

ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672
7551 SENATE LABOR & COMMERCE

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SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

DATE: 3/8/91

FURTHER:

Date of 5-Day Notice: 3-21-91
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: _____

L&C Committee considered SB 183

Authority of certain beverage dispensary licensees to stock alcoholic beverages in guest rooms.

and recommended:

- replace with _____ CS SB 183 (L&C) same title
- attached amendment(s) new title
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

Department(s)/Date:

Department(s)/Date:

fiscal note(s) _____

zero fiscal note(s) REVENUE 13-18-91
COMMERCE / 3-21-91

appropriation-no fiscal note

Governor's bill w/fiscal note

SIGNING DO PASS:

[Signature]
[Signature]

OTHER RECOMMENDATIONS:

[Signature] 10 Pass
Chair: Signature and Recommendation

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SB 183

Revision Date: _____ Department Affected: Revenue
 Title: Authority to stock alcoholic beverages in guest rooms. BRU: Alcoholic Beverage Control Board
 Component: _____
 Sponsor: Senate Labor & Commerce Comm.
 Requestor: Senate Labor & Commerce Comm. COMPONENT SERIAL NO.

0	1	0	0
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

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

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-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Patrick L. Sharrock, Director Phone: 277-8638
 Division: Alcoholic Beverage Control Board Date: March 12, 1991
 Approved by Commissioner: _____ Date: 3-18-91
 Agency: Department of Revenue

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ics).

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SB 183

Revision Date: _____ Department Affected: Commerce & Economic Develop.
 Title: "An act related to the authority of certain beverage dispensary licenses" BRU: Tourism
 Component: Tourism development
 Sponsor: Senate Labor Commerce Committee
 Requestor: Senator Drue Pearce COMPONENT SERIAL NO.

1	0	1	7
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

This bill does not impact operations of the Division of Tourism.

Prepared By: Wendy Wolf Phone: 465-2012
 Division: Division of Tourism Date: 3/20/91
 Approved by Commissioner: Glenn A. Olds *[Signature]* Asst Comm
 Agency: Department of Commerce & Economic Development Date: 3-21-91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Alaska State Legislature

Senator Drue Pearce, Chair
Senator Virginia Collins, Vice Chair
Senator Dick Eliason
Senator Rick Halford
Senator Jay Kerttula



SENATE LABOR AND COMMERCE COMMITTEE

WHILE IN JUNEAU
P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3844

3111 C STREET, SUITE 150
ANCHORAGE, ALASKA 99504
(907) 561-2018

To: Senate Labor and Commerce Committee
From: Senator Drue Pearce
Date: March 25, 1991
Re: Senate Bill 183

Currently, the Alaska Alcohol Beverage Control Board does not allow alcoholic beverages to be stocked inside hotel or motel rooms.

Senate Bill 183 seeks to authorize the Alcohol Beverage Control Board to allow beverage dispensary license holders the right to allow self serve liquor sales inside hotel and motel rooms. The current plan is to allow alcoholic beverages to be stocked in lockable refrigerators placed in the rooms. Once the motel or hotel has determined if the patron is 21 year of age or older then a key can be issued along with the room key.

This bill was introduced at the request of the Alaska Hotel and Motel Association and the Alaska Cabaret, Hotel, Restaurant & Retailers Association.

Amendment proposed by Patrick Sharrock, Director of the Alcohol Beverage Control Board.

Page 2 after line 4 add:

The Board shall, by regulation, develop operational criteria and provide for a permit and appropriate fees not to exceed \$_____ per unit to implement this subsection.

Alaska State Legislature

Senator Druce Pearce, Chair
Senator Virginia Collins, Vice Chair
Senator Dick Ellason
Senator Rick Halford
Senator Jay Kerttula



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JUNEAU, ALASKA 99811
(907) 465-3844

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ANCHORAGE, ALASKA 99504
(907) 561-2018

SENATE LABOR AND COMMERCE COMMITTEE

TO: Mike Ford, Legislative Counsel
Legal Services Division

FROM: Rod Mourant, Legislative Aide
Senate Labor & Commerce Committee

A handwritten signature in dark ink, appearing to read "Rod", written over the name "Rod Mourant" in the "FROM:" line.

DATE: April 15, 1991

RE: SB 183

Please draft a committee substitute for SB 183, draft 7-LS0858\A with the following changes:

Amendment by Senator Collins, draft 7-LS0858\A.1 dated 04/08/91 with the following change:

Pg 1, Ln 14, after "shall":

Insert "be stocked by an employee who is 21 years of age or older, may not be [stocked] supplied or re-supplied during...."

All other sections of this amendment were adopted as drafted.

Amendment by Senate Labor & Commerce Committee, draft 7-LS0858\A.4 dated 04/15/91 with the following change:

Pg 2, Ln 4, after "older":

Insert "The board shall issue a permit [for] to each [refrigerated unit stocked by a] licensee under..."

This bill was moved from committee today and we would like to read across on Wednesday.

Thank you.

Attachments

Amended #1

A M E N D M E N T

OFFERED IN THE SENATE
TO: SB 183

BY SENATOR COLLINS

Page 1, line 2, following "rooms":

Insert "; and prohibiting certain room rentals for purposes of providing alcoholic beverages to a person under 21"

Page 1, line 14, after "shall":

Insert "be stocked by an employee who is 21 years of age or older, may not be ~~stocked~~ during hours that the sale of alcoholic beverages is prohibited as provided under AS 04.16.010(a) and (d), and shall"

*SUPPLIED
OR RESUPPLIED*

Page 2, line 1, after "room.":

Insert "A key lock system shall be designed to prevent the removal of the key unless the refrigerated unit is locked."

Page 2, following line 4:

Insert a new bill section to read:

** Sec. 3. AS 04.16 is amended by adding a new section to read:

Sec. 04.16.055. ROOM RENTAL FOR PURPOSES OF CONSUMING ALCOHOLIC BEVERAGES. A person may not rent a room in a hotel, motel, resort, or similar business for the purpose of providing alcoholic beverages to a person under the age of 21 years."

TF 2

AMENDMENT

ADD 520

OFFERED IN THE SENATE
TO: SB 183

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Page 2, line 4, after "older.":

TO

AUTHORIZED TO
STOCK # 2001012
136111025

Insert "The board shall issue a permit for each refrigerated unit stocked by a licensee under this subsection and may by regulation impose an administrative fee for the cost of issuing the permit."

STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

DEPARTMENT OF REVENUE

580 W. 7TH AVE
ANCHORAGE, ALASKA 99501-8898

ALCOHOLIC BEVERAGE CONTROL BOARD

March 26, 1991

The Honorable Drue Pearce, Chair
Labor and Commerce Committee
Alaska State Senate
P. O. Box V
Juneau, Alaska 99811

RE: SB 183

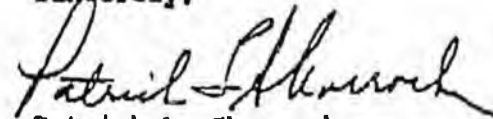
Dear Senator Pearce:

Ken Erickson of your office asked that I provide you with the ABC Board's position concerning SB 183.

The board has discussed the subject of mini-bars in hotel rooms on several occasions during the last few years. The board concluded that it neither supports nor opposes mini bars. However, it has indicated that it should have a role in reviewing proposals from licensees who want to provide mini-bar service in their facilities. Senate Bill 187 does provide for board approval.

Thank you for the opportunity to comment. If I can provide any additional information, please do not hesitate to call.

Sincerely,



Patrick L. Sharrock
Director, ABC Board

PS/cl

91-42

SB 183: "An Act related to the authority of certain beverage dispensary licensees to stock alcoholic beverages in guest rooms."

The department has no opposition to this bill, as it does not affect any of the department's programs.



Glenn A. Olds, Commissioner

Date: 3-22-91



*Alaska Cabaret, Hotel,
Restaurant & Retailers Association*

500 D. Williams Building • Anchorage, Alaska 99510
400 K Street • (907) 272-8194 • Fax: (907) 272-8640

March 8, 1991

Position Paper on Hotel Mini-Bars

The Alaska Cabaret, Hotel, Restaurant & Retailers Association endorses legislation that amends Alaska State Liquor Laws to permit the placement of mini-bars in hotel and motel rooms. As a major part of the hospitality and visitor industry of the state, the Association feels that the availability of this amenity to the traveling public is necessary to maintain our competitive edge as a visitor destination. Mini-bars are available in hotel rooms in many areas of the world and we believe that Alaska's lodging industry should be able to participate fully in the modern world of hospitality.



ALASKA VISITORS ASSOCIATION

501 West Northern Lights, Suite 201 • Anchorage, Alaska 99503

Tel: (907) 276-6663 • Fax: (907) 258-4036

1988-89

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Anchorage, Alaska

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Alaska Travel Adventures
Juneau, Alaska

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Government Relations

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Alaska Airlines

Brad Phillips

Phillips Cruises & Tours

Tom Watson

Kodiak Island Convention
& Visitors Bureau

Richard West

Alaska Sightseeing

Dana Brackway

Executive Director

#89-1

A Resolution of the Board of Directors of the Alaska Visitors Association regarding:

The presence of mini-bars in hotel and motel rooms.

WHEREAS, the Hotel/Motel Association of Alaska and CHARR are seeking passage of a statute by the Alaska legislature amending Alaska State liquor laws to permit the placement of mini-bars in hotel and motel rooms;

THEREFORE BE IT NOW RESOLVED, that the Board of Directors of the Alaska Visitors Association supports this legislation and encourages the Alaska State Legislature to amend the necessary laws to permit the use of hotel room mini-bars.

ADOPTED BY THE AVA BOARD OF DIRECTORS ON FEBRUARY 7, 1989.



By FAX 463-5352

Ralph Nogal
Anchorage Hilton Hotel
Bill Elander
Anchorage Convention &
Visitors Bureau
Forest Paulson
Sheraton Anchorage Hotel
Bob Coe
Duty Free Shoppers
Gordon Godfred
Arctic Circle Enterprises
Wally Hickel, Jr.
Hotel Captain Cook
Masao Ishii
Japan Air Lines
Rolf Klug
Holland America Westours
Bill MacKay
Alaska Airlines
Jeff Ripley
Princess Tours
Shinobu Shimojima
Selbu Alaska, Inc.
Kay Sugimoto
A & P Tours

March 25, 1991

Senator Drue Pearce
P.O. Box V
Juneau, AK 99811

Dear Senator Pearce:

On behalf of the Alaska International Airport and Tourism Marketing Council, Inc., please be advised we strongly support Senate Bill No. 183 in order to offer more convenience to our international and domestic travelers.

In stocking alcoholic beverages and snacks, as well as cold drinks, in a room refrigerator, we will offer the same privileges our international and domestic guests have in locations other than Alaska. These units are separately keyed and only offered to persons 21 years of age or older.

Please also remember that these units only sell about 17% liquor and the balance is for snacks and non-alcoholic beverages.

Senator Pearce, passage of this bill will put us on a plane with other states and countries.

Sincerely,

Ralph C. Nogal
President

RCN/eh



THE ANCHORAGE HILTON

March 25, 1991

Senator Drue Pearce
P.O. Box V
Juneau, AK 99811

Dear Senator:

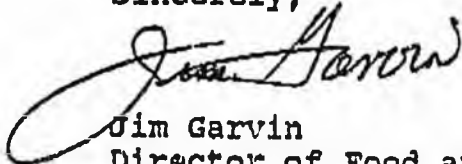
On behalf of the Anchorage Hilton, please accept our most vigorous plaudits for a marvelous opportunity to bring more business to the State of Alaska. Needless to say, we are strongly in favor of Senate Bill number 183.

As stated in SB183, travellers of all sophistications now expect first class and complete hospitality accommodations. In-room food and beverage availability was once a novelty. It is now a must!

As you know the State of Alaska competes with many destinations, not only for the summer tourist, but company meetings and conventions as well. We can ill afford to allow our competition the slightest edge.

Thank you again for your work on this long over due piece of legislation.

Sincerely,



Jim Garvin
Director of Food and Beverage

JG/eh



Alaska State Legislature

Legislative Research Agency



P.O. Box Y
Juneau, AK 99811-3100
Phone: (907) 165-3991
Fax: (907) 163-3351

March 20, 1991

MEMORANDUM

TO: Senator Drue Pearce

FROM: Linda J. Snow *L. J. Snow*
Legislative Analyst

RE: Regulation of Hotel Mini-Bars
Research Request 91.200

You asked this office how other states regulate hotel mini-bars. You specifically asked if other states require special licenses or permits for mini-bars, how they restrict access by minors and drunken persons, and how they control sale hours. You also asked if proposed mini-bar legislation would conflict with Alaska's "Happy Hour" law.

We spoke with representatives of alcoholic beverage control authorities in California, Illinois, Nevada, New York, Texas, and Wisconsin. Our discussions with these people are summarized below. Attached to this memorandum are relevant statutes from the various states.

California

According to David Wright, assistant chief of business practices for the California Department of Alcoholic Beverage Control, special controlled-access cabinet permits may be issued to California hotels which have an on-sale liquor license.¹ Mini-bar cabinets must be locked, and no access key may be issued to minors. Hotel employees allowed to stock the cabinets must be at least 21 years of age. Cabinets may not be stocked between 2:00 a.m. and 6:00 a.m., the hours during which the state prohibits sale of alcohol.

Illinois

Mr. Eric Wisette, chief of investigations for the Illinois Liquor Control Commission, reported that his state does not require separate mini-bar permits if hotels have a general liquor license. However, local municipalities have

¹On-sale refers to establishments which sell liquor for consumption on the premises (i.e., restaurants and bars). Off-sale refers to establishments which sell packaged liquor for consumption off the premises (i.e., grocery stores and liquor stores).

Senator Pearce
March 20, 1991
Page 2

the option to require permits or licenses for mini-bars. Illinois lacks legislation regarding mini-bars. The authority to regulate them comes from a Liquor Control Commission policy statement. The state has no regulations regarding hours of sale, although local governments may regulate them. Regarding access by drunken persons, the liquor license holder is ultimately responsible and risks the loss of his or her license if abuses occur. Illinois recently passed legislation (attached) which makes any person who rents a hotel room for the purpose of consumption of alcohol by minors guilty of a class C misdemeanor.

Nevada

The State of Nevada does not regulate alcoholic beverages. According to Jody Cummings of the Nevada Game and Control Board, both city and county governments regulate alcoholic beverages in Nevada. We spoke with Art Besser, chief of licensing for the Clark County Department of Business Licenses about mini-bars in Las Vegas. He reported that hotels with 100 or more rooms and a bar liquor license may receive "individual access licenses" (for mini-bars). Each license costs \$1,000 per three-month period. The cabinets are locked, and upon proof of age, a guest will be given a mini-bar key on a ring with the room key. The mini-bar key cannot be removed from the cabinet without locking it, so it is assured that the cabinet will be locked when the occupant is not in the room. Las Vegas allows sale of alcohol 24 hours a day, seven days a week. Employees of an establishment with a liquor license must take a course in liquor awareness training, which may help them identify abuses of mini-bars. According to Mr. Besser, Clark County has not had any serious problems with abuse of mini-bar privileges.

New York

New York law does not require special licenses or permits for hotel mini-bars beyond a general hotel liquor license. The law requires that mini-bar cabinets have a lock, and that keys will not be issued to minors or persons who are visibly intoxicated. According to Steven Kalinsky, attorney with the New York State Liquor Authority, nothing in the New York law addresses regulation of hours when the mini-bar may be used.

Texas

Ms. Jeannene Fox, director of licensing for the Texas Alcoholic Beverage Commission, reported that Texas legislation passed in 1989 requires a special permit to operate mini-bars in hotels with a current "mixed beverage" liquor license. Fees for these permits begin at \$2,000 annually, and decrease incrementally to \$750 annually for the third and all subsequent renewals. Local governments have the authority to charge up to the same amount for permits that the state charges. Prior to issuance of a permit, mini-bars must

Senator Pearce
March 20, 1991
Page 3

be inspected. The cabinets must lock with a key separate from the room key, and the drinks in the cabinets must be miniature (between one and two fluid ounces) for hotels to pass inspection. Upon registration for a room with a mini-bar, every occupant of the room must present proof of age. Restocking of mini-bars cannot occur between 9:00 p.m. and 9:00 a.m. daily, or all day Sunday, and employees who restock must be at least 18 years of age.

