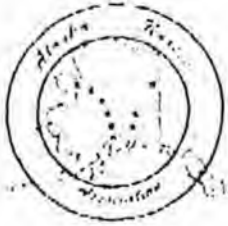


ALASKA LEGISLATURE COMMITTEE FILES 1993-1994 8672

8406 SENATE LABOR & COMMERCE



ALASKA NURSES ASSOCIATION

237 E. 3rd Avenue #5 Anchorage, AK 99501-2523
(907) 274-0827 FAX: (907) 272-0292

February 18, 1994

Senator Loren Leman
State Capitol
Juneau, AK 99801-1182

RE: SB 266

Dear Senator Leman:

This letter replaces the previous letter dated February 16, 1994. The Alaska Nurses Association is opposed to SB 266. There are two issues raised by the bill - one, is the extension of the board for four years until 1998 (AS 08.03 010(c)(6)), and two, the issues related to the scope of practice of direct entry midwives (AS 08 65.140 (a-f)).


The Alaska Nurses Association (AaNA) does support the extension of the Direct-Entry Midwife Board until 1998. However, the reservations concerning the scope of practice issues in Sections 2-6 does outweigh the support of the bill as written.

The scope of practice issues identified in AS 08.65.140 (a-f) are critical to the definition of direct-entry midwives as distinguished from certified nurse midwives, physicians, advanced nurse practitioners, and physicians' assistants. The medical conditions identified within this section are considered high risk for home delivery and put the mother and infant at risk for poor birth outcomes. Other issues within this section relate to fully informing the individual of the risks of home delivery and complying with state statutes regarding Department of Health and Social Services.

All professional groups are defined in statute. This is true of physicians, nurses, and geologists. See AS 08.64.380, AS 08.68.410, and AS 08 02.011. The definition of direct-entry midwives as defined in the current statute AS 08.65.190 is not adequate without the specific language in AS 08.65.140 (a-f). The AaNA is concerned with the safety of the public, mother and infant outcomes as related to home deliveries.

If you have any questions related to the AaNA position on this bill, please call 274-0827.

Sincerely,


Wendy Thon
Legislative Committee

cc: Senator Tim Kelly

~~_____~~
-LTRS OPPOSED-



alaska academy of physician assistants

402 Birch Street, Kenai, Alaska 99611
(907) 283-7851 FAX (907) 283-2289

February 22, 1994

Senator Loren Leman
State Capitol
Juneau, AK 99801-1182

RE: SB266

Dear Senator Leman:

I am writing in regards to the above named Bill.

The Alaska Academy of Physician Assistants does not support this Bill. There are several issues that are of concern in this Bill.

The first being Sec. 2 in which there is a recommendation that the client undergo a physical. There is no assurance that the client in fact had a physical performed.

The second being Sec. 3, adding a new section (g) that would take out of Statute, and put in Regulation areas that may or may not in fact be included in the final regulations. It also makes it easier to change in the future when the organization feels the necessity to change.

The third being Sec. 4, which is to repeal AS 08.65.140(d),(e) and (f). The conditions that are outlined in these sections constitute a high risk pregnancy, and to remove these restrictions could place both the mother and infant at a greater risk for mortality and morbidity.

Thank you for your time and consideration in this matter. If you have any further questions please feel free to contact me.

Sincerely,

A handwritten signature in dark ink, appearing to be 'B. Campbell', followed by a horizontal line extending to the right.

Barry L. Campbell, PA-C
President

2-23-94

home births. Many other women

Dear Legislative Representative

want to have these choices available to them.

I am writing in support of Senate Bill 266. I feel that it is important for Certified Direct-Entry Midwives to have their own board. The changes that have been accomplished in the last two years would not have been possible if CDM's were still under another board.

It is the boards job to license competent applicants, to review + take disciplinary actions, + to make regulatory changes. How would this be accomplished without a board that understands the specific needs of CDM's.

Sincerely,

Even as I am an RN, who was working for an OB/GYN Dr. I chose to have a

Karin Cooper
RN

Alaska State Legislature

Senator Tim Kelly, Chair
Senator Steve Rieger, Vice Chair
Senator Bert Sharp
Senator Judy Salo
Senator Georgianna Lincoln



STATE CAPITOL, SUITE 101
JUNEAU, ALASKA 99801-1182
PHONE: (907) 465-3822
FAX: (907) 465-3756

SENATE LABOR AND COMMERCE COMMITTEE

716 W. 4TH. SUITE 400
ANCHORAGE, AK 99501-2133
PHONE: (907) 258-8180
FAX: (907) 258-4524

SENATE LABOR & COMMERCE COMMITTEE - February 24, 1994 ADDITIONAL PACKET INFORMATION FOR SB 266 - Extending the Board of Certified Direct-Entry Midwives

- Letter of support from the Governor
- Letter opposed to SB 266 from Alaska Medical Association
- Letter of support from Jessica Stevens, Physician Assistant

WALTER J. HICKEL
GOVERNOR



P. O. Box 110001
Juneau, Alaska 99811-0001
907/485-3500

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 24, 1994

Ms. Kaye Kanne, Chair
Board of Certified Direct-Entry Midwives
P.O. Box 200
Talkeetna, AK 99676

Dear Ms. Kanne:

Thank you for bringing to my attention Senate Bill 266 which will extend the Board of Certified Direct-Entry Midwives to 1998. I support the opportunity for Alaskans to choose midwifery services and am supportive of the extension of the Board of Certified Direct-Entry Midwives.

As you know, this bill will also remove from statute a list of certain procedures that licensed midwives cannot perform. You are correct that this list was created before there was a professional midwifery board with the responsibility of regulating the profession. The bill will allow such prohibitions to be handled under regulations adopted through the board, as is done with other professions. I agree the authority of the board to promulgate regulations in an appropriate and timely manner alleviates the need to have this long, detailed list in statute. In fact, promulgating regulations to implement statute is one of the duties of the Board of Certified Direct-Entry Midwives. The bill will maintain the definition of midwifery in statute. I agree these provisions will bring the statutes for midwifery into line with other professional boards, and I am supportive of them.

Thank you for your dedicated service to Alaska as chair and a member of the Board of Certified Direct-Entry Midwives.

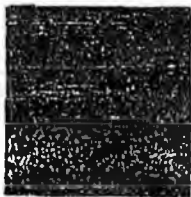
With best regards.

Sincerely,

A handwritten signature in cursive script that reads "Walter J. Hickel".

Walter J. Hickel
Governor

cc: Kristie Leaf, Director of Boards and Commissions
Raga Elim, Legislative Liaison



ALASKA STATE MEDICAL ASSOCIATION

4107 Laurel Street • Anchorage, Alaska 99508-5334 • (907) 562-2662

February 24, 1994

Senator Loren Leman
Alaska State Legislature
P. O. Box V (MS 3100)
Juneau, AK 99811

Dear Senator Leman:

The Legislative Affairs Committee of the Alaska State Medical Association discussed your Bill #266 at a recent meeting. We must oppose the bill in its current form. Though we support the continuance of the Board of Certified Direct Entry Midwives, we must oppose repealing of regulatory statutes regarding their scope of practice. This board was just established the first session of this legislature. It would seem most prudent to give the board a chance to work for a time before adjusting the fine tuning. I would respectfully suggest that your bill be amended by deleting Section IV, V, and VI. This bill would then have our strong support. If you have any questions regarding this, please feel free to contact me.

Sincerely yours,

Donald R. Lehmann, M.D., A.B.F.P.
President, Alaska State Medical Association
Chairman, Legislative Affairs Committee

DRL:bj

cc: Senator Tim Kelly

SUNSHINE COMMUNITY HEALTH CENTER

P.O. BOX 787 - (MILE 97.8 PARKS HWY.)

TALKEETNA, AK 99676

TELEPHONE: (907) 733-2273

FAX: (907) 733-1735

February 24, 1994

Dear Senator Kelly,

I am writing in support of SB 266. I am a Physician Assistant who works with a Direct Entry Midwife. I have nothing but good to say of my experience with her, and others in her position. I think the continuation of the Board until 1998 (and beyond) is essential. In addition, (although the legislation is poorly worded) I think that moving the requirements (AS 08.65.140) from the statutes to the regulations is an important issue, in order that the Direct Entry Midwives may update the regulations as often as they need to.

In addition I would like to add that as a Physician Assistant who supports the bill, the decision by the Physician Assistant association to oppose this bill has been taken at an executive level by the President of the association, rather than by Physician Assistant's throughout the state.

I have contacted other PA 's, who feel as I do. I have asked them to send you letters of support but given the time factor, that may be difficult.

If there is any further information that you need to support this bill please feel free to contact me.

Yours sincerely,

J Stevens

(JESSICA STEVENS PA-C)

Article 4.

Renewal and Continuing Competency Requirements. (Reserved)

Article 5.

Duties and Responsibilities. (Reserved)

Article 6.

Emergency Measures. (Reserved)

Article 7.

General Provisions.

12 AAC 14.990. DEFINITIONS. In this chapter

- (1) "board" means the Board of Certified Direct-Entry Midwives;
- (2) "client" means a pregnant woman, postpartum woman up to six weeks, fetus, or newborn, as appropriate;
- (3) "department" means the Department of Commerce and Economic Development;
- (4) "preceptor" means a person qualified under AS 08.65.090(b) or 12 AAC 14.210(a) who supervises a person training to be a direct-entry midwife;
- (5) "supervision" means the direct observation and evaluation by the preceptor of the clinical experiences and technical skills of the apprentice direct-entry midwife or other supervised person while present with the supervised person in the same room.

CHAPTER 01.
CENTRALIZED LICENSING.

Section

10. Applicability of chapter
20. Board organization
25. Public members
30. Quorum
35. Appointments and terms
40. Transportation and per diem
50. Administrative duties of department
60. Application for license
65. Establishment of fees
70. Administrative duties of boards
75. Disciplinary powers of boards
80. Department regulations
87. Investigative and enforcement powers of department
90. Applicability of the Administrative Procedure Act
100. License renewal, lapse and reinstatement
102. Citation for unlicensed practice or activity
103. Procedure and form of citation
104. Failure to obey citation
105. Penalty for improper payment
110. Definitions

Sec. 08.01.010. Applicability of chapter. This chapter applies to the

- (1) Board of Public Accountancy (AS 08.04.010);
- (2) State Board of Registration for Architects, Engineers and Land Surveyors (AS 08.48.011);
- (3) Athletic Commission (AS 05.05 and AS 05.10);
- (4) Board of Barbers and Hairdressers (AS 08.13.010);
- (5) Big Game Commercial Services Board (AS 08.54.300);
- (6) Board of Certified Direct-Entry Midwives (AS 08.65.010);
- (7) Board of Certified Real Estate Appraisers (AS 08.37.010);
- (8) Board of Chiropractic Examiners (AS 08.20.010);
- (9) Board of Clinical Social Work Examiners (AS 08.95.010);
- (10) Board of Dental Examiners (AS 08.36.010);
- (11) Board of Dispensing Opticians (AS 08.71.010);
- (12) Board of Electrical Examiners (AS 08.40.011);
- (13) Board of Marine Pilots (AS 08.62.010);
- (14) Board of Marital and Family Therapy (AS 08.63.010);
- (15) Board of Mechanical Examiners (AS 08.40.220);
- (16) State Medical Board (AS 08.64.010);
- (17) Board of Nursing (AS 08.68.010);
- (18) Board of Nursing Home Administrators (AS 08.70.010);

ALASKA STATUTES

AS 08.01.020

AS 08.01.035

- (19) Board of Examiners in Optometry (AS 08.72.010);
- (20) Board of Pharmacy (AS 08.80.010);
- (21) State Physical Therapy and Occupational Therapy Board (AS 08.84.010);
- (22) Board of Psychologist and Psychological Associate Examiners (AS 08.86.010);
- (23) Real Estate Commission (AS 08.88.011);
- (24) Board of Veterinary Examiners (AS 08.98.010);
- (25) regulation of acupuncturists under AS 08.06;
- (26) regulation of audiologists under AS 08.11;
- (27) regulation of business licenses under AS 43.70;
- (28) regulation of collection agencies under AS 08.24;
- (29) regulation of concert promoters under AS 08.92;
- (30) regulation of construction contractors under AS 08.18;
- (31) regulation of professional geologists under AS 08.02.011;
- (32) regulation of hearing aid dealers under AS 08.55;
- (33) regulation of morticians under AS 08.42;
- (34) regulation of the practice of naturopathy under AS 08.45;

Sec. 08.01.020. Board organization. Board members are appointed by the governor and serve at the pleasure of the governor. Unless otherwise provided, the governor may designate the chair of a board, and all other officers shall be elected by the board members. Unless otherwise provided, officers of a board are the chair and the secretary. A board may provide by regulation that three or more unexcused absences from meetings are cause for removal.

Sec. 08.01.025. Public members. A public member of a board may not:

- (1) be engaged in the occupation that the board regulates;
- (2) be associated by legal contract with a member of the occupation that the board regulates except as a consumer of the services provided by a practitioner of the occupation; or
- (3) have a direct financial interest in the occupation that the board regulates.

Sec. 08.01.030. Quorum. A majority of the membership of a board constitutes a quorum unless otherwise provided.

Sec. 08.01.035. Appointments and terms. Members of boards subject to this chapter are appointed for staggered terms of four years. A member of a board serves until a successor is appointed. An appointment to fill a vacancy on a board is for the remainder of the unexpired term. A member who has served all or part of two successive terms on a board may not be reappointed to that board unless four years have elapsed since the person has last served on the board.

PROFESSIONAL
REGULATIONS

12 AAC 14.300

12 AAC 14.300

- (4) performed a postpartum examination of the mother.
- (d) An applicant must have completed at least 10 of the supervised clinical experiences required in (b)(3) and (4) of this section, in any combination, within the two years immediately preceding the date of application.
- (e) On a form provided by the department, an applicant shall document the applicant's clinical experience, including the following information, if applicable:
 - (1) the date of birth;
 - (2) the location of birth;
 - (3) the infant's gender;
 - (4) the infant's weight;
 - (5) the name of the person who managed the labor;
 - (6) the name of the person who delivered the newborn and placenta;
 - (7) any complication and its outcome;
 - (8) a detailed explanation of any situation that required emergency transport; and
 - (9) the signature of the applicant's preceptor verifying that the experience was supervised and that the care provided was within the scope of AS 08.65 and this chapter.

Article 3. Examination.

12 AAC 14.300. EXAMINATION. (a) The examination required for certification as a direct-entry midwife is the examination prepared and graded by the North American Registry of Midwives. For applications received before February 18, 1994, the examination required for certification is any version of the examination administered before February 18, 1994. For applications received on or after February 18, 1994, the examination required for certification is:

- (1) any version of the examination administered before February 18, 1994 if the applicant passed the examination before February 18, 1994; or
 - (2) the version of the examination, revised as of December 22, 1993.
- (b) A score of at least 75 percent or pass, if a pass or fail grading system is used, is required to pass the examination.

(c) To be scheduled for an examination, a complete application and all fees required for certification by examination must be received in the department no later than 60 days before the date set for that examination.

Editor's Note: The examination described in 12 AAC 14.300 is prepared by the North American Registry of Midwives, P.O. Box 15, Linn, West Virginia 26384. Information regarding the examination may be obtained by contacting the Division of Occupational Licensing offices in Anchorage and Juneau.

(b) An applicant shall document a completed course of study by listing, on a form provided by the department, the resources used in the study of each subject in (a) of this section. The completed form must include the signature of the applicant's preceptor.

(c) The board will, in its discretion, require additional documentation it considers necessary to verify an applicant's study of a subject, including an essay written by the applicant on subjects studied independently.

(d) The board will maintain a list of organized courses of study found to meet the requirements of (a) of this section.

12 AAC 14.210. SUPERVISED CLINICAL EXPERIENCE REQUIREMENTS. (a) An applicant must have completed all clinical experience requirements of this section under the supervision of a preceptor who

(1) meets the qualifications of AS 08.65.090(b); or

(2) has been licensed to practice midwifery for at least two years in a state or country with licensing requirements at least equivalent in scope, quality, and difficulty to those of this state at the time of the licensing and who has practiced midwifery for the last two years; or

(3) is a physician licensed in another state or country with an obstetrical practice at the time of the supervision; or

(4) is a certified nurse midwife licensed in another state or country with an obstetrical practice at the time of the supervision; or

(5) has met the requirements of AS 08.65.050(3) and (4); the course of study must have included the subjects listed in 12 AAC 14.200(a); the supervised clinical experience must have met the requirements of this section.

(b) Supervised clinical experience must have included at least the following types and numbers of experiences:

(1) 100 prenatal visits;

(2) 10 labor and delivery observations that preceded any primary responsibility for labor and delivery;

(3) 20 assisted labor managements that preceded any primary responsibility for labor and delivery;

(4) primary responsibility for 30 labor and deliveries of the newborn and placenta;

(5) 30 newborn examinations; and

(6) 30 postpartum examinations of the mother.

