularly in the news and media. The Commission also created informational public service messages on child exploitation which have played in major cities nationwide and have won national recognition.

Problem: Commission identified need for law enforcement task force unit with special training and intensive investigation techniques to impact crime involving child exploitation.

Action: The Commission created the special Unit for the Investigation of Criminally Exploited Children through the law enforcement community and the state.

- The law enforcement unit plan adopted 1984. Funded July 1, 1984.

- The Commission joined in a co-effort with the FBI to provide intensive training seminar on child exploitation to law enforcement and community members statewide. The FBI hosted Agent Ken Lanning. The Commission hosted John Rabun, Deputy Director of the Center for Missing and Exploited Children, Washington, D.C. and William Spaulding, Exploited Child Unit, Louisville, July 23-27, 1984, Anchorage, Alaska.

Problem: State laws did not adequately address the phenomenon of child exploitation.

Action: Commission actively informed community and state about the problem and the need for legislative action.

- Child prostitution law passed 1983.

- Child pornography law passed 1983.
- Punaway law enabling law enforcement to place juvenile runaways in protective custody passed by legislature — Vetoed by Governor Sheffield.

Problem: Lack of shelters for runaway and exploited children.

Action: AJCC currently consulting with community groups for privately sponsored shelters. Shelters will be a 1985 priority of the Commission.

Problem: School Suspensions: Practice of suspension to the streets for discipline brought over 1600 suspensions in the Anchorage School District in one semester.

Action: Commission joined other groups in petitioning for in-district suspension. Anchorage School District instituted in-district suspension June 26, 1984.

Problem: Alaska did not have consistent information on problems and solutions developing nationally on child exploitation.

Action: Commission formed informational links with state and national organizations creating exchanges of information and have projected our efforts in Alaska into national visibility.

Why should you become involved?

Every two days as many children disappear as lives were lost when Korean Airlines Flight #007 was shot down.

50,000 children disappear each year and their cases remain unsolved at the end of the year.

About 150,000 children each year, victims of custody battles, are abducted by the non-custodial parent.

Each year more than 1,000,000 children are reported as 'runaways' or 'throwaways.' Some become victims of crime, others become criminals.

Every year hundreds of children are found dead and can't be identified. They are buried in John and Jane Doe graves.

The above statistics were provided by Action, Washington, D.C., in cooperation with the Department of Justice.

The Alaska Juvenile Crime Commission has generated concern about the socially destructive and financially costly aspects of escalating juvenile crime. Nationally, communities and law enforcement agencies are

gearing up to cope with a newly identified phenomenon, that of the exploited child in juvenile crime patterns.

If this new and cruel crime against children is allowed to continue unabated, the end result will be shattering. Based on newly unfolding statistical information, the emotionally scarred and damaged young people of today will become the trained burglars, murderers, drug pushers, and prostitutes of tomorrow. We are facing a potential for ever-increasing numbers of exploited and troubled youths, each with a life span of 40 to 50 years in and out of prison. Add to this cost the high-risk emotional problems and statistical second generation sex abusers, further burdening Alaska's already over-crowded health, social, and correction systems.

This mounting problem is not without a solution. Crime Commission members are donating thousands of hours and professional expertise to this tremendous problem. As a non-profit organization, we rely solely on funding from private citizens and businesses. Your financial support of this commission will make Alaska a healthier and safer environment for all children and families. With your help we can make a difference.

Excerpts of a Letter from a juvenile offender to his former counselor

For some reason I have been feeling good about myself lately. I've been thinking about how it is out there and what's been happening.



I've spent a lot of time here in McLaughlin and not much of it was joyful. It's time now for me to spread my wings and survive on my own, to know what the real world is about. I've learned quite a bit of stuff here in this place and will never forget some of the stuff that has happened to me. I've learned how to step back and look at my problems from all directions, learned how to be a better parent to my kids, instead of how my parents treated me when I was small. I know what to expect out there now more than I did before. To look at myself in a positive way instead of not counting on myself to do things, I've learned to worry about myself instead of my parents or other relations in the family. I like myself better now than I did when I was taking drugs and getting into trouble. I watch the world go by while I'm in here and then call myself a dummy.

How I miss walking through the bike trails, smelling the flowers, hearing the birds sing, I miss it. Golden leaves remind me of being with a girl, walking through the trails, feeling the last of the sun's warmth upon my skin. Sometimes I wish I could be carried away on a cloud soaring over the earth looking on the land. For some reason I've been feeling good about myself lately.

Thank You

THE ALASKA JUVENILE
CRIME COMMISSION IS A
NON-PROFIT
AUTONOMOUS BODY OF
PRIVATE CITIZENS
POSSESSING A SPECIAL
INTEREST OR EXPERTISE
IN THE FIELD OF JUVENILE
CRIME AND CHILD
EXPLOITATION.

HISTORY

The need for a statewide
Juvenile Crime Commission
was identified by individuals
appointed by the Mayor to
serve on the Juvenile Crime
and Narcotics Committee of
the Anchorage Crime
Commission. The Anchorage
Crime Commission was
chartered to address only
those crime problems
impacting the Municipality.
The Alaska Juvenile Crime
Commission was formed on
March 19, 1983.

Board Members

Marroyce Hall,
Director/Chairman
Alaska Juvenile Crime
Commission
Board of Directors
Child Exploitation/Organized
Crime
Chairman, Anchorage Crime
Commission, Juvenile Crime
& Narcotics

Levi Gudde, Vice Chairman
Alaska Juvenile Crime
Commission
Legislative Committee
Private Investigator, Security
Management

Mark Ernst, Treasurer
Alaska Juvenile Crime
Commission
Anchorage Crime Commission
Juvenile Committee
Anchorage Crime Commission
Executive Board

Nancy Sullivan, Secretary
Alaska Juvenile Crime
Commission
Anchorage Crime Commission
Juvenile Committee
Study Guide Committee

**Denise Gnagy, Recording
Secretary**
Alaska Juvenile Crime
Commission
Research and Interview
Committee, Court Watch

Dave Duncan
Alaska Juvenile Crime
Commission
Print and Design Committee

**Alyce Hanley, Anchorage
School Board**
Alaska Juvenile Crime
Commission
Anchorage Crime Commission
Juvenile Committee
Informational Resource and
Study Guide Committee

Paul Edgar,
Alaska Juvenile Crime
Commission
Anchorage Crime Commission
Legislative Committee
Projects Identification

Margret Behrend,
Alaska Juvenile Crime
Commission
Anchorage Crime Commission
Juvenile Committee
Interview and Material
Research

Ermalee Hickel, Former First Lady of Alaska
Alaska Juvenile Crime Commission
Anchorage Crime Commission Juvenile Committee
Committee Consultant and Project Liaison

Joe Hoffbeck
Alaska Juvenile Crime Commission
Anchorage Crime Commission Juvenile Committee
Law Enforcement
Law Enforcement Expertise Liaison for the Committee

Barbara Gudde
Alaska Juvenile Crime Commission
Anchorage Crime Commission Study Guide Committee

Myrna Klingel
Alaska Juvenile Crime Commission
Anchorage Crime Commission Juvenile Committee
Research and Report and Study Guide Committee

Marlene Poulson
Alaska Juvenile Crime Commission
Study Guide Committee

Gail Dail,
Alaska Juvenile Crime Commission
Volunteer Coordinator
Anchorage Crime Commission Juvenile Committee

Cheri Kersbergen
Alaska Juvenile Crime Commission
Interview, Court Watch and Research Committee

Sue Dolman
Alaska Juvenile Crime Commission
Community Resource and Research

William Sharrow, Brig. Gen., Retired
Alaska Juvenile Crime Commission
Media and Research Committee
Special Assistant to Don Young

Special Consultants to the Alaska Juvenile Crime Commission:

John Rabin
Deputy Director, National Center for Missing and Exploited Children
Washington, D.C.
Head of the Louisville Exploited Child Unit
Expert for the Gacy trial, the Atlanta murder trial, and also the Rodriguez trials.

Dr. Vincent J. Fontana, National Consultant
Medical Director, New York Foundling Hospital
Professor of Clinical Pediatrics, New York University, College of Medicine
Author of "Somewhere a Child Is Crying"



President Ronald Reagan speaking at the opening of the National Center for Missing and Exploited Children. Commission Director, Marroyre Hall attended the ceremonies at the invitation of the president.

STATISTICAL PROGRESSION OF SEXUALLY ABUSED MALE JUVENILES INTO CRIMINAL BEHAVIOR

THE FOLLOWING FIGURES APPLY TO SEXUALLY EXPLOITED MALE JUVENILES WHERE THE SUSPECT IS OTHER THAN A FAMILY MEMBER. SIMILAR FIGURES COULD PROBABLY BE APPLIED WHERE FEMALE JUVENILES ARE VICTIMS. INFORMATIONAL SOURCES INCLUDE ANCHORAGE POLICE DEPARTMENT, F.B.I., ALASKA STATE TROOPERS, LOUISVILLE EXPLOITED CHILDRENS UNIT AND McLAUGHLIN YOUTH CENTER.

ASSUMPTIONS

1. THE AVERAGE ADULT MALE ABUSER WILL SEXUALLY EXPLOIT FIVE CHILDREN IN A ONE YEAR PERIOD.
2. SEXUAL ABUSE IS A SIGNIFICANT CONTRIBUTING FACTOR TO SUBSEQUENT DELINQUENT BEHAVIOR.
3. 50% OF THE MALE JUVENILES SO AFFECTED WILL ACT OUT IN A DELINQUENT MANNER.
 - a. Each of this 50% of sexually assaulted youth will commit [average] 10 felony crimes in a one year period.
 - b. Anchorage has approximately 3200 burglaries per year.
 - c. 39.8% of all forceable entry burglaries and 30.7% unlawful entry burglary arrests were male juveniles. 42% of all auto thefts were juveniles.
 - d. Average police time expended per burglary is 8 hours. [Police] [Add costs: court, probation, Mc Laughlin, support services].
 - e. 80% OF ALL JUVENILES [MALE] WHO SEXUALLY ABUSE OTHERS, HAVE BEEN SEXUALLY ABUSED THEMSELVES.
 - f. 50% of all male juveniles committing serious felony assaults [homicide and first degree assault] have been sexually exploited.
4. 20% of all boys admitted but not institutionalized at McLaughlin Youth Center have been sexually exploited. [One thousand boys are admitted to Mc Laughlin each year but not institutionalized.]
5. 60% OF ALL THE BOYS INSTITUTIONALIZED AT MYC HAVE BEEN SEXUALLY EXPLOITED.

PROJECTION OF ESTIMATED COST OF ACTIVITIES BASED ON KNOWN STATISTICAL FACTORS. (Cost covers only police man hours and actual dollar cost as a result of burglary property loss as an indicator of cost to the community.

COMPUTATION #1

- 1..... Sexual Exploiter.
- 2.5..... Males exploited (by the exploiter above) act out in a delinquent manner.
- 25..... Burglaries committed by the above juveniles in one year.
- \$75,000..... Property loss as a result of the 25 burglaries.
- 200..... Police man hours expended on these burglaries.

COMPUTATION #2

- 1600..... Burglaries committed by juveniles in Anchorage each year.
- 800..... Burglaries committed by sexually exploited juveniles each year in Anchorage.
- \$2,400,000... Property loss by sexually exploited juveniles in Anchorage each year.
- 6400..... Police man hours/year expended for burglaries committed by sexually exploited juveniles.
- 3.08..... Police Officers committed full time to investigating burglaries committed by sexually exploited juveniles.

COMPUTATION #3

ASSUMPTION: 23% of institutionalized boys sexually abuse someone else.

- 18.....Boys in MYC in one year have sexually abused someone else.
- 15.....Of these boys have been sexually exploited themselves.

COMPUTATION #4

ASSUMPTION:

Each sexually exploited boy institutionalized at MYC for a term of one year or more have usually been exploited by more than one exploiter.

- 48.....Boys have been sexually exploited in one year.
- 48.....Exploiters are involved.
- 48.....Exploiters have exploited 5 or more boys.
- 120.....Boys exploited by these exploiters will act out delinquenty.

- 48.....Boys will be institutionalized as a result.
- 1200.....Felony crimes will be committed in one year by the boys.
- 9600.....Police man hours will be expended investigating these crimes.

- 4.6.....Police Officer detailed full time to these crimes committed by these sexually exploited boys.

COMPUTATION #5

ASSUMPTIONS:

1 EXPLOITER EXPLOITS 60 BOYS IN A 4 YEAR PERIOD. (Rodriquez)

- 30.....Boys will act out delinquenty.
- 1200.....Felony crimes will be committed by these boys in a 4 year period.

- 1.2.....Police Officers will work full time for four years investigating these crimes.

ASSUMPTION:

EACH OF THE 30 BOYS COMMITTING THESE CRIMES WILL SPEND 5 YEARS IN JAIL IN A 10 YEAR PERIOD.

- 150.....Years in jail spent by victims of this one exploiter.

ASSUMPTION:

Of the 1200 crimes committed, 1000 will be burglaries.

- \$3,000,000.... PROPERTY LOSS IN 4 YEARS AS A RESULT OF THIS ONE EXPLOITER.

COMPUTATION #6

ASSUMPTION:

1. 200 boys admitted to MYC each year have been sexually exploited.
2. 200 additional boys not admitted to MYC have been exploited.
3. 400 additional boys have been exploited but have not displayed subsequent significant delinquent behavior during the year.

400.....Boys exploited who have acted out delinquently.
4000.....Felony crimes committed.
32,000.....Police man hours expended in investigation
15.4.....Police Officers investigating these crimes.

COMPUTATION #7

ASSUMPTIONS:

80.....Boys have been exploited each year.
200.....Will engage in a criminal lifestyle.
10.....Felony crimes will be committed by each boy each year.
60%.....Of those crimes will be property crimes with average dollar loss of \$3,000.00.

23%.....Will sexually abuse others during that period.
200,000.....Felony crimes committed.
120,000.....Property crimes committed.
\$36,000,000. Property loss.
46.....Sex offenders created.

ASSUMPTION:

Each of the 200 boys will spend 5 years in jail as a result of their crimes.

1000.....Man years of jail time over a 10 year period for each years victims of sexual exploitation.
10,000.....Man years each 10 years for victims of sexual exploitation.
100.....Exploiters.
250.....Kids/year (Delinquent)
2500.....Felony crimes (80% property crimes).
2000.....Property crimes.
\$6,000,000.... Property loss.
9.6.....Officer full-time investigating victim's crimes.

COMPUTATION #8

ASSUMPTION:

Of the 46 sexual offenders created in one year, 25% will begin to sexually exploit juvenile males within 10 years.

10 years from now =

11.....New and additional sexual exploiters.
550.....Juvenile males sexually exploited by these additional exploiters in subsequent 10 year period.

137.....Of those exploited will lead a criminal lifestyle.
13,700.....Felony crimes will be committed by the juveniles so exploited in 10 year period.
34.....New sexual offenders will be created, at least 25% of whom will enter the exploiter cycle.