According to Ms. Fox, Texas law views hotel rooms more like residences than licensed premises. Persons may become intoxicated, as long as they remain in their hotel room. Also, Texas law allows minors to consume alcohol in their home under the supervision of a parent or legal guardian. This pertains to hotel rooms as well. Ms. Fox also reported that prior to passage of the 1989 legislation, the commission researched control of mini-bars in other states, and found that no other states had trouble regulating access of alcohol from mini-bars by minors and drunken persons.

Wisconsin

We interviewed Roger Johnson, a representative of Alcohol and Tobacco Enforcement in the Wisconsin Department of Revenue. He reported that Wisconsin authorities initially had concerns about the control of alcoholic beverages sold in hotel mini-bars, but that no major problems have occurred.

Hotels with a general bar liquor license may operate mini-bars without any special permits or licenses. Generally, only expensive resort hotels in Wisconsin have mini-bars. According to Mr. Johnson, this tends to preclude minors from obtaining access to them simply because few minors can afford to rent the rooms. The mini-bar cabinets must be locked and proof of age is required before a key will be issued. Some hotels have remote locking devices and can therefore control access to the liquor during certain hours. However, Wisconsin law states that although liquor may be furnished at the time the guest occupies the room, the sale of the liquor furnished is considered to occur at the time and place the guest pays for it. Most state laws address only hours of sale of liquor, not hours of consumption.

Bob Frohling, an analyst with the National Conference of State Legislatures who specializes in alcohol issues, stated that he has no knowledge of problems in controlling access to mini-bars by minors and drunken people. David Wright of the California Department of Alcoholic Beverage Control stated that new technology is emerging which will make control of mini-bar access easier. Hotels are now able to lock mini-bar cabinets remotely, stopping access during prohibited hours or when questions arise about the age or drunkenness of a room guest. Also, mini-bar cabinets may now be equipped with remote sensors which indicate exactly what liquor has been removed from a cabinet.

Senator Pearce
March 20, 1991
Page 4

Conflict with Alaska's "Happy Hour" Law

We spoke with Mike Ford, an attorney with the Legislative Affairs Agency Legal Services Division, who is familiar with state liquor laws. He stated that the "happy hour" law prohibits delivery of a drink to a person with two or more drinks already in his possession. Technically, a guest serving himself a drink from an open-access mini-bar could not be considered delivery. Therefore, it appears there would be no conflict with Alaska's "happy hour" law.

I hope this information is sufficient to answer your questions. If you need further assistance, please call this office.

Attachments

eating
or ves-
sels
rent
use for
dock
rest
.....

360.00 per year

56.00 per year

is 1985 ch 519 § 1.

(1)(a) which read: "(a) Steam beer manufacturer exclusively

(2) substituted "7,000" for "10,000" in (35).

complimentary alcoholic beverages to any interested adult
at the same time charging for product provided or service
thereby necessitating alcoholic beverage license. (1985) 68

oxicating liquor statutes, 100 ALR3d 850.

in 23320, each license shall bear an annual renewal
Section 23320. All money collected from the fees
collected into the General Fund in the State Treasury,
as provided in Section 25761.

licable to the annual fees provided for in Section

proportionate to the fee charged to each licensee
amount which is sufficient to pay the actual costs
of administrative hearings for administrative hearings. The
annual fees provided for in Section 23320, but shall
the amount amounts are collected to pay these costs.

in this section shall be deposited directly into the
the Alcoholic Beverage Control Fund as provided in

ion 23320, the department shall collect a surcharge

deposited in the Motor Vehicle Account in the State
Department of the California Highway Patrol's
Department of the California Highway Patrol for

ble eating place intermittent dockside license to

intermittent dockside license for vessels of more than
of more than 7,000 tons displacement with cabin
issuable under this section shall be used only in the
section may be issued such a license in more than
23397, the licensee under each such license shall
allow no other person to be on board the vessel respecting which the
berth in the county for which the license is issued,
operations of such vessel and such beverages are
resale for resale in this state. In no event shall the
county during more than 100 calendar days in any
year (commencing with Section 23815) of Chapter
2 than provided in this section, on the number of
applicants who meet its requirements. Except as
visions of this division shall apply to any license
provisions apply to an on-sale general license issued
operator's permit may be issued pursuant to Section
provided further that any duplicate license issued
bear the same fee specified by subdivision (35) of

Amendments:

1981 Amendment: Substituted "100" for "45" before "calendar days" in the fourth sentence.

1985 Amendment: Amended the first sentence by (1) substituting "7,000" for "10,000" wherever it appears; and (2) deleting ", respecting which vessel a duplicate license has also been issued under Section 23321.6" at the end of the sentence.

License fee: B & P C § 23954.7.

§ 23355.2. Sale of alcoholic beverages by hotel or motel by means of controlled access beverage cabinet

(a) For purposes of this section, "controlled access alcoholic beverage cabinet" means a closed container, either refrigerated, in whole or in part, or nonrefrigerated, and access to the interior of which is (1) restricted by means of a locking device which requires the use of a key, magnetic card, or similar device, or (2) controlled at all times by the licensee.

(b) Notwithstanding any other provision of this division, a hotel or motel having an on-sale license may sell alcoholic beverages to its registered guests by means of a controlled access alcoholic beverage cabinet located in the guestrooms of those registered guests, provided that each of the following conditions is met:

(1) Access to a controlled access alcoholic beverage cabinet in a particular guestroom is provided, whether by furnishing a key, magnetic card, or similar device, or otherwise, only to the adult registered guest, if any, registered to stay in the guestroom.

(2) Prior to providing a key, magnetic card, or other similar device required to attain access to the controlled access alcoholic beverage cabinet in a particular guestroom to the registered guest thereof, or prior to otherwise providing access thereto to the registered guest, the licensee shall verify, in accordance with Article 3 (commencing with Section 25657), of Chapter 16 of this division, that each registered guest to whom a key, magnetic card, or similar device is provided, or to whom access is otherwise provided, is not a minor.

(3) All employees handling the alcoholic beverages to be placed in the controlled access alcoholic beverage cabinet in any guestroom, including, but not limited to, any employee who inventories or restocks and replenishes the alcoholic beverages in the controlled access alcoholic beverage cabinet, shall be at least 21 years of age.

(4) There is no replenishing or restocking of the alcoholic beverages in any controlled access alcoholic beverage cabinet between the hours of 2 a.m. and 6 a.m. of the same day.

(c) Notwithstanding any other provision of this division, a hotel or motel having an on-sale general license may, upon issuance of a permit from the department, sell from its controlled access alcoholic beverage cabinets distilled spirits in containers of 50 milliliters or less, or in containers of comparable size. The department shall charge an annual fee for a permit issued pursuant to this subdivision equal to the annual renewal fee applicable to an off-sale general license pursuant to Section 23320.

(d) Notwithstanding any other provision of this division, a hotel or motel having an on-sale general license and an off-sale general license may sell from its controlled access alcoholic beverage cabinets distilled spirits in containers of 50 milliliters or less, or in containers of comparable size, without having to obtain the permit specified in subdivision (c).

(e) A controlled access alcoholic beverage cabinet may be part of another cabinet or similar device, whether refrigerated, in whole or in part, or nonrefrigerated, from which nonalcoholic beverages or food may be purchased by the guests in hotel or motel guestrooms. However, in that event, the portion of the cabinet or similar device in which alcoholic beverages are stored shall be a controlled access alcoholic beverage cabinet, as defined in this section.

(f) For purposes of this section, "hotel" or "motel" shall mean an establishment which is licensed to sell alcoholic beverages and which contains guestroom accommodations with respect to which the predominant relationship existing between the occupants thereof and the owner or operator of the establishment is that of innkeeper and guest. For purposes of this subdivision, the existence of other legal relationships as between some occupants and the owner or operator thereof shall be immaterial. Amended Stats 1985 ch 280 § 1; Amended Stats 1986 ch 458 § 1.

Amendments:

1986 Amendment: (1) Added "having an on-sale license" in the introductory clause of subd (b); (2) deleted former subd (b)(5) which read: "(5) Distilled spirits shall not be sold by means of a controlled access alcoholic beverage cabinet unless an off-sale general license is also issued for the premises"; (3) added subds (c) and (d); and (4) redesignated former subds (c) and (d) to be subds (e) and (f).

Note—Stats 1985 ch 280 provides:

SEC. 2. The Legislature declares that nothing in this act shall be construed in any manner whatsoever as modifying, revoking, repealing, or otherwise altering the prohibitions of Article 2 (commencing with Section 25631) of Chapter 16 of this division.

Hours of sale and delivery of alcoholic beverages: B & P C §§ 25631 et seq.

§ 23356.2. Beer manufactured for personal or family use

No license or permit shall be required for the manufacture of beer for personal or family use, and not for sale, by a person over the age of 21 years. The aggregate amount of beer with respect to any household shall not exceed (a) 200 gallons per calendar year if there are two or more adults in such household, or (b) 100 gallons per calendar year if there is only one adult in such household.

Any beer manufactured pursuant to this section may be removed from the premises where manufactured

DRAM SHOPS

P.A. 84-551, which revised terminology and extended a statute of limitations (ch. 10, § 13-214), in the third from the last paragraph, substituted "allow" for "suffer".

P.A. 84-816 inserted the paragraph relating to provision of alcohol in long term care facilities.

P.A. 84-1081, in the first paragraph, added sentence relating to sales in fire protection district buildings.

P.A. 84-1111, which incorporated the amendments to this paragraph by all earlier Acts of the 84th General Assembly, inserted two paragraphs relating to sales of alcoholic liquor at the Willard Ice Building; and also inserted the paragraph relating to the use of catering establishments to sell or dispense alcoholic liquors at authorized functions.

Section 2 of P.A. 84-1111, approved Feb. 28, 1986, provided:

"This Act takes effect upon becoming a law."

P.A. 84-1228, which incorporated the amendments to this paragraph by all earlier Acts of the 84th General Assembly, inserted the paragraph relating to beer and wine sales at entertainment events on premises owned by the Kane County Forest Preserve District.

Section 2 of P.A. 84-1228, approved July 24, 1986, provided:

"This Act shall take effect upon becoming law."

References

Decisions

Individual who leases concession space in a state park must obtain both local and state license before selling alcoholic liquors. 1979 Op. Atty. Gen. No. S-1469.

This paragraph merely constitutes an exemption from general prohibition against sale or delivery of alcoholic beverages in any building belonging to or under control of state or any political subdivision thereof; it does not provide exemption from licensing. Id.

An Illinois Municipal Corporation may not lease or otherwise permit its facilities to be used by a charitable organization for function where alcoholic beverages will be distributed either by the sale of tickets or

ILLINOIS

LIQUOR CONTROL ACT

43 ¶ 131

gratuitous disbursement. 1976 Op. Atty. Gen. No. S-1139.

131. Sales to and possession by persons under 21, intoxicated persons, persons under legal disability or in need of mental treatment—Proof of identity and age—Gatherings where one or more persons are under 18—Violations and penalties—Renting hotel or motel rooms

§ 6-16. (a) No licensee nor any officer, associate, member, representative, agent or employee of such licensee shall sell, give or deliver alcoholic liquor to any person under the age of 21 years, or to any intoxicated person or to any person known by him or her to be under legal disability or in need of mental treatment. No person, after purchasing or otherwise obtaining alcoholic liquor, shall sell, give or deliver such alcoholic liquor to another person under the age of 21 years, except in the performance of a religious ceremony or service. Whoever violates the provisions of this paragraph of this subsection (a) is guilty of a Class A misdemeanor.

For the purpose of preventing the violation of this section, any licensee, or his agent or employee, may refuse to sell or serve alcoholic beverages to any person who is unable to produce adequate written evidence of identity and of the fact that he or she is over the age of 21 years.

Adequate written evidence of age and identity of the person is a document issued by a federal, state, county, or municipal government, or subdivision or agency thereof, including, but not limited to, a motor vehicle operator's license, a registration certificate issued under the Federal Selective Service Act,¹ or an identification card issued to a member of the Armed Forces. Proof that the defendant-licensee, or his employee or agent, demanded, was shown and reasonably relied upon such written evidence in any transaction, forbidden by this Section is competent evidence and may be considered in any criminal prosecution therefor or to any proceedings for the suspension or revocation of any license based thereon.

Any person who sells, gives, or furnishes to any person under the age of 21 years any false or fraudulent written, printed, or photostatic evidence of the age and identity of such person or who sells, gives or furnishes to any person under the age of 21 years evidence of age and identification of any other person is guilty of a Class A misdemeanor.

Any person under the age of 21 years who presents or offers to any licensee, his agent or employee, any written, printed or photostatic evidence of age and identity which is false, fraudulent, or not actually his own for the purpose of ordering, purchasing, attempting to purchase or otherwise procuring or attempting to procure, the serving of any alcoholic beverage, or who has in his possession any false or fraudulent written,

printed, or photostatic evidence of age and identity, is guilty of a Class B misdemeanor.

Any person under the age of 21 years who has any alcoholic beverage in his possession on any street or highway or in any public place or in any place open to the public is guilty of a Class B misdemeanor. This Section does not apply to possession by a person under the age of 21 years making a delivery of an alcoholic beverage in pursuance of the order of his or her parent or in pursuance of his or her employment.

(b) Except as otherwise provided in this Section whoever violates this Section shall, in addition to other penalties provided for in this Act, be guilty of a Class B misdemeanor.

(c) Any person shall be guilty of a petty offense where he or she knowingly permits a gathering at a residence which he or she occupies of two or more persons where any one or more of the persons is under 18 years of age and the following factors also apply:

(1) the person occupying the residence knows that any such person under the age of 18 is in possession of or is consuming any alcoholic beverage; and

(2) the possession or consumption of the alcohol by the person under 18 is not otherwise permitted by this Act; and

(3) the person occupying the residence knows that the person under the age of 18 leaves the residence in an intoxicated condition.

For the purposes of this subsection (c) where the residence has an owner and a tenant or lessee, there is a rebuttable presumption that the residence is occupied only by the tenant or lessee.

(d) Any person who rents a hotel or motel room from the proprietor or agent thereof for the purpose of or with the knowledge that such room shall be used for the consumption of alcoholic liquor by persons under the age of 21 years shall be guilty of a Class C misdemeanor.

Laws 1933-34, 2nd Sp.Sess., p. 57, art. VI, § 12, eff. Jan. 31, 1934. Amended by Laws 1951, p. 1557, § 1, eff. July 16, 1951; Laws 1953, p. 1182, § 1, eff. July 13, 1953; Laws 1961, p. 2479, § 1, eff. Aug. 1, 1961; Laws 1963, p. 2529, § 1, eff. Aug. 7, 1963; P.A. 77-2410, § 1, eff. Jan. 1, 1973; P.A. 78-26, art. VI, § 1, eff. Oct. 1, 1973; P.A. 78-630, § 1, eff. Oct. 1, 1973; P.A. 78-1297, § 15, eff. March 4, 1975; P.A. 81-212, § 1, eff. Jan. 1, 1980. Renumbered § 6-16 and amended by P.A. 82-783, Art. VI, § 2, eff. July 13, 1982. Amended by P.A. 83-706, § 27, eff. Sept. 23, 1983; P.A. 83-834, § 1, eff. July 1, 1984; P.A. 83-1362, Art. II, § 54, eff. Sept. 11, 1984; P.A. 84-272, § 6, eff. Jan. 1, 1986; P.A. 84-1379, § 1, eff. Jan. 1, 1987.

¹ 50 U.S.C.A. App. § 451 et seq.