(c) As part of the supervised clinical experiences required in (b) of this section, an applicant must have provided continuous care to at least 15 clients. "Continuous care" means, for the same client, the applicant

(1) performed at least six prenatal visits;

(2) observed, assisted with, or had primary responsibility for labor and delivery of the newborn and placenta;

(3) performed a newborn examination; and

Sec. 08.01.040. Transportation and per diem. A board member is entitled to transportation expenses and per diem as set out in AS 39.20.180.

Sec. 08.01.050. Administrative duties of department. (a) The department shall perform the following administrative and budgetary services when appropriate:

(1) collect and record fees;

(2) maintain records and files;

(3) issue and receive application forms;

(4) notify applicants of acceptance or rejection as determined by the board or as determined by the department under AS 08.06 for acupuncturists, under AS 08.11 for audiologists, under AS 08.18 for contractors, under AS 08.45 for naturopaths, or under AS 08.55 for hearing aid dealers;

(5) designate dates examinations are to be held and notify applicants;

(6) publish notice of examinations and proceedings;

(7) arrange space for holding examinations and proceedings;

(8) notify applicants of results of examinations;

(9) issue licenses or temporary licenses as authorized by the board or as authorized by the department under AS 08.06 for acupuncturists, under AS 08.11 for audiologists, under AS 08.18 for contractors, under AS 08.45 for naturopaths, or under AS 08.55 for hearing aid dealers;

(10) issue duplicate licenses upon submission of a written request by the licensee attesting to loss of or the failure to receive the original and payment by the licensee of a fee established by regulation adopted by the department.

(11) notify licensees of renewal dates at least 30 days before the expiration date of their licenses;

(12) compile and maintain a current register of licensees;

(13) answer routine inquiries;

(14) maintain files relating to individual licensees;

(15) arrange for printing and advertising;

(16) purchase supplies;

(17) employ additional help when needed;

(18) perform other services that may be requested by the board;

(19) provide inspection, enforcement, and investigative services to the boards and for the occupations listed in AS 08.01.010, regarding all licenses issued by or through the department;

(20) retain and safeguard the official seal of a board and prepare, sign, and affix a board seal, as appropriate, for licenses approved by a board;

(21) issue business licenses under AS 43.70.

(b) The form and content of a license, authorized by a board listed in AS 08.01.010, including any document evidencing renewal of a license, shall be determined by the department after consultation with and consideration of the views of the board concerned.

(c) [Repealed 1987]

(d) At the request of one of the following boards, the department may contract with public agencies and private professional organizations to provide assistance and treatment to persons licensed by the board who abuse alcohol, other drugs, or other substances:

- (1) Board of Clinical Social Work Examiners;
- (2) Board of Dental Examiners;
- (3) Board of Dispensing Opticians;
- (4) State Medical Board;
- (5) Board of Nursing;
- (6) Board of Examiners in Optometry;
- (7) Board of Pharmacy;
- (8) State Physical Therapy and Occupational Therapy Board;
- (9) Board of Psychologist and Psychological Associate Examiners; and
- (10) Board of Veterinary Examiners.

Sec. 08.01.060. Application for license. All applications for examination or licensing to engage in the business or profession covered by this chapter shall be made in writing to the department.

Sec. 08.01.065. Establishment of fees. (a) Except for business licenses, the department shall adopt regulations that establish the amount and manner of payment of application fees, examination fees, license fees, registration fees, permit fees, investigation fees, and all other fees as appropriate for the occupations covered by this chapter.

(b) [Repealed 1992]

(c) The department shall establish fee levels under (a) of this section so that the total amount of fees collected for an occupation approximately equals the actual regulatory costs for the occupation. The department shall annually review each fee level to determine whether the regulatory costs of each occupation are approximately equal to fee collections related to that occupation. If the review indicates that an occupation's fee collections and regulatory costs are not approximately equal, the department shall calculate fee adjustments and adopt regulations under (a) of this section to implement the adjustments. In January of each year, the department shall report on all fee levels and revisions for the previous year under this subsection to the office of management and budget. If a board regulates an occupation covered by this chapter, the department shall consider the board's recommendations concerning the occupation's fee levels and regulatory costs before revising fee schedules to comply with this subsection. In this subsection, "regulatory costs" means costs of the

(5) the following subjects related to neonatal care:

- (A) anatomy and physiology of the newborn as they relate to the newborn's adaptation and stabilization in the first days of life;
- (B) methods for assessing newborn status including relevant historical data and gestational age;
- (C) nutritional needs of the newborn;
- (D) administration of prophylactic treatments commonly used during the neonatal period, including state laws applicable to that administration;
- (E) common screening tests for the newborn, including indications, risks, benefits, and methods of performing those tests;
- (F) neonatal abnormalities, including the etiology and assessment of those abnormalities, and the screening and diagnostic tests, emergency measures, appropriate transport, referral, and treatment necessary as a result of those abnormalities;

(6) the following subjects related to family planning and well woman care:

- (A) steroidal, mechanical, chemical, physiological, and surgical conception control methods;
- (B) issues involved in decision making regarding unplanned pregnancies and resources for counseling and referral;
- (C) abnormalities of the reproductive system and breast, including the etiology and assessment of those abnormalities, and the treatment and appropriate referral of the woman experiencing those abnormalities;
- (D) assessment of physical and emotional status, including relevant historical data;
- (7) training on the performance of the following permitted practices:
 - (A) catheterization of the urinary bladder;
 - (B) clamping and cutting of the umbilical cord;
 - (C) artificial rupture of the amniotic membranes;
 - (D) venipuncture;
 - (E) capillary blood sampling; and
 - (F) suturing;

(8) the following subjects related to professional, legal, and other aspects of midwifery practice:

- (A) peer review, chart review, case presentation, and developing midwifery protocols;
- (B) data collection and analysis relevant to midwifery practice;
- (C) laws governing the practice of midwifery in the state;
- (D) history of midwifery, medicine, and health care in the United States;
- (E) organization of maternal and infant care in the United States and the factors affecting that care; and
- (F) various sites, styles, and modes of practice within midwifery.

indications for use and the risks and benefits of the tests;

(M) the etiology, assessment, treatment, and appropriate referral related to abnormalities of pregnancy;

(N) identification, implications, and the appropriate treatment of various sexually transmitted diseases (STD) and vaginal infections during pregnancy;

(O) special needs of the woman with Rh negative type blood;

(P) identification and care of women who are human immune deficiency virus (HIV) positive, have hepatitis, or have other diseases;

(3) the following subjects related to intrapartum care:

(A) normal labor and birth processes;

(B) anatomy of the fetal skull, including its critical landmarks;

(C) assessment of maternal and fetal status;

(D) emotional changes, comfort, and support during labor, birth, and immediately postpartum;

(E) techniques to aid the spontaneous vaginal delivery of the baby and placenta;

(F) abnormalities of the four stages of labor, including the etiology and assessment of those abnormalities, and the appropriate referral, transport, and emergency measures indicated for the fetus, mother, or newborn affected by those abnormalities, including

(i) review of the side effects and administration of pharmaceutical agents, such as emergency administration of pitocin to control postpartum hemorrhage; and

(ii) performing an emergency episiotomy;

(G) adaptation of the newborn to life after birth;

(H) medical interventions and technologies used during labor and birth;

(I) assessment and care of the perineum and surrounding tissues;

(4) the following subjects related to postpartum care:

(A) anatomy and physiology of the newborn during the postpartum period;

(B) anatomy, physiology, lactation, and appropriate care of the breast;

(C) assessment and promotion of postpartum recovery;

(D) the etiology and management of the discomforts of the postpartum period;

(E) emotional, psychosocial, and sexual changes that may occur during the postpartum period;

(F) nutritional requirements for women during the postpartum period;

(G) abnormalities of the postpartum period, including the etiology, assessment, treatment, and appropriate referral of the mother or newborn experiencing the abnormalities;

(H) assessment of the breastfeeding relationship, identification of lactation problems, and making appropriate referrals;

department that are attributable to regulation of an occupation plus

(1) all expenses of the board that regulates the occupation if the board regulates only one occupation;

(2) the expenses of a board that are attributable to the occupation if the board regulates more than one occupation.

(d) The license fee for a business license is set by AS 43.70. 030(a). The department shall adopt regulations that establish the manner of payment of the license fee.

Sec. 08.01.070. Administrative duties of boards. Each board shall perform the following duties in addition to those provided in its respective law:

(1) take minutes and records of all proceedings;

(2) hold a minimum of one meeting each year;

(3) hold at least one examination each year;

(4) request, through the department, investigation of violations of its laws and regulations;

(5) prepare and grade board examinations;

(6) set minimum qualifications for applicants for examination and license;

(7) forward a draft of the minutes of proceedings to the department within 20 days after the proceedings;

(8) forward results of board examinations to the department within 20 days after the examination is given;

(9) notify the department of meeting dates and agenda items at least 15 days before meetings and other proceedings are held;

(10) submit before the end of the fiscal year an annual performance report to the department stating the board's accomplishments, activities, and needs.

Sec. 08.01.075. Disciplinary powers of boards. (a) A board may take the following disciplinary actions, singly or in combination:

(1) permanently revoke a license;

(2) suspend a license for a specified period;

(3) censure or reprimand a licensee;

(4) impose limitations or conditions on the professional practice of a licensee;

(5) require a licensee to submit to peer review;

(6) impose requirements for remedial professional education to correct deficiencies in the education, training, and skill of the licensee;

(7) impose probation requiring a licensee to report regularly to the board on matters related to the grounds for probation;

(8) impose a civil fine not to exceed \$5,000.

(b) A board may withdraw probationary status if the deficiencies that required the sanction are remedied.

(c) A board may summarily suspend a licensee from the practice of the

profession before a final hearing is held or during an appeal if the board finds that the licensee poses a clear and immediate danger to the public health and safety. A person is entitled to a hearing before the board to appeal the summary suspension within seven days after the order of suspension is issued. A person may appeal an adverse decision of the board on an appeal of a summary suspension to a court of competent jurisdiction.

(d) A board may reinstate a suspended or revoked license if, after a hearing, the board finds that the applicant is able to practice the profession with skill and safety.

(e) A board may accept the voluntary surrender of a license. A license may not be returned unless the board determines that the licensee is competent to resume practice and the licensee pays the appropriate renewal fee.

(f) A board shall seek consistency in the application of disciplinary sanctions. A board shall explain a significant departure from prior decisions involving similar facts in the order imposing the sanction.

Sec. 08.01.080. Department regulations. The department shall adopt regulations to carry out the purposes of this chapter including but not limited to describing

- (1) how an examination is to be conducted;
- (2) what is contained in application forms;
- (3) how a person applies for an examination or license.

Sec. 08.01.087. Investigative and enforcement powers of department.

(a) The department may, upon its own motion, conduct investigations

(1) to determine whether a person has violated a provision of this chapter or a regulation adopted under it, or a provision of AS 43.70, or a provision of this title or regulation adopted under this title dealing with an occupation or board listed in AS 08.01.010; or

(2) to secure information useful in the administration of this chapter.

(b) If it appears to the commissioner that a person has engaged in or is about to engage in an act or practice in violation of a provision of this chapter or a regulation adopted under it, or a provision of AS 43.70, or a provision of this title or regulation adopted under this title dealing with an occupation or board listed in AS 08.01.010, the commissioner may, if the commissioner considers it in the public interest, and after notification of a proposed order or action by telephone, telegraph, or facsimile to all board members, if a board regulates the act or practice involved, unless a majority of the members of the board object within 10 days,

(1) issue an order directing the person to stop the act or practice; however, reasonable notice of and an opportunity for a hearing must first be given to the person, except that the commissioner may issue a temporary order before a hearing is held; a temporary order remains in effect until a final order affirming, modifying, or reversing the temporary order is issued or until

(B) human anatomy and physiology relevant to human reproduction;
(C) community standards of care, including standards for midwifery and medical standards for women during the childbearing cycle;

(D) communication and collaboration with community health and social resources for women and children;

(E) documentation of client care through the childbearing cycle;

(F) informed decision making;

(G) health education, health promotion, and self care;

(H) clean and aseptic techniques, and universal precautions;

(I) psychosocial, emotional, and physical components of human sexuality, including indicators of common problems and methods of counseling;

(J) ethical considerations relevant to reproductive health;

(K) epidemiologic concepts and terms relevant to perinatal and women's health;

(L) principles of accessing and evaluating current research relevant to midwifery practice;

(M) family centered care including maternal, infant, and family bonding;

(N) appropriate referral of women and their families for treatment of disease;

(O) importance of accessible, quality health care for all women that includes continuity of care;

(2) the following subjects related to antepartum care:

(A) preconceptional factors likely to influence pregnancy outcome;

(B) basic genetics, embryology, and fetal development;

(C) anatomy and assessment of the soft and bony structure of the pelvis;

(D) identification and assessment of the normal changes in pregnancy, fetal growth, and position;

(E) nutritional requirements for pregnant women and methods of nutritional assessment and counseling;

(F) environmental and occupational hazards for pregnant women;

(G) education and counseling to promote health throughout the childbearing cycle;

(H) methods of diagnosing pregnancy including the testing of urine and blood;

(I) common discomforts of pregnancy, including the etiology and treatment of those discomforts, and the appropriate referral when indicated;

(J) assessment of physical and emotional status, including relevant historical and psychosocial data;

(K) counseling for individual birth experiences, parenthood, and changes in the family;

(L) screening and diagnostic tests used during pregnancy, including

(c) To document substantial fulfillment of the course of study and supervised clinical experience requirements an applicant shall submit

(1) a certification of clinical experience, on a form provided by the department, that documents the following supervised clinical experiences and that includes the information required in 12 AAC 14.210(e)(1)--(6), if applicable:

- (A) 30 primary labor managements and deliveries;
- (B) 100 prenatal visits;
- (C) 30 newborn examinations; and
- (D) 30 postpartum examinations of the mother;

(2) evidence of current certification in adult and infant cardiopulmonary resuscitation; and

(3) the completed form required in 12 AAC 14.200(b) documenting completion of an acceptable course of study, which may be submitted without the preceptor's signature.

(d) Except as provided in (e) of this section, an application for transitional certification, including all supporting documents, must be postmarked or received in the department no later than August 17, 1994

(e) An applicant who meets the requirements of (a)(1)--(5) of this section may submit an application for transitional certification before passing the examination required in 12 AAC 14.300. The applicant shall sit for the first available examination administered in this state after the date of application for transitional certification and retake the next available examination if necessary. An applicant who fails the examination more than one time is no longer eligible for transitional certification, but may apply for licensure by examination.

(f) A certificate issued under this section expires on December 31, 1994 and may be renewed.

Article 2. Education and Experience.

Section

200 Course of study requirements

210 Supervised clinical experience requirements

12 AAC 14.200. COURSE OF STUDY REQUIREMENTS. (a) An acceptable course of study for certification as a direct-entry midwife must include

(1) the following subjects related to health and social sciences and services:

(A) communication, counseling, and teaching techniques, including client education;

15 days after the person receives the notice and has not requested a hearing by that time; a temporary order becomes final if the person to whom the notice is addressed does not request a hearing within 15 days after receiving the notice; the commissioner or the commissioner's designee shall be the hearing officer at the hearing and shall issue a final order within 10 days after the hearing;

(2) bring an action in the superior court to enjoin the acts or practices and to enforce compliance with this chapter, a regulation adopted under it, an order issued under it, or with a provision of this title or regulation adopted under this title dealing with business licenses or an occupation or board listed in AS 08.01.010;

(3) examine or have examined the books and records of a person whose business activities require a business license or licensure by a board listed in AS 08.01.010, or whose occupation is listed in AS 08.01.010; the commissioner may require the person to pay the reasonable costs of the examination; and

(4) issue subpoenas for the attendance of witnesses, and the production of books, records and other documents.

Sec. 08.01.090. Applicability of the Administrative Procedure Act. The Administrative Procedure Act (AS 44.62) applies to regulations adopted and proceedings held under this chapter, except those under AS 08.01.087(b).

Sec. 08.01.100. License renewal, lapse and reinstatement. (a) Licenses shall be renewed biennially on the dates set by the department with the approval of the respective board.

(b) A license subject to renewal shall be renewed on or before the date set by the department. If the license is not renewed by the date set by the department, the license lapses. In addition to renewal fees required for reinstatement of the lapsed license, the department may impose a delayed renewal penalty, established by regulation, that shall be paid before a license that has been lapsed for more than 60 days may be renewed. The department may adopt a delayed renewal penalty only with the concurrence of the appropriate board.

(c) When continuing education or other requirements are made a condition of license renewal, the requirements shall be satisfied before a license is renewed.