CONCLUSIONS:

FROM THESE VERY CONSERVATIVE STATISTICAL PROJECTIONS THE FOLLOWING CONCLUSIONS CAN BE INFERRED:

Sexual exploitation of juvenile males is a significant and highly contributing factor to subsequent delinquency and criminal behavior.

The cycle of victim progressing to criminal and to sexual offender/exploiter, if not broken, will lead to a geometric type progression of criminal behavior, dollar loss to society, and inability of law enforcement to contain criminal behavior.

Dollar loss noted in these statistics applies only to burglary crimes and does not include dollar loss due to other crimes such as larceny, robbery, fraud, etc. that would probably greatly exceed that mentioned.

Dollar loss to society in the form of increased jail requirements, law enforcement expenditures, court system costs, social service expenditures, etc. is not considered and is astronomical in comparison to dollar loss figures from burglary crimes alone.

Crimes that will result against persons such as assault, homicide, robbery, etc. are not addressed.

Sexual exploitation of children also covers categories not addressed in these projections such as female prostitution, male prostitution and incestuous crimes that probably equal if not exceed in dimension the projections listed here.

Sexual exploitation of children is a hidden problem that has been a significant and root cause of today's crime problem and that if left unaddressed and not diminished will geometrically progress into an out of control causational factor of criminal behavior to a greater impact on our state and future.

Superseded

SB 86

JAN 31 1985

DEPARTMENT OF PUBLIC SAFETY

POSITION PAPER - SB86

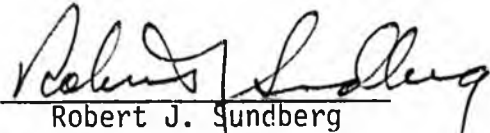
NEUTRAL

January 25, 1985

SB 86 - "An Act relating to runaway minors."

The legislation requires law enforcement agencies to make a reasonable effort to locate runaways.

Recently increased emphasis has been placed on efforts to locate missing persons and a specialized unit has been established within our Criminal Investigation Bureau to coordinate these efforts. No substantial change in our operations are anticipated as a result of passage of this legislation.


Robert J. Sundberg
Commissioner

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SB 86
 Title: An Act Relating to
 Runaway Minors
 Sponsor: Senator Devries
 Requestor: Sen. State Affairs
 Date of Request: 1-29-85

FISCAL DETAIL

Agency Affected: Public Safety
 Program Category Affected: _____
 Administration of Justice
 BRU, Program or Subprogram(s) Affected: _____
 Alaska State Troopers

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

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

REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

Prepared By: Francis C. Allan F.C.A. Phone: 269-5691
 Division: Alaska State Troopers Date: 1/25/85
 Approved by Commissioner R. J. Sundberg Date: 1-30-85
 Agency: Department of Public Safety

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

7/1/84

POSITION PAPER

COMMITTEE SUBSTITUTE FOR SPONSOR SUBSTITUTE
FOR SENATE BILL NO. 86 (HESS)

"An Act relating to runaway and missing minors."

This bill would mandate minimum levels of effort by law enforcement agencies to locate runaways or missing children and to take such children into protective custody when they are located. The bill also requires law enforcement agencies to complete reports on missing children which contain information necessary to identify such children and to disseminate these reports through state and national law enforcement computer networks.

Existing Practice

Under present law police agencies are allowed but not required to take action to locate reported runaways or missing children. Law enforcement agencies have discretion to detain runaway youth for the purpose of either returning them to their parents or legal custodian or taking them to an office of the Department of Health and Social Services. Under this discretionary statute police agencies may, and often do, refuse to respond to a parental request unless a court issues an order for detention of a runaway youth. In most instances, parents do not know the procedures required to obtain a court order. They must either seek the aid of an attorney or the Department of Health and Social Services, to whom they are generally referred by police agencies, in order to obtain these orders. This causes frustration on the part of parents, needless preparation of formal court documents, and unnecessary delays in law enforcement action to locate runaways.

The Department of Health and Social Services is presently mandated to assess the circumstances of runaway minors who request services and those of runaways who are detained by law enforcement, and to provide appropriate services to protect the youths and reunite them with their families. The department may assume emergency custody of runaways who request services or who are detained by police officers, if custody is necessary to protect the youth.

Effects of CSSSB 86

This bill mandates minimum levels of effort by police to locate runaway or missing youth and eliminates the discretion of police agencies to refuse such requests or wait until court orders are issued before making attempts to locate the youth.

Dissemination of reports on and identifying information about runaway or missing youth is also mandated. Upon receiving a request to locate a child police must complete a report and insure that it is entered into

state and national law enforcement computer networks. The bill also requires police to take protective custody of runaway or missing youth when they are located and clarifies ambiguity in existing law by clearly stating that a child under protective custody may not be housed in a jail or detention facility. Upon taking a youth into protective custody a police officer must advise the youth orally and in writing of the youth's right to social services and must inform the legal custodian that the minor has been taken into protective custody. Peace officers are then required to return the child to his or her legal custodian or, if the child prefers take them to an office, facility, or contract agency of the Department of Health and Social Services. Where no such office or facility exists in a community and the minor refuses to go home, a peace officer may take the minor to another suitable location and immediately inform the Department.

Department Position

The Department supports this bill as a means of insuring efforts are made to locate runaway and missing youth. The bill will also increase the likelihood of finding runaway and missing youth through the prompt dissemination of information about these youth through state and national law enforcement computer systems. In addition this bill would eliminate ambiguity in existing law concerning detention of runaways in jails or juvenile detention facilities and would insure that immediate, but nonpunitive protective action occurs when runaway or missing youth are located by police. The bill maintains an important provision of existing law which avoids returning children to abusive situations by requiring police to take runaway or missing youth to the Department for services if the youth prefers. This allows investigation of allegations of abuse or neglect and promotes reunification of families through mediation services when no neglect or abuse is found.

Though this bill does not address all aspects of the runaway problem it represents significant improvements which can be made within existing fiscal constraints.

RECOMMENDED: Michael L. Price
Michael L. Price, Director
Division of Family
and Youth Services

DATE: March 28/85

APPROVED: John R. Pugh
John R. Pugh, Commissioner
Department of Health
and Social Services

DATE: 3/31/85

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: CSSSSB No. 86
 Title: An Act relating to runaway minors
 Sponsor: Sen DeVries
 Requestor: _____
 Date of Request: 3/27/85

FISCAL DETAIL

Agency Affected: Health and Social Services
 Program Category Affected: Social Services
 BRU, Program or Subprogram(s) Affected: Social Services and Juvenile Custody BRU's

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-
CAPITAL		-0-				
REVENUE		-0-				

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS: Attach separate page if necessary

See Attached

Prepared By: Michael L. Pryde *Michael Pryde* Phone: 465-3170
 Division: Family and Youth Services Date: 3/26/85

Approved by Commissioner: J. A. G. G. *J. A. G. G.* Date: 3/31/85
 Agency: Health & Social Services

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

IV. ANALYSIS

A. Assumptions

This bill would result in an increase in the number of runaway youth referred to DFYS for assessment, investigation, counseling and placement services. A definitive estimate of this increase cannot be made however. Inadequacies in DFYS' computerized information system and lack of standardization in collection of information by law enforcement result in substantial underreporting of the number of runaway and missing youth. Estimates are that only one-fourth of all cases are reported or known.

Differences in policies and actions taken by state and local police agencies to locate and detain runaways under present discretionary law make estimates of increases in these activities under provisions of this bill impossible.

Field staff estimate that referrals of runaways to DFYS under this bill may double or even triple with increased activity by police and public demand for police action. However, given the lack of data this fiscal note assumes increases in the demand for services could be met by the increased child protection staff levels requested in the Governor's FY 86 budget. The fiscal note assumes full funding of the Governor's request including improvements in DFYS' management information system to allow collection of information on the true impact of this bill. Absent full funding of requested new social work and clerical positions it is estimated that 3 - 5 social work positions would be required to provide additional services to new referrals which will result from this bill.

B. Program Summary

N/A

C. Computations

N/A

D. Economic Impact

N/A

E. Impact on Local Governments

N/A

Missing / Runaways

AS 47.10.140

- a) arrest. → juvenile detention facility
- b) w/in 12 hrs, notify court, parents, DHS
- c) ct. hearing w/in 48 hrs.
- d) if ct. order, held in detention pending hearing
- e) minor may not be detained (except temporary per DOC) except by ct. order. but -
- * f) if no cause for arrest, can detain if evading guardian to
 - 1) return minor to guardian or
 - 2) if minor prefers, to DHS & notify guardian
- g) ^{runaway (f)} may not be detained in jail unless kept out of contact with
 - * criminals. Facilities must have DHS approval.

DeVries

- f) must return to guardian unless
 - 1) officer files affidavit per abuse or neglect ^{+ emergency custody necessary}
 - 2) minor files criminal complaint against parent
- If minor seeks services for DHS, must notify police who is turn return kid to parents.
- Redequires 'child abuse' & 'neglect' - why?

HB 19

Instead of detention, "protective custody."
 Along DeVries - immediately honor neglect to locate minor, enter name with APSIN and NCTC.
 delete name once found.

Our CS

Add: if missing person not found 25 da, more info. entered.
 needs confidential

19-0

HB 19

HB 19 MISSING AND RUNAWAY CHILDREN. (REP. PHILLIPS)

THIS BILL IS A PART OF THE CHILD PROTECTION PACKAGE, AND IS IDENTICAL TO SB 86, DEVRIES' BILL THAT PASSED THROUGH SENATE H.E.S.S. (WE WAIVED HB 19).

THE BILL WOULD REQUIRE THAT REPORTS OF MISSING OR RUNAWAY CHILDREN BE TAKEN IMMEDIATELY AND WITHIN 24 HOURS ENTERED INTO BOTH THE STATE (A.P.S.I.N.) AND F.B.I. (N.C.I.C.) COMPUTER SYSTEMS. THE BILL WOULD DISALLOW HOUSING OF RUNAWAY OR MISSING MINORS IN JAIL FACILITIES, AND REQUIRE THAT THE LEGAL CUSTODIAN BE NOTIFIED IMMEDIATELY IF THE MINOR IS TAKEN INTO PROTECTIVE CUSTODY BY THE STATE.

DEPT. OF PUBLIC SAFETY CURRENT PRACTICE IS TO ACCEPT MISSING PERSONS REPORTS AND ENTER THEM AS "LOCATES" IN THE STATE COMPUTER, AND AFTER 48 HOURS TRANSFER THEM TO THE "MISSING PERSON" LIST. THERE IS NO REQUIREMENT THAT THE NAMES ALSO BE TRANSFERRED TO THE F.B.I. COMPUTER. JOHN WALSH'S RECOMMENDATION WAS TO IMMEDIATELY TAKE THE REPORT (AS HB 19 PROVIDES), AND TO REQUIRE THAT IT GO IN THE F.B.I. SYSTEM (AS HB 19 PROVIDES).

CURRENT STATUTE ALLOWS RUNAWAYS TO BE HOUSED IN JAIL FACILITIES IF THE FACILITY IS APPROVED BY THE DEPT. H&SS AND IF THE RUNAWAY IS KEPT OUT OF CONTACT WITH ADULT CRIMINALS. NOTIFICATION OF LEGAL CUSTODIAN PROVISION IS THE SAME AS IN SB 19.

House-passed version

Offered: 3/20/85
Referred: Finance

Original sponsors: Phillips, Goll
and Larson

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2

CS FOR HOUSE BILL NO. 19 (Judiciary)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to runaway and missing minors."

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

8 * Section 1. AS 47.10.140(e) is amended to read:

9 (e) Except for temporary detention pending a detention hearing
10 [OR TEMPORARY DETENTION UNDER (f) OF THIS SECTION], a minor may [NOT]
11 be detained only [EXCEPT] by court order.

12 * Sec. 2. AS 47.10 is amended by adding a new section to read:

13 Sec. 47.10.141. RUNAWAY AND MISSING MINORS. (a) Upon receiving
14 a request to locate a minor evading the minor's legal custodian or to
15 locate a minor otherwise missing, a law enforcement agency shall make
16 reasonable efforts to locate the minor and shall immediately complete
17 a missing person's report containing information necessary for the
18 identification of the minor. As soon as practicable, but not later
19 than 24 hours after completing the report, the agency shall transmit
20 the report for entry into the Alaska Public Safety Information Network
21 and the National Crime Information Center computer system. As soon as
22 practicable, but not later than 24 hours after the agency learns that
23 the minor has been located, it shall request that the Department of
24 Public Safety and the Federal Bureau of Investigation remove the
25 information from the computer systems.

26 (b) A peace officer shall take into protective custody a minor
27 described in (a) of this section if the minor is not otherwise subject
28 to arrest or detention. The peace officer shall honor the minor's
29 preference to either (1) return the minor to the legal custodian or

1 (2) take the minor to an office specified by the Department of Health
2 and Social Services or a facility or contract agency of the depart-
3 ment. If an office specified by the department or a facility or
4 contract agency of the department does not exist in the community, the
5 officer shall take the minor to another suitable location and promptly
6 notify the department. A minor under protective custody may not be
7 housed in a jail or other detention facility. Immediately upon taking
8 a minor into protective custody the officer shall advise the minor
9 orally and in writing of the right to social services under AS 47.10.-
10 142(b), and, if known, the officer shall advise the legal custodian
11 that the minor has been taken into protective custody.

12 * Sec. 3. AS 47.10.140(f) and (g) are repealed.

AN ACT

Relating to runaway and missing minors.

* Section 1. AS 47.10.140(e) is amended to read:

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Chapter 42

1 (2) take the minor to an office specified by the Department of Health
2 and Social Services or a facility or contract agency of the depart-
3 ment. If an office specified by the department or a facility or
4 contract agency of the department does not exist in the community, the
5 officer shall take the minor to another suitable location and promptly
6 notify the department. A minor under protective custody may not be
7 housed in a jail or other detention facility. Immediately upon taking
8 a minor into protective custody the officer shall advise the minor
9 orally and in writing of the right to social services under AS 47.10.-
10 142(b), and, if known, the officer shall advise the legal custod' r
11 that the minor has been taken into protective custody.

12 * Sec. 3. AS 47.10.140(f) and (g) are repealed.



LAWS OF ALASKA

1985

Source

CSHB 19(Jud)

Chapter No.

42

AN ACT

Relating to runaway and missing minors.

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

THE ACT FOLLOWS ON PAGE 1, LINE 8

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: May 29, 1985
Actual Effective Date: August 27, 1985

JUSTICE

When Children Go to Jail

they are sick or pregnant. Dr. William Friend, a Seattle surgeon, even voices the heretical opinion that by using the kits, "the American housewife can often identify a number of diseases before the doctor can." But others find the new attitude of "patient, diagnose thyself" downright dangerous. "A lot of people don't appreciate how difficult it is to make good diagnoses," complains Dr. Allan Chernov, medical director of the Bay Pacific Health Plan in San Bruno, Calif. "You can't do it yourself based upon a simple home test." Instead, says Chernov, diagnoses require careful analysis of everything from physical exams to family histories.