Historical Note

This paragraph is derived from R.S. "No licensee shall sell, give or deliver alcoholic liquor to any minor, or to any intoxicated person or to any person known

As originally enacted the paragraph read:

and identity, is guilty of a Class B

who has any alcoholic beverage
 on his person in any public place or in
 the possession of a Class B misdemeanor. This
 is a person under the age of 21
 who has any alcoholic beverage in pursuance of the
 duties of his or her employment.
 This Section whoever violates this
 Section is guilty of a Class B misdemeanor as provided for in this Act, be

petty offense where he or she
 occupies the place which he or she occupies of
 more of the persons is under 18
 also apply:

the person knows that any such person
 is consuming any alcoholic

the alcohol by the person under
 the Act; and

the person knows that the person under
 the Act is in an intoxicated condition.

(c) where the residence has an
 rebuttable presumption that the
 person is a tenant or lessee.

the person removes any alcoholic
 liquor from the motel room from the proprietor
 with the knowledge that such room
 contains alcoholic liquor by persons under
 the Act is guilty of a Class C misdemeanor.

1934, eff. Jan. 31, 1934. Amended by
 Laws 1953, p. 1182, § 1, eff. July 13,
 1961; Laws 1963, p. 2529, § 1, eff.
 July 1, 1973; P.A. 78-26, art. VI, § 1, eff.
 July 1, 1973; P.A. 78-1297, § 15, eff. March
 1, 1978. Renumbered § 6-16 and amended
 by P.A. 83-706, eff. July 1, 1984; P.A. 83-1362, Art.
 I, § 6, eff. Jan. 1, 1986; P.A. 84-1379,

by him to be an habitual drunkard, spend-
 thrift or insane, feeble-minded or distracted
 person."

The 1951 amendment substituted "men-
 tally ill, mentally deficient or in need of
 mental treatment" for "feeble-minded or
 distracted person".

The 1953 amendment made the para-
 graph applicable to officers, agents, employ-
 ees and others acting for a licensee, and it
 provided a penalty for violation of the para-
 graph.

The 1961 amendment substituted "person
 under the age of 21 years" for "minor".

The 1963 amendment in the first para-
 graph added what is now the second sen-
 tence.

P.A. 77-2410 provided that a person vio-
 lating the paragraph was guilty of a Class B
 misdemeanor.

The amendment by P.A. 77-2410 was
 necessary to conform penalties under this
 paragraph with the Unified Code of Correc-
 tions, see ch. 38, ¶ 1001-1-1 et seq.

Section 2 of P.A. 77-2410 provided an
 effective date of January 1, 1973.

P.A. 78-26 designated the subdivisions of
 the paragraph; inserted subd. (b) which
 read:

"(b) Subsection (a) of this Section does
 not apply to the sale, gift or delivery of beer
 and wine to persons under the age of 21
 years but at least 19 years of age."

and in subd. (a) referred to the exception of
 subd. (b).

P.A. 78-630 in what is now the first para-
 graph of subd. (a) following "21 years"
 inserted "or in the case of beer and wine,
 under the age of 19 years"; and in subd. (a)
 added the second to sixth paragraphs.

P.A. 78-1297, the 1974 Revisory Act,
 declared in its title that it related to "certain
 nonsubstantive revisions of the law to re-
 solve differences among the several forms of
 certain Sections amended by more than one
 Act of the 78th General Assembly".

P.A. 81-212, in subd. (a), in the first,
 second, fifth and sixth paragraphs deleted
 "or in case of beer and wine, under the age
 of 19 years" where it appeared following
 "21 years"; deleted former subd. (b) as
 added by P.A. 78-26, and designated a
 penalty provision as subd. (b).

P.A. 82-783, Art. VI renumbered Sec-
 tions of the Liquor Control Act of 1934 and
 amended other Acts to revise cross referenc-
 es to the renumbered Sections.

For provisions of P.A. 82-783, Art. I,
 § 1 relating to intent and supersedure and
 Art. XII, § 1 relating to effective dates and
 extension or revival of repealed Acts, see
 Historical Note following ch. 23, ¶ 4-2.

P.A. 83-706 revised statutory terminol-
 ogy related to persons under legal and devel-
 opmental disabilities; deleted references to
 conservators or substituted references to
 guardians; and inserted gender references.

P.A. 83-834, in subd. (b), inserted "Ex-
 cept as otherwise provided in this Section";
 and added subd. (c).

P.A. 83-1362, Art. II, the 1984 Revisory
 Act provided in § 0.1:

"This Article provides for the nonsub-
 stantive revision or renumbering or repeal
 of Sections of Acts necessitated by the
 amendment, addition or repeal of Sections
 by two or more Public Acts of the 83rd
 General Assembly, which multiple action
 was not resolved by one of the Acts of the
 83rd General Assembly affecting the partic-
 ular Section."

For provisions of P.A. 83-1362, Art. I,
 § 1 relating to intent and Art. V, § 1 relat-
 ing to effective date and nonacceleration,
 see Historical Note following ch. 5, ¶ 55.19.

P.A. 84-272, in the first paragraph of
 subd. (a), added "Whoever violates the pro-
 vision of this paragraph of this subsection
 (a) is guilty of a Class A misdemeanor."

P.A. 84-1379, which incorporated the
 amendment by P.A. 84-272, added subd.
 (d).

Cross References

Liquor in jails, see ch. 75, ¶ 118.

Local licenses, revocation or suspension, see ¶ 149 of this chapter.

State licenses, revocation or suspension, see ¶ 108 of this chapter.

Note

"No licensee shall sell, give or deliver
 alcoholic liquor to any minor, or to any
 intoxicated person or to any person known

Reprint of
Chapter 8.20
LIQUOR LICENSE REGULATIONS

CLARK COUNTY CODE
NEVADA
1990

BOOK PUBLISHING COMPANY
201 Westlake Avenue North
Seattle, Washington 98109

8.20.020

INDIVIDUAL ACCESS LICENSE. "Individual access license" means a license which allows a hotel to stock a locked cabinet or refrigerator in a hotel room or suite with alcoholic liquor, the key to which is given to the adult transient guest. The liquor cabinet key must be on the keyring to which the room key is attached and the liquor cabinet lock must be so designed that the key may not be removed therefrom without first locking the cabinet. The hotel must have at least one hundred rooms or suites, a full-service twenty-four-hour restaurant with a service bar and a tavern or main bar, room service of meals to all guestrooms, a recreation facility as defined in Section 8.04.010(X)(6) and a convention pavilion as part of the same operation and complex.

LEWD. "Lewd" means:

(a) The showing of the human male or female genitals, pubic area or buttocks with less than a fully opaque covering, or the showing of the covered male genitals in a discernibly turgid state with the intent to arouse or excite the sexual desire of the viewer;

(b) The touching of the genitals, buttocks or female breast of oneself or another person for purposes of sexual arousal, gratification or affront;

(c) An act of sexual intercourse, including actual or simulated, genital-genital, oral-genital, anal-genital or oral-anal, with or between persons of the same sex or opposite sex, or an act of masturbation, bestiality or sado-masochistic abuse.

LICENSEE. "Licensee" means any corporation or association or a natural person to whom a valid alcoholic liquor license and/or import-wholesale alcoholic liquor license has been issued and is used herein in the plural as well as the singular sense.

LIQUOR CATERER LICENSE. A liquor caterer license permits the operator of a portable bar at events for which the caterer has obtained a permit.

LIQUOR STORE. "Liquor store" is a specialty retail store which deals exclusively in alcoholic liquors and related items including magazines, newspapers and packaged snack foods. Minors are not allowed entry into liquor stores. A liquor license shall not be granted to a liquor store if it is located within a one-thousand-five-hundred-foot radius of the entry door of any other liquor store.

LOUNGE. "Lounge" means a room or designated and separate area adjacent to and operated in connection with a hotel, supper club, casino or tavern wherein the patrons of said businesses meet in an informal setting at tables, booths or easy chairs for conversation or entertainment, and into which room or area minors are not permitted entry.

MANAGER/GENERAL MANAGER. A "manager" is the individual responsible for liquor sales and code compliance whose responsibilities are limited to a shift. "General manager" means a key employee who is designated by the licensee as the individual responsible for all liquor sales, employee supervision and liquor code requirement compliance.

MAIN BAR. "Main bar" means a bar where alcoholic liquors are dispensed by the drink by retail sales to customers at such bar in an establishment licensed for gaming other than Class A slot machines, resort hotel, or to a hotel having at least one hundred fifty rooms, providing sleeping accommodations to transient guests for valid consideration, and a restaurant.

MINOR. "Minor" means, for the purposes of this chapter, a natural person under the age of twenty-one years.

MORAL TURPITUDE. "Moral turpitude" is defined as any crime, including conspiracy to commit the crime, which:

8.20.465

parking lot over which the licensee has ownership or contractual parking privileges. (Ord. L-92-89 §, 1989; Ord. L-89-89 § 1, 1989; Ord. L-81-88 § 4, 1988; Ord. L-55-85 § 1, 1985)

8.20.470 License fees. It is unlawful for any person, firm, association or corporation to engage in the retail business of selling, distributing, dispensing or giving away intoxicating, spirituous, vinous, malt (fermented) or other liquors, wines or beers in the county, outside the incorporated cities and towns therein, without first having procured a license and paid the applicable fees in advance to the county department of business license as follows:

(a) For retail liquor licenses:

(1) For each and every main bar operated by an establishment for on-premises consumption, including room service of package goods to hotel guests in rooms by a porter within the establishment, a fee of five hundred twenty-five dollars per quarter-annual period;

(2) For each and every service bar and portable bar operated by an establishment a fee of three hundred dollars per quarter-annual period;

(3) For each and every individual access license, the fee of one thousand dollars per quarter-annual period;

(4) For a tavern, a fee of three hundred dollars per quarter-annual period;

(5) For retail beer, a fee of one hundred twenty-five dollars per quarter-annual period;

(6) For retail beer and wine, a fee of one hundred fifty dollars per quarter-annual period;

(7) For a club liquor license, a fee of thirty-four dollars and seventy-five cents per quarter-annual period;

(8) For a supper club license, a fee of three hundred dollars per quarter-annual period;

(9) For a liquor caterer license, the fee of one hundred fifty dollars per quarter-annual period and a semiannual fee based on gross revenue pursuant to Title 6, with a permit fee of ten dollars for each portable bar operated per day at each event.

(b) For package licenses:

(1) For package liquor, a fee of four hundred fifty dollars per quarter-annual period unless operated in conjunction with a tavern by the same licensee at the same location, in which case the fee shall be one hundred fifty dollars per quarter-annual period;

(2) For package beer, a fee of one hundred twenty-five dollars per quarter-annual period;

(3) For package beer and wine, a fee of one hundred seventy-five dollars per quarter-annual period;

(c) Import-wholesale. For an import-wholesale alcoholic license, a fee of six hundred fifty dollars per quarter-annual period.

(d) For a special events permit, the fee shall be the same fee as set forth above for a quarter-annual period for the type of service for which the special events permit is issued, except that charitable organizations which meet the requirements for issuance of special events permits shall not be required to pay any fee.

A separate license is required for each fictitious name used by an entity in the conduct of liquor sales, distribution or gift. (Ord. L-96-89 § 3, 1989; Ord. L-62-87 §

or permit such premises to become disorderly, any part thereof, for the sale of lottery tickets, or as a simulcast facility or simulcast theater wagering and breeding law, when duly authorized, shall not constitute gambling within the

consumption shall suffer or permit any the health, safety, and welfare of any person violation of this section shall be subject to the licensee's license to sell alcoholic beverages for on- premises of this section, the term "dwarfism" means all which is caused by heredity, endocrine efficiency or skeletal diseases that result in lt height of less than four feet ten inches.

operated on regularly scheduled flights by a licensed to sell liquors and/or wines for on- licensed to sell liquors and/or wines only to except that a railroad operating licensed cars sell wines from portable carts located on station Grand Central Station, Jamaica, Hunterspoint licensed railroad cars depart.

consumption shall be interested, directly or indirectly, in the manufacture, sale or distribution of liquors, wines or beer are manufactured or sold at any time, without a mortgage or lien on any property, except that liquors, wines or beer may be sold by the person licensed as a manufacturer or distributor, or by an interstate railroad corporation or a person holding a retail license for on-premises consumption, within the boundaries of the town of North Elba, as shown on the Adirondack map, compiled by the State of New York - nineteen hundred sixty- seven, at page twenty-seven in the Essex county map, provided that such facility maintains not less than two suites for overnight lodging. Any lien, mortgage or other interest held by said retail licensee on or in the property of the manufacturer or wholesaler, which mortgage, lien, or interest accrued before December thirty-first, nineteen hundred and ninety-eight, shall be subject to the provisions of this subdivision; provided, that the time of the accrual of the interest,

NEW YORK

comprehended by this subdivision shall be upon the person who claims to be entitled to the protection and exemption afforded hereby.

[For sub 14, see parent volume]

15. All retail licensed premises shall be subject to inspection by any peace officer, acting pursuant to his special duties, or police officer and by the duly authorized representatives of the liquor authority, or the appropriate board during the hours when the said premises are open for the transaction of business.

(Added, L 1988)

16. No retail license to sell liquor and/or wine for consumption on the premises shall be granted for any public billiard or pocket billiard room, or for establishments of any description in which billiards is played or which maintains any apparatus or paraphernalia for the playing of billiards or pocket billiards and is conducted as a public place of business for profit. Notwithstanding any prohibition to the contrary, a license may be issued to an establishment wherein billiards or pocket billiards are played or may be played on a table which measures not more than three feet by six feet provided that not more than two such tables are in the establishment at any one time and further provided that the cue sticks used, and available for use, are made of light plexiglass or some similar light material.

(Added, L 1989)

17. Notwithstanding any other provision of law, a retail licensee for on-premises consumption that is a person or corporation operating a hotel shall be permitted to sell liquors, beer, and/or wines through a mechanical device or vending machine placed in the lodger's rooms and to which access to such device or machine is restricted by means of a locking device which requires the use of a key, magnetic card or similar device provided, however, that no such key, card or similar device shall be provided to any person under the age of twenty-one or to any person who is visibly intoxicated.

HISTORY:

- Sub 1, amd, L 1985, ch 48, § 3, eff June 16, 1985.
- Sub 6, amd, L 1986, ch 919, § 22, eff Dec 29, 1986.
- Sub 6-b, add, L 1990, ch 759, § 1, eff Aug 21, 1990.
- Sub 11, amd, L 1983, ch 445, § 1, eff July 15, 1983, L 1985, ch 545, § 1, eff July 24, 1985.
- Sub 13, amd, L 1988, ch 209, § 3, eff July 1, 1988.
- Sub 15, amd, L 1980, ch 843, § 108, eff Sept 1, 1980.
- Sub 16, add, L 1988, ch 64, § 20, eff April 24, 1988.
- Sub 17, add, L 1989, ch 217, § 1, eff June 26, 1989.

NOTES:

Editor's Notes:

- See 1988 note under § 101.

CROSS REFERENCES:

- This section referred to in §§ 64-b, 97, 98, 130.

RESEARCH REFERENCES AND PRACTICE AIDS:

Annotations:

- Criminal liability of member or agent of private club or association, or of owner or lessor of its premises, for violation of state or local liquor or gambling laws thereon. 98 ALR3d 694.

§ 50.02

§ 50.02. Fee

(a) The annual state fee for an original limousine service beverage permit is \$100 for each limousine operated by the limousine service.

(b) The annual state fee for the renewal of a limousine service beverage permit is \$50 for each limousine operated by the limousine service.

Added by Acts 1987, 70th Leg., ch. 482, § 1, eff. Sept. 1, 1987.

§ 50.03. Recordkeeping; Display of Permit; Rulemaking

The commission shall adopt rules governing the conduct of the holder of a limousine service beverage permit, including defining the term "limousine service," requirements for recordkeeping, display of the permit, and prohibitions against removal from a limousine of alcoholic beverages in their original containers in which purchased.

Added by Acts 1987, 70th Leg., ch. 482, § 1, eff. Sept. 1, 1987.

§ 50.04. Taxes

(a) The taxes imposed by this code shall be paid on all alcoholic beverages in a limousine or in a storage area maintained by a limousine service beverage permittee in accordance with rules prescribed by the commission.