(d) Except as otherwise provided, a license may not be renewed if it has been lapsed for five years or more.

Sec. 08.01.102. Citation for unlicensed practice or activity. The department may issue a citation for a violation of a license requirement under this chapter or AS 43.70 if there is probable cause to believe a person has practiced a profession or engaged in business for which a license is required

without holding the license. Each day a violation continues after a citation for the violation has been issued constitutes a separate violation.

Sec. 08.01.103. Procedure and form of citation. (a) A citation issued under AS 08.01.102 must be in writing. A person receiving the citation is not required to sign a notice to appear in court.

(b) The time specified in the notice to appear on a citation issued under AS 08.01.102 shall be at least five days, not including weekends and holidays, after the issuance of the citation, unless the person cited requests an earlier hearing.

(c) The department is responsible for the issuance of books containing appropriate citations, and shall maintain a record of each book issued and each citation contained in it. The department shall require and retain a receipt for every book issued to an employee of the department.

(d) The department shall deposit the original or a copy of the citation with a court having jurisdiction over the alleged offense. Upon its deposit with the court, the citation may be disposed of only by trial in the court or other official action taken by the magistrate, judge, or prosecutor. The department may not dispose of a citation, copies of it, or of the record of its issuance except as required under this subsection and (e) of this section.

(e) The department shall require the return of a copy of every citation issued by the department and all copies of a citation that has been spoiled or upon which an entry has been made and not issued to an alleged violator. The department shall also maintain, in connection with each citation, a record of the disposition of the charge by the court where the original or copy of the citation was deposited.

(f) If the form of citation includes the essential facts constituting the offense charged, and if the citation is sworn to as required under the laws of this state for a complaint charging commission of the offense alleged in the citation, then the citation when filed with a court having jurisdiction is considered to be a lawful complaint for the purpose of prosecution.

Sec. 08.01.104. Failure to obey citation. Unless the citation has been voided or otherwise dismissed by the magistrate, judge, or prosecutor, a person who without lawful justification or excuse fails to appear in court to answer a citation issued under AS 08.01.102, regardless of the disposition of the charge for which the citation was issued, is guilty of a class B misdemeanor.

Sec. 08.01.105. Penalty for improper payment. An applicant shall pay a penalty of \$10 each time a negotiable instrument is presented to the department in payment of an amount due and payment is subsequently refused by the named payor.

**CHAPTER 14.
BOARD OF CERTIFIED DIRECT-ENTRY MIDWIVES**

Article

1. Certification Requirements (12 AAC 14.100)
2. Education and Experience (12 AAC 14.200--12 AAC 14.210)
3. Examination (12 AAC 14.300)
4. Renewal and Continuing Competency Requirements (Reserved)
5. Duties and Responsibilities (Reserved)
6. Emergency Measures (Reserved)
7. General Provisions (12 AAC 14.990)

Article 1.

Certification Requirements.

12 AAC 14.100. TRANSITIONAL CERTIFICATION. (a) To qualify for certification as a direct-entry midwife under the transitional provisions of sec. 9, ch. 130, SLA 1992, an applicant shall

- (1) submit a complete application on a form provided by the department;
- (2) pay the fees established in 12 AAC 02.145;
- (3) submit an affidavit signed by the applicant that verifies compliance with AS 08.65.050(3);
- (4) document having practiced midwifery in this state in accordance with (b) of this section;
- (5) document substantial fulfillment of the course of study and supervised clinical experience requirements of 12 AAC 14.200 and 12 AAC 14.210 in accordance with (c) of this section; and
- (6) except as provided in (e) of this section, document having passed the examination required in 12 AAC 14.300.

(b) To document the practice of midwifery in this state an applicant shall submit to the board

(1) an affidavit signed by the applicant stating that the applicant practiced midwifery in this state on or during the two years immediately preceding June 26, 1992; and

(2) a completed certification of practice, on a form provided by the department, from one person in each of the following categories who is familiar with the applicant's midwifery practice:

- (A) a client of the applicant's midwifery practice;
- (B) a health care provider licensed in the state whose scope of practice may, by law, include obstetrics; and
- (C) a person who has practiced midwifery in this state for at least two years.

(2) "department" means the Department of Commerce and Economic Development;

(3) "practice of midwifery" means providing necessary supervision, health care, and education to women during pregnancy, labor, and the postpartum period, conducting deliveries on the midwife's own responsibility, and providing immediate postpartum care of the newborn; "practice of midwifery" includes preventative measures, the identification of physical, social, and emotional needs of the newborn and the woman, and arranging for consultation, referral, and continued involvement when the care required extends beyond the abilities of the midwife, and the execution of emergency measures in the absence of medical assistance, as specified in regulations adopted by the board.

Sec. 08.01.110. Definitions. In this chapter

(1) "board" includes the boards and commissions listed in AS 08.01.010;

(2) "commissioner" means the commissioner of commerce and economic development;

(3) "department" means the Department of Commerce and Economic Development;

(4) "license" means a business license or a license, certificate, permit, or registration or similar evidence of authority issued for an occupation by the department or by one of the boards listed in AS 08.01.010;

(5) "licensee" means a person who holds a license;

(6) "occupation" means a trade or profession listed in AS 08.01.010.

CHAPTER 02. MISCELLANEOUS PROVISIONS.

Section

10. Professional designation requirements

11. Professional geologist

20. Limitation of liability

30. Courtesy licenses

Sec. 08.02.010. Professional designation requirements. (a) An acupuncturist licensed under AS 08.06, an audiologist licensed under AS 08.11, a person licensed in the state as a chiropractor under AS 08.20, a dentist under AS 08.36, a marital and family therapist licensed under AS 08.63, a medical practitioner or osteopath under AS 08.64, a direct-entry midwife certified under AS 08.65, a registered nurse under AS 08.68, an optometrist under AS 08.72, a registered pharmacist under AS 08.80, a physical therapist or occupational therapist licensed under AS 08.84, a psychologist under AS 08.86, or a clinical social worker licensed under AS 08.95, shall use as professional identification appropriate letters or a title after that person's name which represents that person's specific field of practice. The letters or title shall appear on all signs, stationery, or other advertising in which the person offers or displays personal professional services to the public. In addition, a person engaged in the practice of medicine or osteopathy as defined in AS 08.64.380, or a person engaged in any manner in the healing arts who diagnoses, treats, tests, or counsels other persons in relation to human health or disease and uses the letters "M.D." or the title "doctor" or "physician" or another title that tends to show that the person is willing or qualified to diagnose, treat, test, or counsel another person, shall clarify the letters or title by adding the appropriate specialist designation, if any, such as "dermatologist", "radiologist", "audiologist", "naturopath", or the like.

(b) A person subject to (a) of this section who fails to comply with the requirements of (a) of this section shall be given notice of noncompliance by

that person's appropriate licensing board. If, after a reasonable time, with opportunity for a hearing, the person's noncompliance continues, the board may suspend or revoke the person's license or registration, or administer other disciplinary action which in its determination is appropriate.

Sec. 08.02.011. Professional geologist. The commissioner of commerce and economic development shall certify an applicant as a professional geologist if the applicant is certified as a professional geologist by the American Institute of Professional Geologists.

Sec. 08.02.020. Limitation of liability. An action may not be brought against a person for damages resulting from

(1) the person's good faith performance of a duty, function, or activity required as

(A) a member of, or witness before, a licensing board or peer review committee established to review a licensing matter;

(B) a member of a committee appointed under AS 08.64.336(c);

(C) a contractor or agent of a contractor under AS 08.01.050(d) or AS 08.64.101(6);

(2) a recommendation or action in accordance with the prescribed duties of a licensing board, peer review committee established to review a licensing matter, committee appointed under AS 08.64.336(c), or contractor or agent of a contractor under AS 08.01.050(d) or AS 08.64.101(6) when the person acts in the reasonable belief that the action or recommendation is warranted by facts known to the person, board, peer review committee, committee appointed under AS 08.64.336(c), or contractor or agent of the contractor under AS 08.01.050(d) or AS 08.64.101(6) after reasonable efforts to ascertain the facts upon which the action or recommendation is made; or

(3) a report made in good faith to a public agency by the person, or participation by the person in an investigation by a public agency or a judicial or administrative proceeding relating to the report, if the report relates to the abuse of alcohol, other drugs, or other substances by a person licensed by a board listed in AS 08.01.050(d).

Sec. 08.02.030. Courtesy licenses. (a) A board established under this title and the Department of Commerce and Economic Development, with respect to an occupation that it regulates under this title, may by regulation establish criteria for issuing a temporary courtesy license to nonresidents who enter the state so that, on a temporary basis, they may practice the occupation regulated by the board or the department.

(b) The regulations adopted under (a) of this section may include limitations relating to the

(2) a physician or certified nurse midwife is not available in the geographic vicinity.

(f) A certified direct-entry midwife may not attempt to correct fetal presentation by external or internal inversion unless

(1) there is a verifiable emergency; and

(2) a physician or certified nurse midwife is not available in the geographic vicinity.

Sec. 08.65.150. PROHIBITED PRACTICES. Except as provided in AS 08.65.170, a person who is not certified under this chapter as a direct-entry midwife may not practice midwifery for compensation.

Sec. 08.65.160. CERTIFICATION REQUIRED IF DESIGNATION USED. A person who is not certified under this chapter or whose certification is suspended or revoked, or whose certification has lapsed, who knowingly uses in connection with the person's name the words or letters "C.D.M.," "Certified Direct-Entry Midwife," or other letters, words, or insignia indicating or implying that the person is certified as a direct-entry midwife in this state or who in any way, orally or in writing, directly or by implication, knowingly holds out as being certified by the state as a direct-entry midwife in this state is guilty of a class B misdemeanor.

Sec. 08.65.170. EXCLUSIONS. This chapter does not apply to a person

(1) who is licensed as a physician in this state;

(2) who is licensed as a certified nurse midwife by the Board of Nursing in this state;

(3) who is practicing midwifery on the effective date of this Act and who receives compensation for services if the person's cultural traditions have included, for at least two generations, the attendance of lay midwives at births, and if the person has attended at least 10 births;

(4) whose cultural traditions have included, for at least two generations, the attendance of midwives at births, who accepts compensation for the practice of midwifery if the person has assisted another in at least 10 births and the person assisted is excluded from registration under this section or is a certified direct-entry midwife, physician, nurse midwife, or public health nurse.

Sec. 08.65.180. RESPONSIBILITY FOR CARE. If a certified direct-entry midwife seeks to consult with or refer a patient to a licensed physician, the responsibility of the physician for the patient does not begin until the patient is physically within the physician's care.

Sec. 08.65.190. DEFINITIONS. In this chapter,

(1) "board" means the Board of Certified Direct-Entry Midwives;

under (a) of this section, from the woman before the onset of labor. The consent shall be maintained by the certified direct-entry midwives as part of the woman's record. A certified direct-entry midwife shall accept full legal responsibility for the direct-entry midwife's acts or omissions.

(c) A certified direct-entry midwife shall comply with the requirements of AS 18.15.150 concerning taking of blood samples, AS 18.15.200 concerning screening of phenylketonuria (PKU), AS 18.50.160 concerning birth registration, AS 18.50.230 concerning registration of deaths, AS 18.50.240 concerning fetal death registration, and regulations adopted by the Department of Health and Social Services concerning prophylactic treatment of the eyes of newborn infants.

(d) A certified direct-entry midwife may not knowingly deliver a woman who

- (1) has a history of thrombophlebitis or pulmonary embolism;
- (2) has gestational diabetes, diabetes, hypertension, Rh disease with positive titer, active tuberculosis, active syphilis, active gonorrhea, epilepsy, heart disease, or kidney disease;
- (3) contracts genital herpes simplex in the first trimester of pregnancy or has active genital herpes in the last two weeks of pregnancy;
- (4) has severe psychiatric illness;
- (5) inappropriately uses controlled substances, including those obtained by prescription;
- (6) has multiple gestation;
- (7) has a fetus of less than 37 weeks gestation at the onset of labor;
- (8) has a gestation of more than 42 weeks by dates and examination;
- (9) has a fetus in any presentation other than vertex at the onset of labor;
- (10) is a primigravida with an unengaged fetal head in active labor, or any woman who has rupture of membranes with unengaged fetal head, with or without labor;
- (11) has a fetus with suspected or diagnosed congenital anomalies that may require immediate medical intervention;
- (12) has pre-eclampsia or eclampsia;
- (13) has bleeding with evidence of placenta previa;
- (14) any condition determined by the board to be of high risk to the pregnant woman and newborn;
- (15) has had a previous caesarian delivery or other uterine surgery;
- (16) experienced the rupture of membranes at least 24 hours before the onset of labor; or
- (17) is less than 16 years of age at the time of delivery.

(e) Notwithstanding (d) of this section, a certified direct-entry midwife may deliver a woman with any of the complications or conditions listed in (d)(1) — (17) of this section if

- (1) the delivery is a verifiable emergency; and

- (1) duration of the license's validity;
- (2) scope of practice allowed under the license; and
- (3) other matters considered important by the board or the department.

**CHAPTER 03.
TERMINATION, CONTINUATION AND REESTABLISHMENT
OF REGULATORY BOARDS.**

Section

- 10. Termination dates for regulatory boards**
- 20. Procedures governing termination, transition and continuation**

Sec. 08.03.010. Termination dates for regulatory boards.

(a) *[Repealed]*

(b) *[Repealed]*

(c) The following boards have the termination date provided by this subsection:

- (1) Board of Public Accountancy (AS 08.04.010)—June 30, 1997;
- (2) Board of Governors of the Alaska Bar Association (AS 08.08.040)—June 30, 1993;
- (3) State Board of Registration for Architects, Engineers and Land Surveyors (AS 08.48.011)—June 30, 1997;
- (4) Board of Barbers and Hairdressers (AS 08.13.010)—June 30, 1993;
- (5) Big Game Commercial Services Board (AS 08.54.300)—June 30, 1993;
- (6) Board of Certified Direct-Entry Midwives (AS 08.65.010)—June 30, 1994;
- (7) Board of Certified Real Estate Appraisers (AS 08.87.010)—June 30, 1994;
- (8) Board of Chiropractic Examiners (AS 08.20.010)—June 30, 1996;
- (9) Board of Clinical Social Work Examiners (AS 08.95.010)—June 30, 1995;
- (10) Board of Dental Examiners (AS 08.36.010)—June 30, 1993;
- (11) Board of Dispensing Opticians (AS 08.71.010)—June 30, 1996;
- (12) *[Repealed]*
- (13) Board of Marine Pilots (AS 08.62.010)—June 30, 1994;
- (14) Board of Marital and Family Therapy (AS 08.63.010)—June 30, 1995;
- (15) Board of Mechanical Examiners (AS 08.40.220)—June 30, 1992;
- (16) State Medical Board (AS 08.64.010)—June 30, 1995;
- (17) Board of Nursing (AS 08.68.010)—June 30, 1995;
- (18) Board of Nursing Home Administrators (AS 08.70.010)—June 30, 1994;
- (19) Board of Examiners in Optometry (AS 08.72.010)—June 30, 1996;
- (20) Board of Pharmacy (AS 08.80.010)—June 30, 1993;

(21) State Physical Therapy and Occupational Therapy Board (AS 08.84.010)—June 30, 1997;

(22) Board of Psychologist and Psychological Associate Examiners (AS 08.86.010)—June 30, 1995;

(23) Real Estate Commission (AS 08.88.011)—June 30, 1995;

(24) Board of Veterinary Examiners (AS 08.98.010)—June 30, 1993.

Sec. 08.03.020. Procedures governing termination, transition and continuation. (a) Upon termination, each board listed in AS 08.03.010 shall continue in existence until June 30 of the next succeeding year for the purpose of concluding its affairs. During this period, termination does not reduce or otherwise limit the powers or authority of each board. One year after the date of termination, a board not continued shall cease all activities.

(b) The termination, dissolution, continuation or reestablishment of a regulatory board shall be governed by the legislative oversight procedures of AS 44.66.050.

(c) A board scheduled for termination under this chapter may be continued or reestablished by the legislature for a period not to exceed four years unless the board is continued or reestablished for a longer period under AS 08.03.010.

the board, in addition to the powers provided in AS 08.01.075, may impose the following sanctions singly or in combination:

(1) permanently revoke a certificate or permit to practice;

(2) suspend a certificate or permit for a determinate period of time;

(3) censure a person holding a certificate or permit;

(4) issue a letter of reprimand;

(5) place a person holding a certificate or permit on probationary status and require the person to

(A) report regularly to the board upon matters involving the basis of probation;

(B) limit practice to those areas prescribed;

(C) continue professional education until a satisfactory degree of skill has been attained in those areas determined by the board to need improvement;

(6) impose limitations or conditions on the practice of a person holding a certificate or permit.