One of the biggest controversies to date concerns venereal disease. In 30 states a man can buy a "semi" home test named V.D. Alert, which contains materials and instructions for sending in a sample of urethral discharge for analysis. Within 48 hours of mailing the sample, the man calls a toll-free number to find out whether he has gonorrhea. The problem, explains Dr. Thomas Halpin of the Ohio Department of Health, is that the company has yet to report any cases to health officials. Because some men may not get proper treatment on their own and others who are cleared of gonorrhea may still have syphilis or other sexually transmitted diseases, says Halpin, "we have to worry that innocent people may get these diseases passed to them." A Food and Drug Administration review group recently recommended that another home gonorrhea test not be approved for that reason. (The FDA has yet to make a final decision on the test.)

More Accurate: Another concern is the reliability of home tests. Early pregnancy kits were incorrect up to 25 percent of the time, causing panic or surprise for a number of women. Newer tests are considerably more accurate, but doctors still worry that diseases might go undetected and untreated if people begin to diagnose themselves. "You should go to the physician even if the test is negative to find out if there are other causes for your symptoms," advises Tom Tsakeris, deputy director of the FDA laboratory that evaluates the devices.

Home diagnostic tests are most valuable, doctors say, when they plug major gaps in current medical care. More than 60,000 Americans died of colorectal cancer last year; yet most would probably have survived if the illness had been diagnosed in its early stages. By detecting blood in feces, one symptom of the disease, home tests could bring people in for treatment before the cancer becomes fatal. The case for other home kits may be less clear cut, but their obvious benefits are winning them grudging acceptance among doctors. "It's the real world, and the tests are already out there," says Dr. Sidney Winawer, chief of gastroenterology at New York's Memorial Sloan-Kettering Cancer Center. "Now people need to be educated to use them properly."

JOHN CAREY with MARY HAGER in Washington, RICHARD SANDZA in San Francisco, EILEEN NORRIS in Chicago and SUSAN KATZ in New York

If there's one thing the bleedingest heart and the hardest nose can agree on about youth crime, it's this: whatever else should be done with kids who get in trouble, they shouldn't be put in jail with adults. Federal law requires some sort of segregation by age, and most states pay at least lip service to that goal. But in this area, too, the law's reach exceeds its grasp: depending on whose figures are used, at least 27,000 and at most 500,000 youths are tossed into adult clinks every year. It is a frightening experience and can be far worse. Kids behind bars with grown-ups may be sexually abused. Occasionally, they are tortured,

profess surprise that it exists. A spokesman for Ed Edelman, chairman of the Los Angeles County Board of Supervisors, said his boss thought that those in jail consisted of "big drug dealers, or gang members." Edelman ordered his own investigation.

Nationally, horror stories abound. In February a federal judge permanently enjoined Ada County (Boise), Idaho, to keep all but the most violent juveniles out of its jail. The ruling was prompted by the 1982 murder of a 17-year-old boy who was jailed for owing \$73 in traffic tickets; his cellmates tortured him and finally beat him to death. In a West Virginia jail a truant was mur-



A 13-year-old runaway in a Tennessee cell: The first few hours are the most dangerous

even murdered. Some become suicidal: last August a 15-year-old California girl arrested for assaulting a police officer hanged herself after four days of isolation in the local jail. Fearful of further injuries, groups in California last week filed four suits arguing that for jails, at least, separate and better is the appropriate policy.

Indeed, the problem may be most severe in California. Lawyers estimate that nearly 100,000 youngsters each year are held in local jails and police lockups around the state. Nearly all are charged with minor offenses; few ultimately go to jail after court proceedings. Some youths are guilty of nothing more than being abused by their parents: they are locked up for their own protection. Still, "the conditions in which they are kept are often like something out of Dickens," says Mark Soler, executive director of the Youth Law Center in San Francisco. "Small, dark cells. Little human contact. Hours of boredom and depression. And, in the worst cases, physical abuse by jail staff and other inmates." California officials usually minimize the problem—or

dered by an adult inmate; in an Ohio jail a teen-age girl was raped by a guard. All of which leads Paul Mones, legal director of the Public Justice Foundation in Santa Monica, to call jailing of youths "the most insidious form of child abuse, because it is state-sanctioned."

A Taste of Jail: Perhaps, but according to federal officials the system deserves credit for a vast improvement. "Since 1974, we've made a lot of headway," says Alfred S. Regnery, administrator of the Office of Juvenile Justice and Delinquency Prevention. Relying on 1983 figures, he reports that the number of juveniles held in jail with adults was down to 27,552, a 71.8 percent drop over the previous four years. Moreover, he suggests, it may be impossible to eliminate the problem entirely. He cites the case of a Texas judge whose county had just built a new jail and lacked money to open a separate facility. "What are we supposed to do," Regnery recalls the judge asking, "build an entire building so that a kid can have a bed one night out of three?" And personally Regnery finds himself in a bind. While his

JUSTICE

office is charged with promoting the separation of youths and adults, he agrees with those who "allege that the kids are better off in a regular jail if you can get them in with the right adults."

Even Regnery's critics admit that some progress has been made. Even in California, most of the kids held in adult jails are released within six hours; by some counts, only about 10 percent were held longer. Typically a police officer brings a juvenile into a precinct house or county jail. There the kid is booked, the cop fills out a report and the kid waits in a cell to meet a probation officer. Then the parents are called or the probation officer decides to "divert" the child—either way, ending the detention. But Mark Soler says those first few hours in a cell are the most dangerous. Often the children

are upset; they are held in isolation cells where there may be little to do but bang their head against the wall. They are scared. In December 1982, 15-year-old Robbie Horn hanged himself in a Kentucky jail where he had been held for 30 minutes. His offense: arguing with his mother. Some parents do not recognize the dangers, hoping that a taste of jail will cause their youngster to be "scared straight." That was the case in Boise with the brutally tortured and murdered 17-year-old. "We had no idea it would turn out like this," his parents said later.

What's really at work in this issue is what



A teen suspect in adult solitary: The wrong place

STEPHEN SHAMES—VISIONS

can be styled the Stop Sign Effect: try persuading city-hall bureaucrats to put a sign at a dangerous intersection; then watch them scramble after a youngster is run over. As soon as a child gets sodomized in an adult jail, says Jerry Miller, head of the National Center on Institutions and Alternatives, almost "everybody becomes a corrections reformer." The question now is whether lawsuits and legislation are enough, or must a few more youngsters die first?

ARIC PRESS with RICHARD SANDZA
in San Francisco and NIKKI FINKE GREENBERG
in Washington

Mobile Homes: New Rules of the Road

Few topics have so confounded the U.S. Supreme Court as the rules for police searches. With too-deliberate speed, the justices built one doctrinal line for house searches and another, more complicated one for car searches. Briefly, cops need warrants to go into houses but not necessarily to search autos—they, after all, can be driven away. This term, the high court reached a new height in Loophole Heaven, in answer to the singular question: which rule should apply to the search of a mobile home? Last week the court put the minds of law professors at ease when it announced that, by a vote of 6 to 3, the rules of the road will govern.

That technical decision may have some practical effect. Drug dealers, particularly in the West, often operate out of mobile homes, not because they can use them for a getaway but because they are a lot cheaper than a ranch house. Still, Chief Justice Warren Burger may have had Humboldt County, Calif., in mind when he wrote, "... to fail to apply the [car rule] to vehicles such as a motor home ignores the fact that [it] lends itself easily to use as an instrument of illicit drug traffic." Writing in dissent, Justice John Paul Stevens thought that view a bit crabbed: "Although it may not be a castle, a motor home" resembles a hotel room or vacation cabin and the court should respect the "highest... expectations of privacy associated with these abodes."

Fans of the Fourth Amendment need not despair that the sport is over. Burger carefully limited his ruling to a mobile home parked in a lot—not to those installed in a trailer park. In such a case, is the home more like a house than a car? Stay tuned.

TRANSITION

MARRIED: Princess Yasmin Aga Khan, 35, daughter of actress Rita Hayworth and the late Prince Aly Khan, and Greek shipping heir Basil Embiricos, 36; both for the first time, in New York City, May 15. Muslim and Greek Orthodox ceremonies will be held in Paris next month, but the couple decided to have a civil ceremony now partly because of the failing health of Hayworth, who is suffering from Alzheimer's disease.

EXPECTING: Fashion model Jerry Hall, 29, and rock superstar Mick Jagger, 40, their second child, in August. The unmarried couple have a 14-month-old daughter, Elizabeth Scarlett.

Actress Candice Bergen, 39, and her husband of almost five years, director Louis Malle, 52; their first child, in October.

DIVORCE ASKED: By singer Marie Osmond, 25, from former Brigham Young University basketball star Stephen Craig,

28, a fellow Mormon; after almost three years of marriage and one child, in Provo, Utah, May 14.

DIED: Actress and comedy writer Selma Diamond, 64; of lung cancer, in Los Angeles, May 13. Diamond provided gags for "The Milton Berle Show," "The Perry Como Show" and "The Adventures of Ozzie and Harriet." She also appeared in a number of movies, including "It's a Mad, Mad, Mad, Mad World," and recently played a wisecracking bailiff who often had a cigarette dangling from her lips on the TV series "Night Court."

Actress Margaret Hamilton, 82, who frightened generations of children as the cackle-voiced, green-

skinned Wicked Witch in the classic 1939 film "The Wizard of Oz"; of an apparent heart attack, in Salisbury, Conn., May 16. Hamilton appeared in dozens of other films, among them "Guest in the House" and "State of the Union"—often portraying what she called "the cantankerous cook or the acidulous aunt with a corset of steel and a heart of gold." Yet she remained indelibly linked in moviegoers' minds with her role as the Wicked Witch.

Author-director Abe Burrows, 74, who wrote "Guys and Dolls," "How to Succeed in Business Without Really Trying" and many other hit musicals; of pneumonia, in New York, May 17. Once a nightclub comic, Burrows's credits also include screenplays, songs and radio scripts.



Hamilton in 'Wizard of Oz'

COMMITTEE REPORT
SENATE

FURTHER: JUDICIARY

1/24/85

Date 2-24-85

Mr. President

The Committee on NESS considered SSSB 86

~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~ relating to runaway and missing minors, and to child abuse and child neglect.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SSSB 86
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Edna W. Viles

W. J. ...

William Stung...

Chairman _____

Chairman recommendation _____



RECORDS CERTIFICATION



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

James O. Smith
Signature of Camera Operator

10/31/89
Date

S

B

Q

H

Senate Health, Education and Social Services Committee

Legislation Checklist

Bill number: SB 94
Sponsor: Vic FISCHER
Date referred to committee: 1/24
Synopsis completed: 1/28
Fiscal note:
Further referrals: Finance

Tues, 19

CONTACTS:

- ✓ Dennis DeBross AK Native Health Board (AFN)
1135 W 8th Ave Anch 270-5089
SUPER 789-4852
- ✓ Vic Fischer (Kadisich) Anch 278-3654
- ✓ Dept Revenue - leg. liaison Royce Weller 2380
- ✓ Curt ^{valerie} Mekemson - AK Lung Assoc 272-2332
- ✓ Rick Lauber - Tobacco Institute 586-1324
- ✓ Sandra Gast, juv - Lung Assoc H 789-2291
W 586-2611 ext 246
- Mr. Joe Alter - (APHA) AK Public Health Assn. 586-6680
- Dr Ann Morris 346-2879 Healthy AK Coalition
(message 2/12)
- ✓ DOE - 2800
- ✓ DHSS - 3030
- ✓ Terry Kramer, Legal 2450
- don't contact
Judy Slyfield 7302 Huntsman Cir, #B
Anch 99502

Munkowski (202) 271-3735 Health Issues Sheila Rogan Tax - will call back w/ info
Young (202) 225-5765 Pammy Meyer

COMMITTEE REPORT
SENATE

FURTHER: FINANCE

1/24/85

Date 2-20-85

Mr. President

The Committee on HESS considered SB 94
increasing the excise tax on cigarettes; efd.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 94
- new title
- same title and recommends DO PASS
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

[Signature]
[Signature]
[Signature]

[Signature]
Chairman

Chairman recommendation

D R A F T

Introduced: 1/24/85
Referred: Health, Education & Social Services
and Finance

1 IN THE SENATE

BY V.FISCHER

2

CS SENATE BILL NO. 94 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act increasing the excise tax on cigarettes; and

7

providing for an effective date."

8

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

9

* Section 1. INTENT. (a) It is the intent of the legislature that the
10 excise tax on cigarettes levied by this Act be used principally to fund
11 health promotion and education programs to enhance wellness, good nutri-
12 tion, and physical and mental fitness and to encourage the avoidance of
13 unnecessary health risks, including smoking and use of alcohol and other
14 drugs.

(b) The health promotion and education programs shall include
15 promoting the implementation of school health education programs statewide
16 for all grades; distributing and coordinating grants for statewide and
17 local health promotion and education programs; and developing a five-year
18 health promotion and education plan for the state, including one-year plans
19 of operation.

21 * Sec. 2. AS 43.50.190(a) is amended to read:

22 (a) There is levied an excise tax of five [ONE] and one-half
23 mills on each cigarette imported or acquired in this state.

24 * Sec. 3. This Act takes effect October 1, 1985, if by that date
the federal tax on each small cigarette is equal to or less
than \$4 per 1000. In this section, "small cigarette" has the
meaning given in 26 U.S.C. 5701(b).

A M E N D M E N T

#2

Offered in the HESS Committee

By V. Fischer

TO: SB 94

Page 1, line 22, after "tax" delete:

"of five [ONE] and one-half mills on each cigarette imported or acquired in this state."

Insert:

"in an amount sufficient to make the total of the federal tax and the additional state tax levied by this section on each cigarette imported or acquired in this state equal to

(1) 9.5 mills on each small cigarette; and

(2) 18.3 mills on each large cigarette [OF ONE AND ONE-HALF

MILLS ON EACH CIGARETTE IMPORTED OR ACQUIRED IN THIS STATE]."

Page 1, after line 23, insert a new bill section to read:

"* Sec. 3. AS 43.50.190 is amended by adding a new subsection to read:

(c) In this section, 'small cigarette' and 'large cigarette' have the same meanings given in 26 U.S.C. 5701(b)."

RATIONALE:

9.5 mills is the current federal tax on small cigarettes (8 mills) plus the "additional state tax" (1.5 mills) levied under AS 43.50.190 that goes to the general fund.

18.3 mills is the combined tax for large cigarettes.

Amendment #2 puts a ceiling on the combined tax to ensure that it does not exceed its current level. In the eventuality the federal tax is increased beyond its current level, the State tax would face an automatic reduction.

Different ways to state tax:

mills per cigarette (which is $\frac{1}{10}$ of a cent)

cents per pack (based on 20 cigs/pack)

dollars per thousand.