(b) The preparation and service of alcoholic beverages by the holder of a limousine service beverage permit is exempt from the tax imposed by the Limited Sales, Excise, and Use Tax Act (Section 151.001 et seq., Tax Code). A limousine service beverage fee of five cents is imposed on each individual serving of an alcoholic beverage served by the permittee inside the state. The fee accrues at the time the container containing the alcoholic beverage is delivered to the passenger. The permittee shall remit the fees to the commission each month under a reporting system prescribed by rules of the commission.

Added by Acts 1987, 70th Leg., ch. 482, § 1, eff. Sept. 1, 1987.

§ 50.05. Operation in Dry Area

A limousine service beverage permit is inoperative in a dry area.

Added by Acts 1987, 70th Leg., ch. 482, § 1, eff. Sept. 1, 1987.

CHAPTER 51. MINIBAR PERMIT [NEW]

Section

- 51.01. Eligibility for Permit.
- 51.02. Authorized Activities.
- 51.03. Limited Access to Minibar.
- 51.04. Stocking Restrictions.
- 51.05. Fee.

Section

- 51.06. Prohibited Interests.
- 51.07. Mixed Beverage Permit is Primary.
- 51.08. Distilled Spirits Purchases.
- 51.09. Coin-Operated Machines Prohibited.
- 51.10. Commission May Adopt Rules.

§ 51.01. Eligibility for Permit

The commission or the administrator may issue a minibar permit only to the holder of a mixed beverage permit issued for operation in a hotel.

Added by Acts 1989, 71st Leg., ch. 692, § 2, eff. June 14, 1989.

§ 51.02. Authorized Activities

The holder of a minibar permit may sell the following alcoholic beverages out of a minibar:

- (1) distilled spirits in containers of not less than one ounce nor more than two ounces;
- (2) wine and vinous liquors in containers of not more than 13 fluid ounces; and
- (3) beer, ale, and malt liquor in containers of not more than 12 fluid ounces.

Added by Acts 1989, 71st Leg., ch. 692, § 2, eff. June 14, 1989.

§ 51.03. Limited Access to Minibar

(a) Minibars shall be of such design as to prevent access to alcoholic beverages to all persons who do not have a minibar key. The minibar key shall be different from the hotel

LICENSES AND PERMITS
Title 3

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LICENSES AND PERMITS
Title 3

§ 51.07

guestroom key, and the permittee shall not provide the minibar key to any person who is not of legal drinking age.

(b) A permittee may not provide a minibar key to any person other than an employee of the permittee or a registered guest of the hotel.

Added by Acts 1989, 71st Leg., ch. 692, § 2, eff. June 14, 1989.

§ 51.04. Stocking Restrictions

(a) All employees handling distilled spirits, wine, beer, ale, and malt liquor being stocked in the minibar must be at least 18 years of age.

(b) A minibar may not be restocked or replenished between the hours of 9 p.m. and 9 a.m. or on any Sunday, and it may contain no more than 40 individual containers of alcoholic beverages at any one time.

(c) A minibar may only be maintained, serviced, or stocked with alcoholic beverages by a person who is an employee of the holder of a minibar permit, and no other person shall be authorized to add alcoholic beverages to a minibar or, with the exception of a registered hotel guest consumer, to remove alcoholic beverages from a minibar.

(d) The holder of a minibar permit shall adhere to standards of quality and purity of alcoholic beverages prescribed by the commission and shall destroy any alcoholic beverages contained in a minibar on the date which is considered by the manufacturer of the alcoholic beverage to be the date the product becomes inappropriate for sale to a consumer.

Added by Acts 1989, 71st Leg., ch. 692, § 2, eff. June 14, 1989.

§ 51.05. Fee

The annual state fee for an original minibar permit is \$2,000. The annual state fee for the first renewal of a minibar permit is \$1,500. The annual state fee for the second renewal of a minibar permit is \$1,000. The annual state fee for the third and each subsequent renewal of a minibar permit is \$750.

Added by Acts 1989, 71st Leg., ch. 692, § 2, eff. June 14, 1989.

§ 51.06. Prohibited Interests

The holder of a minibar permit may not have a direct or indirect interest in a package store permit, and no package store may be located on the premises of a hotel in which a mixed beverage permittee holds a minibar permit.

Added by Acts 1989, 71st Leg., ch. 692, § 2, eff. June 14, 1989.

§ 51.07. Mixed Beverage Permit is Primary

All purchases made by a minibar permittee shall be made under the authority of and subject to the limitations imposed on the mixed beverage permit held by the permittee. All sales made by a minibar permittee shall, for tax purposes, be considered sales under the mixed beverage permit held by the permittee and shall be taxed accordingly. To ensure that the marketing of alcoholic beverages for stocking minibars is not used by suppliers for purposes of inducement or unauthorized or illegal advertising, it is further provided that:

(1) No person who holds a permit or license authorizing sale of any alcoholic beverage to mixed beverage permittees may sell or offer to sell alcoholic beverages to a minibar permittee at a cost less than the seller's laid-in cost plus the customary and normal profit margin applicable to other container sizes. The laid-in cost shall be defined as the manufacturer's or supplier's invoice price, plus all applicable freight, taxes, and duties.

(2) Proof of laid-in cost shall become a part of the permanent records of each permittee or licensee supplying alcoholic beverages to minibar permittees and be available for a period of two years for inspection by the commission.

(3) No alcoholic beverages offered for use in a minibar may be sold in connection with or conveyed as part of any promotional program providing a discount on the purchase of any other type, size, or brand of alcoholic beverage.

§ 51.07

LICENSES AND PERMITS
Title 3

(4) Distilled spirits in containers with a capacity of more than one but less than two fluid ounces must be invoiced separately from any other alcoholic beverage, and the price must be shown on the invoice.

(5) Distilled spirits in containers with a capacity of more than one but less than two fluid ounces may not be returned by the holder of a minibar permit. Neither may the beverages be exchanged by the holder of a minibar permit or redeemed for any reason other than damage noted at the time of delivery and approved by the commission. Claims for breakage or shortage after delivery to a minibar permittee shall not be allowed.

(6) No person holding a wholesaler's, local distributor's, or package store permit may participate in the cost of producing any room menu, beverage list, table tent, or any other device or novelty, written or printed, relating to the sale of distilled spirits in containers with a capacity of more than one but less than two fluid ounces. No permittee or licensee authorized to sell alcoholic beverages to a minibar permittee may pay for or contribute to the cost of providing in-house television or radio announcements to be used by any holder of a minibar permit to promote the sale of alcoholic beverages.

Added by Acts 1989, 71st Leg., ch. 692, § 2, eff. June 14, 1989.

§ 51.08. Distilled Spirits Purchases

Distilled spirits purchased for resale in a minibar must be purchased in unbroken cases, and the cases shall bear the appropriate identification stamps.

Added by Acts 1989, 71st Leg., ch. 692, § 2, eff. June 14, 1989.

§ 51.09. Coin-Operated Machines Prohibited

Nothing in this chapter shall be construed as authorizing nor may the commission or administrator authorize the sale of any alcoholic beverage from a coin-operated machine or similar device.

Added by Acts 1989, 71st Leg., ch. 692, § 2, eff. June 14, 1989.

§ 51.10. Commission May Adopt Rules

The commission may adopt rules necessary to regulate the use and operation of minibars.

Added by Acts 1989, 71st Leg., ch. 692, § 2, eff. June 14, 1989.

SUBTITLE B. LICENSES

Cross References

Judges of County Courts at Law Nos. 2 and 3 of Bexar County, grants or denials of licenses

under this code, see V.T.C.A. Government Code, § 25.0172(b).

CHAPTER 61. PROVISIONS GENERALLY APPLICABLE TO LICENSES

SUBCHAPTER B. APPLICATION AND ISSUANCE OF LICENSES

Section SUBCHAPTER C. CANCELLATION AND SUSPENSION OF LICENSES

Section

- 61.311. Masters in Certain Counties.
- 61.312. Delegation of Duties of County Judge. [New]
- 61.381. Notice by Sign.

- 61.711. Retail Dealer: Conviction of Offense Relating to Discrimination.
- 61.712. Grounds for Cancellation or Suspension: Sales Tax.

Cross References

Food service establishments, standards enforced by counties and public health districts, conflict with provisions of this code, see Vernon's Ann.Civ.St. art. 4476-6g, § 5.

WESTLAW Electronic Research

See WESTLAW Electronic Research Guide following the Preface.

WISCONSIN

the original package or container. In addition, wine may be sold in the original package or container in any quantity to be consumed off the premises where sold. This paragraph does not apply in municipalities in which the governing body elects to come under par. (b) or to a winery that has been issued a "Class B" license. Paragraph (am) applies to all wineries that have been issued a "Class B" license.

(am) A "Class B" license issued to a winery authorizes the sale of wine to be consumed by the glass or in opened containers only on the premises where sold and also authorizes the sale of wine in the original package or container to be consumed off the premises where sold, but does not authorize the sale of fermented malt beverages or any intoxicating liquor other than wine.

(b) In all municipalities electing by ordinance to come under this paragraph, a retail "Class B" license authorizes the sale of intoxicating liquor to be consumed by the glass only on the premises where sold and also authorizes the sale of intoxicating liquor in the original package or container, in multiples not to exceed 4 liters at any one time, and to be consumed off the premises where sold. Wine, however, may be sold for consumption off the premises in the original package or otherwise in any quantity. This paragraph does not apply to a winery that has been issued a "Class B" license. Paragraph (am) applies to all wineries that have been issued a "Class B" license.

125.51(3)(a) (bm) Notwithstanding pars. (a) and (b) and s. 125.04 (3) (a) 3 and (9), a "Class B" license authorizes a person operating a hotel to furnish a registered guest who has attained the legal drinking age with a selection of intoxicating liquor in the guest's room which is not part of the "Class B" premises. Intoxicating liquor furnished under this paragraph shall be furnished in original packages or containers and stored in a cabinet, refrigerator or other secure storage place. The cabinet, refrigerator or other secure storage place must be capable of being locked. The cabinet, refrigerator or other secure storage place shall be locked, or the intoxicating liquor shall be removed from the room, when the room is not occupied and when intoxicating liquor is not being furnished under this paragraph. A key for the lock shall be supplied to a guest who has attained the legal drinking age upon request at registration. The hotel shall prominently display a price list of the intoxicating liquor in the hotel room. Intoxicating liquor may be furnished at the time the guest occupies the room, but for purposes of this chapter, the sale of intoxicating liquor furnished under this paragraph is considered to occur at the time and place that the guest pays for the intoxicating liquor. Notwithstanding s. 125.68 (4) (c), the guest may pay for the intoxicating liquor at any time if he or she pays in conjunction with checking out of the hotel. An individual who stocks or accepts payment for alcohol beverages under this paragraph shall be the licensee, the agent named in the license if the licensee is a corporation or the holder of a manager's or operator's license or be supervised by one of those individuals.

```

*****
*
* DELIVER TO: LIOGROG
*
* ORIGINAL
* SENT: 03/27/91 TIME: 16:06
* FROM: LIOCMIL
* SUBJECT: 91-03-106; PL#2; (S)L&C; 3/27
* PRINT DATE: 03/27/91 TIME: 16:06
*
*****

```

SUBJECT LINE TO READ: TC NO.; PL FS; SHORT SUBJECT; DATE

```

T/C NO: 91-03-106
DATE: 3/27
SPONSOR: (S) LABOR AND COMMERCE
SUBJECT: SB 148 ETC.
MODERATOR: JUDY
SITE: ANCHORAGE "update"

```

PARTICIPANT LIST

TO TESTIFY

NAMES/REPRESENTING	ADDRESS	PHONE	BILL NO.
1. MAX LOWE/AKMA	4800 SPENARD	243-2300	183
2. KIM BENTON/TIMBER TRADING CO.	3501 DENALI#202	522-2143	148
3. NEIL JOHANSEN/STATE PARKS		762-2600	148

4. ANNE WIELAND/KACHEMAK BAY CITIZEN'S COALITION		276-5477	148
5. BILL DUGDALE/WESTMARK HOTEL	720 W 5	276-7676	183
6. BILL ELANDER/ACVB		276-4118	183
7. RALPH NOGAL/ANCHORAGE HILTON		272-7411	183
8. PAMELA BRODIE/SIERRA CLUB	241 E 5	276-4048	148

TO OBSERVE:

NAME/ REPRESENTING	ADDRESS	PHONE	BILL NO.
1. JOE WEHRMAN/TIMBER TRADING CO.	3501 DENALI ST.202		148
2. ALYSON DICKSON	1320 K	276-3173	148
3. STEVE PLANCHON/NATURE CONSRVNCY	736 W 21	276-3133	
4. DON HELLUM	2440 E TUDOR	338-5370	
5.			

```

BACK UP NUMBER: 561-1199
EMAIL ADDRESS: LIOCHTL

```

* SENT: 03/27/91 TIME: *
 * FROM: LIOCKOD *
 * SUBJECT: 91-03-106; PL#1; S.L&C; 3-27-91 *
 * PRINT DATE: 03/27/91 TIME: 15:28 *
 * *

SUBJECT LINE TO READ: TC NO.; PL/FS; SHORT SUBJECT; DATE

T/C NO: 91-03-106
 DATE: WEDNESDAY, MARCH 27, 1991
 SPONSOR: SENATE LABOR AND COMMERCE COMMITTEE
 SUBJECT: MULTIPLE BILLS
 MODERATOR: LORNA STEELMAN / TINA WITTEVEEN
 SITE: KODIAK LIO

PARTICIPANT LIST #1

 TESTIFIED

NAME/REPRESENTING	ADDRESS	PHONE	BILL NO.
1. TUESDAY SMITH / AK.	HOTEL, MOTEL & LODGING, ASSN.		SB 103
2. JIM FISK/	WANTS TO TESTIFY ON ALL BILLS EXCEPT		SB 148
3.			
4.			
5.			

 OBSERVED

NAME/REPRESENTING	ADDRESS	PHONE	BILL NO.
1.			
2.			
3.			
4.			
5.			

 TESTIFIED:

UNABLE:
 OBSERVED:
 TOTAL:

START TIME: 3:27 PM

END TIME:

17C NO: 91-03-108
DATE: MARCH 27, 1991
SPONSOR: SENATE LABOR & COMMERCE
SUBJECT: VARIOUS BILLS
MODERATOR: KATHY EVON
SITE: SITKA

PARTICIPANT LIST

TO TESTIFY

NAME/REPRESENTING	ADDRESS	PHONE	BILL NO.
1. BOB WARD, SITKA VISITOR'S BUREAU			<u>SB183</u>
2.			
3.			
4.			
5.			

TO OBSERVE

NAME/REPRESENTING	ADDRESS	PHONE	BILL NO.
1.			
2.			
3.			
4.			
5.			