(b) The board may withdraw probationary status if it finds that the deficiencies that required the sanction have been remedied.

(c) The board may summarily suspend a certificate or permit before final hearing or during the appeals process if the board finds that the person holding a certificate or permit poses a clear and immediate danger to the public health and safety if the person continues to practice. A person whose certificate or permit is suspended under this subsection shall be entitled to a hearing by the board no later than seven days after the effective date of the order. The person may appeal the suspension after a hearing to the superior court.

(d) The board may reinstate a certificate or permit that has been suspended or revoked if the board finds after a hearing that the applicant is able to practice with reasonable skill and safety.

(e) The board shall seek consistency in the application of disciplinary sanctions, and significant departure from prior decisions involving similar situations shall be explained in findings of fact or orders.

Sec. 08.65.130. CRIMINAL PENALTY. A person who violates this chapter is guilty of a class B misdemeanor.

Sec. 08.65.140. REQUIRED PRACTICES. (a) Except as provided in (d) of this section, a certified direct-entry midwife may not assume the care or delivery of a client unless the certified direct-entry midwife has recommended that the client undergo a physical examination performed by a physician, physician assistant, advanced nurse practitioner, or certified nurse midwife, who is licensed in this state.

(b) A certified direct-entry midwife shall inform a woman seeking home birth of the possible risks of home birth and shall obtain a signed informed consent, including the recommendation for a physical examination required

certified direct-entry midwife if supervised in a manner prescribed by the board by

(1) a certified direct-entry midwife who has been licensed and practicing in this state for at least two years;

(2) a certified direct-entry midwife who has been licensed for at least two years in a state with licensing requirements at least equivalent in scope, quality, and difficulty to those of this state at the time of licensing, who is certified in this state, and who has practiced midwifery for the last two years;

(3) a physician licensed in this state with an obstetrical practice at the time of undertaking the apprenticeship; or

(4) a certified nurse midwife licensed by the Board of Nursing in this state with an obstetrical practice at the time of undertaking the apprenticeship.

Sec. 08.65.100. FEES. The department shall set fees under AS 08.01.065 to implement this chapter.

Sec. 08.65.110. GROUNDS FOR DISCIPLINE, SUSPENSION, OR REVOCATION OF CERTIFICATION. The board may impose a disciplinary sanction on a person holding a certificate or permit under this chapter if the board finds that the person

(1) secured a certificate or permit through deceit, fraud, or intentional misrepresentation;

(2) engaged in deceit, fraud, or intentional misrepresentation in the course of providing professional services or engaging in professional activities;

(3) advertised professional services in a false or misleading manner;

(4) has been convicted of a felony or other crime that affects the licensee's ability to continue to practice competently and safely;

(5) intentionally or negligently engaged in or permitted the performance of client care by persons under the certified direct-entry midwife's supervision that does not conform to minimum professional standards regardless of whether actual injury to the client occurred;

(6) failed to comply with this chapter, with a regulation adopted under this chapter, or with an order of the board;

(7) continued to practice after becoming unfit due to

(A) professional incompetence;

(B) failure to keep informed of current professional practices;

(C) addiction or severe dependency on alcohol or other drugs that impairs the ability to practice safely;

(D) physical or mental disability;

(8) engaged in lewd or immoral conduct in connection with the delivery of professional service to clients.

Sec. 08.65.120. DISCIPLINARY SANCTIONS. (a) When it finds that a person holding a certificate or permit is guilty of an offense under AS 08.65.110,

**CHAPTER 02.
DIVISION OF OCCUPATIONAL LICENSING**

Article

1. **Collection of Fees**
(12 AAC 02.010 — 12 AAC 02.030)
2. **Occupational Licensing Fees**
(12 AAC 02.100 — 12 AAC 02.360)
3. **Examination Review Procedures**
(12 AAC 02.400)
4. **General Provisions**
(12 AAC 02.900 — 12 AAC 02.990)

**ARTICLE 1.
COLLECTION OF FEES**

Section

10. **Licensing and renewal fees**
20. **Prorating renewal fees**
30. **Prorating initial renewal fees**

12 AAC 02.010. LICENSING AND RENEWAL FEES. (a) The department will collect fees and issue receipts for licensing and for license renewal for the boards listed in AS 08.01.010.

(b) The department will not issue a license or renew a license unless the applicable fees established in AS 08 or in this chapter have been collected, and a receipt has been prepared.

(c) Except as otherwise provided in this title, an application for initial licensure or renewal of license will be considered filed as of the filing date of the document as determined by 12 AAC 02.920.

(d) *Repealed 5/4/90.*

(e) An application fee is not refundable.

12 AAC 02.020. PRORATING RENEWAL FEES. The department will prorate the first license renewal fees following initial licensure, in accordance with 12 AAC 02.030. All renewal fees, including penalty and delinquent fees must be paid by the licensee applying for renewal of a license, except as provided in 12 AAC 02.030(a)(1) and (b)(1).

12 AAC 02.030. PRORATING INITIAL RENEWAL FEES. (a) When the department issues an initial biennial license

(1) within the 90 days before the date by which it must be renewed, the applicant shall pay the entire license fee but is not required to pay the prescribed renewal fee until the second renewal date;

(2) within the 12 months before the date by which the license must be renewed, the applicant shall pay the entire license fee, and shall pay one-half

of the prescribed renewal fee at the time of renewal; or

(3) more than 12 months before the date by which the license must be renewed, the applicant shall pay the entire license fee, and shall pay the entire prescribed renewal fee at the time of renewal.

(b) When the department issues an initial annual license

(1) within the 90 days before the date by which it must be renewed, the applicant shall pay the entire license fee but is not required to pay the prescribed renewal fee until the second renewal date;

(2) within the six months before the date by which the license must be renewed, the applicant shall pay the entire license fee, and shall pay one-half of the prescribed renewal fee at the time of renewal; or

(3) more than six months before the date by which the license must be renewed, the applicant shall pay the entire license fee, and shall pay the entire prescribed renewal fee at the time of renewal.

(c) A quadrennial license issued before July 1, 1987 shall be renewed by the department as a biennial license upon payment of the entire prescribed biennial license renewal fee.

(d) The department will not prorate renewal fees if the initial licensing fee was \$150 or less.

(e) The department will not prorate fees for applications, examinations, reexaminations, credential review or investigation, temporary or emergency permits, locum tenens permits, certificates, or other such fees established in AS 08 or in this chapter.

ARTICLE 2. OCCUPATIONAL LICENSING FEES

Section

- 100. Fees established by department
- 105. Administrative fees
- 145. Board of certified direct-entry midwives

12 AAC 02.100. FEES ESTABLISHED BY DEPARTMENT. The fees established in this chapter have been adopted by the department after considering any recommendations of the applicable board or commission listed in AS 08.01.010.

12 AAC 02.105. ADMINISTRATIVE FEES. Except as otherwise provided in this chapter for a particular board or occupation, the following fees apply to all boards and professions listed in AS 08.01.010:

- (1) duplicate license fee, \$5;
- (2) fee for verification or certification of an Alaska license, registration, or examination, \$20;
- (3) name change, except for construction contractors, \$5;
- (4) photocopy fee, \$.25 per page, which may be waived by the depart-

combination of these. The board shall utilize the examination provided by a nationally certified midwives organization recognized by the board. An applicant who has failed the examination may not retake the examination for a period of six months. An applicant who has failed the examination more than one time may not retake the examination unless the applicant has participated in or successfully completed further education and training programs as prescribed by the board.

Sec. 08.65.070. LICENSURE BY CREDENTIALS. The board may by regulation provide for the certification without examination of a person who meets the requirements of AS 08.65.050(1) — (4), who is currently licensed in another state with licensing requirements at least equivalent in scope, quality, and difficulty to those of this state, and who has passed the national examination required of certified direct-entry midwives in this state. At a minimum, an applicant for certification by credentials

(1) may not be the subject of an unresolved complaint or disciplinary action before a regulatory authority in this state or another jurisdiction;

(2) may not have failed the examination for a certificate or license to practice midwifery in this state;

(3) may not have had a certificate or license to practice midwifery revoked in this state or another jurisdiction;

(4) shall submit proof of continued competency satisfactory to the board; and

(5) shall pay the required fees.

Sec. 08.65.080. RENEWAL. A certificate issued under AS 08.65.050 or 08.65.070 expires on a date determined by the board and may be renewed every two years upon payment of the required fee and the submission of evidence satisfactory to the board that the certified direct-entry midwife has met the continuing education requirements of the board, has demonstrated continued practical professional competence under regulations adopted by the board, and has not committed an act that is a ground for discipline under AS 08.65.110.

Sec. 08.65.090. APPRENTICE DIRECT-ENTRY MIDWIVES. (a) The board shall issue a permit to practice as an apprentice direct-entry midwife to a person who satisfies the requirements of AS 08.65.050 (1) — (3) and who has been accepted into a program of education, training, and apprenticeship approved by the board under AS 08.65.030. A permit application under this section must include information the board may require. The permit is valid for a term of two years and may be renewed in accordance with regulations adopted by the board.

(b) An apprentice direct-entry midwife may perform all the activities of a

Sec. 08.65.030. DUTIES AND POWERS OF BOARD. (a) The board shall

- (1) examine applicants and issue certificates to those applicants it finds qualified;
 - (2) adopt regulations establishing certification and certificate renewal requirements;
 - (3) issue permits to apprentice direct-entry midwives;
 - (4) hold hearings and order the disciplinary sanction of a person who violates this chapter or a regulation of the board;
 - (5) supply forms for applications, licenses, permits, certificates, and other papers and records;
 - (6) report annually to the governor and the department on the board's proceedings during the year;
 - (7) enforce the provisions of this chapter and adopt regulations necessary to make the provisions of this chapter effective;
 - (8) approve curricula and adopt standards for basic education, training, and apprentice programs;
 - (9) provide for surveys of the basic direct-entry midwife education programs in the state at the times it considers necessary;
 - (10) approve education, training, and apprentice programs that meet the requirements of this chapter and of the board, and deny, revoke, or suspend approval of such programs for failure to meet the requirements.
- (b) The board may by regulation require that a certified direct-entry midwife undergo a uniform or random period of peer review to ensure the quality of care provided by the certified direct-entry midwife.

Sec. 08.65.040. PROCEDURES. The Administrative Procedure Act (AS 44.62) applies to regulations and proceedings under this chapter.

Sec. 08.65.050. QUALIFICATIONS FOR LICENSE. The board shall issue a certificate to practice direct-entry midwifery to a person who

- (1) applies on a form provided by the board;
- (2) pays the fees required under AS 08.65.100;
- (3) furnishes evidence satisfactory to the board that the person has not engaged in conduct that is a ground for imposing disciplinary sanctions under AS 08.65.110;
- (4) furnishes evidence satisfactory to the board that the person has completed a course of study and supervised clinical experience; the study and experience must be of at least one year's duration;
- (5) successfully completes the examination required by the board.

Sec. 08.65.060. EXAMINATIONS. The board shall conduct examinations at least once each year. Examinations may be written, oral, or practical or a

ment if the total fee is less than \$5;

- (5) facsimile fee, \$1 per page, which may be waived by the department if the total fee is less than \$5;
- (6) returned check fee, \$20;
- (7) penalty for reinstatement of a registration, license, permit or certificate which remains lapsed for more than 60 days, \$50;
- (8) exam postponement fee, \$25;
- (9) wall certificate fee, \$20;
- (10) fee for proctoring an examination for another state's applicant, \$50;
- (11) fee for specialized report of licensing data, \$100 plus the cost of supplies;
- (12) express delivery handling fee, \$20; and
- (13) fee for providing a roster of
 - (A) 1,500 or less licensees, \$5;
 - (B) more than 1,500 licensees, \$10;
 - (C) current business licenses, \$100.

12 AAC 02.145. BOARD OF CERTIFIED DIRECT-ENTRY MIDWIVES. The following fees are established for direct-entry midwives and apprentices:

- (1) application fee for initial certification or permit, \$50;
- (2) certification fee for all or part of the initial biennial certification period, \$350;
- (3) biennial certification renewal fee, \$350;
- (4) examination fee, \$100;
- (5) apprentice direct-entry midwife permit fee, \$150;
- (6) biennial apprentice direct-entry midwife permit renewal fee, \$150.

ARTICLE 3. EXAMINATION REVIEW PROCEDURES

Section

400. Examination review

12 AAC 02.400. EXAMINATION REVIEW. (a) For nationally prepared and administered examinations, the examination review procedures established by the national examination organization will be used in conjunction with the procedures established in this section. National examinations which have no provision for examination review are not available for review under this section.

(b) An applicant who wishes to review a failed examination shall submit a written request to the division within 30 days after the notice of examination results was mailed to the applicant.

(c) All examination reviews will be conducted in the presence of division

staff at the time and location determined by the division. An examination review will not be conducted within 30 days of the next examination the applicant is scheduled to take.

(d) Only an applicant who has failed an examination may participate in the examination review and the applicant may review only his or her own examination.

(e) An applicant may use the same reference materials during an examination review that were allowed during the examination itself, but applicants may not use other materials or take notes or make copies of any kind. All materials brought to an examination review are subject to inspection by the division staff.

ARTICLE 4. GENERAL PROVISIONS

Section

- 900. Current address
- 910. Abandoned applications
- 920. Filing date
- 940. Effective date of renewed licenses
- 990. Definitions

12 AAC 02.900. CURRENT ADDRESS. A person licensed, registered, or certified by a board or commission listed in AS 08.01.010, or in an occupation listed in AS 08.01.010, shall maintain a current, valid, mailing address on file with the division at all times. The latest mailing address on file with the division is the address that will be used for official communications, notifications, and service of legal process.

12 AAC 02.910. ABANDONED APPLICATIONS. (a) An application is considered abandoned when

(1) 12 months have elapsed since correspondence was last received from or on behalf of the applicant; or

(2) the applicant has failed to appear for two successive examinations.

(b) An abandoned application is denied without prejudice and the application fee forfeited.

(c) At the time an application is considered abandoned, the division will send notification of abandonment to the last known address of the applicant. An applicant may request a refund of all unused examination and licensing fees credited to the application by submitting a written request for refund within 30 days from the date notification of abandonment was mailed by the division. If no request for refund is received, all fees are forfeited.

12 AAC 02.920. FILING DATE. (a) Except as otherwise provided in this title, a document submitted to the division will be considered filed as of the postmark date of the document. If the document is submitted by a method

CHAPTER 65. DIRECT-ENTRY MIDWIVES.

Section

- 010. Board established
- 020. Meetings
- 030. Duties and powers of board
- 040. Procedures
- 050. Qualifications for license
- 060. Examinations
- 070. Licensure by credentials
- 080. Renewal
- 090. Apprentice direct-entry midwives
- 100. Fees
- 110. Grounds for discipline, suspension, or revocation of certification
- 120. Disciplinary sanctions
- 130. Criminal penalty
- 140. Required practices
- 150. Prohibited practices
- 160. Certification required if designation used
- 170. Exclusions
- 180. Responsibility for care
- 190. Definitions

Sec. 08.65.010. BOARD ESTABLISHED. (a) There is established the Board of Certified Direct-Entry Midwives.

(b) The board consists of five members appointed by the governor subject to confirmation by the legislature in joint session. Members serve for staggered terms of four years and until a successor is appointed and qualified. The board consists of two members who are certified in this state as direct-entry midwives, one physician licensed by the State Medical Board in this state who has an obstetrical practice or has specialized training in obstetrics, one certified nurse midwife licensed by the Board of Nursing in this state, and one public member.

(c) The board shall elect a chair and a secretary from among its members to terms of one year.

(d) A member may serve no more than two complete consecutive terms on the board.

Sec. 08.65.020. MEETINGS. The board shall meet twice annually and may hold special meetings at the call of the chair or on the written notice of two board members.

that does not provide a postmark date, the document will be considered filed as of the date stamped on the document, when it is received in the division office.

(b) For the purposes of this section, "postmark date" means the date a document with prepaid postage and correctly addressed to the division is sent by the United States Postal Service or other established, domestic courier service.

12 AAC 02.940. EFFECTIVE DATE OF RENEWED LICENSES. (a) Except as provided in (b) of this section, the effective date of a renewed license will be the date a complete renewal application is filed with the division as determined by 12 AAC 02.920. A complete application includes

- (1) a completed renewal form;
- (2) any applicable renewal fees required by this chapter; and
- (3) documentation of fulfillment of all applicable prerequisites to license renewal, such as continuing competency, recent experience, insurance coverage, or other requirements.

(b) The division will, in its discretion, show a retroactive effective date on a licensee's renewed license if the licensee

- (1) holds a license that has been lapsed less than 60 days;
- (2) requests in writing that the division issue a renewed license showing an effective date that is earlier than the date the renewed license was issued;
- (3) documents that the licensee was in substantial compliance with the renewal requirements in (a) of this section as of the requested effective date; and

(4) establishes to the satisfaction of the division that the licensee made a good faith effort to strictly comply with the renewal requirements.