Fed. ~~tax~~^{law} refers to dollars per thousand:

Current fed. tax on small cig. is \$8/1000
 Oct 1 scheduled to be reduced to \$4/1000.

State law refers to mills per cigarette:

Current state tax on every cig. is 4 mills
 SB 94 would increase to 8 mills (which is
 \$8/1000).

C.S. ties to a specific federal action —
 reduction by \$4/1000 ~~is~~ 4 mills
 which is what's scheduled for Oct. 1st

Theoretically, feds. could choose to not
 reduce the tax on large ^{+ \$1/1000} cigarettes, +
 the state tax would go into effect.

But the fed. tax law which will sunset
 Oct. 1 will reduce the tax on large + small
 cigarettes simultaneously.

ALASKA LUNG ASSOCIATION

SB 94

1. Cigarette smoking is responsible for one in every five cancer deaths.
The risk of developing lung cancer is ten times greater for cigarette smokers than for nonsmokers.
Over 346,000 deaths each year are related to cigarette smoking.
2. The tobacco industry spends 1.5 billion dollars per year on advertising.
3. The average pack-a-day state employee costs the State an additional 3.1 million dollars per year in increased expenses.
4. The average tax per pack of cigarettes is 15.6 cents (Alaska and Hawaii not included). Of these 48 states, only 4 have less tax on cigarettes than Alaska.

1. Office on smoking and health, U.S. Dept. of Health & Human Services.
2. New York State Journal of Medicine, Dec. 83, page 1247.
3. Make cancer control your business, American Cancer Society, 1981.
Alaska Dept. of Labor, Research and Analysis
Alaska Public Employees Association survey, March 25, 1983
4. Legislative research paper from Richard Ramsey, to Senator Vic Fischer, August 30, 1984

dilemma of teenage self-destructiveness, while the *billions* of dollars spent on cigarette and alcohol advertising each year in the United States is seldom considered as the neglected cornerstone of drug abuse. Denial of our national drug abuse problem has become a cliché; but what is there to say when the major nationally televised program on adolescent drug abuse, "The Chemical People," contained not a single mention of smoking or of advertising for alcohol and cigarettes? (This in spite of a report issued earlier this year by the director of the National Institute on Drug Abuse, William Pollin, MD, indicting cigarette smoking as America's leading form of drug dependence.)

Because labels such as "antismoking," "smoker," "nonsmoker," "quitter," and "addict" may well have hampered a dispassionate analysis of the smoking problem on both individual and societal levels, contributors to this issue were encouraged to challenge the conventional vocabulary of smoking. Insofar as the average physician is concerned, smoking cessation has been regarded largely—if regarded at all—as a frustrating, futile, or hit-or-miss matter with little scientific basis. Not one of the nearly 9,000 continuing medical education courses offered in the United States in 1983 was devoted to scrutiny of methods for the treatment of the problem recognized by the World Health Organization and the Centers for Disease Control as the single most preventable cause of poor health in the world. One of the objectives of this issue is to encourage physicians to realize that not all of the onus for solving the smoking pandemic lies with themselves or with researchers or with governments—or, for that matter, with patients. But it is imperative that physicians overcome the misappre-

hension that patients "have heard it all before," for most information about smoking perceived on a day-to-day basis by the public and the medical profession alike has been put to them in the form of \$1.5 billion worth of advertising images each year. As W. R. Rickert, PhD, implies in this issue, by advertising cigarettes as "low tar" (low poison? fewer carcinogen-containing compounds per puff?), the tobacco industry has become our leading health educator. At the very least—whether through the introduction of "toasting" in the 1920s, filters in the 1950s, or less "tar" in the 1970s, the industry has succeeded in allaying the health concerns about smoking on the part of millions of Americans and in undermining educational efforts—unimaginative, off-the-mark, and poorly promoted though most such campaigns may be—about the undeniable and irredeemably harmful consequences of cigarette smoking. The motto of the tobacco industry could well be "ubiquity, propinquity, iniquity," for it is by posting its cigarette brand images everywhere, by juxtaposing the images to enjoyable and healthful activities such as sport, and by reinforcing a sinful, rebellious idea of smoking that it keeps sales high.

Since the mass media will not report on the subject of cigarette smoking and its promotion to the extent that they cover even the rarest of diseases, physicians must choose whether to adapt to the mass media's concept of health and disease or to act on the basis of their own knowledge. Is it not our duty to work as hard to end the world cigarette pandemic as those who are paid to glorify the image of smoking?

ALAN BLUM, MD
Editor

**You pay a
high price for
employees
who smoke**

Smoking is related to more than 20 percent of all cancers. In addition, the average pack-a-day smoker costs a company \$625-\$750 per year in increased expenses.

Smokers have

- absenteeism rates which are 40-50 percent higher than nonsmokers
- at least 50 percent more health care needs
- accident rates twice as high.

"Cigarette smoking is the single most preventable environmental factor contributing to ill-

ness, disability and death in the United States."

Surgeon General
U.S. Public Health Service

Is Smoking Really Harmful?

Secondhand Smoke Harms Children

Children in households where one or both parents smoke cigarettes have a higher prevalence of respiratory conditions and lower lung function than children not passively exposed to cigarettes.

This finding, which confirms the results of other recent studies, was announced at the Joint Annual Meeting of the American Lung Association and the American Thoracic Society in Kansas City. The family smoking histories of 4,378 children from birth to age 19 were reviewed as part of the Tecumseh Study, a project initiated in 1959 to study the development of diseases in the entire population of a small town.

The prevalence of asthma, wheeze, and chest colds was higher in males, and that of bronchitis and wheeze higher in females, if both parents smoked," said Cecil M. Burchfiel, who delivered the report.

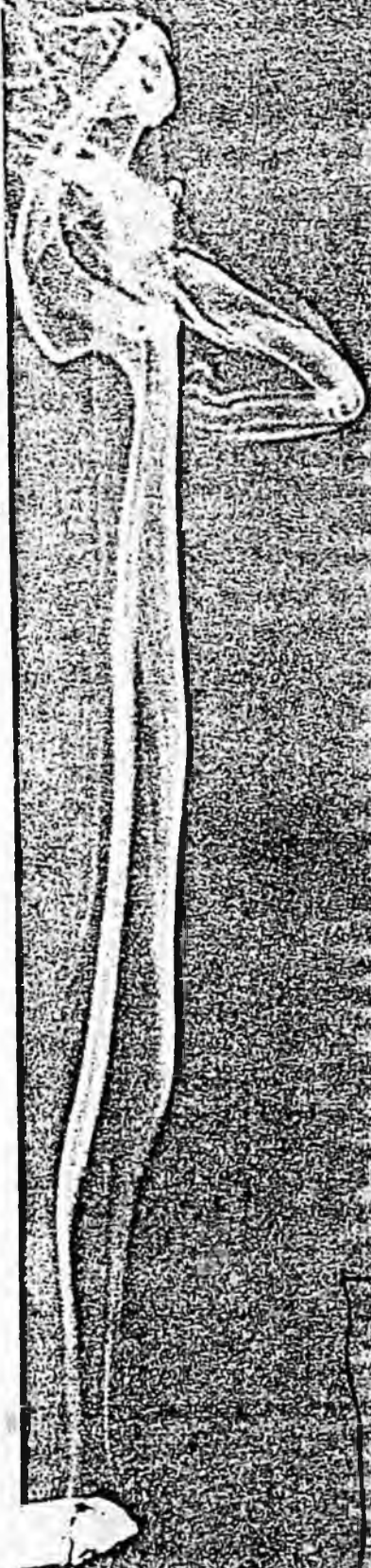
Lung function was examined only in children between 10 and 19 years of age. Various measures of function were lower in children of both sexes living in households where parents smoked, especially in the 10-to-14-

year group. Amount and duration of parental smoking also correlated with the prevalence of respiratory conditions and impaired lung function. "We found that these effects were more common in households where mothers smoked, rather than in those where only the father smoked," added Mr. Burchfiel. "It also appears that the relationships are strongest in the younger age groups and among male children of all age groups." A possible explanation for the increased effects among younger children is that they are not only more susceptible to the effects of cigarette smoke but also are in closer contact with the parents.

To date, this is one of the few population studies on the effects of passive smoking on children. "This type of study offers an important advantage over other types. One of the strengths of the Tecumseh Study is that information is available for both children and parents, and that these families have been followed for over 20 years," added Mr. Burchfiel. His co-workers in the study were W.F. Howatt, J.B. Keller, W.J. Butler, J.L.T. Higgins, and M.W. Higgins.

Some Facts You Should Know

- Cigarette smoking is responsible for one in every five cancer deaths.
- The risk of developing lung cancer is ten times greater for cigarette smokers than for non-smokers.
- Smoking during pregnancy directly retards the rate of fetal growth.
- Over 346,000 deaths each year are related to cigarette smoking.
- After 15 years of cessation, the chance of death for ex-smokers is similar to those who never smoked.



ATTACHMENT

DPDP

PRO-1123

43.50.070

REVENUE AND TAXATION

§ 43.50.090

License is lost, destroyed, or defaced, the department may issue a duplicate license upon payment of a fee of 50 cents. (§ 8 ch 187 SLA 1955)

Sec. 43.50.070. Revocation of licenses. The department may suspend or revoke a license issued under AS 43.50.010 — 43.50.180 (1) for violation of AS 43.50.010 — 43.50.180 or a regulation of the department adopted under AS 43.50.010 — 43.50.180, or (2) if a licensee refuses to act in the capacity for which the license was issued. No person whose license is suspended or revoked shall sell cigarettes or permit cigarettes to be sold during the period of the suspension or revocation on the premises occupied or controlled by that person. No disciplinary proceeding or action is barred or abated by the expiration, transfer, surrender, renewal, or extension of a license issued under AS 43.50.010 — 43.50.180. The department shall comply with the provisions of the Administrative Procedure Act (AS 44.62). (§ 9 ch 187 SLA 1955)

Sec. 43.50.080. Returns. (a) On or before the last day of each calendar month a licensee shall file with the department a return, under penalty of perjury, for each place of business. The return shall state the number of cigarettes manufactured, imported, or acquired by the licensee during the preceding calendar month, and other information which the department requires. If a licensee ceases to import or acquire cigarettes, the licensee shall immediately file with the department a return for the period ending with the cessation.

(b) A person holding a wholesaler-distributor license under AS 43.50.035 shall file a return with the department on or before the last day of each calendar month. The return shall state the number of cigarettes sold, including those cigarettes exempt from tax, and remit tax due by the wholesaler-distributor for the preceding calendar month and other information which the department may require. (§ 8 ch 187 SLA 1955; am § 3 ch 47 SLA 1964)

Sec. 43.50.090. Tax imposed. (a) There is levied an excise tax of two and one-half mills on each cigarette imported or acquired in the state. Each licensee shall, at the time of filing the return required by AS 43.50.080, pay to the department the excise for the calendar month indicated by the return, deducting one per cent of the total tax due, which the licensee shall retain to cover the expense of accounting and filing returns. Cigarettes upon which the excise is imposed are not again subject to the excise when acquired by another person.



It is the intent and purpose of this section to provide for the collection of this excise from the person who first acquires the cigarettes in this state.

The tax imposed under (a) of this section does not apply to cigarettes imported or acquired in the state by an exchange, messary, or ship's stores operated by one of the uniformed services of the United States as defined in 5 U.S.C. 2101. (§ 11 ch 187 SLA 1955; am § 5 ch 94 SLA 1977)

Title 44
State Government

JPDP

§ 43.50.140

REVENUE AND TAXATION

§ 43.50.170

(d) An invoice for the sale of cigarettes given or accepted by a licensee under AS 43.50.010 — 43.50.180 shall state whether the tax imposed by AS 43.50.010 — 43.50.180 has been paid. (§ 15 ch 187 SLA 1955)

Sec. 43.50.140. Disposition of proceeds. The proceeds derived from the payment of taxes, fees, and penalties, provided for under AS 43.50.010 — 43.50.180, and the license fees received by the department shall be paid into a state fund entitled "School Fund," and shall be used exclusively to rehabilitate, construct, and repair the state's school facilities, and for costs of insurance on buildings comprising school facilities during the rehabilitation, construction, and repair, and for the life of the buildings. (§ 16 ch 187 SLA 1955)

Opinions of attorney general. — In order to insure that tobacco tax funds are used most effectively in being a part of major rehabilitation, construction and major repair projects, the law requires that expenditures from such funds be made only after study and concurrence by the city school board, the city council, and the commissioner of education (now Department of Education). 1962 Op. Att'y Gen., No. 24.

It is necessary for the city council to concur by resolution in any expenditure of tobacco tax funds. 1962 Op. Att'y Gen., No. 24.

In addition to the approval of the city council, any disbursement of tobacco tax funds must be made with the authorization of the local school board. 1962 Op. Att'y Gen., No. 24.

State Government
Title 44

Sec. 43.50.150. Administration. (a) The department shall (1) administer this chapter, and (2) collect, supervise, and enforce the collection of taxes due under this chapter and penalties as provided in AS 43.05.

(b) The department may adopt regulations necessary for the administration of this chapter. (§ 17 ch 187 SLA 1955; am § 39 ch 113 SLA 1980)

Effect of amendments. — The 1980 amendment in subsection (a), substituted "this chapter" for "AS 43.50.010 — 43.50.180," deleted "and penalties" following "the collection of taxes," and substituted "this chapter and penalties as provided in AS 43.05.010 -- 43.05.290" for

"AS 43.50.010 — 43.50.180"; in subsection (b), substituted "adopt" for "publish," and "AS 43.05" for "AS 43.50.010 -- 43.50.180, (1) to enforce AS 43.50.010 — 43.50.150, and (2) to collect the taxes, fees, and penalties imposed by AS 43.50.010 — 43.50.180."

Sec. 43.50.160. Criminal penalties. [Repealed, § 46 ch 113 SLA 1980. For current law, see AS 43.05.290.]

Sec. 43.50.170. Definitions. In this chapter, unless the context otherwise requires,

(1) "buyer" means a person who imports or acquires cigarettes for his own consumption from any source other than a manufacturer, distributor, direct-buying retailer, or retailer;

(2) "cigarette" means a roll for smoking of any size or shape, made wholly or partly of tobacco, whether the tobacco is flavored, adulterated, or mixed with another ingredient, if the wrapper or cover of the roll is made of paper or a material other than tobacco;

(3) "department" means the Department of Revenue;

(4) "direct-buying retailer" means a person who is engaged in the sale of cigarettes at retail in this state, and who brings or causes to be brought cigarettes into the state;

(5) "distributor" means a person who brings cigarettes, or has cigarettes brought into the state, and who sells or distributes at least 75 per cent of the cigarettes to others for resale in the state;

(6) "licensee" means a person licensed under AS 43.50.010 — 43.50.180;

(7) "manufacturer" means a person who makes, fashions, or produces cigarettes for sale to distributors or other persons;

(8) "person" includes an individual, company, partnership, joint venture, joint agreement, association, mutual or otherwise, corporation, estate, trust, business trust, receiver or trustee, syndicate, or political subdivision of this state, or combination acting as a unit;

(9) "place of business" means a place where cigarettes are sold, or where cigarettes are brought or kept for the purpose of sale or consumption, including a vessel, vehicle, airplane, or train;

(10) "retailer" means a person in the state who is engaged in the business of selling cigarettes at retail;

(11) "sale" includes a sale, barter, exchange, and every other manner of transferring the ownership of personal property. (§ 2 ch 157 SLA 1955; am § 27 ch 70 SLA 1964)

Sec. 43.50.180. Short title. AS 43.50.010 — 43.50.180 may be cited as the Cigarette Tax Act. (§ 1 ch 157 SLA 1955)

Article 2. Additional Cigarette Tax.