TESTIFIED:
UNABLE:

OBSERVED:
TOTAL:

START TIME:

END TIME:

TELECONFERENCE PARTICIPATION

SPONSOR S (LTC)

DATE/TIME 3:30-6 pm 3/29

SUBJECT MICRO

LIO'S

(moderator)

	TESTIFY	OBSERVE	TESTIFY	OBSERVE
ANCHORAGE (<input checked="" type="checkbox"/>)	PAT Sharrock SB183		PETERSBURG *	()
BARROW *	()	()	SITKA	()
BETHEL	()	()	SOLDOTNA	()
DELTA JUNCTION *	()	()	VALDEZ *	()
DILLINGHAM *	()	()	LTC'S	()
FAIRBANKS	()	()	HOMER	()
GLENNALLEN *	()	()	WRANGELL	()
JUNEAU	()	()	OFFNETS	()
KETCHIKAN	()	()	OFF1	()
KODIAK	()	()	OFF2	()
KOTZEBUE	()	()	OFF3	()
MAT-SU	()	()	OFF4	()
NOME	()	()	OFF5	()
			OFF6	()

148

Fred ELUSAAS SB148
 AND CARL MARRS

Legislative
Information
Offices

Anchorage
Barrow*
Bethel*
Delta Junction*
Dillingham*
Fairbanks
Glennallen*
Juneau
Ketchikan
Kodiak
Kotzebue*
Mat-Su
Nome*
Petersburg*
Sitka
Soldotna
Valdez*

Legislative
Teleconference
Center

Homer
Wrangell

Volunteer Teleconference Sites

Akiok	Mosquito Lake
Ambler	Naknek
Anderson	Nenana
Angoon	Newhalen
Cantwell	Nikiski
Chiniak	North Pole
Chignik	Northway
Chignik Lake	Ouzinkie
Chistochina	Pelican
Chitina	Point Hope
Copper Center	Port Lions
Cordova	Saint Paul
Craig	Savoonga
Dot Lake	Selawik
Eagle	Seward
Fort Yukon	Shishmaref
Gakona	Skagway
Galena	Slana
Gambell	Togiak
Haines	Tok
Healy	Unalakleet
Hoonah	Unalaska
Hooper Bay	Wainwright
Hydaburg	Yakutat
Hyder	
Kake	
Kaktovik	
Karluk	
Kenny Lake	
Klawock	
Larson Bay	
Mentasta Lake	
Mentasta Lodge	
Metlaktla	

*Session Only

S B

1841

SENATE COMMITTEE REPORT
(RST COMMITTEE OF REFERRAL)

DATE: 3/11/91

FURTHER: HESS
Finance

Date of 5-Day Notice: 3-29-91
(in accordance with Uniform Rule 23)

DATE TURNED
INTO OFFICE: _____

L&C Committee considered SB 184
Correctional industries.

and recommended:

replace with _____ CS SB 184 (L & C) same title
 attached amendment(s) new title
 _____ letter of intent adopted

- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____

ATTACHES NEW FISCAL NOTE(S):

Department(s)/Date:

Department(s)/Date:

fiscal note(s) CORRECTIONS / 4-23-91

zero fiscal note(s) CORRECTIONS / 4-2-91

- appropriation-no fiscal note
- Governor's bill w/fiscal note

SIGNING DO PASS:

Rick Halford

OTHER RECOMMENDATIONS:

Virginia Colvin

Irue Roance - do pass
Chair: Signature and Recommendation

Alaska State Legislature

Senator Druo Pearce, Chair
Senator Virginia Collins, Vice Chair
Senator Dick Ellason
Senator Rick Halford
Senator Jay Kerttula



SENATE LABOR AND COMMERCE COMMITTEE

WHILE IN JUNEAU
P.O. BOX V
JUNEAU, ALASKA 99811
(907) 485-3844

3111 C STREET, SUITE 150
ANCHORAGE, ALASKA 99504
(907) 561-2018

SENATE LABOR & COMMERCE COMMITTEE

LETTER OF INTENT

CSSB 184 (L&C)

THE SENATE LABOR & COMMERCE COMMITTEE IS CONCERNED ABOUT THE IMPACT OF THE CORRECTIONAL INDUSTRIES PROGRAM ON EXISTING PRIVATE SECTOR BUSINESSES. IT IS THE INTENT OF THE COMMITTEE TO MEET WITH CORRECTIONAL INDUSTRIES REPRESENTATIVES AND THE CORRECTIONAL INDUSTRIES COMMISSION DURING THE INTERIM TO ASCERTAIN COMPLIANCE WITH THE LEGISLATIVE INTENT OF ONLY INSTITUTING PROGRAMS THAT HAVE A MINIMAL IMPACT ON THE PRIVATE SECTOR. FURTHER, THE CORRECTIONAL INDUSTRIES PROGRAM SHOULD CONTRACT WITH ALASKA PRIVATE ENTERPRISE TO WHOLESALE AND RETAIL THE PRODUCTS IT MANUFACTURES.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. C S S B 184(L&C)

Revision Date: April 23, 1991 Department Affected: Corrections
 Title: "AN ACT relating to prison industries." BRU: Statewide Operations
 Component: Industries Product Cost
 Sponsor: Senator Duncan
 Requestor: Senate Labor & Commerce Comm. COMPONENT SERIAL NO.

--	--	--	--

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL	2.0	2.0	2.0	2.0	2.0	2.0
CONTRACTUAL	.3	.3	.3	.3	.3	.3
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	2.3	2.3	2.3	2.3	2.3	2.3

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER <u>Corr. Ind. Fund</u>	2.3	2.3	2.3	2.3	2.3	2.3
TOTAL	2.3	2.3	2.3	2.3	2.3	2.3

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: William Ladwig, Admin. Officer Phone: (907) 465-3376

Division: Administrative Services Date: 04/23/91

Approved by Commissioner: *[Signature]*

Agency: Department of Corrections Date: 04/23/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, CMB, & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. S.B. 184

Revision Date: _____ Department Affected: Corrections

Title: "An Act relating to prison industries." BRU: _____
Component: _____

Sponsor: Senator Duncan

Requestor: _____ COMPONENT SERIAL NO.

--	--	--	--

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

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

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Tom Sutton, Director Phone: (907)465-3376

Division: Administrative Services Date: 04/02/91

Approved by Commissioner: X

Agency: Department of Corrections Date: 04/02/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Alaska State Legislature



SENATOR JIM DUNCAN

P. O. BOX V JUNEAU, ALASKA 99811-3100

(907) 465-4766

COMMITTEES:
FINANCE
VICE CHAIR -
HEALTH EDUCATION
& SOCIAL SERVICES
BUDGET & AUDIT
BANKING &
ECONOMIC
DEVELOPMENT

To: Senator Drue Pearce
Chair
Senate Labor and Commerce Committee

From:  Senator Jim Duncan

Subject: SB 184

Date: April 15, 1991

Thank you for scheduling SB 184 for action by the Senate Labor and Commerce Committee April 24. The following are suggested recommendations for the working group you will appoint to craft a committee substitute in advance of the April 24 committee meeting:

OK -Maintain the public hearing requirement as stated in the bill.

INTERIM PROJECT - & PROGRAM
TO MEET WITH BOARD
-Include purpose statement directing the department to review the impact on private enterprise by the Correctional Industry Program to ensure legislative intent is being followed and submit a report to the Legislature by January 1, 1992.
(MINIMAL IMPACT)

OK
NEW FLS LANGUAGE
-Expand the Correctional Industries Commission to include another business representative. Designate seats as "Business/Manufacturing" and "Business/Retail and Wholesale." Further require that these representatives be from businesses impacted by the Correctional Industry Program.

LC6
INTERIM LANGUAGE
-Consider placing in statute a requirement that the Correctional Industries Program contract with Alaska private enterprise to wholesale and retail products it manufactures.

N'D
-Consider amending AS 33.32.030(c) to provide state agencies flexibility in the purchase of Correctional Industry products by making it optional rather than mandatory.

These recommendations will serve as excellent starting points for discussion by your committee's working group. These topics were discussed in a meeting between business and departmental representatives and a member of my staff on Monday, April 8. I look forward to working with you to resolve this matter. Thank you for your consideration.

Alaska State Legislature



SENATOR JIM DUNCAN

P. O. BOX V JUNEAU, ALASKA 99811-3100
(907) 465-4766

COMMITTEES:
FINANCE
VICE CHAIR -
HEALTH EDUCATION
& SOCIAL SERVICES
BUDGET & AUDIT
BANKING &
ECONOMIC
DEVELOPMENT

To: Senator Drue Pearce
Chair
Senate Labor and Commerce Committee

From: Senator Jim Duncan

Subject: Hearing for Senate Bill 184

Date: March 11, 1991

I request the earliest possible hearing for Senate Bill 184, An act relating to correctional industries.

Senate Bill 184 is an attempt to address concerns by private enterprise in our state with the Correctional Industries Program.

Current law directs the Department of Corrections to establish programs which have a "minimal negative impact on existing private industry or labor force in the state." I feel the Correctional Industries Commission has not properly gauged the impact of its' programs on Alaska's private enterprise or labor force. I have specific concerns about the furniture manufacturing program. Appeals to the Department of Corrections and the Commission to review the impact of this program have been unsuccessful. This program has been expanded since its initiation several years ago. It is not clear if the Commission ever took steps to properly gauge the impact on private enterprise when it decided to expand this program.

SB 184 proposes a number of changes in current law. Section 1 of the bill amends AS 33.32.080(b) to add new language requiring the Commission to conduct a public hearing before it enters into a new industry or expands an existing industry. Section 2 repeals AS 33.32.030(c) requiring state agencies to purchase Correctional Industry products. Private enterprise views this section of current law as unfair competition and I am in agreement with this observation.

In my dealings with the Department of Corrections over the past several months concerning this problem, it appears the main justification for the furniture manufacturing program is that it is working in other states. I agree that this program may work in areas with larger populations and diversified economies. Such a program may truly have a minimal negative impact in those areas, but not in Alaska. Alaska's economy is not nearly as sophisticated. Private business relies very heavily on state government. I do not feel the impact of this program in states such as California and Arizona can be applied to Alaska. The situations are very different and I don't believe this difference has been properly gauged in our state.

I have attached letters of support for this legislation from the Alaska Chapter of the National Federation of Independent Business, the Greater Juneau Chamber of Commerce, the Alaska State Chamber of Commerce, and Capital Office Supply. The concern of these organizations is justified. The Legislature must intercede and provide the Correctional Industries Commission direction in order to properly address these concerns.

Your favorable consideration of my request is appreciated.

SB 184
SECTIONAL ANALYSIS

Section 1

Amends AS 33.32.080(b) requiring the Correctional Industries Commission to conduct a public hearing when it enters into a new program or expands an existing program.

Section 2

Repeals AS 33.32.030(c) which requires state agencies to purchase Correctional Industry products.

April 20, 1991

Drue -

RE: SB 184

You didn't ask but...

The item in Duncan's memo, concerning amending AS 33.32.030(c) that it was decided would be addressed in HESS, as it is now worded gives clear direction to state agencies.

It doesn't require a Correctional Industries product to be competitively priced only reasonably priced.

It directs that "a product shall be purchased by state agencies" not may be purchased.

It goes on "A product or service ... supplied by correctional industries may not be obtained from a source outside correctional industries unless" its not currently available.

As a small retailer I find this direction pretty hard to swallow.

If the purpose of the program is rehabilitation then giving the participants a statutory advantage in selling their product defeats the purpose of the program and prepares them for anticipated advantages when they rejoin society. Almost certain disillusionment and disappointment will result.

If the purpose of the program is to keep inmates busy and make them feel productive and if the costing mechanisms in statute are really followed, the corrections industry would have no problem administering a successful wholesale or limited out-of-state retail program.

But to give the program an unfair advantage causes private sector resentment. This ultimately will cause the demise of the program.

I am certain that you know that because of the "Campbell Connection" Arliss will never amend this provision in HESS.

Thanks for reading this.

J ~~_____~~ *Rod*

No. The inmates don't have anything to do w/ marketing.

ALASKA DEPARTMENT OF REVENUE
 TAX ASSESSMENT SUMMARY
 MARCH 31, 1991

TAXES, PENALTIES & INTEREST ASSESSED

ASSESSMENT TYPE	ASSESSMENT STATUTE	VALUE OF BILLINGS (000,000)	NUMBER OF TAXPAYERS	CASES	PRE-89 CASES	CORPORATE CASES	OIL & GAS CASES
OIL PRODUCTION	AS 43.55	11,700,443,872.45 1,458	18	708	708		708
OIL & GAS COMP CORPORATION	AS 43.21	1,244,124,400.88 1,252	11	34	34		34
GAS PRODUCTION	AS 43.20	685,333,085.71 685	190	336	307		24
FISHERIES BUSINESS INDIVIDUAL	AS 43.55	214,742,424.62 215	8	1288	1288		1288
MOTOR FUEL	AS 43.75	78,726,753.85 11	120	193	147		0
BUSINESS LICENSE	AS 43.20	3,044,838.41 4	113	236	236		0
SALMON ENHANCEMENT	AS 43.40	1,667,667.24 2	73	11	68		0
MINING	AS 43.70	1,436,520.91 1	10	19	19		0
SEAFOOD MARKETING	AS 43.76	1,398,467.47 1	26	61	47		0
OIL AND GAS PROPERTY	AS 43.65	975,383.85 .5	63	156	72		0
WITHHOLDING	AS 16.51	542,789.48 .4	1	6	6		6
ALCOHOLIC BEVERAGE	AS 43.55	446,604.59 .4	21	31	18		1
ESTATE	AS 43.56	416,498.35 .2	14	37	37		0
MINING TAX	AS 43.20	191,544.32 .1	1	13	13		0
CIGARETTE, GENERAL	AS 43.60	133,572.53 .04	1	1	1		0
COIN OF DEVICE	AS 43.31	37,756.65 .02	1	2	2		0
	AS 43.65	17,896.71 .01	6	6	3		0
	AS 43.50	12,280.28 .00	3	8	5		0
	AS 43.35	3,685.57					
TOTAL		43,920,103,952.17 3,635,000,000	689	3170	3035		2061

Post-It™ brand fax transmittal memo 7671 # of pages 1

To	From
ROD MOURANT	L. E. FISHER
Co	Co.
SEN. PEARCE	D. O. R.
Dept.	Phone #
	463-2300
Fax #	Fax #
463-5352	

Alaska State Legislature

Senator Drua Pearce, Chair
Senator Virginia Collins, Vice Chair
Senator Dick Ellason
Senator Rick Halford
Senator Jay Kerttula



WHILE IN JUNEAU
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JUNEAU, ALASKA 99811
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ANCHORAGE, ALASKA 99504
(907) 561-2018

SENATE LABOR AND COMMERCE COMMITTEE

TO: John Gaguine, Legal Counsel
Legal Services Division

FROM: Rod Mourant, Legislative Aide
Senate Labor & Commerce Committee

A handwritten signature in dark ink, appearing to read "Rod", positioned to the right of the "FROM:" line.

RE: SB 184

DATE: April 24, 1991

John, working from draft 7-LS0701\G please create a final CS making the following changes:

- 1) Pg 2 Ln 15 delete (1995) and insert 1993
- 2) Add a new section to require that the Correctional Industries Commission is included in the AS 39.50 Conflict of Interest statutes. Probably just need to add to list in AS 39.50.200(b).

This cs was adopted by the committee today. We would like to have it read across to HESS committee on Friday, April 24th.

Thanks.

Alaska State Legislature

Senator Drue Pearce, Chair
Senator Virginia Collins, Vice Chair
Senator Dick Eliason
Senator Rick Halford
Senator Jay Kerttula



WHILE IN JUNEAU
P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3844

3111 C STREET, SUITE 150
ANCHORAGE, ALASKA 99504
(907) 561-2018

SENATE LABOR AND COMMERCE COMMITTEE

TO: Tam Cook, Legislative Legal Counsel
Legal Services Division

FROM: Rod Mourant, Legislative Aide
Senate Labor & Commerce Committee

A handwritten signature in cursive script that reads "Rod".

DATE: April 20, 1991

RE: SB 184

Please draft a committee substitute for SB 184 working from 7-LS0701\D with the following amendments:

1) Insert sunset language contained in SB 227.

2) Amend 33.32.070(a) as follows:

Increase the Commission to nine seats. The additional seat should be designated "business/manufacturing" and the existing "private industry" seat should be redesignated Business/Retail & Wholesale". Insert the requirement that the business representatives must be from businesses impacted by the Correctional Industry Program.

This legislation is scheduled to be heard April 24th.

Thanks.

7-LS0701NG
Gaguine
4/23/91

CS FOR SENATE BILL NO. 184 (L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATOR DUNCAN

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to correctional industries; continuing the correctional industries program;
2 and providing for an effective date."

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

4 * Section 1. AS 33.32.070(a) is amended to read:

5 (a) The Correctional Industries Commission is established to provide general policy
6 direction to the correctional industries program through the commissioner of corrections. The
7 Commission consists of nine [EIGHT] members, seven [SIX] of whom shall be appointed by the
8 governor to serve staggered terms of four years. The appointed members must include one
9 representative each from manufacturing, retail and wholesale marketing [PRIVATE
10 INDUSTRY], agriculture, and the general public; one ex-offender, and two representatives from
11 organized labor, one of whom must be from the building trades and one of whom must be from
12 the service industries. The representatives of manufacturing and retail and wholesale
13 marketing must be associated with businesses that are affected by the correctional industries
14 program. The commissioner of administration is also a member, as is the commissioner of

1 corrections who shall serve as chairperson.