(c) The division will not issue a renewed license with an effective date that is earlier than the postmark date of the licensee's first written attempt to renew the licensee's license. "Written attempt to renew" means an effort by the licensee to submit the proper documentation to comply with the license renewal requirements. A request for a renewal application form alone does not constitute a "written attempt to renew."

12 AAC 02.990. DEFINITIONS. As used in this chapter

(1) "department" means the Department of Commerce and Economic Development;

(2) "division" means the division of occupational licensing, Department of Commerce and Economic Development;

(3) "license" means a license, certificate, permit, registration, or similar evidence of authority issued by the division or by one of the boards listed in AS 08.01.010;

(4) "licensee" means a person who holds a license issued by the division or by one of the boards listed in AS 08.01.010.

APPENDIX

TRANSITIONAL PROVISIONS

Notwithstanding AS 08.65.050, enacted by sec. 5 of this Act, the board shall issue a certificate to a person who is practicing midwifery in this state on June 26, 1992 or who has practiced midwifery in this state within the two years immediately before June 26, 1992 if the person fulfills the requirements of AS 08.65.050(1) — (3), substantially fulfills the requirements of AS 08.65.050(4), and passes the examination provided by AS 08.65.060.

Notwithstanding AS 08.65.150, enacted by sec. 5 of this Act, a person who is practicing midwifery on June 26, 1992 or who has practiced midwifery within the two years immediately before June 26, 1992 may accept fees for practicing midwifery until December 23, 1992 even if the person is not certified under AS 08.65.

TEMPORARY SUPERVISORS. A direct-entry midwife who has been certified in this state for less than two years may supervise an apprentice until December 27, 1994 if the certified direct-entry midwife has practiced midwifery in this state for at least two years immediately before June 26, 1992.

INITIAL APPOINTMENTS TO THE BOARD. (a) Notwithstanding AS 08.65.010, one initial member of the Board of Certified Direct-Entry Midwives shall be appointed for a term of one year, one initial member shall be appointed for a term of two years, one initial member shall be appointed for a term of three years, and two initial members shall be appointed for terms of four years. The members appointed to initial terms less than four years under this section may be reappointed to one full four-year term.

(b) In making initial appointments of midwives to the Board of Certified Direct-Entry Midwives, the governor shall consider a midwife licensed for the purpose of AS 08.65.010 if the midwife has practiced midwifery in this state for a period of two years.

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

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Statutes and Regulations

**Certified
Direct-Entry
Midwives**

February 1994

ALASKA

**DEPARTMENT OF COMMERCE
AND ECONOMIC DEVELOPMENT
DIVISION OF OCCUPATIONAL LICENSING**

State of Alaska
Department of Commerce
and Economic Development
Division of Occupational Licensing
Certified Direct-Entry Midwives
P. O. Box 110806
Juneau, Alaska 99811-0806



SENATOR LOREN LEMAN

Northwest Anchorage

716 W 4th Ave, Ste 540, Anchorage AK 99501 258-8189

Session: State Capitol, Juneau AK 99801 465-2095

SPONSOR STATEMENT

SB 266: An Act extending the termination date of the Board of Certified Direct-Entry Midwives; relating to the scope of practice of certified direct-entry midwives; and providing for an effective date.

It is inappropriate for medical scope of practice to be defined in statute, because of the changing nature of standards of care. This bill requires, though, that before the CDE midwives' scope of practice is removed from statute, that it must be adopted in regulation. It is the responsibility of the Certified Direct-Entry Midwifery Board to keep this list in accordance with the American College of Obstetrics and Gynecology and with the Midwives Alliance of North America standards. Changes to medical scope of practice are best defined in regulation, not in statute.

Continuing the board through 1998 is consistent with the audit conducted by Division of Legislative Audit, dated October 29, 1993.

Midwifery is a low-cost birthing alternative for many women in Alaska. It was a necessity for many Alaskan women in my grandmother's day. Today, however, there is a better standard of care. That benefits midwives and their clients.

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. CS SB 266 (L&C)

Revision Date: 3/15/94 Dept. Affected: Commerce & Economic Dev.
 Title: An Act extending the termination of BRU: Occupational Licensing
date of the board of certified direct entry Component: Operations
 Midwives
 Sponsor: Senator Leman
 Requestor: Senate Labor & Commerce Comm. COMPONENT SERIAL NO. _____

Expenditures/Revenues

(Thousands of Dollars)

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

CAPITAL EXPENDITURES	0	0	0	0	0	0
----------------------	---	---	---	---	---	---

CHANGE IN REVENUES ()	0	0	0	0	0	0
------------------------	---	---	---	---	---	---

FUND SOURCE

(Thousands of Dollars)

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

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

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

The provision in the original bill directing the board to adopt regulations addressing certain scope of practice by certified direct-entry midwives has been deleted in the committee substitute. Accordingly, the original one-time cost to promulgate the regulations has subsequently been reduced to zero.

Prepared by: Josh Fink, Committee Aide
 Division: Senate Labor & Commerce Committee

Phone: 465-3819
 Date: 3/15/94

Approved by Commissioner: the Chairman: *Tim Kelly*
 Agency: _____

Date: 3/15/94

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SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

DATE: 1/28/94

FURTHER: Finance

Date of 5-Day Notice: 2/17/94
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 3/16/94

L&C Committee considered SB 266

"An Act extending the termination date of the Board of Certified Direct-Entry Midwives; relating to the scope of practice of certified direct-entry midwives; and providing for an effective date."

and recommends:

replace with _____ CS SB 266 (LOC)

attaches amendment(s)

same title
 new title
 technical title change (HB only)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

FISCAL NOTE INFORMATION

	Department	Date	Zero	Fiscal
SB	DCED	2/3/94		.5
CS	S. LOC COMM	3/15/94	✓	

	Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

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

DO PASS:

OTHER RECOMMENDATIONS:

Steve Krueger

Ben Sharp

Judith S. Ballo

Tom Kelly-Dolan
Chair: Signature and Recommendation

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. CS SB 266 (L&C)

Revision Date: 3/15/94 Dept. Affected: Commerce & Economic Dev.
 Title: An Act extending the termination of BRU: Occupational Licensing
date of the board of certified direct entry
midwives Component: Operations
 Sponsor: Senator Leman
 Requestor: Senate Labor & Commerce Comm. COMPONENT SERIAL NO. _____

Expenditures/Revenues (Thousands of Dollars)

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

FUND SOURCE (Thousands of Dollars)

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

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

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

The provision in the original bill directing the board to adopt regulations addressing certain scope of practice by certified direct-entry midwives has been deleted in the committee substitute. Accordingly, the original one-time cost to promulgate the regulations has subsequently been reduced to zero.

Prepared by: Josh Fink, Committee Aide Phone: 465-3819
 Division: Senate Labor & Commerce Committee Date: 3/15/94
 Approved by Commissioner: the Chairman: *Tim Kelly* Date: 3/15/94
 Agency: _____

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SB

269

WALTER J. HICKEL
GOVERNOR



P. O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 28, 1994

269

The Honorable Rick Halford
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear President Halford:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill to increase the excise tax rate on alcoholic beverages and cigarettes and other tobacco products.

This bill is one of four relatively modest revenue proposals I am offering this session to help offset the large revenue shortfalls the state is facing in fiscal year 1995 and in the years to follow. In addition to providing \$15 million annually in increased revenues, enactment of this bill into law may help reduce the consumption of tobacco and alcohol, resulting in long-term public health benefits, increased public safety, and medical care cost savings.

Tobacco use is the number one cause of preventable death and disease in America, accounting for some 400,000 deaths per year. Alcohol is the number three cause of preventable death and disease at 100,000 deaths per year. The social costs of tobacco and alcohol in Alaska in terms of mortality and morbidity are staggering. The most recent estimates made by the Department of Health and Social Services of the impact of smoking in Alaska concluded that 22 percent of deaths of persons 35 years of age and older in 1989 were attributable to smoking. During the same year, the direct health cost of smoking was estimated at \$34.1 million, while indirect mortality and morbidity costs associated with smoking amounted to another \$49.1 million. Compare public health costs of this magnitude to fiscal year 93 tobacco products revenues of \$16.9 million and it is apparent that taxes only recover a fraction of the social costs of consumption of tobacco products.

Compared to other states, Alaska has especially large problems with alcohol and drug abuse, which also engender enormous social costs. According to a recent

The Honorable Rick Halford
January 28, 1994
Page 2

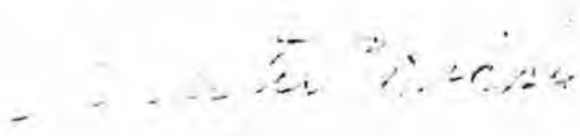
Department of Health and Social Services study, the direct social costs of alcohol and drug use in Alaska in 1993 amounted to \$238 million, while total economic costs reached \$611 million. During the same year, alcoholic beverage excise tax revenue amounted to \$12 million. As with use of tobacco products, the alcohol drinking habits of younger consumers are highly sensitive to price increases and it is the 12 - 21 age segment of the population that this bill will benefit most.

The last increase in the Alaska tobacco products excise tax was in 1989. Inflation has since eroded much of the dampening effect that the increase had on consumption. According to the National Cancer Institute, "to maintain the health effect of the tobacco excise tax, it must be increased regularly." The excise tax on alcoholic beverages was last increased (by about 40 percent) in 1983. Following the increase in alcohol taxes, per capita consumption showed a profound decrease from about 4.1 gallons per year to a low of 3.3 gallons in 1991. Now it appears that per capita consumption is again on the rise. The Department of Health and Social Services sees increased alcoholic beverage taxes as an important strategy for achieving its Healthy Alaskans 2000 objective of reducing Alaska's per capita consumption rate to the national average level (currently 2.46 gallons per year) by the end of the decade.

The Department of Revenue estimates that the proposed increases in excise taxes in this bill will generate an additional \$15 million in general fund revenue.

I think most legislators will agree that taxing the use of harmful substances like alcohol and tobacco to discourage consumption and recover social costs borne by the general public is one area of government regulation where state intervention in the marketplace can make a difference in the health and well being of its citizens. I urge your support of this bill.

Sincerely,


Walter J. Hickel
Governor

Huycke General Agency

2904 Boniface Parkway
Anchorage, Alaska 99504



FAX 907-338-7234

February 8, 1994

907-338-0491

Honorable Senator Tim Kelly
State Capitol
Juneau, Alaska 99801-1182

Re: HB 413
SB 269

Dear Senator Kelly:

You may find attached clipping from the 1-27-94 Anchorage Daily News interesting. I especially did as back in early November I had been communicating with U.S. Senators Murkowski and Stevens, and U.S. Representative Young on the subject of Sin Taxes. I had told them of what I had learned during my trip to northern Maine last October. The state was abuzz about the contraband trade of cigarettes across the border into the Canadian Maritime Provinces (as I am sure was also New Hampshire, Vermont and points west). If you as a state legislator are concerned about the drug traffic into Alaska, then just wait to see what will happen if/when alcohol and tobacco taxes are raised to the point where contraband traffic finds it profitable. Shades of Prohibition.

Rather than Sin Taxes, I would much prefer the following combination:

1. Strictly enforce the existing tobacco and alcohol laws (sales to minors, sales to those obviously already inebriated, driving while under the influence) including revocation of vendors licenses;
2. Price controls on those products to drastically reduce the manufacturer's profits (why should they make such profits in selling products that create such misery?).

Actually, Sin Taxes kind of make me uncomfortable. Can you ever successfully legislate morals or health? Will I some day be taxed for eggs? french fries? red meat?

Would appreciate your consideration in voting against these bills.

Thank you, and

Very truly yours,

A handwritten signature in cursive script that reads "Peter C. Huycke".
Peter C. Huycke

PCH:jsh

The Alaskan Liquor Store

P.O. Box 1589

Haines, Alaska 99827

(907) 766-3131

Fax (907) 766-2445

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Co	Co	
Dept.	Phone #	
Fax #	Fax #	

February 9, 1994

Senator Tim Kelly
 Chairman, Senate Labor & Commerce Committee
 Juneau, AK

Re: Increase State Excise Tax on Beer, Wine, & Spirits

Dear Senator Kelly:

As a small operator in the visitor industry I am very concerned with the proposed increase in state excise tax on alcoholic beverages.

We are a seasonal business in food & beverage, with already very high costs.

I am sure increasing liquor taxes would only further deter our Alaska visitors who already perceive Alaska as expensive.

Thank your for your attention to this matter.

Sincerely,



Arne Olsson
 Hotel Halsingland

- LTRS OPPOSED -

Pioneer Bar & Liquor Store, Inc.

CHRISTINE M. TENGS
President

141-143 Second Ave.
Post Office Box 190
Haines, Alaska 99827
(907) 766-9101 Business
(907) 766-2474 Office
(907) 766-3374 FAX

February 9, 1994

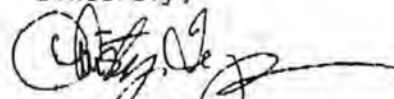
Senator Tim Kelly
Chairman, Senate Labor & Commerce Committee

Dear Senator:

This is an appeal to you and your fellow committee members not to recommend passage of Senate Bill 269 "An act increasing excise taxes on alcoholic beverages." As a business owner in a depressed economy, I am having an extremely tough time keeping my doors open. I had to close my restaurant, The Bamboo Room, the last two winters since people are too broke to eat out. This was the first time that this family business of 40 years has had to lay people off.

We are getting taxed and regulated out of business. Please give us a reason to keep going.

Sincerely,



Christy Tengs

TO: SENATOR TIM KELLY
CHAIRMAN

ATTN: JOSH FINK

FROM: BRIAN LEMCKE

FOGCUTTER BAR

PO BOX 673

HAINES, AK 99827

907 766 - 9909

FAX 907 766 - 2435

DEAR SENATOR KELLY;

I WRITE THIS NOTE TO VOICE MY CONCERN OVER PROPOSED SENATE BILL # 269.

I HAVE GROWN USED TO BEING IN A BUSINESS THAT IS BLAMED FOR NEARLY ALL THE SOCIAL ILLS KNOWN. BEING A BAR OWNER IN A SMALL, OFTEN ECONOMICALLY DEPRESSED, TOWN FOR NEARLY 8 YEARS AND PRIOR TO THAT A CONSTRUCTION WORKER, OFTEN IN SMALL DRY VILLAGES, I FEEL I AM AS AWARE OF THE PROBLEMS CAUSED BY ALCOHOL ABUSE AS ANYONE.

ONE THING I KNOW FOR SURE IS THAT THE SMALL PERCENTAGE OF ALL DRINKERS THAT ARE ABUSERS WILL NOT BE DETERRED FROM THEIR EXCESSES BY RAISING THE COST OF DRINKS. IF IT WERE THAT SIMPLE EVERY BOOT LEGGER IN ALASKA WOULD BE OUT OF BUSINESS.

THIS BILL, MUCH LIKE THE ONE PROPOSED TO LOWER THE BLOOD ALCOHOL LEVEL TO .08 FOR DRUNK DRIVING, WILL ONLY PENALIZE THE RESPONSIBLE CONSUMER AND SERVER AND HAVE NO REAL EFFECT ON THE PROBLEM CAUSING ALCOHOL ABUSER.

THE LIQUOR INDUSTRY IN ALASKA, MUCH OF WHICH IS COMPRISED OF SMALL BUSINESSES LIKE MINE, IS AN IMPORTANT PART OF OUR ECONOMY THAT WILL ONLY SUFFER IF THIS BILL PASSES. PLEASE LOOK CLOSELY AT BILL 269 AND ASK YOURSELF IF IT WILL REALLY HELP ANYTHING.

THANK YOU VERY MUCH,

Brian Lemcke

OWNER OF THE FOGCUTTER BAR

HAINES, ALASKA



**HOTEL
HÄLSINGLAND, INC.**
"NATIONAL REGISTER OF HISTORICAL SITES"

February 9, 1994

Senator Tim Kelly
Chairman, Senate Labor & Commerce Committee
Juneau, AK

Re: Increase State Excise Tax on Beer, Wine, & Spirits

Dear Senator Kelly:

As a small operator in the visitor industry I am very concerned with the proposed increase in state excise tax on alcoholic beverages.

We are a seasonal business in food & beverage, with already very high costs.

I am sure increasing liquor taxes would only further deter our Alaska visitors who already perceive Alaska as expensive.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Arne Olsson'.