Section

190. Additional tax levy on cigarettes

Sec. 43.50.190. Additional tax levy on cigarettes. (a) There is levied an excise tax of one and one-half mills on each cigarette imported or acquired in this state.

(b) The tax levied by this section is in addition to the tax levied by AS 43.50.010 — 43.50.180. The tax shall be administered and collected in the same manner as the tax levied by AS 43.50.010 — 43.50.180, except that receipts from the tax shall be deposited in the general fund. The penalties provided in AS 43.05 apply to the tax levied in this section. (§§ 1, 2 ch 53 SLA 1961; am § 40 ch 113 SLA 1980)

Effect of amendments. — The 1980 amendment substituted "provided in AS 43.05" for "established in AS 43.50.010 — 43.50.180" in the third sentence of subsection (b).

SMOKING, HEALTH, AND ECONOMICS

The health effects of cigarette smoking are extremely well documented. Smoking is the major cause of lung cancer, heart disease, emphysema, and chronic bronchitis. In fact, smoking is the single most preventable cause of disease. In 1985 over 340,000 Americans will die prematurely because of their smoking habit. Millions more will live with crippled lungs and strained hearts.

Human suffering is only part of the picture. Smoking related diseases cost some 16 billion dollars in medical care resources yearly - a figure which can be translated into an extra \$100 per year in extra taxes and health insurance premiums for working adults. This applies whether the person smokes or not.

Many other costs such as lost working days, fire damage, special ventilation systems, etc. add to the bill we all get to pay. Information from Senator Ted Stevens to Dr. James Sprott of Anchorage placed these costs at 26 billion dollars for a total of 42 billion. As Stevens noted "The overall economic loss to the nation due to smoking is staggering."

SMOKING AND OTHER HEALTH RISK FACTORS IN ALASKA

For whatever the reasons, Alaskans tend to be toward the top of national statistics in pursuing habits with high health risk factors. Following is a discussion of four key indicators: smoking, alcohol abuse, accidents, and mental health.

SMOKING: Thirty six percent of adult Alaskans smoke. Only two states, Kentucky at 36.6% and North Carolina at 37.7%, exceed Alaska. Once again, both of these states are tobacco producing. Another statistic indicative of Alaskans smoking habits is that the number of cigarette packs sold per capita in the U.S. dropped by 4.6% between 1976 - 1982 while increasing by 4.2% in Alaska. An 8.6% difference. Eventually, these figures will be translated into more lung cancer, heart disease and emphysema.

ALCOHOL. Another very apparent health risk to Alaskans is excessive alcohol consumption. A statewide health survey carried out by the Department of Health and Social Services in 1984 showed this to be the number one concern of the various groups surveyed. Alaskans are number 12 nationally in acute drinking and take the number 3 spot

for chronic drinking. (Acute is defined as 5 or more drinks on an occasion one or more times per month and chronic is defined as 2 or more drinks per day or 14 or more drinks per week.) The two states which exceed Alaska in chronic drinking are New Hampshire and Florida. In per capita consumption of distilled spirits we are also close to the top. Alaska consumes 3.3 gallons per person, New Hampshire 4.8, Nevada 5.7, and Washington D.C. 6.

ACCIDENTS: Accidents rates are also very high in Alaska. 1981 census figures showed Alaska with an accidental death rate of 89.3 per 100,000 population in comparison with 43.2 for the nation. Not surprisingly, the major differences were aircraft and water related.

MENTAL HEALTH: Mental health is also a problem as reflected by such indicators as suicide, family violence, child abuse, and violent crimes. Often alcohol plays an important role. In 1980 suicide was the fifth leading cause of statewide mortality. The rate of 17.7 suicides per 100,000 compares with a U.S. rate of 12.2. It is also important to note that the suicide rate increased from 13.2 per 100,000 in 1970 to the 17.7 in 1980.

What the above statistics relate is Alaska is facing a serious health crises with both short and long term implications which will result in considerable human suffering. It will also result in the expenditure of millions of dollars in public and private funds. A critical point of this paper is an aggressive health promotion program can reduce the suffering and will eventually more than pay for itself in reduced health care costs.

HEALTH PROMOTION AS A TOOL IN DISEASE PREVENTION

Risk factor intervention through health promotion has become a major tool for preventing cardiovascular diseases, cancer, cirrhosis of the liver, accidents, and chronic lung disease -- the major current health problems in modern nations. Numerous approaches are used and are necessary in successful programs. Four of the most important include reaching young people through comprehensive health education, educating the general public through mass media efforts, promoting self help in local communities and at the workplace, and utilizing the medical care de-

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livery system in promoting health among high risk groups. A growing body of evidence supports the effectiveness of efforts:

- In school health a long term study has recently been completed by the University of Washington on the impact of the Primary Grades Health Promotion Project, Growing Healthy. (Growing Healthy is a comprehensive school health curriculum which was developed in Berkeley and Seattle in the early 70's and is now being utilized nationally by numerous school districts.) A summary of the findings state that "the curricula have a positive impact upon children's current levels of knowledge about health and their attitude toward health...and upon present and future health practices of students and their families."
- The Stanford Heart Disease Prevention Program provides considerable support for community wide programs. Utilizing a multimedia campaign for the general public and intensive instruction for high risk individuals in three Northern California Communities, the risk for coronary heart disease was reduced 15% to 20% among total participants and 30% among the high risk group.
- A similar experiment carried out in Finland over 4½ years with a largely rural population showed decreased cigarette smoking, decreased blood pressure, and a considerable reduction in the incidence of strokes -- from 3.6 to 1.9 per 1,000 males and 2.8 to 1.8 per 1,000 females.

What each of these health promotion programs have in common is they were carried out over a long period of time and they were comprehensive in their approach. They demonstrate that done right, health promotion can make a significant difference.

AN INVESTMENT IN HEALTH

The cigarette tax revenues utilized in health promotion can help assure a healthier future for Alaska. Life style issues which deserve attention include smoking, nutrition, alcohol and other drug use, safety, mental health, and fitness. Maximizing the impact of the health promotion program will depend upon several factors.

- A long term commitment to the program is needed. Establishing positive health habits takes several years. One way to help assure the necessary focus is to develop a 5-year health

THE CIGARETTE TAX IN ALASKA

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promotion plan for the State. The plan should include specific goals and objectives that can be carefully evaluated during and at the completion of the program.

- ° Reaching young people must be a priority. This will require working closely with the education system. While mandating a specific comprehensive health education program may not be desirable, the State should provide all school districts with the best materials and training in comprehensive school health available. Joint financing of program implementation may also be desirable.
- ° Local initiative is critical. The key to health promotion lies in encouraging people to take responsibility for their own health. A way to encourage such initiative will be to make grants available to local communities and organizations to help carry out the five-year plan. Grants should be closely monitored for effectiveness in terms of achieving the plans goals and objectives.
- ° Statewide campaigns primarily utilizing the media can provide valuable support to school and local initiative efforts. The tobacco and liquor industry spend millions to get their message across. The real message is advertising pays. It can work as effectively in discouraging smoking and excessive drinking as it does to promote it.

Carrying out the type of program outlined above will require considerable initiative creativity and energy. Success will depend upon establishing an adequately staffed office within State government that has the necessary charge and flexibility to implement the program. It will also depend upon seeking advice and involvement from the various interests within the State concerned with health promotion. Some type of advisory body should be established to achieve the latter objectives.

CONCLUSION

The cigarette tax combined with health promotion concept provides Alaska with a unique opportunity to promote wellness and encourage the avoidance of unnecessary health risks.

Senator Vic Fischer

Alaska State Legislature
Pouch V • Juneau, Alaska 99811 • (907) 465-4954



February 13, 1985 (3:00 p.m.)

To: Senator Bettye Fahrenkamp, Chair
Senate HE&SS Committee

From: Senator Vic Fischer via Ginger Bain *GF*

Re: SB 94 - cigarette excise tax

Senator Fischer just called and said he has been trying to reach you regarding your question as to whether the committee should proceed with hearing SB 94 in view of pending federal action. He has to go to a meeting and will be away from a phone for the rest of the day. He will try to contact you again tomorrow.

He asked that I pass on this message:

"Please tell Bettye that my preference is to go ahead with the hearing and action on the bill. Since we don't know what the feds are going to do, we could consider making enactment of the raise in the state excise tax dependent on federal action. If the feds reinstate their tax we do nothing. If the feds fail to rescind their repeal by October, 1985 then SB 94 will take effect. I will try again to contact Bettye directly tomorrow."

/gb

FDNM 1-25-85

Sponsors of cigarette tax bill stress health

By JOHN CREED
Staff Writer

An eight-cent-per-pack state tax hike on cigarettes was introduced into the state Senate Thursday with hopes the revenue will go for educating Alaskans on good health.

But the tax won't raise overall cigarette taxes, say the two Democratic lawmakers sponsoring Senate Bill 94, because of an eight-cent cigarette-tax rollback slated for October by the federal government.

"If this law is not passed, it will lower the price of cigarettes," said Steve Kadish, an aide for Anchorage Sen. Vic Fischer, who's co-sponsoring the bill with Sen. Frank Ferguson of Kotzebue.

Kadish said the state can pick up an estimated \$6 million per year and earmark it for health education programs here.

"Cigarette consumption in Alaska will increase without the tax," Kadish said, "and that means more lung cancer, more heart disease, more emphysema and other related dis-

eases. If it's not passed, it's in one sense an irresponsible act."

Alaska's per-pack cigarette tax—the fifth-lowest in the nation—has remained virtually unchanged for 23 years, according to Anchorage physician Anne Morris, chairperson of the Healthy Alaska Coalition, a group formed to support the cigarette tax bill.

"Changing negative health habits takes time," Morris said, adding that the bill calls for a five-year health promotion plan for adults and students, as well as a statewide media campaign to offset cigarette and alcohol advertisement.

Curtis Mekemson, executive director of the Alaska Lung Association and major mover on the tax bill, has called cigarettes about the only American product with harmful effects when used as intended. Backers of the bill include Pat Book, the coalition's Fairbanks representative.

"I was appalled to learn that the cigarette tax was so low in Alaska,"
(See SMOKING, page 3)

SMOKING . . .

(Continued from page 1)

Book said. She added that local health attitudes have changed positively in recent years.

Morris said endorsements have come in from the Alaska Lung Association, American Cancer Society, Alaska Public Health Association, Alaska Native Health Board, Alaska Council on Smoking or Health, Alaska State Medical Society, as well as a state health educators group.

Local school board members are reviewing the bill, according to Barbara Tabbert, board president.

"One priority for the cigarette tax could be to kick some of that money into enforcing the antismoking law we've already got on the books," she said.

The Environmental Protection Agency estimates that up to 5,000

nonsmokers die of lung cancer per year from other people's cigarette smoke.

In Alaska, 36 percent of all adults smoke, third highest in the nation.

Even if the federal government chooses to reinstate the 16-cents tax, the Healthy Alaskans Coalition believes the bill should become law anyway because:

- Alaska's cigarette tax hasn't risen in 23 years.
- There's a direct correlation between smoking and price, especially among teen-age smokers.
- 340,000 Americans will die this year from smoking-related causes.
- Smoking costs the United States \$42 billion per year in medical and other costs.
- Alaska is near the top in pursuing health-risk activities.

Constitutionality of 1977 act. — Chapter 94, SLA 1977, relating to both state and local taxation, does not violate Alaska Const., art. II, § 13, which requires every

bill to be confined to one subject. *Slope Borough v. Sohio Petroleum Co.*, Sup. Ct. Op. No. 1750 (File No. 14-3513, 3659), 585 P.2d 534 (1978).

Title 43
Revenue and Taxation

Sec. 43.50.100. Civil penalties. (a) [Repealed, § 45 ch 113 SLA 1980.]

(b) [Repealed, § 3 ch 166 SLA 1976.]

(c) [Repealed, § 45 ch 113 SLA 1980.]

(d) A person or licensee who is in control or possession of cigarettes contrary to AS 43.50.010 — 43.50.180, or who offers to sell or dispose of cigarettes to others for the purpose of resale without being licensed to do so is considered to have possession of the cigarettes as a contractor and is personally liable for the tax, plus a penalty of 100 per cent.

(e) [Repealed, § 45 ch 113 SLA 1980.] (§ 12 ch 187 SLA 1955; am § 4 ch 47 SLA 1964; am § 3 ch 166 SLA 1976; am § 45 ch 113 SLA 1980.)

Cross references. — For present provisions concerning civil penalties, see AS 43.05.220.

Effect of amendments. — The two amendments repealed subsections (a) and (e).

Sec. 43.50.110. Taxpayer's remedies. [Repealed, § 3 ch 166 SLA 1976. For current law, see AS 43.05.240.]

Sec. 43.50.120. Lien. [Repealed, § 4 ch 94 SLA 1976. For current law, see AS 43.10.035.]

Sec. 43.50.130. Records. (a) Every licensee shall keep a complete and accurate record of all cigarettes manufactured, purchased, or acquired. The records, except in the case of a manufacturer, shall include a written statement containing the name and address of the seller and the purchaser, the date of delivery, the quantity of cigarettes, the trade name and brand, and the price paid for each brand of cigarettes purchased. The licensee shall keep such other records as the department prescribes. All statements and records required by this section shall be in the form prescribed by the department, shall be preserved for three years, and shall be offered for inspection upon demand by the department.

(b) No licensee may issue or accept a written statement which falsely indicates the name of the customer, the type of merchandise, the price, the discounts, or the terms of sale.

(c) Where an invoice is given or accepted by a licensee (1) a statement which makes the invoice a false record of the transaction may not be inserted in the invoice; and (2) a statement which should be included in the invoice may not be omitted from the invoice if the invoice does not reflect the transaction involved without the statement.

Title 42
Public Utilities
and Carriers

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date _____

REQUEST

Bill/Resolution No: SB94
 Title: An Act increasing the excise tax on cigarettes
 Sponsor: V. Fischer
 Requestor: Health Education & Social Svcs
 Date of Request: January 24, 1985

FISCAL DETAIL

Agency Affected: Revenue
 Program Category Affected: _____
 BRU, Program of Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	4,099.2	5,600.0	5,600.0	5,600.0	5,600.0

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

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

ANALYSIS: Attach a separate page for analysis.