2 * Sec. 2. AS 33.32.080(b) is amended to read:

3 (b) The Correctional Industries Commission shall hold public hearings to provide an
4 opportunity for persons or organizations who may be affected by the plans of the correctional
5 industries program to appear and present testimony concerning those plans. The Correctional
6 Industries Commission shall hold a hearing under this section when the correctional
7 industries program proposes either entering into a new area of industry or expanding the
8 scope of an existing area of industry beyond the scope considered at a previous hearing.

9 The Correctional Industries Commission shall adopt rules governing the conduct of those
10 hearings, including provisions to assure that adequate public notice of the hearing is given before
11 the hearing. The Correctional Industries Commission may also hold public hearings under these
12 rules on any matter within its jurisdiction. Rules adopted under this subsection are not subject
13 to the Administrative Procedure Act (AS 44.62).

14 * Sec. 3. Section 7, ch. 53, SLA 1982, as amended by sec. 1, ch. 25, SLA 1987, is amended to read:

15 Sec. 7. AS 33.32 is repealed July 1, 1995 [1991].

16 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

STATE OF ALASKA
Department of Corrections
LEGISLATIVE POSITION PAPER
Lloyd Hames, Commissioner

P.O. Box 77, Juneau, AK 99801-2000 (907) 586-8878

Carl Minkel, Legislative Liaison

CSSB 184 L&C- "An act relating to correctional industries"

The Department of Corrections supports the passage of CSSB 184 L&C.

The bill provides additional clarification on the public hearing responsibilities of the Correctional Industries Commission when examining new markets for the correctional industries program. The new commission member added to the Correctional Industries Commission will further represent the private sector's business interests in reviewing the program's operations. These additional statute requirements will provide direction to the Correctional Industries Commission and serve to more fully evaluate any impact the correctional industries program might have on an existing private industry or labor force in the state.

Most importantly, the bill will extend the sunset of Alaska Correctional Industries allowing for the continued employment of the program's current 160 inmate employees and efficient utilization of existing manufacturing resources within the department's eight operating industries. The program will continue in its operations to maximize the dollars spent and recycled within Alaska's economy through generation of our Alaskan manufactured products.

FISCAL NOTE:

ZERO
ATTACHED

APPROVED: _____

Lloyd Hames
Commissioner

DATE: 4/23/91

STATE OF ALASKA
Department of Corrections
LEGISLATIVE POSITION PAPER
Lloyd Hames, Commissioner

P.O. Box 'Y', Juneau, AK 99801-2000 (907) 466-8878

Carl Nisani, Legislative Liaison

SENATE BILL 184- "An act relating to correctional industries."

The Department of Corrections does not support the passage of Senate Bill 184. However in making this determination, the department would like to emphasize its concerns and interest in working cooperatively with the private sector business community to identify potential markets for correctional industries products and/or services.

Senate Bill 184 would revise AS 33.32.080(b). In reviewing this revision, the department would concur that additional hearings may be beneficial in determining optimal correctional industries markets, however, the phrase "entering into a new area of industry" and "expanding the scope of an existing area of industry....." may require additional clarification and definition to allow for the effective administration of the statute. Existing statutes and the Correctional Industries Commission bylaws currently allow for additional meetings and/or public hearings to be conducted to review public testimony.

In addition, the department does not support the repeal of AS 33.32.030(c) as proposed in Senate Bill 184. This repeal would eliminate the mandatory use by state agencies of correctional industries products and services that meet marketable standards of quality at reasonable cost. The department disagrees with this statute repeal for several reasons:

-The state now has established manufacturing facilities with assets totaling approximately \$2.3 million. These assets include purchased equipment and buildings to produce ACI products and services within its correctional facilities. With a repeal, a possibility would exist that a relatively minor lower bid (most probably by an outside vendor) may force some facilities to become idle in some instances for the term of a bid award.

-The state use provision as outlined in AS 33.32.030(c) requires state agencies to utilize an in-state manufacturer (i.e., Correctional Industries) thereby guaranteeing additional dollars to be re-circulated in the Alaskan economy. ACI has been effective in utilizing in-state vendors. During FY 90, \$1.3 million or 83% of the programs' total expenditures were spent within Alaska among 262 in-state vendors.

FISCAL NOTE:

ZERO
ATTACHED

APPROVED: Lloyd F. Hames

Commissioner

DATE: 4/2/91

-The elimination of existing markets will negatively affect those in-state businesses that have provided ACI its raw materials and/or services through support of the programs' in-state manufacturing operations. The possible increase in net revenues to a few private sector businesses within Alaska through competitive bidding may not be as great as the revenues now available in the private community through in-state manufacturing.

-The repeal of the state use market for correctional industries products/services may lead the program into unrestricted competition on the open market to maintain realistic production levels. Direct competition with the private sector may leave the state open to charges of unfair competition from Alaskan manufacturers and Alaskan wholesalers.

-The current elimination of competitive bidding for correctional industries products/services now reduces the amount of administrative staff time in purchasing products/services as needed by state agencies. This reduction in time increases efficiency and reduces labor costs. In addition, one time custom products that may not easily be adaptable to specifications for open bidding may be now manufactured in-state by Correctional Industries.

-the Cleary settlement includes providing work opportunities and/or vocational training to individuals incarcerated within the state's correctional system. The repeal of AS 33.32.030(c) may decrease the number of inmate jobs and/or work opportunities. Additional programs to provide this court ordered programming would be required at additional expense to the state.

The department believes that the state use system should be the dominant framework within which the vast majority of correctional industries products are sold. The current statutes provides for an evaluation of potential and existing correctional industries operations by the Correctional Industries Commission. The system that is in place can evaluate any impact on private sector business and labor force within the state. The additional constraints proposed may produce more negative competition within the state and allow outside vendors to secure additional state contracts thereby funneling state dollars outside the state's economy.

While the department's correctional industries program may provide a minimal negative impact on a relatively small percent of private sector businesses, it remains favorable to the majority of the

Alaskan public. The current legislation provides the basis for an effective correctional industries program to:

- Reduce idleness in prisons,
- Train inmates in work skills and habits,
- Save the State money both directly and in alternative program costs,
- create positive economic gains for the state.

In summary, correctional industries' operations are beneficial to the inmates, to the correctional system, and to the citizens of the state. Senate Bill 184 would reduce the effectiveness of the existing correctional industries program. The Department of Corrections can not support the passage of Senate Bill 184.

State of Alaska
Department of Corrections
Correctional Industries Commission

NOTICE OF PUBLIC HEARING

The Correctional Industries Commission is soliciting public comment regarding the expansion of the furniture manufacturing operation at Wildwood Correctional Center to include production of office panel systems.

A public hearing has been scheduled on Thursday, June 13, 1991 starting at 9:30 AM at the following location:

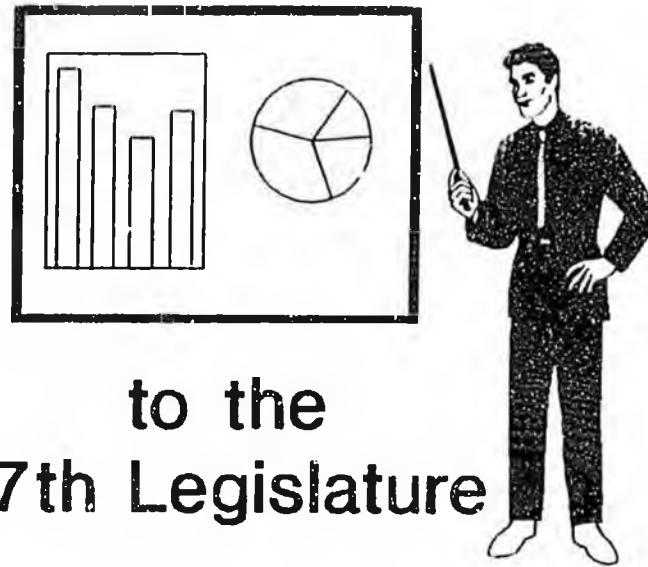
Department of Corrections
2200 East 42nd Avenue
Anchorage, AK 99508

The time allowed for individual public comments may be limited depending upon participation. Written comments will be reviewed by the Commission and may be submitted through June 12, 1991. Teleconference connections are available in Fairbanks, Juneau and other locations, if requested in advance.

NOTICE OF PUBLIC MEETING

The Alaska Correctional Industries Commission will conduct their regularly scheduled quarterly meeting on Thursday, June 13, 1991 following the above referenced Public Hearing. For additional information or a copy of the meeting agenda please contact the Correctional Industries Manager in Juneau at 485-3376 or the ACI Marketing Manager in Anchorage at 561-4426.

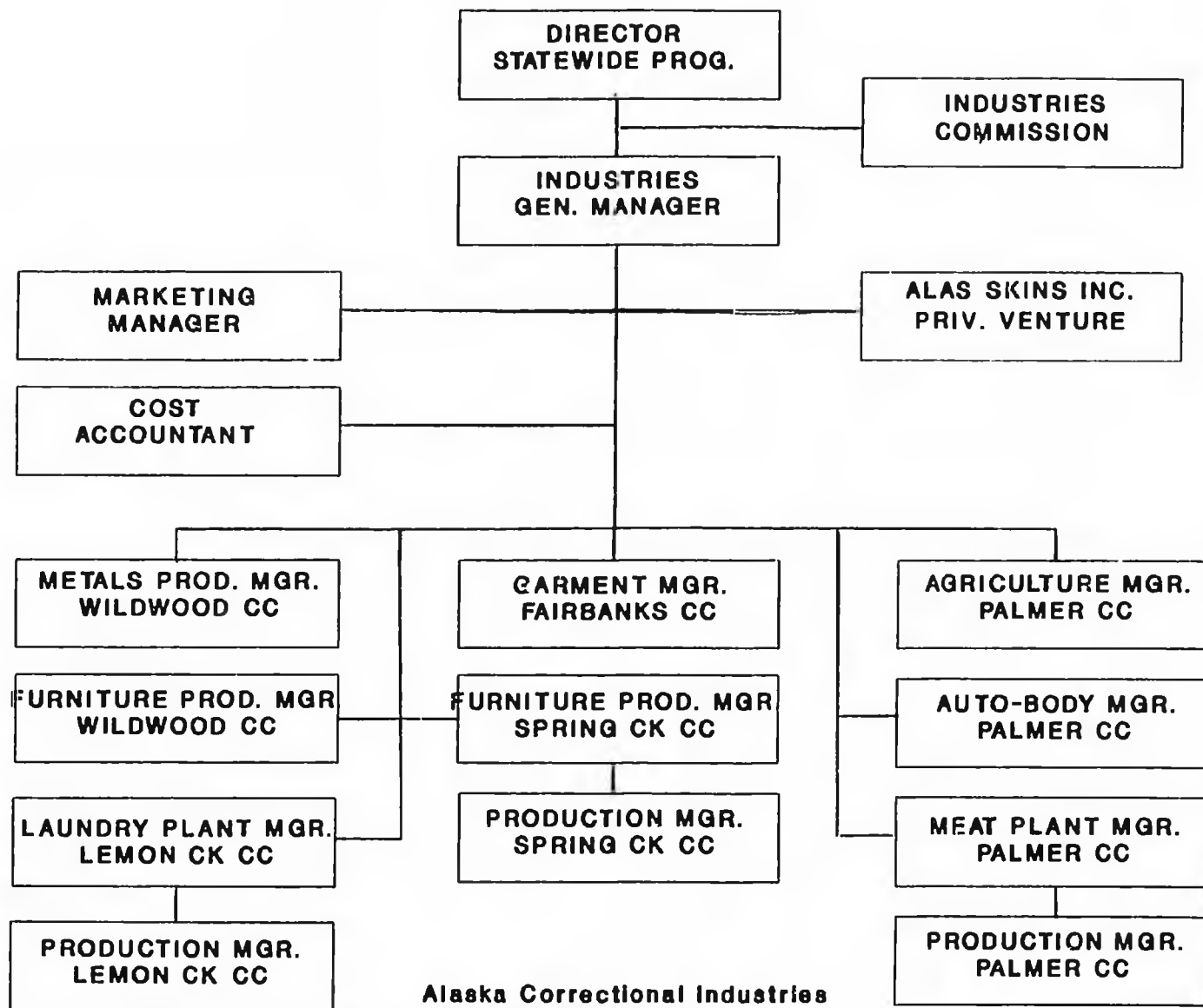
ALASKA CORRECTIONAL INDUSTRIES Presentation