Arne Olsson
Hotel Hälsingland



ALASKA NURSES ASSOCIATION

237 E. 3rd Avenue #3 Anchorage, AK 99501-2523
(907) 274-0827 FAX: (907) 272-0292

February 10, 1994

Senator Tim Kelly, Chair
Labor and Commerce Committee
Alaska State Legislature
State Capitol (MS 3100)
Room 101-C
Juneau, Alaska 99801-1182

Dear Senator Kelly:

On behalf of the Alaska Nurses Association, the legislative committee would like to support SB 269 which would increase the excise taxes on cigarettes, tobacco products, and alcoholic beverages. Given the myriad of health problems associated with the effects of these drugs on the population of the residents of the State of Alaska, research indicates that higher excise taxes are a proven way to limit individual drug-taking behavior. This is particularly true for teens and young adults who are deterred from buying these products due to the increased costs.

We applaud your efforts to move forward on this issue. We are available to assist you in whatever way we can.

Sincerely yours,

Jackie Pflaum
Legislative Chair



ALASKA STATE MEDICAL ASSOCIATION

4107 Laurel Street • Anchorage, Alaska 99508-5334 • (907) 562-2662

February 24, 1994

Senator Tim Kelly
Chairman, Labor and Commerce Committee
Alaska State Legislature
P. O. Box V (MS 3100)
Juneau, AK 99811

Dear Senator Kelly:

At a recent meeting of our Legislative Affairs Committee we discussed the Governor's Senate Bill #269. This bill would increase the excise tax on cigarettes and alcohol sold in the State of Alaska. As has been proven many, many times, increasing these "sin" taxes will result in decreasing their use. As physicians we daily see the ravages that tobacco and alcohol have placed upon our patients and our society. We will support any bill that will reasonably work to decrease the use of cigarettes, tobacco products, and alcoholic beverages in our state. This bill would do just that, and we encourage your support in passage of this bill.

If you have any questions regarding our position or if the medical association can be of any assistance to you, do not hesitate to contact me.

Sincerely yours,

Donald P. Lehmann, M.D., A.B.F.P.
President, Alaska State Medical Association
Chairman, Legislative Affairs Committee

DRL:bj

cc: Governor Walter J. Hickel

AMERICAN  LUNG ASSOCIATION of ALASKA

Dedicated to the conquest of lung disease and the promotion of lung health

February 25, 1994

The Honorable Tim Kelly
The Alaska Senate
Post Office Box V
Juneau, Alaska 99811

Dear Senator Kelly:

On behalf of the American Lung Association of Alaska and the Alaska Tobacco Control Alliance, I am enclosing the following recent articles in hopes that increased awareness of tobacco issues will lead to increased support for tobacco control legislation in Alaska.

- *Study links tobacco ads to rise in young girls smoking.* Anchorage Daily News, Feb. 23, 1994.
- *McD's goes smoke-free – Chain-restaurant owners ask Congress for ban.* Anchorage Daily News; Feb. 24, 1994.
- *Passive cigarette smoke found in fetal hair – Study provides first biochemical evidence that infants of passive smokers are exposed to nicotine.* American Medical Association news release, Feb. 22, 1994.
- *Smokers hooked as adolescents, Surgeon General asserts.* Anchorage Daily News, Feb. 25, 1994.

Studies show that legislation is the most effective tool we have for reducing tobacco use—the leading cause of death in this country, including Alaska. The “Four Horsemen” of tobacco control legislation are taxation, clean indoor air laws (smoking bans), youth access laws, and advertising restrictions.

We know the pressure to defeat such legislation is intense, given the wealth and power of the tobacco industry. We hope that you will remember your duty to serve in the public interest and support all measures to reduce the terrible toll taken by tobacco use in this state. The Lung Association and the Alaska Tobacco Control Alliance (with over 70 member organizations) will be happy to provide assistance in any way we can.

Sincerely,



James E. Murphy, Executive Director





Alaska Dental Society

3400 Spenard Road, Suite 10
Anchorage, Alaska 99503
(907) 277-4675 • FAX: 274-2960

April 22, 1994

Senator Tim Kelly
Chairman, Senate Labor and Commerce
Alaska State Legislature
State Capitol (MS-3100)
Juneau, Alaska 99801-1182

Representative Bill Hudson
Chairman, House Labor & Commerce
Alaska State Legislature
State Capitol (MS-3100)
Juneau, Alaska 99801-1182

Dear Senator Kelly and Representative Hudson:

The Alaska Dental Society needs to go on record as supporting Senate Bill 269 and House Bill 413 which address an increase in excise taxes on tobacco and alcohol. I have today checked with Legislative Information, and the bills have been introduced in respective Labor and Commerce Committees. Neither bill has moved and both bills have subsequent committee assignments prior to reaching chamber floors.

The major reason for any of these measures is to try to stop usage of tobacco and alcohol by youngsters especially. The Alaska Dental Society is a member of the Alaska Tobacco Control Alliance, and it is the feeling of both groups that whatever it takes is appropriate to slow down the rampant and dangerous use of tobacco and alcohol by Alaska's youth. Please help our Alliance, and all the other health related entities who have written on behalf of these bills.

We understand and appreciate whatever deals must be made to literally move SB 269 and HB 413 out of your respective committees and on to the next assignments.

Sincerely,

Martha A. Reinbold
Executive Director
Alaska Dental Society

cc: Alaska Tobacco Control Alliance

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL

Bill Version: SB 219
(S) Publish Date: 1-28-94

Revision Date: _____ Dept. Affected: Revenue
Title: An act increasing excise taxes on cigarettes, tobacco products, BRU: Revenue Operations
and alcoholic beverages Component: Income and Excise Audit
Sponsor: Governor
Requestor: Governor COMPONENT SERIAL NO. 113

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL

REVENUE FUND SOURCE: General	14,998.8	14,998.8	14,998.8	14,998.8	14,998.8	14,998.8
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: \$ 0

ANALYSIS: (Attach a separate page if necessary.)

(See Attached)

Prepared by: Larry E. Meyers Phone: 465-2320
Division: Director Date: January 3, 1994
Approved by Commissioner: Darrel J. Rexwinkel Date: January 3, 1994
Agency: Department of Revenue

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For further distribution information call the Governor's Legislative Office

- FISCAL NOTE -

This bill would increase excise tax rates effective July 1, 1994 as follows.

	<i>Current Tax Rate</i>	<i>Draft Bill Tax Rate</i>	<i>% Increase</i>
Cigarettes	14.5 mills (29c/pack)	21.75 (43.5c/pack)	50%
Tobacco	25% Wholesale Price	50% Wholesale Price	100%
Liquor	\$5.60/gallon	\$8.40/gallon	50%
Wine	\$0.85/gallon	\$1.275/gallon	50%
Beer	\$0.35/gallon	\$0.525/gallon	50%

In determining the amount of additional revenues generated from this bill, the Department of Revenue used consumption data available from FY 93. The amounts below do not reflect impacts on consumption, if any, due to increased tax rates and other factors. The additional revenue generated from this bill is estimated to be \$14,998,800 calculated as follows.

	<i>FY93 Consumption</i>	<i>FY 93 Revenue</i>	<i>Draft Bill Revenue</i>	<i>Additional Revenue</i>
Cigarettes	1,079,500,000	\$15,652,800	\$23,479,200	\$7,826,400
Tobacco	\$4,896,000 Sales	1,224,000	2,448,000	1,224,000
Liquor	1,100,000 gallons	6,160,000	9,240,000	3,080,000
Wine	1,288,000 gallons	1,094,800	1,642,200	547,400
Beer	13,263,000 gallons	4,642,000	6,963,000	2,321,000
Total		\$28,773,600	\$43,772,400	\$14,998,800

** competent
Get figures
for other states
on alcohol &
tobacco taxes*

** What is federal
taxes on plus 3: fees,
alcohol, cigarettes*

8-GS2030.A

SENATE BILL NO. 269

IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 1/28/94
Referred: L&C, FIN

A BILL

FOR AN ACT ENTITLED

1 "An Act increasing excise taxes on cigarettes, tobacco products, and alcoholic
2 beverages; and providing for an effective date."

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

4 * Section 1. AS 43.50.190(a) is amended to read:
5 (a) There is levied an excise tax of 19.25 [12] mills on each cigarette imported
6 or acquired in this state.

7 * Sec. 2. AS 43.50.300 is amended to read:
8 Sec. 43.50.300. EXCISE TAX LEVIED. An excise tax is levied on tobacco
9 products in the state at the rate of 50 [25] percent of the wholesale price of the tobacco
10 products. The tax is levied when a person
11 (1) brings, or causes to be brought, a tobacco product into the state
12 from outside the state for sale;
13 (2) makes, manufactures, or fabricates a tobacco product in the state
14 for sale in the state; or

1 (3) ships or transports a tobacco product to a retailer in the state for
2 sale by the retailer.

3 * Sec. 3. AS 43.60.010(a) is amended to read:

4 (a) Every brewer, distiller, bottler, jobber, retailer, wholesaler, or manufacturer
5 who sells alcoholic beverages in the state or who consigns shipments of alcoholic
6 beverages into the state, whether or not the alcoholic beverages are brewed, distilled,
7 bottled, or manufactured in the state, shall pay on all malt beverages (alcoholic content
8 of one percent or more by volume), wines, and hard or distilled alcoholic beverages,
9 the following taxes:

10 (1) malt beverages at the rate of 52.5 [35] cents a gallon or fraction of
11 a gallon;

12 (2) wine or other beverages of 21 percent alcohol by volume or less,
13 at the rate of \$1.27 and one-half cent [85 cents] a gallon or fraction of a gallon; and

14 (3) other beverages having a content of more than 21 percent alcohol
15 by volume at the rate of \$8.40 [55.60] a gallon.

16 * Sec. 4. This Act takes effect July 1, 1994.

NFIB Alaska

National Federation of
Independent Business

POSITION PAPER

OF

NATIONAL FEDERATION OF INDEPENDENT BUSINESS
(NFIB/ALASKA)

OPPOSING

SB 269 INCREASING EXCISE TAXES ON CIGARETTES,
TOBACCO PRODUCTS AND ALCOHOLIC BEVERAGES.

9159 Skywood Lane
Juneau, AK 99801



The Guardian of
Small Business

CHAIRMAN, MEMBERS OF THE COMMITTEE, MY NAME IS RESA JERREL, AND I AM THE STATE DIRECTOR FOR NATIONAL FEDERATION OF INDEPENDENT BUSINESS - NFIB/ALASKA. I AM HERE TODAY IN OPPOSITION TO SB 269.

NFIB/ALASKA IS COMPRISED OF 4,400 SMALL AND INDEPENDENT BUSINESS OWNERS. THE LEGISLATIVE AGENDA OF NFIB/ALASKA IS DETERMINED BY OUR BALLOT. THE BALLOT IS OUR ANNUAL POLL OF OUR MEMBERS ON A SERIES OF ISSUES DEEMED CRITICAL TO SMALL BUSINESS. A MAJORITY VOTE, OF THE MEMBERS IN RESPONSE TO THE POLL, SETS OUR POLICY AND POSITION ON LEGISLATIVE ISSUES. WE THEN SHARE THE RESULTS OF OUR POLL WITH THE LEGISLATURE AND ADMINISTRATION. THERE IS NOT ENOUGH SPACE ON THE ANNUAL POLL TO PLACE EVERY POSSIBLE ISSUE BEFORE OUR MEMBERS. THEREFORE, WE ALSO USE THE PREVIOUS YEARS BALLOT RESULTS AS GUIDANCE ON ISSUES.

THE 1993 SURVEY OF NFIB/ALASKA MEMBERS FOUND OVERWHELMING SUPPORT - 92 PERCENT - TO REDUCE STATE GOVERNMENT SPENDING BEFORE INCREASING PRESENT TAXES. NFIB/ALASKA OPPOSES SB 269 BECAUSE THE LACK OF REVENUE IS NOT THE REAL ISSUE, EXPENDITURES ARE THE ISSUE. THE STATE OF ALASKA IS SPENDING BEYOND ITS MEANS. THERE IS NO WAY TO BALANCE THE BUDGET WITHOUT REDUCING GOVERNMENT SPENDING.

I OFFER THE FOLLOWING SUGGESTION FOR HELPING TO REDUCE THE OPERATING BUDGET - PROHIBIT OR REDUCE THE COMMERCIAL ACTIVITIES OPERATED BY STATE AND LOCAL AGENCIES. SMALL BUSINESSES, IN ALASKA, FACE COMPETITION FROM STATE AND LOCAL GOVERNMENT IN A WIDE VARIETY OF COMMERCIAL AREAS. THE MANY SMALL BUSINESSES FACING GOVERNMENT COMPETITION ARE:

- PRINTING FIRMS
- GIFT SHOPS
- VIDEOTAPE OUTLETS

- DAY-CARE CENTERS
- SERVICE STATIONS
- LANDSCAPING
- ROAD REPAIR AND MAINTENANCE
- LABORATORIES
- MEDICAL CARE PROVIDERS
- PHARMACIES
- ARCHITECTURE AND ENGINEERING FIRMS
- OFFICE FURNITURE
- AUTO BODY REPAIR

GETTING GOVERNMENT OUT OF BUSINESS WOULD GO A LONG WAY TO BRING THE SIZE AND COST OF STATE AND LOCAL GOVERNMENT DOWN TO REASONABLE AND AFFORDABLE LEVELS - WITHOUT RAISING TAXES.

NFIB/ALASKA THANKS YOU FOR THE OPPORTUNITY TO COMMENT ON THIS LEGISLATION. IF YOU HAVE ANY QUESTIONS, I WILL TRY TO ANSWER THEM.

Alcohol Excise Tax In Alaska

Taxes imposed by various levels of government affect the price of alcoholic beverages. Price affects consumption, particularly among certain groups. Consumption levels are directly related to the level of adverse consequences resulting from consumption. Studies examining the effects of price on alcohol consumption and the adverse consequences resulting from consumption have concluded that higher real prices can reduce the incidence of frequent and heavy drinking, particularly among youth. Reductions in consumption can, in turn, reduce the adverse consequences of alcohol use such as automobile crashes and alcohol-related deaths.

The Seventh Special Report to the U.S. Congress on Alcohol and Health from the Secretary of Health and Human Services, January 1990 summarized research on the relationship between taxes on alcoholic beverages, the price of those beverages, their consumption, and the consequences of consumption. The Report noted that studies (Grossman et al. 1987; Coale and Grossman 1988) which controlled for other variables concluded that higher real prices for beer would reduce the number of young people who drink as well as the incidence of heavy and frequent drinking among young people who continue to drink. One study estimated that even a small increase in the price of beer (10 cents per six pack of 12-ounce cans) would reduce by 15% the number of 16- to 21-year olds who consume three to five cans of beer on a typical drinking day.

Another study (Saffer and Grossman 1987a) estimated that a 100 percent increase in real beer excise taxes (Federal and State combined) would reduce highway traffic deaths among 15- to 17-year-old drivers by about 18%; among 18- to 20-year-old drivers by about 27%; and among 21- to 24-year-olds by about 19%. According to another study (Phelps 1988) a tax amounting to approximately 35% of the retail price of beer would reduce the number of alcohol-related fatalities among 16- to 21-year-old drivers by half. The same researcher estimated that a tax amounting to 50% of the retail price of beer would eliminate nearly 75% of alcohol-related fatalities among this group.

Yet another study (Saffer and Grossman 1987b) found that states with relatively higher excise taxes on beer had lower vehicle crash death rates for 15- to 20-year-olds. This study estimated that if excise taxes had been indexed to inflation there would have been a 15% reduction in crash fatalities among 18- to 20-year-olds. Investigators also projected that if beer were taxed as heavily as distilled spirits fatalities would have been reduced by 21 percent. A combination of these policies was projected to reduce vehicle crash deaths among 18- to 20-year olds by 54 percent.

Higher prices for alcohol were also found to be related to lower rates of heavy drinking. One investigator (Cook 1981) found that cirrhosis mortality, an indicator of 10 to 20 years of heavy drinking by an individual, was lower in states that raised distilled spirits taxes compared to states that did not. Others (Cook and Tauchen 1982, and Cook 1982) projected that an increase of \$1 in State distilled spirits taxes would have reduced cirrhosis mortality by nearly 2% in the State and that doubling the Federal distilled spirits tax would reduce national cirrhosis mortality by 20 percent. They also found that relatively small increases in the price of distilled spirits were associated with reduced death rates from automobile crashes.

Other research (Manning et al. 1989) estimated that current excise taxes on alcohol cover only about half the lifetime costs that drinkers impose on others through collectively financed health insurance, pensions, disability, group life insurance, fines, motor vehicle accidents and criminal justice costs.

Alcohol Excise Tax In Alaska

Page 2

They estimated that these costs total \$0.48 per ounce of alcohol consumed, approximately twice the current average (combined Federal and State) excise and sales taxes on alcoholic beverages.