It is assumed that the number of net taxable cigarettes will reach a level of 1.4 billion annually and remain at that level for the forecast period. SB 94 raises the General Fund portion of the cigarette tax from a rate of 1-1/2 mills (\$.0015) to 5-1/2 mills (\$.0055) per cigarette. The school fund also receives 2-1/2 mills (.0025) per cigarette, a rate not changed by the legislation. The FY 86 figure is adjusted to account for the fact that the new tax would apply to only part of that year.

Prepared By: David R. Tonkovich ST
 Division: Research Section

Phone: 465-2173
 Date: 1/29/85

Approved by Commissioner: _____
 Agency: _____

Date: _____

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

CUMULATIVE SUMMARY OF REVENUE
COLLECTED 07/01/84 THRU 12/31/84
6/12 OR 50.0%

CODE NO	TYPE OF TAX	GROSS RECEIPTS	REFUNDS	NET RECEIPTS	ESTIMATE	NET RECEIPTS % OF ESTIMATE
001	OIL & GAS PROPERTY TAX	\$ 2,486,770.41	\$ 807,960.78	\$ 1,678,809.63	\$ 121,000,000.00	1.39
016	ALCOHOLIC BEVERAGE EXCISE TAX	7,526,233.34	947.22	7,525,286.12	15,000,000.00	50.17
017	CIGARETTE TAX (GF)	1,041,911.48	0.00	1,041,911.48	2,100,000.00	49.62
018	CIGARETTE TAX (SE)	1,629,656.40	0.00	1,629,656.40	3,300,000.00	49.39
020	ELECTRIC & TELEPHONE	41,162.08	0.00	41,162.08	1,700,000.00	2.43
021	HIGHWAY MOTOR FUEL TAX	14,937,702.27	2,016,251.55	12,921,450.72	22,000,000.00	58.74
022	AVIATION MOTOR FUEL TAX	4,527,625.68	0.00	4,527,625.68	8,000,000.00	56.60
023	MARINE MOTOR FUEL TAX	2,757,788.28	0.00	2,757,788.28	4,200,000.00	65.67
036	INDIVIDUAL INCOME TAX	674,476.20	6,344.71	668,131.49	0.00	0.00
037	FIDUCIARY INCOME TAX	3,327.00	0.00	3,327.00	0.00	0.00
038	CORPORATION INCOME TAX	97,134,635.45	23,685,559.34	73,449,076.11	293,000,000.00	25.07
046	BUSINESS LICENSE	37,387,211.68	137,339.00	37,249,872.68	20,000,000.00	186.25
052	ESTATE TAX	382,067.69	4,319.69	377,748.00	700,000.00	53.97
057	SCHOOL TAX	0.00	0.00	0.00	0.00	0.00
060	SALMON ENHANCEMENT TAX	2,580,395.05	245,614.27	2,334,780.78	2,400,000.00	97.29
061	MINES & MINING TAX	191,324.00	900.02	190,423.98	300,000.00	63.48
062	SALMON CANNERY-SHORE BASED TAX	19,164.15	0.00	19,164.15	6,000,000.00	0.32
063	SHORE-BASED FISHERIES TAX	1,858,920.52	1,662.00	1,857,258.52	8,000,000.00	23.22
064	FLOATING FISHERIES TAX	192,731.99	15,637.85	177,094.14	7,000,000.00	2.53
065	OIL PRODUCTION TAX	700,301,080.10	7,192.92	700,293,887.18	1,332,800,000.00	52.55
066	OIL & GAS CONSERVATION	337,065.30	0.00	337,065.30	700,000.00	48.16
067	GAS FLARING PENALTY	2,831.49	0.00	2,831.49	0.00	0.00
068	GAS PRODUCTION TAX	4,202,479.12	0.00	4,202,579.12	10,600,000.00	39.65
069	SEAFOOD MARKETING ASSESSMENT	32,346.18	58.00	32,288.18	1,200,000.00	2.70
096	PREPAID TAX	1,000.00	0.00	1,000.00	0.00	0.00
106	LIQUOR LICENSE APPLICATION	38,300.00	700.00	37,600.00	91,000.00	41.32
107	PUB LIQUOR LICENSE	0.00	400.00	(400.00)	0.00	0.00
108	BREWERY LICENSE	0.00	0.00	0.00	0.00	0.00
109	DISTILLERY LICENSE	0.00	0.00	0.00	0.00	0.00
110	BEVERAGE DISPENSARY LICENSE	290,000.00	20,000.00	270,000.00	802,000.00	33.67
111	CLUB LICENSE	19,800.00	0.00	19,800.00	44,000.00	45.00
112	COMMON CARRIER LICENSE	10,675.00	0.00	10,675.00	34,000.00	31.40
113	RESTAURANT LICENSE	29,100.00	1,950.00	27,150.00	76,000.00	35.73
114	ROADHOUSE LICENSE	0.00	0.00	0.00	0.00	0.00
115	RETAIL LICENSE	137,250.00	8,625.00	128,625.00	364,000.00	35.34
116	RETAIL STOCK SALE LICENSE	0.00	0.00	0.00	0.00	0.00
117	WHOLESALE GENERAL LICENSE	13,000.00	0.00	13,000.00	149,000.00	8.73
118	WHOLESALE MALT BEV. LICENSE	1,400.00	0.00	1,400.00	29,000.00	4.83
119	MISC. LIQUOR LICENSE	28,736.00	250.00	28,486.00	48,000.00	59.35
145	COIN OPER. AMUSE. & GAM. DVC. TAX	29,421.24	437.55	28,983.69	225,000.00	12.89
146	GAMES OF CHANCE & SKILL FEES	7,365.33	63.84	7,301.49	81,000.00	9.02
402	MISCELLANEOUS REVENUE	1,078.82	18.00	1,060.82	1,500.00	70.73
506	TAX PREPARER'S PENALTY	0.00	0.00	0.00	0.00	0.00
507	AVERAGE WHOLESALE PRICE	0.00	0.00	0.00	0.00	0.00
692	REDISTRIBUTED REVENUE	0.00	0.00	0.00	0.00	0.00
TOTAL		<u>\$ 880,856,132.25</u>	<u>\$26,962,231.74</u>	<u>\$853,893,900.51</u>	<u>\$1,861,944,500.00</u>	<u>45.87</u>
135	DUPLICATE COMM. FISH	\$ 1,124.36	\$ 0.00	\$ 1,124.36	\$ 2,000.00	56.22
843	VESSELS & GEAR	0.00	0.00	0.00	0.00	0.00
137-844	COMM. FISH LIC.-RES.	276,803.84	1,985.14	274,818.70	507,000.00	54.21
138-845	COMM. FISH LIC.-N-RES.	486,860.50	2,859.19	486,001.31	871,000.00	55.80
140	COMMER. FISH. EXT. FEE	1,710.00	0.00	1,710.00	4,000.00	42.75
120-230	SPORT FISH., HUNT & TRAP LIC.	<u>5,196,753.23</u>	<u>14,143.49</u>	<u>5,182,609.74</u>	<u>6,594,000.00</u>	<u>78.60</u>
SUB-TOTAL		<u>\$ 5,965,251.93</u>	<u>\$ 18,987.82</u>	<u>\$ 5,946,264.11</u>	<u>\$ 7,978,000.00</u>	<u>74.54</u>
TOTAL TAXES		<u>\$ 886,821,384.18</u>	<u>\$26,981,219.56</u>	<u>\$859,840,164.62</u>	<u>\$1,869,922,500.00</u>	<u>45.99</u>
INTEREST						
575	INTEREST ON LOANS	\$ 1,420,307.09	\$ 0.00	\$ 1,420,307.09	\$ 10,000,000.00	14.21
576	INTEREST ON INVESTMENTS	126,182,405.40	0.00	126,182,405.40	265,000,000.00	47.62
TOTAL INTEREST		<u>\$ 127,602,712.49</u>	<u>\$ 0.00</u>	<u>\$127,602,712.49</u>	<u>\$ 275,000,000.00</u>	<u>46.41</u>
TOTAL REVENUE		<u>\$1,014,424,096.67</u>	<u>\$26,981,219.56</u>	<u>\$987,442,877.11</u>	<u>\$2,144,922,500.00</u>	<u>46.04</u>

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date 1-28-85

REQUEST

Bill/Resolution No: SB 94
 Title: Cigarette Tax Increase
 Sponsor: Senator V. Fishcer
 Requestor: Health Education & Soc. Svc.
 Date of Request: 1-25-85

FISCAL DETAIL

Agency Affected: Department of Revenue
 Program Category Affected: Collection and Management
 BRU, Program of Subprogram(s) Affected: Audit Division
Audit Division

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<u>OPERATING</u>						
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LANDS & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
800 MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
<u>TOTAL OPERATING</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>CAPITAL</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>REVENUE</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
<u>TOTAL</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>

POSITIONS:

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

ANALYSIS: This bill would not require an increase in expenditures for the BRU.

Prepared By: Martin J. Richard
 Division: Audit Division

Phone: 465-2320
 Date: 1-28-85

Approved by Commissioner: [Signature]
 Agency: _____

Date: 2/4/85

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

ALASKA FEDERATION OF NATIVES, INC.
1984 ANNUAL CONVENTION

*file w/ BILL
SB 94*

RESOLUTION NO. 84-38

TITLE: CIGARETTE EXCISE TAX

WHEREAS, the federal government will reduce its excise tax on cigarettes by \$0.08 per pack; and

WHEREAS, this excise tax reduction will have the effect of making cigarettes less expensive and thereby more accessible to the public at large; and

WHEREAS, the negative health effects of cigarette use have been well documented with major implications in the areas of cancer, heart disease and respiratory diseases,

NOW THEREFORE BE IT RESOLVED that the State of Alaska levy an excise tax on cigarettes in an amount equal to the reduction to be made by the federal government with the resulting revenues to be used in health promotion, disease prevention and rehabilitation treatment directed at victims of cigarette use.

RESOLUTIONS COMMITTEE RECOMMENDATION: DO PASS

CONVENTION ACTION: PASSED



SK

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCHS
JUNEAU, ALASKA 99811
PHONE: (907) 465-2300

December 5, 1984

Mr. David Mather, Chairman
Association of Regional Health Directors
1321 - 21st Avenue
Fairbanks, AK 99701

Dear Mr. Mather:

Governor Sheffield has asked me to reply to your letter to him regarding the many leading health problems of Alaskans. The eight-cent federal reduction in cigarette tax is a matter that we anticipate will be debated in the 1985 session of our Legislature. Certainly, an eight-cent Alaska tax increase, to replace the federal decrease effective October 1985, would increase State tax receipts while the cost to smokers would not change.

Your letter proposes that any tobacco tax increase be dedicated to the purpose of establishing preventive health education and intervention programs. Tobacco tax Statute 43.50.140 dedicates the taxes, fees, and penalties provided under AS 43.50.010-.180 to a State "school fund", and limits how those funds may be spent. This dedication was enacted in 1955. When Alaska's Constitution became operative with the formal proclamation of statehood on January 3, 1959, it included Article IX, Section 7, which limited dedications as follows:

The proceeds of any state tax or license shall not be dedicated to any special purpose, except as provided in section 15 of this article or when required by the federal government for state participation in federal programs. This provision shall not prohibit the continuance of any dedication for special purposes existing upon the date of ratification of this section by the people of Alaska.

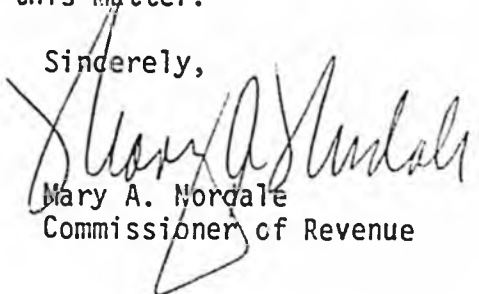
Since new dedications are not allowed, and grandfathered dedications cannot be increased, receipts from any new tax or tax increase must be deposited in the general fund. While in the general fund, they are available for appropriation by the Legislature, and for possible use to help offset the social costs associated with smoking. ←

Mr. David Mather, Chairman
Association of Regional Health Directors
Page 2
December 5, 1984

The Governor does recognize your concern, and we will work along with Senator Fischer in addressing this issue.

Thank you for contacting my office on this matter.

Sincerely,


Mary A. Nordale
Commissioner of Revenue

cc: Senator Vic Fischer ✓
Commissioner John Pugh
Ray Gillespie

Alaska State Legislature

Advisory Council Members
Senator Kerttula, Chairman
Senator Bennett
Senator Fahrenkamp
Senator Vic Fischer



Pouch V
State Capitol
Juneau, Alaska 99811
Phone: (907) 465-3114

SENATE ADVISORY COUNCIL

TO: Senator Vic Fischer
Chairman
State Affairs Committee

FROM: Richard Ramsey
Researcher

A handwritten signature in dark ink, appearing to read "Richard Ramsey".

SUBJECT: Cigarette Tax Research

DATE: August 30, 1984

You have asked for a review of the existing cigarette tax in Alaska, use of the revenues derived from tax and such taxes in other states in light of the repeal of the federal eight cent per pack tax.

I have been in contact with American Lung Association staff in Anchorage regarding programs in other states that are funded by cigarette tax revenues. This data should be compiled by the middle of September and will be forwarded to you soon thereafter. Included in this information will be material on preventative and health programs relating to cigarette use which are funded by the tax revenues.

The following is a review of the Alaska program.

Legislative History

The Cigarette Tax Act (AS 43.50, attached) provides for a two and one-half mill tax on cigarettes imported and acquired in Alaska (Chapter 187, SLA 1955, HB 72). The revenues derived from this levy and collected by the Department of Revenue are paid into the "school fund". No letters of intent or committee reports are available from the 1955 legislative session. Subsequent amendments to the act include: in 1961, (Chapter 53, SLA 1961, CSSB 171) adding an additional levy of one and one-half mills with revenues going to the general fund; in 1977, (Chapter 94, Section 5, SLA 1977) exempting application of the tax to uniformed military services in Alaska; and, in 1980, non-substantive amendments relating to administrative procedure.

As noted, two and one-half mills of the four mill levy are paid into the "school fund." AS 43.50.140 provides in part, "...proceeds derived....shall be paid into a state fund entitled "School Fund", and shall be used exclusively to rehabilitate, construct and repair the state's school

Sen. V. Fischer
August 30, 1984
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facilities, and for costs of insurance on buildings comprising school facilities during the rehabilitation, construction, and repair and for the life of the buildings."

The dedicated School Fund is permitted under the grandfather clause of the Constitutional prohibition against dedicated funds (Alaska Constitution, Article IX, Section 7). The exemption applies since the School Fund was in effect before ratification of the Constitution, April 24, 1956.

Several Attorney Generals have opined, and Legislative Counsel concurs, that any modification of the dedicated fund allowed in the Constitution would nullify it. It is, then, not possible to dedicate, per se, revenues derived from an additional cigarette tax. It may be possible to state that it is the intent of the Legislature to utilize the revenues generated for a specific purpose, subject to appropriation. Perhaps this could be done through a letter of intent accompanying a bill. Such a letter of intent has no legal effect, and any use of revenues from a particular source would be subject to appropriation, (Personal Communication, Bill Berrier, 8/21/84).