to the
17th Legislature

Lloyd Hames, Commissioner
Rich Bentson, Director
Wally Roman, General Manager

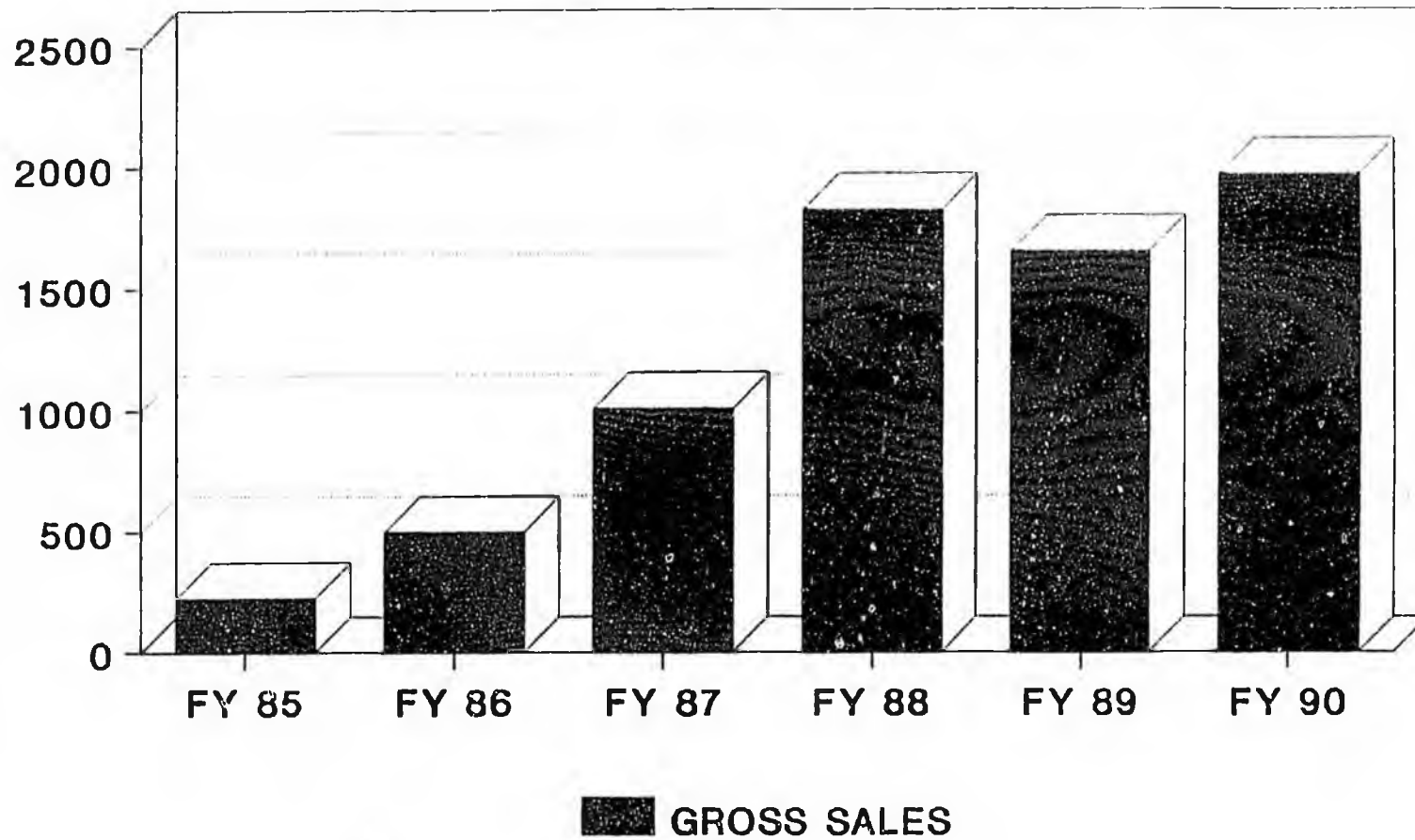
FY92



Alaska Correctional Industries
Organizational Chart
Statewide Programs

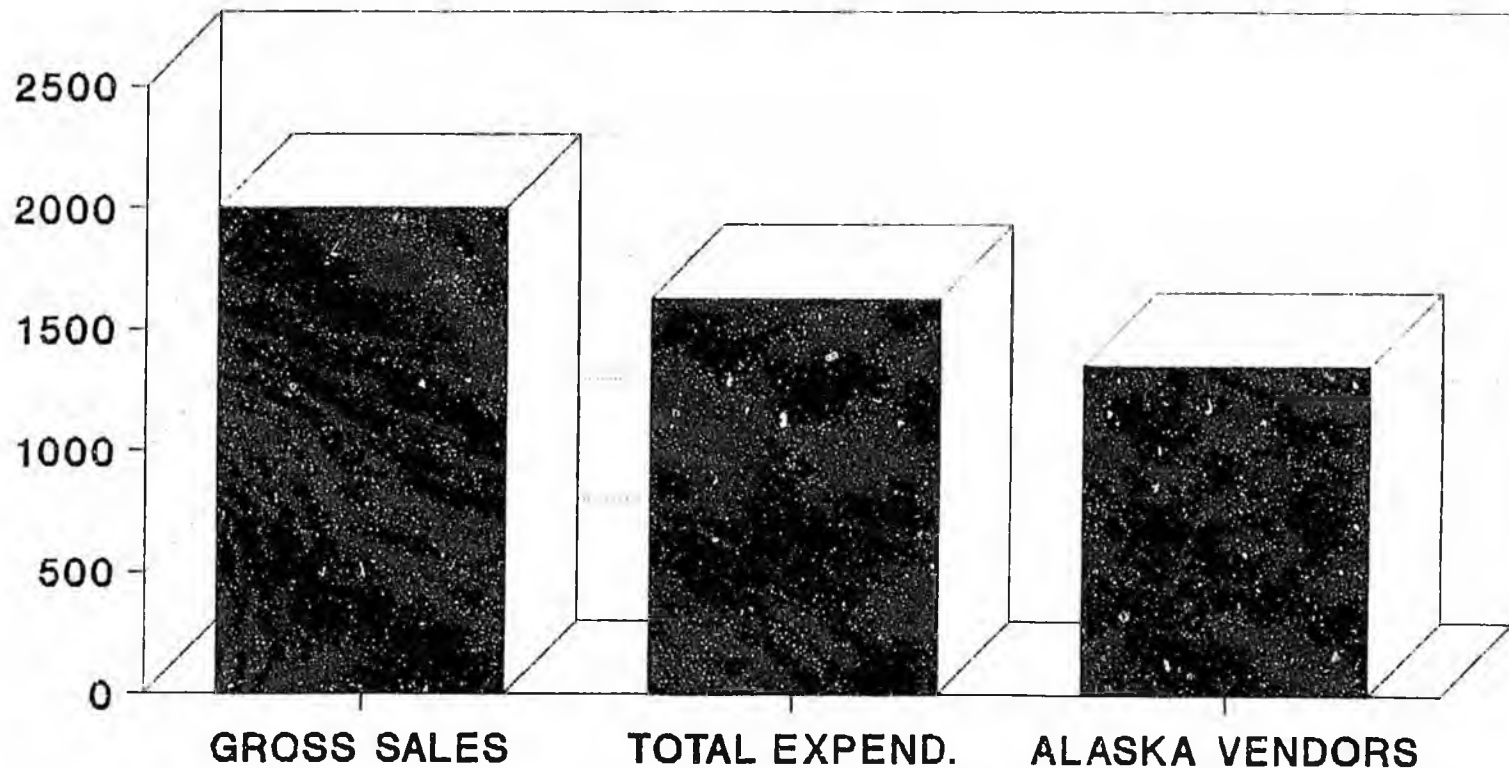
CORRECTIONAL INDUSTRIES

Annual Sales



In Thousands

CORRECTIONAL INDUSTRIES FY 90 SALES



262 ALASKAN VENDORS USED

■ ACI ACTIVITY

OR
83% OF ALL
PURCHASES

IN THOUSANDS

ALASKA CORRECTIONAL INDUSTRIES

LEGISLATIVE REPORT

March 12, 1991

INDUSTRIES OPERATIONS:

The Alaska Correctional Industries program had an active operation by the end of February, 1991 in the following industries:

1. Juneau Commercial Laundry
2. Kenai Metals Plant
3. Kenai Furniture/Office Systems Panels Plant
4. Palmer Farm/Green House Operation
5. Palmer Auto-Body Repair Shop
6. Palmer Mt. McKinley Meat Plant
7. Fairbanks Garment/Flat Goods Shop
8. Seward Furniture Plant

The employment of 160 inmates at the end of February, 1991 represents an increase of 6.6% over the prior year's employment level. This represents employment of approximately 6% of the state's incarcerated inmate population. Since our programs inception in 1982, the program has continued to expand and now in fiscal year 1991 is operating eight industries in six separate locations. Year-to-date in January, the Correctional Industries Program had provided 157,410 hours of inmate labor in the production of its services and products.

REVENUE SALES:

FY-88	\$1,827,000
FY-89	\$1,655,000
FY-90	\$1,970,154

The products and services produced by Alaska Correctional Industries are available to local, state, and federal government, school districts, non-profit organizations, and approved designated wholesalers. This year's year to date gross sales as of January was established at approximately \$1.2 million. projections for this fiscal year's gross sales is anticipated to approach \$2.3 million.

LEMON CREEK CORRECTIONAL CENTER:

The Juneau Commercial Laundry Operation continues doing excellent work for the Alaska Marine Highway system, as well as meeting the correctional center's needs at the Lemon Creek and the Johnson Youth facilities. The Juneau Recovery Unit and the Shrine of St. Teresa are also active customers. Approximately 97% of this operation's business are receipts from the Alaska Marine Highway system who formerly had its laundry serviced in Seattle, Washington and Prince Rupert, Canada. The total operation's FY-90 Gross Sales of \$270,531 surpassed the FY-89 sales volume of \$243,789. The

Laundry's projection for FY-91 indicates a slight increase in gross sales. Due to labor intensity, the Commercial Laundry operation will remain as one of the mainstays of the Industries program.

Staffing: Two production managers and 29 inmate staff

WILDWOOD CORRECTIONAL CENTER:

The Kenai Metal Fabrication Plant came on line in 1986, but did not receive a large production order until 1987. At that time, the plant turned out the metal cell furniture order for the new Spring Creek Correctional Center at Seward, Alaska. The order was originally to be placed with a firm in Hayward, California, but the order was changed so that the correctional industries metal plant could produce the job. Steel was bought from local vendors, the finished products were trucked to the site by local vendors, and the local economy enjoyed an additional \$150,000 of purchases that would otherwise have gone to a California vendor. The plant currently has a small standard product line and will provide custom work for all qualified markets. In FY-90, the shop produced \$60,000 in fish incubator (Kotoi) boxes for the Department of Fish and Game that had previously been awarded to out of state vendors. This shop attained \$145,677 in gross sales which was a large increase over its FY-89 sales level of \$68,536 primarily due to the Fish and Game order.

Staffing: One production manager and 10 inmate staff

The Kenai Furniture Plant began limited operations in 1986 and came fully on line in 1987. Quality control measures have been improved and sales to the State of Alaska agencies have been successful. There are no wholesale sales to the private sector, although several inquiries from private vendors have been received and this market is under analysis for development. The standard products include the more institutional line of couches, chairs, end tables, data tables, conference tables, dorm furniture, and book cases. In January of 1991, the program received the necessary approvals to develop a product line of office panels systems furniture. This product line will replace a majority of products made at the Kenai facility. The current product line will be transferred to the new furniture facility in Seward. The Kenai furniture operation attained a FY-90 gross sales level of \$455,319. \$343,636 was expended to attain this level of sales with 73.5% or \$252,421 of total expenditures through Alaskan vendors.

Staffing: One production manager and 34 inmate staff

PALMER CORRECTIONAL CENTER

The Palmer Farm Operation was instituted as a correctional industry in 1984, and has made slow steady progress over the ensuing time. Additional acreage has been prepared to increase the harvest size to meet the needs of the Department of Corrections. The farm continued in FY-90 and FY-91 in selling potatoes and vegetables to Southcentral Correctional Facilities and other State Institutions

as well as flowers which are utilized by the Anchorage International Airport and for various state beautification projects. The very favorable growing conditions during last summer allowed a banner crop of 330 tons of potatoes to be harvested in FY-90. The very favorable crop success and available sales volume of \$66,753 allowed a modest profit for FY-90.

Staffing: one production manager and 10 inmate staff

The Palmer Auto-Body Repair Shop began as a correctional industry in 1984 with the purchase of new equipment that allowed the shop to produce repairs of commercially acceptable quality. The Auto-Body Shop continues to do all auto-body repair on state vehicles primarily in the Southcentral region of Alaska, providing fast turnaround and high quality work. During FY-90, this operation attained \$71,130 in gross sales. The program is currently working in conjunction with the DOT State Equipment Fleet staff to identify heavy equipment that could be refurbished by this operation to expand the capabilities of this industry.

Staffing: One production manager and 6 inmate staff

The Mt. McKinley Meat and Sausage Company operates in conjunction with the Palmer Correctional Center but is located within the town of Palmer. This operation was acquired under a lease agreement with the Division of Agriculture, Department of Natural Resources in 1987 and was brought back on line after sitting dormant for one year. The original private sector owner of the plant was losing in excess of \$1,000,000 per year due to high labor costs and too low a level of production. While the correctional industry operation has lost money in FY-87, 88, 89, and 90, the operation has continued to improve in its goal to be self-sufficient. Due to increased market demands involving the processing of reindeer, and the ability to sell wholesale to private sector entities, this plant should be able to break even during FY-91. The operation experienced \$910,795 in gross sales in FY-90 and it is estimated it will exceed \$1,000,000 in gross sales during FY-91. Mt. McKinley Meats has been well received by the Alaska Farmers and Stockgrowers Association and the association supports its continuation in providing a stable wholesale market for Alaskan meat products.

Staffing: Two production managers and 28 inmate staff

FAIRBANKS CORRECTIONAL CENTER

The Fairbanks Garment/Flat Goods Operation was approved for implementation in FY-90 and began operations in FY-91. This industry is now in operation and is providing products to the Department of Corrections only. This is due to the concerns of negatively impacting existing private sector businesses. Any additional markets for this operation will be opened only after evaluation by the Correctional Industries Commission and review by the Commissioner of the Department of Corrections. The operation currently produces inmate clothing and flat goods for institutional use. All capital expenditures to open this industry were financed through revenues from the correctional industries program. Year-to-date FY91 sales in January attained the level of \$41,929.

Staffing: One production manager and 15 inmate staff

SPRING CREEK CORRECTIONAL CENTER

The Seward Furniture Plant was developed in FY-90 and became fully operational in FY-91. As noted, this industry will manufacture the program's line of oak furniture that was previously produced at the Kenai Furniture Plant. The new facility will provide additional space and is more conducive to the manufacturing of wood furniture products.

Staffing: Two production managers and a current inmate staff level of 24

ADMINISTRATIVE FUNCTIONS

A Correctional Industries General Manager, Marketing Representative, and Accountant perform the day to day administrative functions of managing and coordinating the Correctional Industries Program. 3 inmates provide assistance in the clerical, marketing, and accounting functions.

OVERVIEW

The entire staffing (14 staff positions) of the correctional industries program is comprised of 11 production managers, 1 accountant, 1 marketing representative, and 1 general manager. The program operates under the supervision of the Director of Statewide Programs, Department of Corrections.

The Correctional Industries program operates under Chapter 32, Section 33 of the Alaska Statutes as approved by the legislature in 1982.

Alaska Correctional Industries has become a major resource to the State of Alaska by keeping tax dollars at home and by providing needed products at affordable prices. However, to an even greater extent, the value of the ACI program lies in its ability to return productive citizens to our society. By providing greater numbers of prisoners with work opportunities to learn employable skills and a positive work ethic, ACI helps to reduce recidivism and reduce the cost of incarceration.

GENERAL INFORMATION

State	Open Market Law?		Sales With Other States?		Statutes Allowing Business Participation?		Wages Paid? (In Dollars \$)	State/Agency Use Law?	
	YES	NO	YES	NO	YES	NO		YES	NO
Alabama		●		●	●		7.00	●	
Alaska		●	●		●		.90	●	
Arizona	●		●		●		3.21	●	
Arkansas		●	●		●		N/R	●	
California		●	●			●	.30 - .95/Hr.	●	
California Youth	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
Colorado	●		●		●		2.00	●	
Connecticut		●	●		●		.39 - .74/Hr.		●
Delaware	●			●	●		1.80		●
District of Columbia		●	●			●	.75	●	
Florida	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	
Georgia		●	●			●	N/R	●	
Hawaii		●	●			●	4.00		●
Idaho	●		●		●		.62/Hr.	●	
Illinois		●		●		●	4.50	●	
Indiana	●			●	●		1.49	●	
Iowa	●		●		●		3.25	●	
Kansas		●	●		●		1.05		●
Kentucky	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
Louisiana		●	●		●		.32 - .80		●
Maine	●			●	●		N/R	●	
Maryland		●	●			●	3.70	●	
Massachusetts		●		●		●	.50 - 1.00	●	
Michigan		●	●		●		4.50	●	
Minnesota	●			●	●		.40 - 4.15/Hr.	●	
Mississippi		●		●		●	2.50	●	
Missouri		●		●		●	1.00	●	
Montana		●		●	●		4.65	●	
Nebraska	●		●		●		5.50	●	
Nevada	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
New Hampshire	●		N/R	N/R	N/R	N/R	3.00	●	
New Jersey		●		●		●	2.00 - 2.40	●	
New Mexico		●	●		●		N/R	●	
New York	N/R	N/R		●		●	N/R	N/R	N/R
North Carolina		●	●		●		.70	●	
North Dakota			●		●		9.45	●	
Ohio	●		●		●		N/R		●
Oklahoma	●		●		●		2.30	●	
Oregon	●		●			●	2.00 - 6.00	●	
Pennsylvania		●	●		●		6.50	●	
Rhode Island	N/R		●		●		2.00 - 3.00	●	
South Carolina	●			●	●		1.85	●	
South Dakota		●		●		●	2.55	●	
Tennessee		●	●		●		5.46	●	
Texas		●	●		●		N/A	●	
Utah		●	●		●		.75 - 4.00 Hr.	●	
Vermont		●	●			●	5.00		●
Virginia		●	●	●	●		3.00	●	
Washington	N/R	N/R	●		●		.20 (Class II)	●	
West Virginia		●	●	●	●		2.00	●	
Wisconsin		●	●	●	●		4.69	●	
Wyoming		●	●		●		1.19	●	
Canada	N/R	N/R	N/R	N/R	●		6.00	●	
Federal		●		●		●	6.16	●	



Chamber of Commerce

124 West 5th St., Juneau, Alaska 99801

Phone: (907) 586-6420 FAX: (907) 463-5670

Representing The Local Business Community

April 23, 1991

The Honorable Senator Pearce, Chairman
Labor & Commerce Committee
State of Alaska Legislature
P.O.Box "V"
Juneau Alaska

Dear Senator Pearce,

We initially thought the Department of Corrections business unit was a vocational training program for inmates. But this apparently is not the case. According to testimony given by the Department's management at a recent hearing, it was stated that this is a program to "keep idle hands busy". Unfortunately, only 6 % of the inmates participate and only those subjected to very careful and selective screening.

We support a strong program to teach inmates a vocation that can be used after they leave the prison system, however, many of the jobs learned in the existing prison program are not in demand within our state. It has to be somewhat discouraging to the inmates when they find that their training has minimal value in the job market. We would suggest that a stronger emphasis be placed on training employable job skills to these inmates to prepare them for gainful employment upon release from the Corrections Department.