Static excise taxes in the face of inflation have contributed over time to a decline in the real cost of alcoholic beverages. The Federal tax on alcohol in beer and wine has remained constant since 1951. The Federal tax on alcohol in distilled spirits was increased in 1985 after remaining unchanged for nearly 35 years. Alaska's excise tax on alcoholic beverages was last increased effective August 1983. At that time excise taxes were increased about 40% on all beverage types.

The trend in alcohol use in Alaska before the 1983 excise tax increase was one of steadily increasing consumption both in total volume and on a per capita basis. The excise tax increase contributed to a substantial change in that pattern. Following the excise tax increase total consumption actually decreased for several years. Per capita consumption also declined steadily following the tax increase until 1990 when it increased slightly for the first time since the 1983 alcohol excise tax increase.

Chart 1 (attached) depicts the actual taxable sales volume of all alcoholic beverage types combined on a monthly basis since July 1976. It also shows the trend in sales before and following the effective date of the last excise tax increase. The differences are substantial. However, the trend from FY 90 forward may indicate that the effect of the excise tax has been offset by inflation. Assuming even a 3% inflation rate from FY 83 through FY 95 (much lower than actually occurred during the '80s) today's effective tax rate is actually below the rate before the '83 change. This means the real cost of alcoholic beverages is below the 1983 level. The deterrent value of an excise tax, particularly for youth, has declined substantially.

Governor Hickel's proposal would increase the excise tax on alcoholic beverages by about enough to account for inflation during the years since the last increase. This would increase the tax on a pint bottle of distilled spirits from \$.73 to \$1.25. For a one liter bottle of wine the tax would increase from \$.22 to \$.34 and for a six pack of 12 oz cans of beer from \$.19 to \$.30. This would bring the real cost of alcoholic beverages back to the level following the last excise tax increase. This modest increase would generate revenues sufficient to offset only a small proportion of state government expenditures attributable to alcohol abuse. However, it may well affect the level of alcohol abuse, particularly by young people whose consumption is probably most cost-sensitive.

An increase in the alcohol tax is supported by a majority of Alaskans surveyed - a November 1993 survey in Anchorage showed nearly 70% support.

Alcohol abuse is one of the most critical issues facing Alaska in the 1990's. It affects all Alaskans either directly or indirectly. It is not just our number one public health problem but a problem that affects law enforcement and the criminal justice system; a problem affecting the health care system and health care costs; a problem affecting businesses and communities statewide. The costs to Alaskans is staggering in both human and economic terms.

- Up to 25% of all deaths in Alaska are alcohol or drug related.
- Alcohol is a factor in at least half of fatal vehicle accidents.

Alcohol Excise Tax In Alaska

Page 3

- Alcohol has been linked to nearly 60% of all suicides in Alaska and 70% of suicides among Alaska Natives.
- Alaska's rate of fetal alcohol syndrome is four times the US rate.
- At least half of Alaska's child abuse cases, which occur at nearly twice the national rate, are related to substance abuse.
- Nearly three-fourths of Alaska's felony offenders are chronic alcohol users and at least 53% were under the influence of alcohol at the time they committed their offense.
- Up to 80% of Alaska's violent crimes and more than 70% of all misdemeanors are committed by persons under the influence of alcohol or some other drug. Only 27% of felony offenders and only 22% of misdemeanants with alcohol problems had previously received substance abuse treatment.
- Alaska's per capita alcohol consumption rate is consistently one third above the national rate and is exceeded only by three jurisdictions including Washington D.C. and Nevada.
- Alaskan youth in grades 7-12 report use of alcohol and drugs at 2-3 times the level reported by youth nationally.
- Substance abuse cost Alaskans nearly half a billion dollars in FY 85, including nearly \$200 million in state government services attributable to substance abuse. FY 95 costs probably approach three quarters of a billion dollars, including nearly \$300 in state government expenditures.
- Alcohol excise taxes in Alaska result in collection of less than 10 percent of the State government costs of dealing with the results of alcohol abuse.

Alcohol Excise Tax In Alaska

Page 4

References:

Seventh Special Report to the U.S. Congress on Alcohol and Health from the Secretary of Health and Human Services, January 1990.

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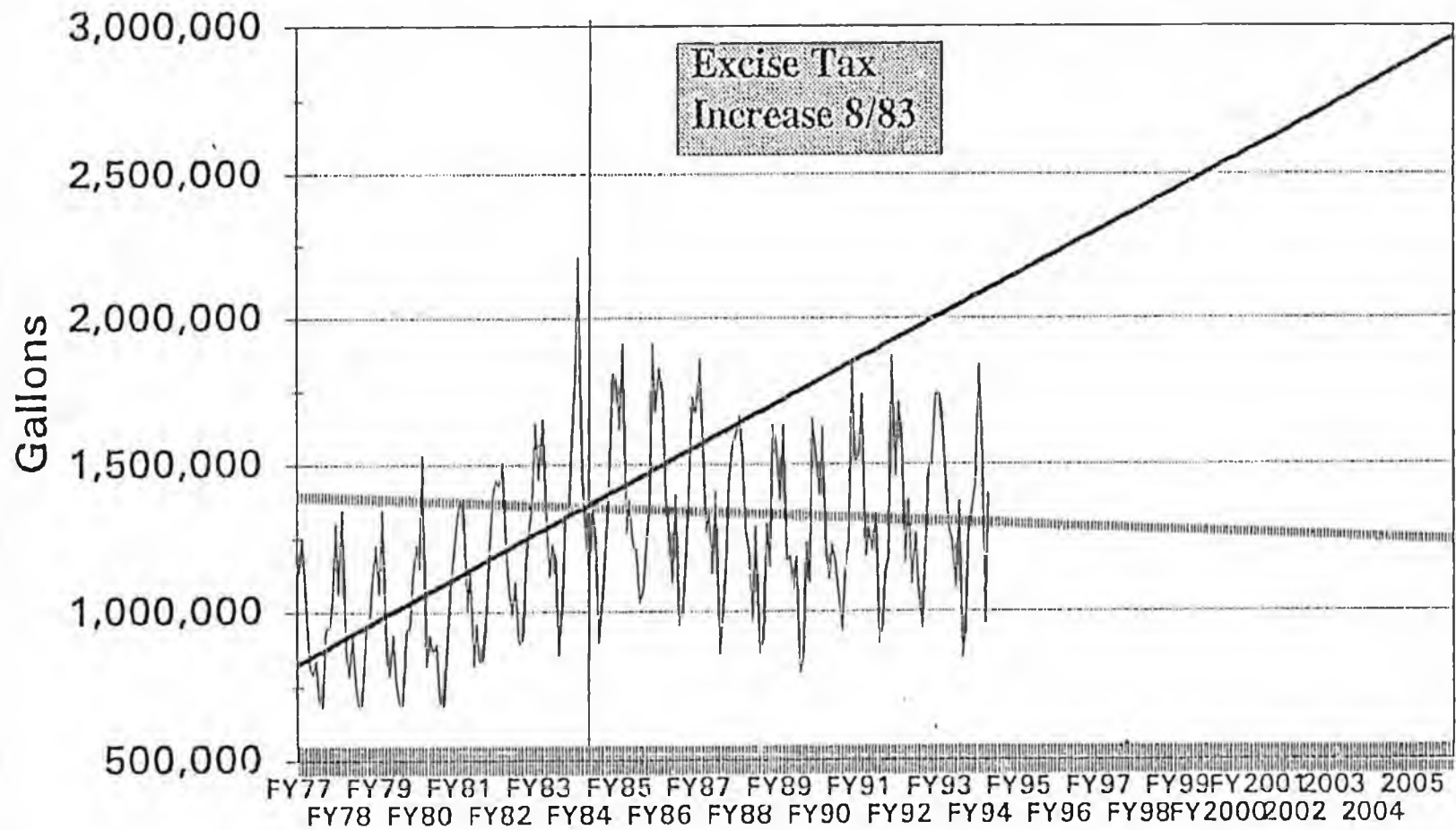
Manning, W.G.; Keller, E.B.; Newhouse, J.P.; Sloss, E.M.; and Wasserman, J. The taxes of sin: Do smokers and drinkers pay their way? *JAMA* 261(11):1604-1609, 1989.

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Saffer, H., and Grossman, M., Beer taxes, the legal drinking age, and youth motor vehicle fatalities. *Journal of Legal Studies* 16:351-374, 1987b.

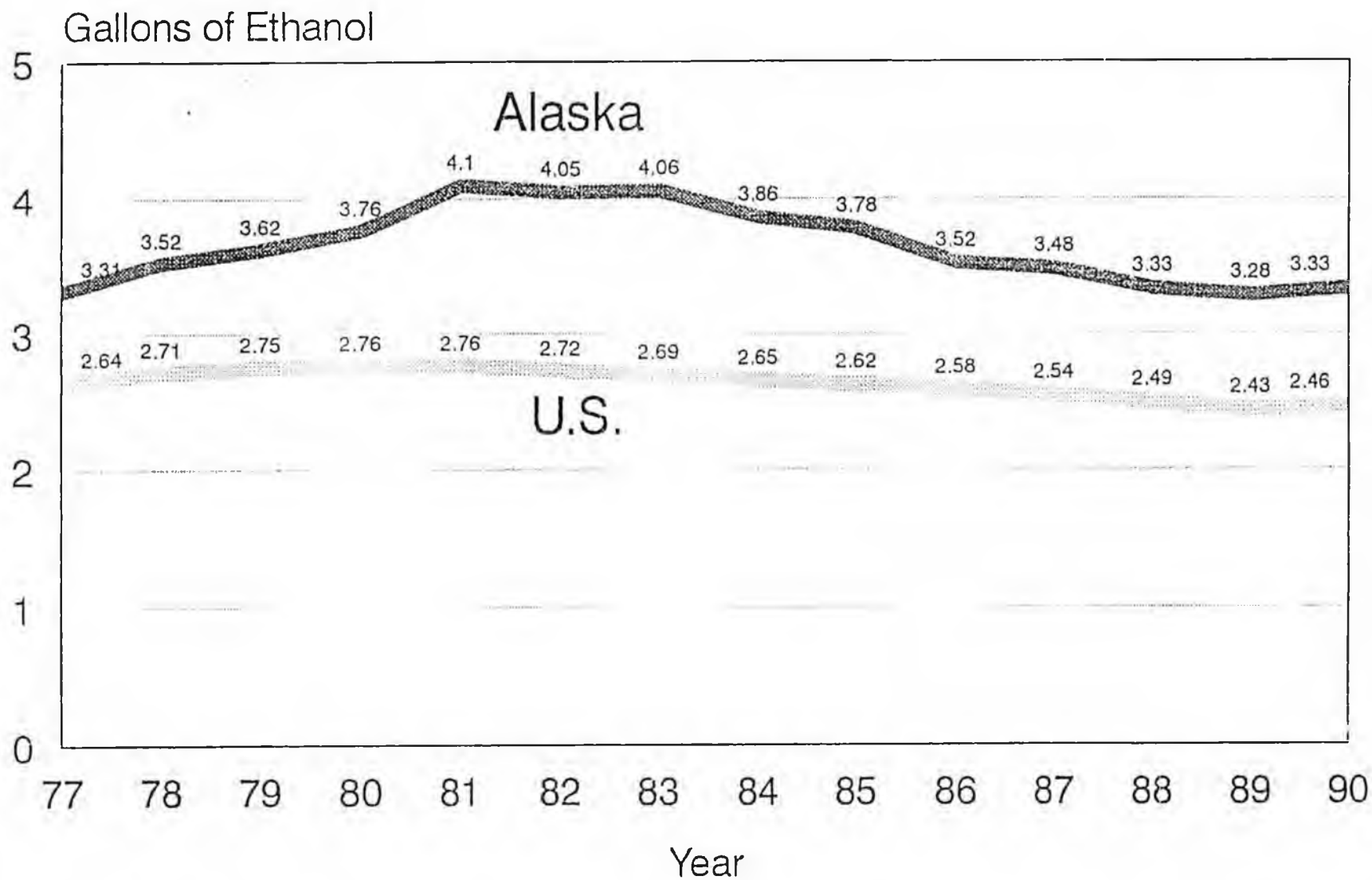
Projected Beverage Sales Volume



· Trend Post Excise Tax Increase
 — Trend Pre Excise Tax Increase
 — Actual

Apparent Per Capita Alcohol Consumption

Gallons of Ethanol Consumed Per Person 14 Years of Age and Older



Source: National Institute on Alcohol Abuse and Alcoholism, Surveillance Report # 23, December 1992

THE
FOLLOWING
DOCUMENTS
ARE
POOR
ORIGINAL
COPIES

NIAAA

National Institute of Alcohol Abuse and Alcoholism

National Institute of Alcohol Abuse and Alcoholism
Division of Biometry and Epidemiology
Alcohol Epidemiologic Data System

SURVEILLANCE REPORT #23

APPARENT PER CAPITA ALCOHOL CONSUMPTION, NATIONAL, STATE, AND REGIONAL TRENDS, 1977-1990

Gerard D. Williams, D.Ed.
Frederick S. Stinson, Ph.D.² David Clem, A.S.²
John Noble, B.A.²

¹ CSR, Incorporated
Suite 600
1400 Eye Street, N.W.
Washington, DC 20005
(202) 842-7600

² Cygnus Corporation
Suite 1275
1400 Eye Street, N.W.
Washington, DC 20005
(202) 281-1992

³ Division of Biometry and Epidemiology
National Institute of Alcohol Abuse and Alcoholism
Room 4096
56X Fishers Lane
Rockville, MD 20857
(301) 443-3306

December 1992

U.S. Department of Health and Human Services
Public Health Service
National Institutes of Health

¹ Cygnus Corporation operates the Alcohol Epidemiologic Data System (AEDS) under Contract No. ADM-28F-92-0002 for the Division of Biometry and Epidemiology, National Institute on Alcohol Abuse and Alcoholism. CSR, Incorporated is an AEDS subcontractor.

Table 2

Apparent Alcohol Consumption for States, Census Regions, and the United States, 1990
 [Volume and ethanol in thousands of gallons, per capita consumption in gallons, based on population age 14 and older.]

State or Other Geographic Area	Beer			Wine			Spirits			All Beverages		
	Volume	Ethanol	Per Capita	Volume	Ethanol	Per Capita	Volume	Ethanol	Per Capita	Ethanol	Per Capita	U.S. Decile
AL	80,899	3,640	1.13	4,566	589	0.18	4,830	2,000	0.62	6,229	1.94	9
AK	14,607	657	1.62	1,466	189	0.46	1,234	511	1.26	1,357	3.33	1
AZ	101,755	4,579	1.59	8,276	1,068	0.37	5,630	2,331	0.81	7,977	2.77	2
AR	46,863	2,109	1.13	1,875	242	0.13	2,774	1,148	0.62	3,499	1.87	9
CA	691,050	31,097	1.32	106,909	13,791	0.59	49,877	20,649	0.88	65,538	2.79	2
CO	77,974	3,509	1.35	5,910	762	0.29	4,738	1,961	0.75	6,233	2.40	6
CT	65,000	2,925	1.09	9,488	1,224	0.46	6,026	2,495	0.93	6,644	2.47	5
DE	17,215	775	1.45	1,552	200	0.37	1,483	614	1.15	1,589	2.98	2
DC	16,225	730	1.42	3,050	393	0.77	2,456	1,017	1.98	2,141	4.17	1
FL	365,079	16,429	1.54	32,045	4,134	0.39	26,849	11,116	1.04	31,678	2.97	2
GA	139,039	6,257	1.22	9,201	1,187	0.23	10,805	4,473	0.87	11,917	2.33	6
HI	32,470	1,461	1.65	2,753	355	0.40	1,716	710	0.80	2,527	2.86	2
ID	23,048	1,037	1.36	1,939	250	0.33	1,085	449	0.59	1,736	2.28	7
IL	290,352	13,066	1.44	25,731	3,319	0.37	18,291	7,572	0.83	23,958	2.64	3
IN	124,264	5,592	1.27	6,829	881	0.20	6,842	2,833	0.64	9,305	2.11	8
IA	66,011	2,971	1.35	3,162	408	0.18	2,893	1,198	0.54	4,576	2.07	9
KS	48,827	2,197	1.13	1,985	256	0.13	2,511	1,040	0.53	3,493	1.80	10
KY	73,696	3,316	1.13	2,570	332	0.11	4,313	1,785	0.61	5,433	1.85	9
LA	111,375	5,012	1.55	5,897	761	0.23	6,188	2,562	0.79	8,334	2.57	4
ME	26,577	1,196	1.22	2,374	306	0.31	1,974	817	0.83	2,319	2.36	6
MD	104,108	4,685	1.22	9,941	1,282	0.33	8,968	3,713	0.97	9,680	2.52	5
MA	133,706	6,017	1.22	17,298	2,231	0.45	11,623	4,812	0.97	13,060	2.64	3
MI	218,289	9,823	1.34	16,126	2,080	0.29	14,411	5,966	0.81	17,869	2.43	6
MN	101,354	4,561	1.33	7,202	929	0.27	8,032	3,325	0.97	8,815	2.57	4
MS	59,871	2,694	1.35	1,420	183	0.09	3,183	1,318	0.66	4,195	2.11	8
MO	124,578	5,606	1.38	7,080	913	0.22	6,959	2,881	0.71	9,400	2.31	7
MT	22,230	1,000	1.61	1,415	183	0.29	1,173	486	0.78	1,669	2.68	3
NE	38,905	1,751	1.42	1,888	244	0.20	1,937	802	0.65	2,796	2.26	7
NV	46,587	2,096	2.18	5,179	668	0.70	4,499	1,862	1.94	4,627	4.82	1
NH	36,470	1,641	1.85	3,356	433	0.49	4,265	1,766	1.99	3,840	4.33	1

Table 2

Apparent Alcohol Consumption for States, Census Regions, and the United States, 1990
 [Volume and ethanol in thousands of gallons, per capita consumption in gallons, based on population age 14 and older.]