School Fund

The School Fund is administered by the Department of Education (4 AAC 36.010). A formula provides for distribution of the fund to the 32 school districts. Each district receives \$3,000 per annum with the remaining funds disbursed based upon the number of professional personnel in each district. The Anchorage School District receives the largest portion of the fund each year, approximately \$1 million, (Personal Communication, Bill Thompson, DOE, 8/17/84).

REAA's don't receive. Originally designed to defray local construction costs; REAA costs borne by state.

Revenues Generated From the Cigarette Tax

Since 1978, the Department of Revenue reports revenues from the four mill cigarette tax as follows:

Jan-May, 1984	\$2,138,474
1983	5,081,730
1982	5,159,319
1981	4,613,894
1980	4,427,860
1979	4,331,384
1978	4,607,280

The average collected is \$4,703,577 during this period.

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Alaska's four mill levy (4 x \$.001) is equivalent to \$.08/pack tax, the amount of the federal tax reduction.

See May, 1984, net taxable cigarettes:

$$123,463,772 \times \$.004 = \$493,855$$

$$\frac{123,463,772}{20} \times \$.08 = \$493,855$$

Less commissions and adjustments, the net tax collected for May, 1984, was \$490,093.

If the state tax is increased by eight cents, the revenues derived will double from those collected at present.

If legislation is contemplated to raise the cigarette tax to compensate for the federal tax repeal, perhaps it should be considered whether to conform to the the mill levy or to restructure the program to the federal tax reduction, to a cents per pack basis.

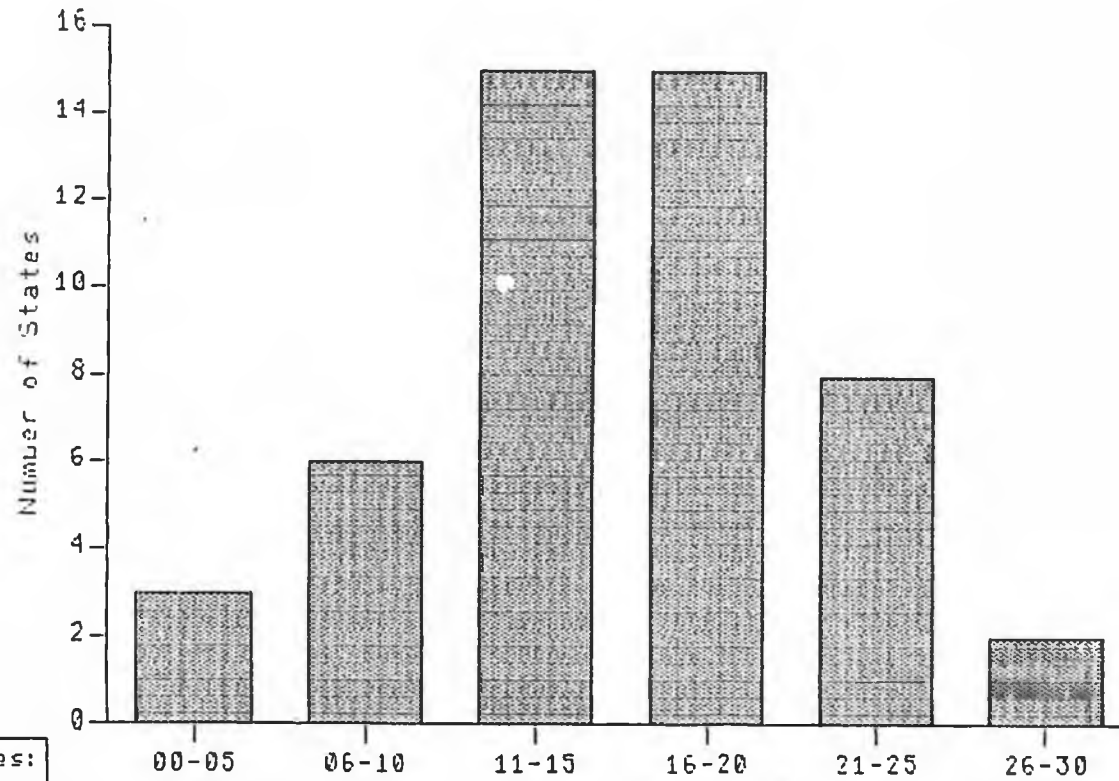
Other States

As of January 1, 1984, all 49 other states had a cigarette tax. The average tax is 15.6 cents per pack. Hawaii's tax is 40% of the wholesale price and is not included in this average. The range is from \$.02/pack in North Carolina to \$.26/pack in Connecticut and Massachusetts. (Source: Book of States, 1984-5, Vol. 25, Council of State Governments).

As noted, additional information will be forthcoming relating to cigarette taxation in other states. If you have any questions or would like additional information on the above, please advise.

Attachment

State Excise Taxes on Cigarettes



Notes:

The Mean is 13.5 Cents. Cents per Pack of 20
The Mode is 18 With 6 Occurences. Alaska's Tax is 8 Cents.
Source: Book of States, 1983-4. Council of State Governments.

Healthy Alaska Coalition
P. O. Box 103056
Anchorage, AK 99510

January 24, 1985

FOR IMMEDIATE RELEASE

Contacts: Anne Morris, M.D., Coalition Chair, Anchorage 346-2879
Curtis Mekemson, Ex. Dir., Alaska Lung Association,
Anchorage 272-2332
Patricia Book, Ph.D. Coalition Representative,
Fairbanks 452-4761

CIGARETTE TAX BILL INTRODUCED
TO SUPPORT HEALTH PROMOTION

Senator Vic Fischer in co-sponsorship with Senator Frank Ferguson introduced legislation today, Senate Bill 94, which will increase the State's cigarette tax by eight cents with the intent that the extra revenues will go toward a major health promotion program in Alaska.

Anne Morris, M.D., Chairperson of the Healthy Alaska Coalition, a group organized to support the legislation, noted, "This Bill gives us the opportunity to have a positive impact on the health of all Alaskans. We are particularly excited about increasing our ability to reach young people in promoting wellness and encouraging the avoidance of unnecessary health risks."

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Dr. Morris reported that the tax would raise close to six million dollars per year. Since the Federal Government is presently planning to drop eight of its sixteen cents tax on cigarettes, the Alaskan tax would not increase the price of cigarettes.

"We'll simply collect the six million we've been sending to Washington and put it to work in Alaska," Dr. Morris stated.

Even if the Federal Government chooses to reinstate its sixteen cent tax, however, the Healthy Alaska Coalition argues Alaska should proceed with increasing its own tax. A number of reasons are offered.

- ° Alaska has had the same cigarette tax for twenty-three years. The present tax of eight cents is fifth lowest in the nation. Only four tobacco producing states have lower taxes. Doubling the Alaska tax will bring it up to the national average.

- ° There is a direct correlation between smoking and price. The effect is particularly dramatic among teenagers. A 10% increase in price will lead to an approximate 14% drop in smoking.
- ° Our smoking habits are extremely costly. From a health perspective 340,000 Americans will die prematurely this year because of smoking and millions more will live with crippled lungs and strained hearts. Financially, smoking costs the nation some sixteen billion dollars in medical care and an extra twenty six billion in other costs for a total of forty two billion dollars. We all end up helping to pay these costs whether we smoke or not.
- ° Alaskans tend to be toward the top of national statistics in pursuing habits with high health risk factors. We are ranked number 3 nationally in per capita smoking and number 3 in chronic drinking. We're also very high in the area of accident rates and mental health problems.
- ° Health promotion is a proven tool in preventing cardiovascular diseases, cancer, cirrhosis of the liver, accidents, and chronic lung disease -- the major current health problems in modern nations.

Among the types of programs, Senate Bill 94 may fund are school health education, locally initiated health promotion projects, and statewide media efforts. Lifestyle issues involved include smoking, alcohol and other drug use, safety, mental health, nutrition, and fitness.

"It is important that the State make a long term commitment to the health promotion concept," Dr. Morris stated. "Changing negative health habits takes time. To achieve this objective, the Bill calls for a five-year health promotion and education plan."

The Healthy Alaska Coalition also believes the success of the health promotion effort will require having an adequately staffed office within state government with the necessary charge and flexibility to implement the program.

Several statewide organizations have already adopted resolutions of support. Among them are the Alaska Lung Association, the American Cancer Society, the Alaska Public Health

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Association, the Alaska Health Educators Consortium, the Alaska Native Health Board, the Municipal Health Commission of Anchorage, the Alaska Council on Smoking or Health, and the Alaska State Medical Society.

"The response from the organizations we have approached has all been positive," Curtis Mekemson, Executive Director of the Alaska Lung Association stated, "We're in the process of reaching out to every organization in the State that might have an interest in health promotion. It is important that these organizations support the legislation and even more important that they have an opportunity to participate in its implementation."

!

ALASKA  LUNG ASSOCIATION, Inc.

1934 - 1984

50 Years of Serving Alaskans

January 30, 1985

Curtis Mekemson, Executive Director

Senator Bettye Fahrenkamp
State Capitol
Pouch V
Juneau, AK 99811

Dear Senator Fahrenkamp,

The Healthy Alaska Coalition is writing to urge your support of Senate Bill 94.

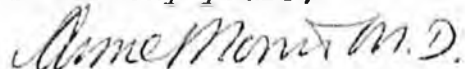
Senate Bill 94 is designed to increase the Alaska State tax on cigarettes by eight cents with the intent that the extra revenues will be principally used to fund health promotion efforts.

A detailed overview of the issue is appended for your review. In summary, there are three major points:

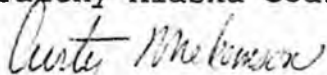
- ° The tax is worthy of consideration on its own merits. Reasons include the high public cost of smoking, the correlation between price and teenage smoking, Alaska's extremely low cigarette tax, and the probability that the U.S. Government will reduce its tax by eight cents in October.
- ° Alaska's high health risk factors point toward a serious health crisis. We are number three nationally in per capita smoking and chronic drinking. Alaska Mental Health problems and accident rates are also very high in national statistics.
- ° A long term health promotion effort which is comprehensive in nature and reaches people at school, in their homes, at work, and in the community can effectively promote wellness and encourage the avoidance of unnecessary health risks.

The cigarette tax/health promotion legislation provides Alaska with an opportunity to take an important step in assuring a healthy future. Please let us know your feelings on Senate Bill 94 and if we can provide you with any further information.

Sincerely yours,



Anne Morris, M.D., Chairman
Healthy Alaska Coalition



Curtis Mekemson, Executive Director
Alaska Lung Association

CM:gm

HEALTHY ALASKA COALITION

As of January 30, the following organizations have adopted resolutions supporting the cigarette tax/health promotion concept. Many more organizations are presently at various stages in also adopting resolutions.

Alaska Council on Smoking or Health
Alaska Health Educators Consortium
Alaska Lung Association
Alaska State Medical Association
Alaska Native Health Board
Alaska Psychological Association
Alaska Public Health Association
Alaska School Nurses Association
American Cancer Society
Anchorage Neighborhood Health Center
Municipal Health Commission of Anchorage

THE CIGARETTE TAX IN ALASKA

An Opportunity for Investing in Health

The following information has been developed by representation from several organizations which support the concept of increasing the Alaska State tax on cigarettes and utilizing the funds generated for health promotion. Among the organizations which have passed resolutions of support as of January 23, 1985, are the Alaska Lung Association, the American Cancer Society, the Alaska Public Health Association, the Alaska Health Educators Consortium, the Alaska Native Health Board, the Municipal Health Commission of Anchorage and the Alaska Council on Smoking or Health.

Curtis Mekemson, Executive Director
Alaska Lung Association
January 23, 1985

THE CIGARETTE TAX IN ALASKA

An Opportunity for Investing in Health

INTRODUCTION AND SUMMARY

During 1985 Alaska has an opportunity to recapture \$6,000,000 a year it has been sending to Washington in cigarette taxes, develop what may be one of the most effective health promotion programs in the nation, and discourage an increase in smoking among young people and others. How can the state achieve these goals?

In 1983 Congress doubled its tax on cigarettes from 8-16 cents with the condition that the tax would return to 8 cents on October 1, 1985 unless Congress acted to do otherwise. Congress, after considerable debate and pressure from the tobacco lobbyists, chose not to act during its last session. Its inaction will have the effect of reducing the price of cigarettes and costing the Federal Government billions of dollars in revenues.

Washington's loss could become Alaska's gain. By passing and signing legislation to increase Alaska's tax on cigarettes by 8 cents, the State may be able to collect the money it has been sending to Washington without increasing taxes. Maintaining the price of cigarettes will have the added benefit of discouraging the increase in smoking which will result if the price of cigarettes drop. Finally, if the new revenues are focused on health promotion, the gain could be multiplied many times by reducing Alaska's serious health risk factors such as smoking and alcohol consumption.

Implementing an effective health promotion program will depend upon establishing long term goals, supporting statewide media and school health campaigns, and encouraging local community initiatives. Direction for such an effort will involve creating an appropriate structure within State government to develop a 5 year health promotion plan for Alaska, oversee statewide campaigns, provide grants to local communities, evaluate the success of the health promotion programs, and provide advice to the Governor, Legislature and appropriate State Departments on health related projects and plans.

Following is a more detailed discussion of the tax, the correlation between smoking and price, the health effects of smoking, the seriousness of Alaska's health problems, the potential of a health promotion's program, and a suggested list of activities which could be carried out in a statewide health promotion program.

THE CIGARETTE TAX IN ALASKA

Alaska presently has a four mill levy on each cigarette which is the equivalent to eight cents a pack and raises approximately \$6,000,000 a year. Two and one half of the four mills collected goes into a special school building fund which was created in 1956. In 1961 an additional 1½ mills was added to the tax and goes into the general fund. The only significant change in the last 23 years has been to exempt application of the tax on military services.

Nationally, only four states have lower taxes than Alaska. These include North Carolina at .02, Virginia at .025, Kentucky at .03, and South Carolina at .07. Each of these States is involved in substantial tobacco production. The average State tax is 15.6 cents per pack, close to double that of Alaska.

It is difficult to predict what will happen with the Federal tax. An effort is being planned by the National Council on Smoking or Health to reinstitute the eight cents to be dropped in October 85. Obviously they will be opposed by tobacco interests. Even if the eight cents is reinstated, however, the low level of the Alaskan tax and the value of an expanded health promotion effort in Alaska would justify the new State tax.

Doubling Alaska's tax to 8 mills or 16 cents will increase State cigarette tax revenues to approximately \$12,000,000 a year. Since there is already an established procedure for collecting the tax from wholesalers by the Department of Revenue, collecting the new tax should involve a minimal of effort and expense.