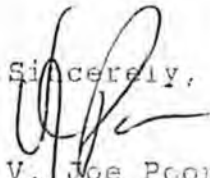
Currently the State Department of Corrections has the legal authority to bypass the State of Alaska's established purchasing policy for competitive bids. The Legislature mandates that "a product or service provided by correctional industries that meets marketable standards of quality and meets the needs of state agencies at reasonable cost, ... SHALL BE purchased by state agencies. It does not say MAY BE purchased. These items are not put out for competitive bid, and the State agencies MUST buy from the Dept of Corrections regardless if better service, delivery, or quality is available from another vendor.

We strongly object to the mandatory purchase requirement that eliminates the private sector from even bidding on State purchases. Even though the law states that the program is to have a "minimal negative impact" on the private sector, the mandatory purchase requirement in fact puts the Department of Corrections and therefore the State in direct competition with the local merchants.

Currently the Dept of Corrections is in the following businesses; butcher shop, office furniture manufacturing, laundry, agricultural farming, autobody repair, garment manufacturing, and metal fabrication. We are asking that in the future when the Corrections Dept considers new programs, more appropriate notification be given to the private sector to insure maximum participation in the public hearings process.

We would appreciate your support of these proposed changes and concerns of the Alaskan business community.

Sincerely,



V. Joe Poor
Executive Director



Chamber of Commerce

124 West 5th St., Juneau, Alaska 99801

Phone: (907) 586-6420 FAX: (907) 463-5670

Representing The Local Business Community

March 4, 1991

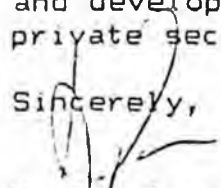
Senator Jim Duncan
Alaska State Legislature
State Capital Building
Juneau, Alaska 99801

Dear Senator Duncan,

This is a letter of support from the Greater Juneau Chamber of Commerce for your efforts to introduce a bill to correct the problem the business community is experiencing with the Department of Corrections. The proposed changes to AS 33.32 that have been worked out between your representative, the National Federation of Independent Business representative, The Alaska State Chamber representative and myself should help resolve the problem of the private sector being excluded from the competitive bid process on State purchases of products offered through the Department of Corrections.

I believe the business communities throughout Alaska support the concept of useful vocational training by the Department of Corrections. I have recently proposed a solution to the Commissioner of Corrections that would enable the Department of Corrections to continue its existing manufacturing program and develop a joint venture type relationship with the private sector.

Sincerely,


V. Joe Poor,
Executive Director

217 Second Street, Suite 201
Juneau, Alaska 99801
(907) 586-2323
FAX (907) 463-5515



March 6, 1991

Senator Jim Duncan
P.O. Box V
Juneau, Alaska 99811

Dear Senator Duncan:

We want to thank you for the rather extensive opportunity you have provided for the review of recent questions involving Correctional Industries and the private sector.

As we have stated in prior correspondence, the ASCC is very supportive of programs designed to provide prison inmates with the opportunity to develop good work habits and skills marketable in the economy of Alaska. At the same time, we cannot support any correctional industry which is clearly and unfairly competitive with a business which provides the same service or product.

We believe that your bill, "An Act Relating to Correctional Industries" (7-LS0701/D) is an appropriate and necessary response to two problems; insufficient communication between the private sector and correctional industries, and the distortions in the marketplace created by the requirement that correctional industries have first option as a direct provider of goods and services to state agencies. While well intended, the latter can cause a significant loss of market to private sector retailers who are providing the same sort of product or service. The existing requirement also tends to discourage the creation or growth of business.

On behalf of our members we want to thank you for the introduction of this bill and we are fully supportive of the adoption of this measure.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ernest Polley", is written below the word "Sincerely,".

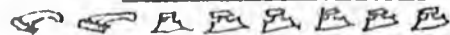
Ernest Polley

cc: N. Gorsuch
B. Lively

APR 23 1991



KAWERAK, INC.



P.O. BOX 948 • NOME, ALASKA 99762



(907) 443-5231

SERVING THE
VILLAGES OF:

- BREVIK MISSION
- COUNCIL
- DIOMEDE
- ELIM
- GAMBELL
- GOLOVIN
- KOYUK
- NOME
- SAVOONGA
- SHAKTCOLIK
- SHISHMAREF
- SOLOMON
- STEBBINS
- ST. MICHAEL
- TELLER
- UNALAKLEET
- WALES
- WHITE MOUNTAIN

April 18, 1991

The Honorable Drue Pearce, Chair
Senate Labor & Commerce Committee
P.O. Box V
Juneau, Alaska 99811

Dear Senator Pearce:

You will find enclosed a copy of an approved resolution which was formally passed at the 1991 Annual Meeting of the Reindeer Herders Association on March 15, 1991.

The resolution, 91-01, supports the continuation of the correctional industries program, as proposed by SB 227 and HB 166.

Please feel free to contact me for more information at 443-5231.

Sincerely,

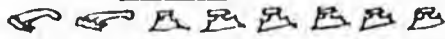
REINDEER HERDERS ASSOCIATION

Rose Atuk Fosdick
Rose Atuk Fosdick
Director

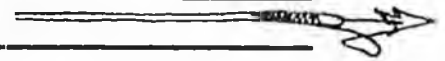
Enclosure



KAWERAK, INC.



P.O. BOX 948 • NOME, ALASKA 99762



(907) 443-5231

REINDEER HERDEFS ASSOCIATION CORRECTIONAL INDUSTRIES RESOLUTION 91-01

SERVING THE
VILLAGES OF:

- BREVIG MISSION
- COUNCIL
- DIOMEDE
- ELIM
- GAMBELL
- GOLOVIN
- KOYUK
- NOME
- SAVOONGA
- SHAKTOOLIM
- SHISHMAREF
- SOLOMON
- STEBBINS
- ST. MICHAEL
- TELLER
- UNALAKLEET
- WALES
- WHITE MOUNTAIN

WHEREAS, the Correctional Industries Meat Plant is operating to provide a stable market for Alaska Grown livestock, including reindeer, and

WHEREAS, the meat plant is providing a source of quality local products for consumption by state institutions and purchases by local meat wholesalers and processors and

WHEREAS, the \$850,00 of livestock purchased for local producers stayed in the state economy instead of going to lower 48 producers and

WHEREAS, the slaughter and processing of reindeer through this inspected plant is providing a critical marketing service in expanding the industry and

WHEREAS, the Correctional Industries is providing training in proper handling and marketing of Alaska Grown products for both instate and potential export markets of meat products.

NOW THEREFORE BE IT RESOLVED, that continued operation of the Correctional Industry Meat Plant is recommended to provide a cost effective means of developing the reindeer industry as a key part of the livestock production sector in the Alaska economy.

BE IT FURTHER RESOLVED that the Reindeer Herders Association in its annual meeting March 14-15, 1991 in Nome endorse the Correctional Industries Meat Plant project and the continued processing of reindeer and encourage the Alaska State Legislature to support House Bill 166 which continues the Correctional Industries Program.

Tom [Signature]
President, Reindeer Herders Assn.

11-11-91
Date

Red. bill file

APR 15 1991

April 10, 1991

Lloyd Hames
Commissioner of Corrections
P.O. Box T
Juneau, Alaska 99801

Sunrise Bakery
Wonder Bread® - Hostess Cake®
2248 Spenard Road
P.O. Box 92517
Anchorage, Alaska 99509
(907) 277-3548

Commissioner Hames:

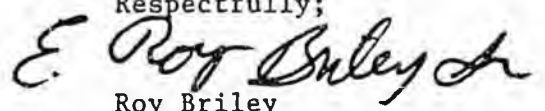
Thank you for taking my phone call this past week. You were very courteous and open about your objectives with the corrections department. We applaud you in your efforts to reduce state spending. We are taxpayers and appreciate whatever monies you may save us.

My phone call was of course prompted by your future plans regarding the purchase of baked goods. We have been told by reliable sources that your plans include purchases for all prison goods from one consolidator based in Seattle. The firm name we understood is N.O.E.L. Foods. Our concern is that consolidation in Seattle could put us at a disadvantage in bidding. We currently bid the prisons systems with an F.O.B. price delivered to their location. You are given an excellent price which can not be beaten by a Seattle baker. However if the rules change we would be hurt.

Commissioner Hames, thank you for taking my call and now the time to read my letter representing the bakeries 160 employees and their families. In closing I would like to list for your consideration 5 advantages to purchasing from our bakery.

1. Freshness
2. Quality
3. The advantage the Alaska economy receives when we buy Alaska
4. The tax base established by an Alaskan manufacturing facility.
5. The disadvantage Alaska would have if it were to loose it's only large commercial bakery.

Respectfully;



Roy Briley
General Manager Sunrise Bakery

- cc: Frank Prewitt Jr. - Deputy Commissioner of Corrections
 Drue Pearce - Senator
 Pat Rodey - Senator
 Loren Leman - State Representative
 Dave Donley - State Representative
 Max Gruenburg - State Representative
 Ray Faccenda - Vice President of Continental Baking Company W.D.O.
 Mike Walters - Continental Baking Company W.D.O. Bread Sales Manager
 Dave Thompson - Make it Alaskan
 Joe Vantreeck - General Manager of Matanuska Maid Dairy
 Dave Choquette - Representative

All distributors Statewide and their Employees
Sunrise Bakery Employees



MAC 13 1991



March 7, 1991

Senator Pearce
Labor and Commerce
P.O. Box V
Juneau, Alaska 99811

Dear Senator Pearce:

It is my understanding the State Administration has submitted a bill (HB166) that will allow the continuation of Chapter 32, Correctional Industries, and satisfy the sunset clause that will affect this bill if not acted upon.

Though I applaud the efforts of the Administration and Legislature to deal with this ever mounting problem, I do see a need to alter a portion of this act to minimize the negative impact this legislation creates on my business and other Alaskan businesses.

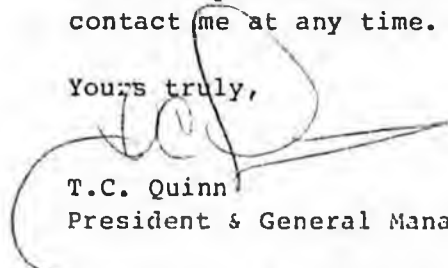
Presently, the Correctional Industries Program creates a mandatory purchasing situation by the State of Alaska with Correctional Industries as it relates to the purchase of office furniture. I have gone along with some of the intended reasons as to the merits of this program except for it's recent entry into the Panel System work station concept. If this is allowed to continue, private business will be totally excluded from providing it's products to the State Of Alaska.

I suggest that a portion of the particular Section be eliminated as an alternative to requiring that the program/products/services undertaken by Correctional Industries *MUST not create a negative impact in the private sector. I am suggesting Section 33.32.030 be repealed and item (c) in it's entirety be remove from the Statute. It would also seem practical that public hearings be held when there is an attempt to expand the program in any manner.

It is my understanding Senator Jim Duncan is in the process of submitting a bill dealing with the problem to which I refer.

If I can provide further information in this matter, please feel free to contact me at any time.

Yours truly,



T.C. Quinn
President & General Manager

* See Sec. 33.32.015 Item (3) "minimal impact"

THE NUGGET

TEL No.

Mar. 15.91 18:37P.01

RON FLINT



3/15/91

THE NUGGET, INC.
8745 GLACIER HWY., SUITE 145
JUNEAU, AK 99801
(907) 789-0956

Jim -

THANK YOU FOR SPONSORING
SIBIE4 - IT IS A STEP IN
THE RIGHT DIRECTION.

BESIDES THE COMPETITION
WITH BUSINESS ASPECT, THIS
WILL HELP TO KEEP STATE
GOVERNMENT FROM GETTING
LARGER AND MORE DIFF-
FICULT TO FUND.

YOU CERTAINLY HAVE MY
SUPPORT ON THIS ONE!

CR

CC: HUDSON
HUMBER
NEPS



(907) 586-2115 (Alaska Toll-Free 1-800-478-2115)

P.O. Box 21708 • Juneau, Alaska 99802

March 19, 1991

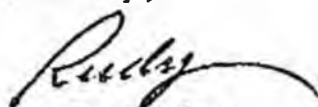
Rep. Fran Ulmer
House of Representatives
State of Alaska
State Capitol
Juneau, AK 99811

Dear Fran:

I'd like to state that I support SB 184 introduced
by Sen. Duncan.

It is necessary that the state have vocational
training for inmates, however there must be some
care taken so the prison industries program doesn't
go head to head with private enterprise.

Sincerely,


Rudy J. Ripley

Senator Jim Duncan
Alaska State Senate
Juneau, Alaska

April 2, 1991

Dear Senator Duncan:

As you know, I was Director of Corrections in the Hammond administration when the original prison industries bill was passed. The bill was very carefully devised, and carefully examined by the Legislature.

I am very much concerned about the provision of SB 184 which would delete the "state use" provision. The results would cripple Alaska Correctional Industries seriously. It would hurt more Alaska businesses than it would help and would cause more business dollars to go out of state.

It would deprive the correctional system of one of its most useful means of rehabilitation.

I strongly urge you to delete that last line in the bill, or pull the bill back while you look more carefully at its implications.

I am accustomed to seeing you on the right side of issues where the public interest is concerned, but such would not be the case in this instance, if this bill goes forward.

If you are at all inclined to go along with my request, and would like to discuss it with me before tomorrow's hearing before Labor and Commerce, please call me tonight or in the morning at 586-5793.

Sincerely,

Charles Campbell
3020 Douglas Highway
Juneau, Alaska 99801

cc: Senator Drue Pearce

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

THE NUGGET

TEL No.

Mar. 15, 91 18:37P.01

RON FLINT



In The Nugget Mail

3/15/91

THE NUGGET, INC.
8745 GLACIER HWY., SUITE 145
JUNEAU, AK 99801
(907) 789-0956

JIM -

THANK YOU FOR SPONSORING
SIB124 - IT IS A STEP IN
THE RIGHT DIRECTION.

BESIDES THE COMPETITION
WITH BUSINESS ASPECT, THIS
WILL HELP TO KEEP STATE
GOVERNMENT FROM GETTING
LARGER AND MORE DIFF-
FICULT TO FUND.

YOU CERTAINLY HAVE MY
SUPPORT ON THIS ONE!

CRon

CC: HUDSON
LUMBER
NFPA



(907) 586-2115 (Alaska Toll-Free 1-800-478-2115)

P.O. Box 21708 • Juneau, Alaska 99802

March 19, 1991

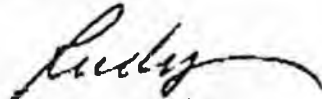
Senator Jim Duncan
State Senate
State Capitol
Juneau, AK 99811

Dear Sen. Duncan:

I'd like you to know that I support SB 184 introduced by you.

It is necessary that the state have vocational training for inmates, however there must be some care taken so the prison industries program does not go head to head competing with private enterprise.

Sincerely,


Rudy J. Ripley



(907) 586-2115 (Alaska Toll-Free 1-800-478-2115)

P.O. Box 21708 • Juneau, Alaska 99802

March 19, 1991

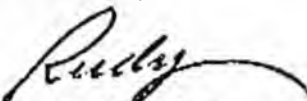
Rep. Fran Ulmer
House of Representatives
State of Alaska
State Capitol
Juneau, AK 99811

Dear Fran:

I'd like to state that I support SB 184 introduced
by Sen. Duncan.

It is necessary that the state have vocational
training for inmates, however there must be some
care taken so the prison industries program doesn't
go head to head with private enterprise.

Sincerely,


Rudy J. Ripley



(907) 586-2115 (Alaska Toll-Free 1-800-478-2115)

P.O. Box 21708 • Juneau, Alaska 99802

March 19, 1991

Rep. Bill Hudson
House of Representatives
Alaska State Capitol
Juneau, AK 99811

Dear Bill:

I'd like to state that I support S.B. 184 by Senator Duncan.

It is necessary that the state have vocational training for inmates who are in the educational system, however there must be some care taken that the prison industries program doesn't go head to head competing with private enterprise.

Sincerely,

A handwritten signature in cursive script that reads "Rudy".

Rudy J. Ripley