Any new tax cannot be dedicated to a specific purpose under the Alaska Constitution. (The school fund is an exception because it was in effect prior to the adoption of the constitution.) Legislative intent for the expenditure of funds can be expressed however. Specific appropriation then goes through the normal budgetary process and is up for reconsideration each year.

CIGARETTE SMOKING AND PRICE

A direct correlation exists between smoking and price. As the cost of smoking goes up, the percentage of smoking drops. A study done by Professor Eugene Lewit and other economists for the College of Medicine and Dentistry of New Jersey showed a 10% increase in the price of cigarettes would lead to a 4% overall drop in smoking. Among teenagers the drop would be 14%! Conversely, a drop in prices will encourage an increase in smoking - again with teenagers being the most effected.

NATIONAL PUBLIC ISSUE BRIEF - STATUS SHEET

DATE: August 23, 1984

ISSUE: CIGARETTE EXCISE TAX

BILL NUMBERS: H.R. 4125, 4170, 3513

STATUS:

- House: Earlier this year, the House included provisions dealing with the cigarette excise tax in the Omnibus Deficit Reduction Act of 1984. The House version would have allowed the excise tax to be reduced to only 12¢ instead of 8¢ and extended this figure through 1988.
- Senate: The Senate version of the Omnibus Deficit Reduction Act did not include any provisions addressing the cigarette excise tax.
- Conference: The House/Senate Conferees voted on June 22, 1984, to eliminate the cigarette excise tax from the Omnibus Deficit Reduction Act of 1984 (H.R. 4170). This means that the cigarette excise tax will return to 8¢ per pack in 1985 as called for in the 1982 legislation.



Coalition on Smoking OR Health

A PUBLIC POLICY PROJECT WITH THE
NATIONAL INTERAGENCY COUNCIL ON SMOKING AND HEALTH
1302 Eighteenth Street, N.W., Suite 603, Washington, D.C. 20036

(202) 785 8000

With Treasuries Flush, States Talk Tax Cuts

Growing economies, higher revenues are getting the red out of most budgets, but a few areas are still hurting.

With most state budgets solidly in the black for a second straight year, proposals for tax cuts or new spending are winning support in all but a dozen or so capitals.

A state-by-state survey by *U.S. News & World Report*, taken as legislatures begin work on fiscal-year-1986 budgets, shows tax cutting concentrated mainly in the Northeast and upper Midwest, depressed areas not many years ago.

Not every state is flush enough to consider lowering taxes. Hold-the-line budgets are common in the struggling farm belt and in the energy-producing region on the Gulf of Mexico. There and elsewhere, taxes could go up.

Vermont is still fighting red ink, and oil-rich Alaska may solve its deficit by cutting expenditures. In

most other states, however, prospering economies, coupled with earlier tax hikes, have brought budgets back from the fiscal crisis of two years ago.

Revenues in many cases are running ahead of projections: West Virginia's are up by 50 million dollars, Missouri's by 40 million and Rhode Island's by 14 million. What's more, many state lotteries are raking in more than anticipated.

"While states are not as flush as they were in the late 1970s, there has been a reprieve from the relentless economic pressure of several years ago," says Steven Gold of the National Conference of State Legislatures.

Taken together, states figure to finish the year with a surplus of 5.3 billion dollars, according to the National Association of State Budget Officers. However, just 16 states anticipate healthy balances of more than 5 percent of general-fund spending. The rest could be shaky if the economy sours. For the states as a whole, the surplus probably won't match the 6.3 billion dollars left over in 1984, let alone the 11 billion of 1979 and 1980.

Restraining the buildup of surpluses is public pressure on governors to give money back to taxpayers or use it to meet state needs. Where spending is likely to go up, states are pushing basic programs, such as improving education, prisons and roads.

Better off. Over all, state finances are much sounder than those of the federal government, which projects a deficit of 222 billion in 1985. And state surpluses have become tempting targets for President Reagan's budget ax.

"On federal cuts, we don't know what's going to happen, but we expect the worst," says Paul Timmreck, budget director in Virginia. Administration proposals for 1986 would cut 6.3 billion dollars from federal aid to states and cities.

Worries about what Washington may take away are one reason some states are stashing their surpluses in "rainy day" funds. California Governor George Deukmejian wants a 1-billion-dollar buffer against the unanticipated. In Ohio, the target is 125 million; in Pennsylvania, 50 million.

In a dozen or so states, big sur-

pluses will allow tax relief. New Jersey Governor Thomas Kean is seeking to reduce taxes by 750 million. His package includes rebates and lower business levies. In Connecticut, Governor William O'Neill proposes cutting the sales tax from 7½ percent to 7 percent, effective April 1.

To keep up with neighboring states, Governor Mario Cuomo of New York wants to chop levies by 2.1 billion dollars during the next three years. He envisions lowering rates in the highest tax brackets, widening other brackets and raising personal exemptions by \$100.

Massachusetts Governor Michael Dukakis is pushing a 64-million-dollar tax cut, most of it in the form of a \$200 hike in personal exemptions. In Minnesota, Governor Rudy Perpich wants to reduce the top income-tax rate from 16 percent to 9.9 percent, a cut of 604 million over the next 2½ years. An average taxpayer would save \$266 a year.

Delaware may lower income taxes for a second straight year. Newly elected Governor Michael Castle wants to trim rates by 5 percent and raise personal exemptions by \$200. In 1984, residents received a 10 percent tax break.

Rhode Island's newly elected Governor Edward DiPrete wants to reduce income taxes by 8 percent, retroactive to July 1, 1984. The strong New Hampshire economy is prompting proposals to roll back business taxes, raised two years ago to deal with a deficit.

Ohio Governor Richard Celeste will try to shave 10 percent off income taxes, raised by 90 percent two years ago. Some legislators want a bigger cut. Pennsylvania income-tax rates may be cut from 2.45 percent to 2.35 percent.

In Michigan, Governor James Blanchard wants to use a projected 65-million-dollar surplus for 1986 to lower property-tax bills by an average of \$40 a year. Legislative opponents are clamoring for an immediate rollback of income-tax rates from 5.5 percent to 4.6 percent, the rate before 1983 tax hikes.

In Arizona, Governor Bruce Babbitt seeks a 10 percent income-tax rebate and property-tax relief for homeowners. Wisconsin Governor Anthony Earl recommends reducing income-tax bills an average of 6.6 percent, saving taxpayers 120 million dollars in 1986.

North Carolina may cut its 3 percent sales tax on food and drugs plus levies on investments and inventories to save taxpayers 400 million. South Carolina plans to index income taxes to inflation.

Emphasis on schools. Elsewhere, extra money is being spent, with education the top priority for many states.

Missouri's newly elected Governor John Ashcroft wants 50 million dollars more for public schools. California



This year, the expected balance for the 50 states is a surplus of 5.3 billion dollars. Many states are cutting taxes while increasing spending.

USNEWS—Basic data, National Assn. of State Budget Officers



Record lottery sales are pushing up state revenues.

plans to raise education outlays by 10 percent, with some of the money coming from a new lottery. New Jersey is looking at a hike of 270 million dollars for school spending, including a raise in teachers' starting salaries to \$18,500.

Governor William Allain of Mississippi is budgeting 55 million dollars for teacher raises and 5 million for a pilot program that could lead to statewide kindergartens. Georgia's biggest-ever spending hike includes teacher pay raises of 11 percent. New Hampshire wants to buy computers for its schools.

States are attacking other problems, too. Illinois Governor James Thompson is pushing a 2.3-billion-dollar "build Illinois" program to renew the state's infrastructure. New Jersey expects to spend 450 million to clean up toxic waste, sewage and garbage. Delaware has put up 30 million to attract industry.

Connecticut may spend 100 million

on a five-year program to fix up roads and bridges. New York expects to add 2 billion to housing aid for poor and middle-class families. Virginia plans to allocate 9.3 million dollars to its troubled prisons, including higher pay for guards.

In Minnesota, Governor Perpich hopes to set aside 9 million to help hard-pressed farmers plant crops this spring. The California budget calls for more money for prisons and highways and a 5.3 percent raise for welfare recipients. Utah expects to add 13 million to road-building funds. Ohio plans to spend 17 percent more on prisons.

Troubles remain. States

where economic hardships linger are being pressed to raise taxes. A dismal year for agriculture is plowing revenues under in farm states. North Dakota may cut spending by up to 73 million dollars. Iowa is eyeing a lottery.

Kansas Governor John Carlin advocates raising the sales tax from 3 percent to 3½ percent to generate 87 million dollars, most of this for education. In Nebraska, Governor Bob Kerrey recommends eliminating 31 sales-tax exemptions to raise 29.7 million.

Falling oil prices could leave Texas 1 billion dollars short of its spending goals. Governor Mark White hopes to trim outlays and hike fees, but many legislators fear the state will have to raise taxes for a second straight year. "This is a grim situation which might get worse before it gets better," frets Comptroller Bob Bullock.

Oklahoma is trying to find 120 mil-

lion dollars to meet a bare-bones budget. In Louisiana, Governor Edwin Edwards, facing the prospect of a deficit of 40 million, may resort to cutbacks in spending if he can't extract more money from holders of mineral leases.

Even states without money woes are fine-tuning to get more revenue. Illinois may try to squeeze 200 million out of higher liquor and cigarette taxes, coupled with a tax on interstate phone calls and private sales of used cars.

South Dakotans may get a 2-cent-a-gallon increase in gasoline taxes to raise 8 million dollars for road repairs and other expenses. Closing tax loopholes could net New Mexico 67 million. Colorado is likely to make permanent the "temporary" taxes enacted in 1983.

Trying to close its deficit, Vermont hiked income taxes by 2½ percentage points and added a tax on banks. It raised levies on business, as well as on restaurant meals and hotel rooms. With these actions and a healthy economy, Vermont hopes to turn a 19-million-dollar shortfall into a small surplus in 1986.

Oregon Governor Victor Atiyeh wants to impose a 5 percent sales tax. All of the proceeds would go to property-tax reductions of as much as 45 percent for beleaguered homeowners. "I call it tax reform," says Jon Yunker, Oregon's budget administrator.

Governor Lamar Alexander says Tennessee may be forced to impose an income tax if legislators don't back off from a measure, approved last year, taking the sales tax off food. Idaho hopes to pick up a one-time windfall of 25 million dollars by making corporations and self-employed workers pay taxes quarterly rather than annually.

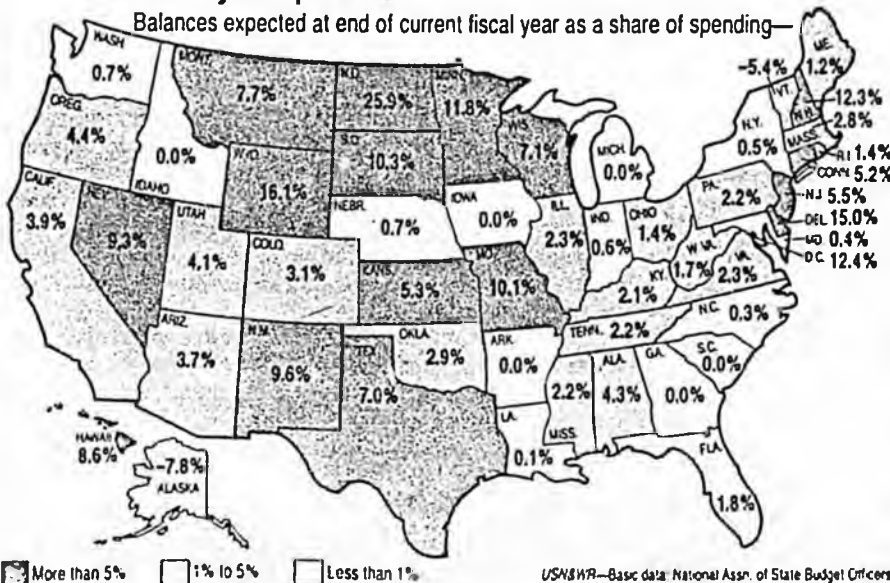
Unless Congress changes its mind, federal taxes on cigarettes will drop from 16 cents to 8 cents a pack on October 1. If that happens, Maryland, Illinois, Iowa, Nebraska, Nevada, New Mexico and Utah are prepared to raise their cigarette taxes. No matter what Congress does, higher cigarette taxes are in the works in Montana, Oregon, South Dakota and Vermont.

Sure winner. Many state treasuries are benefiting from big lottery sales. In Ohio, lottery revenues are up by 168 million dollars. Connecticut is running 11 million ahead of projections. Lotteries are also doing better in Massachusetts, Rhode Island and Illinois.

Even though the past two years have left state finances in better shape, budget officers are still not crowing. They worry that surpluses could evaporate quickly if the economy falters or Reagan makes good on his plan to chop federal aid to states. □

Mostly Surpluses

Balances expected at end of current fiscal year as a share of spending—



US&WB—Basic data: National Assn. of State Budget Officers

By RICHARD ALM with the magazine's domestic bureau

TO: BETTYE
FROM: SANDRA
RE: SB 94, CIGARETTE EXCISE TAX
DATE: FEBRUARY 20, 1985

THE FEDERAL TAX STRUCTURE ON CIGARETTES DISTINGUISHES BETWEEN SMALL CIGARETTES (THOSE WEIGHING LESS THAN 3 LBS./1000, WHICH ARE WHAT WE GENERALLY THINK OF AS STANDARD CIGARETTES) AND LARGE CIGARETTES (THOSE WEIGHING MORE THAN 3 LBS./1000).

CURRENT FEDERAL TAX:

SMALL CIGARETTES	\$8/1000 OR 16¢/PACK	(8 MILLS)
LARGE CIGARETTES	\$16.80/1000 OR 33.6¢/PACK	(16.8 MILLS)

PROPOSED FEDERAL TAX IF OCTOBER 1, 1985 REDUCTION OCCURS:

SMALL CIGARETTES	\$4/1000 OR 8¢/PACK	(4 MILLS)
LARGE CIGARETTES	\$8.40/1000 OR 16.8¢/PACK	(8.4 MILLS)

CURRENT STATE TAX DOES NOT DISTINGUISH BETWEEN LARGE AND SMALL CIGARETTES.

CURRENT STATE TAX	\$4/1000 OR 8¢/PACK	(4 MILLS)
<u>EFFECT OF SB 94</u>	\$8/1000 OR 16¢/PACK	(8 MILLS)

THE DRAFT COMMITTEE SUBSTITUTE WOULD TAKE EFFECT ON OCTOBER 1, 1985 IF THE FEDERAL TAX IS IN FACT REDUCED TO \$4/1000 ON SMALL CIGARETTES. THE TAX ON BOTH LARGE AND SMALL CIGARETTES IS DUE FOR REDUCTION OCT. 1. IN THE EVENT THE TAX ON LARGE CIGARETTES IS NOT LOWERED, THE STATE TAX WOULD GO INTO EFFECT ANYWAY.

AN OPTIONAL AMENDMENT #2 WHICH ADDRESSES THE EVENTUALITY OF A FUTURE FEDERAL TAX INCREASE IS ATTACHED.