State or Other Geographic Area	Beer			Wine			Spirits			All Beverages		
	Volume	Ethanol	Per Capita	Volume	Ethanol	Per Capita	Volume	Ethanol	Per Capita	Ethanol	Per Capita	U.S. Decile
AL	80,899	3,640	1.13	4,566	589	0.18	4,830	2,000	0.62	6,229	1.94	9
AK	14,607	657	1.62	1,466	189	0.46	1,234	511	1.26	1,357	3.33	1
AZ	101,755	4,579	1.59	8,276	1,068	0.37	5,630	2,331	0.81	7,977	2.77	2
AR	46,863	2,109	1.13	1,875	242	0.13	2,774	1,148	0.62	3,499	1.87	9
CA	691,050	31,097	1.32	106,909	13,791	0.59	49,877	20,649	0.88	65,538	2.79	2
CO	77,974	3,509	1.35	5,910	762	0.29	4,738	1,961	0.75	6,233	2.40	6
CT	65,000	2,925	1.09	9,488	1,224	0.46	6,026	2,495	0.93	6,644	2.47	5
DE	17,215	775	1.45	1,552	200	0.37	1,483	614	1.15	1,589	2.98	2
DC	16,225	730	1.42	3,050	393	0.77	2,456	1,017	1.98	2,141	4.17	1
FL	365,079	16,429	1.54	32,045	4,134	0.39	26,849	11,116	1.04	31,678	2.97	2
GA	139,039	6,257	1.22	9,201	1,187	0.23	10,805	4,473	0.87	11,917	2.33	6
HI	32,470	1,461	1.65	2,753	355	0.40	1,716	710	0.80	2,527	2.86	2
ID	23,048	1,037	1.36	1,939	250	0.33	1,085	449	0.59	1,736	2.28	7
IL	290,352	13,066	1.44	25,731	3,319	0.37	18,291	7,572	0.83	23,958	2.64	3
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KY	73,696	3,316	1.13	2,570	332	0.11	4,313	1,785	0.61	5,433	1.85	9
LA	111,375	5,012	1.55	5,897	761	0.23	6,188	2,562	0.79	8,334	2.57	4
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MI	218,289	9,823	1.34	16,126	2,080	0.28	14,411	5,966	0.81	17,869	2.43	6
MN	101,354	4,561	1.33	7,202	929	0.27	8,032	3,325	0.97	8,815	2.57	4
MS	59,871	2,694	1.35	1,420	183	0.09	3,183	1,318	0.66	4,195	2.11	8
MO	124,578	5,606	1.38	7,080	913	0.22	6,959	2,881	0.71	9,400	2.31	7
MT	22,230	1,000	1.61	1,415	183	0.29	1,173	486	0.78	1,669	2.68	3
NE	38,905	1,751	1.42	1,888	244	0.20	1,937	802	0.65	2,796	2.26	7
NV	46,587	2,096	2.18	5,179	668	0.70	4,499	1,862	1.94	4,627	4.82	1
NH	36,470	1,641	1.85	3,356	433	0.49	4,265	1,766	1.99	3,840	4.33	1

Table 2 (continued)

Apparent Alcohol Consumption for States, Census Regions, and the United States, 1990
 [Volume and ethanol in thousands of gallons, per capita consumption in gallons, based on population age 14 and older.]

State or Other Geographic Area	Beer			Wine			Spirits			All Beverages		
	Volume	Ethanol	Per Capita	Volume	Ethanol	Per Capita	Volume	Ethanol	Per Capita	Ethanol	Per Capita	U.S. Decile
NJ	162,454	7,310	1.16	23,712	3,059	0.49	14,582	6,037	0.96	16,406	2.60	4
NM	43,377	1,952	1.69	2,506	323	0.28	1,925	797	0.69	3,072	2.65	3
NY	367,567	16,541	1.13	46,719	6,027	0.41	27,166	11,247	0.77	33,814	2.31	7
NC	138,677	6,240	1.16	11,407	1,472	0.27	8,537	3,534	0.66	11,246	2.09	8
ND	16,355	736	1.47	658	85	0.17	1,133	469	0.94	1,290	2.59	4
OH	258,980	11,654	1.35	14,476	1,867	0.22	11,130	4,608	0.53	18,129	2.10	8
OK	61,817	2,782	1.12	2,603	336	0.14	3,356	1,389	0.56	4,507	1.81	10
OR	66,615	2,998	1.32	8,200	1,058	0.47	4,010	1,660	0.73	5,716	2.52	5
PA	306,239	13,781	1.42	13,531	1,746	0.18	13,006	5,385	0.56	20,911	2.16	8
RI	24,113	1,085	1.32	2,802	362	0.44	1,579	654	0.79	2,100	2.55	4
SC	89,170	4,013	1.45	5,493	709	0.26	6,197	2,565	0.93	7,287	2.64	3
SD	16,275	732	1.27	739	95	0.18	1,046	433	0.81	1,261	2.35	6
TN	106,589	4,796	1.22	4,418	570	0.15	5,796	2,400	0.61	7,766	1.98	9
TX	479,825	21,592	1.64	26,380	3,403	0.26	18,425	7,628	0.58	32,623	2.48	5
UT	21,859	984	0.81	1,170	151	0.12	1,388	575	0.47	1,709	1.40	10
VT	14,686	661	1.47	1,687	218	0.48	936	388	0.86	1,266	2.82	2
VA	139,422	6,274	1.26	11,716	1,511	0.30	7,613	3,152	0.63	10,937	2.19	7
WA	109,067	4,908	1.28	13,734	1,772	0.46	7,114	2,945	0.77	9,625	2.50	5
WV	38,857	1,749	1.20	1,185	153	0.10	1,483	614	0.42	2,515	1.73	10
WI	149,312	6,719	1.74	9,150	1,180	0.31	9,715	4,022	1.04	11,922	3.08	1
WY	11,364	511	1.48	598	77	0.22	781	323	0.93	912	2.64	3
Regions												
Northeast	1,136,810	51,156	1.24	120,968	15,605	0.38	81,158	33,599	0.81	100,361	2.43	.
Midwest	1,453,502	65,408	1.38	95,027	12,259	0.26	84,901	35,149	0.74	112,815	2.39	.
South	2,068,727	93,093	1.37	135,318	17,456	0.26	123,255	51,028	0.75	161,576	2.37	.
West	1,262,004	56,790	1.37	160,054	20,647	0.50	85,170	35,260	0.85	112,698	2.72	.
U.S. Total	5,921,042	266,447	1.34	511,368	65,966	0.33	374,484	155,036	0.78	487,450	2.46	.

* Decile values apply only to state-level data. Numbers may not add due to rounding.

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF PUBLIC HEALTH
HEALTH PROMOTION PROGRAM

WALTER J. HICKEL, GOVERNOR

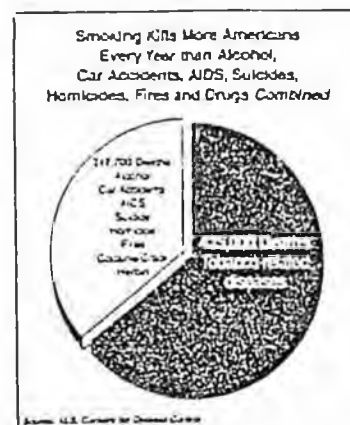
P.O. BOX 110610
JUNEAU, ALASKA 99811-0610
PHONE (907) 465-3140

In Favor of House Bill 413
Division of Public Health
February 24, 1994

The Division of Public Health enthusiastically supports House Bill 413 for the purpose of reducing the burden of disease caused by tobacco use.

Casual links exist between tobacco use and the following chronic diseases:

stroke
cancers of the mouth, throat, and esophagus
cancer of the larynx
coronary heart disease
chronic obstructive pulmonary disease
lung cancer
pancreatic cancer
ulcer
bladder cancer
peripheral artery disease
cervical cancer
low birth weight baby risks



Tobacco is a drug that when used as directed will kill one out of three long term users, and disable many more. Tobacco is as addictive as heroin and cocaine.

IN ALASKA:

- 1992 survey results show that 28% of Alaskan adults smoke (aged 18 and older).
- It is estimated that 39% or more Alaska Native adults smoke.
- Alaska has one of the highest prevalence rates of smoking in the country, ranking within the top three, along with Tennessee and Kentucky.

- Of the 2,092 deaths among Alaskans in 1989, 351 (17%) were smoking-related.
- Among Alaskans who died in 1989 at age 35-65 years, smoking-attributable years of potential life lost were estimated to be 1,445 person-years, an average of 9.6 years per person.

The total smoking-attributable cost for Alaskans 35 years of age or older was \$83.2 million in 1989.

The reason for the Division of Public Health's enthusiastic support for increasing the tax on tobacco is that nearly 90% of smokers start smoking before the age of 21 and increasing the price of tobacco has been demonstrated to decrease the number of users, especially among youth.

Although there have been dramatic gains in recent decades in the campaign against tobacco smoking, tobacco use among youth continues to be a public health epidemic. Every day more than 3,000 American teenagers become regular smokers.

Affordability of tobacco appears to be the most important determinant of the number of children who will start smoking. An increase in the cigarette excise tax may be the most effective approach to reducing tobacco use. Teenagers are much more responsive than adults to increases in the price of cigarettes because they have less disposable income and may be three times more sensitive to price increases than adults' consumption. Also children and teenagers are usually less addicted than many adult smokers and, therefore, more likely to be able to stop smoking when prices increase.

In 1989, California voters approved a citizen's initiative to raise their cigarette excise tax by 25 cents. Cigarette smoking dropped 17% between 1989 and 1991, about twice the U.S. average.

Data compiled in the United States, Canada, California, and the United Kingdom indicate that for every 10% increase in the inflation-adjusted price of tobacco, general consumption will fall by about 4% but, more significantly, it will drop by about 10% among youth.

The natural liability involved in using tobacco products results in the State having to assume a significant financial responsibility for medical costs incurred by tobacco users in the form of State contributions to Medicaid, Medicare, and the provision of public health services. All states and the District of Columbia levy taxes on tobacco. Alaska's \$.29 tobacco tax ranks 23rd among states. The Governor's proposed increase will move Alaska's rank to the 9th or 12th position, depending on the success of pending tax increases in Nebraska and Arkansas. While the tobacco excise tax proposed by the Governor is very modest by national and especially world standards, it nevertheless is the single most effective action that the State can initiate

to reduce tobacco use among youth and to reduce the future public burden for the diseases that result from tobacco use.

American tobacco taxes are among the lowest percentage of total price of virtually any country in the world.

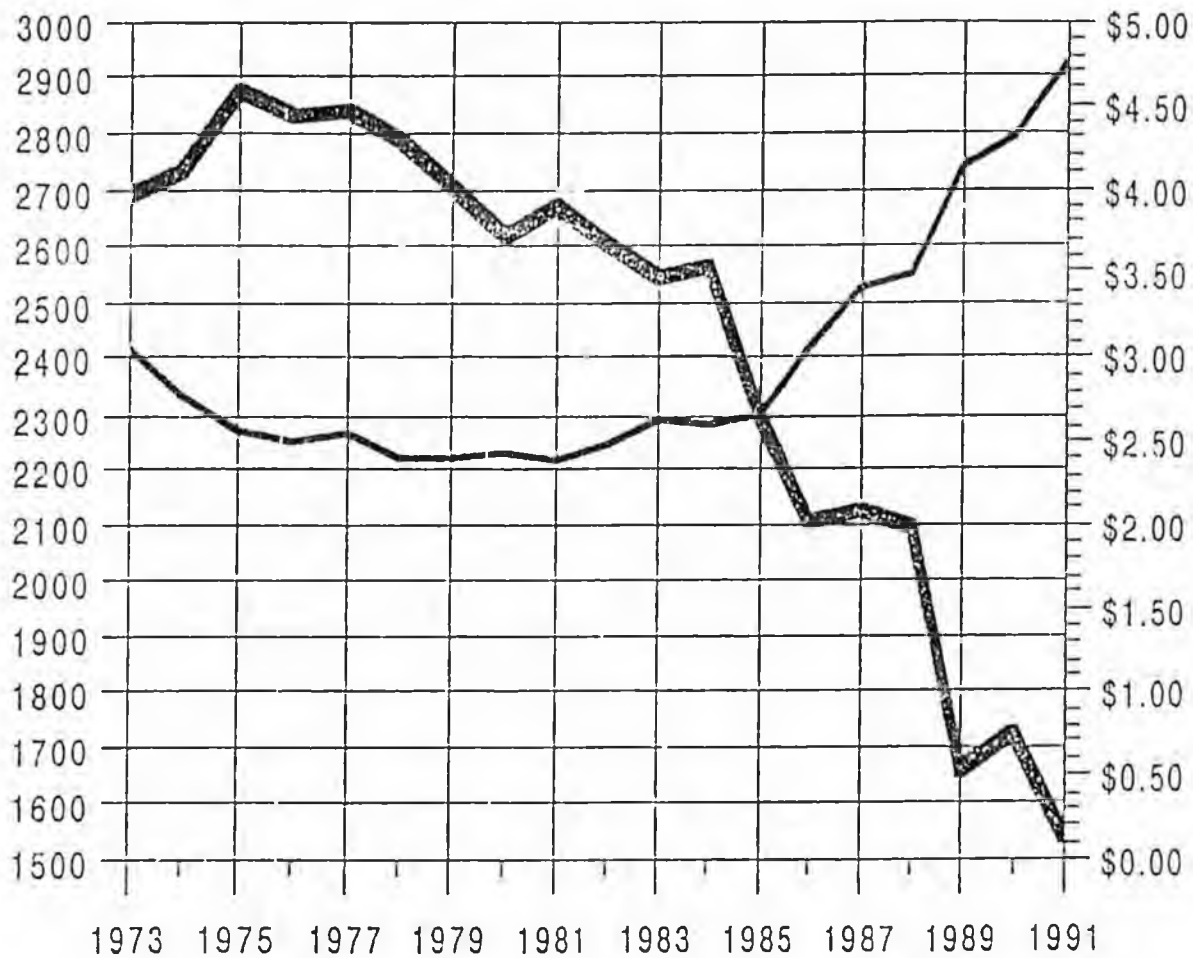
CIGARETTE TAXES AND PRICES			
Country	Taxes	Price	T/P
Denmark	\$3.68	\$4.33	85%
U.K.	\$2.52	\$3.32	76%
Ireland	\$2.77	\$3.75	75%
India	\$2.63	\$3.54	75%
Finland	\$2.45	\$3.32	74%
Portugal	\$1.01	\$1.36	74%
Brazil	\$0.31	\$0.42	74%
Sweden	\$2.97	\$3.93	73%
Belgium	\$1.72	\$2.35	73%
Germany	\$2.11	\$2.90	73%
Canada (hi)	\$3.69	\$5.11	72%
Italy	\$1.11	\$1.54	72%
Greece	\$0.75	\$1.06	71%
France	\$1.37	\$1.93	71%
Netherlands	\$1.45	\$2.07	70%
Argentina	\$0.99	\$1.41	70%
Canada aver	\$3.01	\$4.34	69%
New Zealand	\$1.81	\$2.67	68%
Norway	\$3.33	\$4.87	68%
Canada (lo)	\$2.59	\$3.88	67%
Luxembourg	\$1.15	\$1.71	67%
Spain	\$0.37	\$0.60	62%
Korea	\$0.46	\$0.76	61%
Japan	\$1.05	\$1.75	60%
Australia	\$1.38	\$2.29	60%
Philippines	\$0.24	\$0.44	55%
Thailand	\$0.32	\$0.59	54%
Hong Kong	\$1.37	\$2.65	52%
Switzerland	\$1.05	\$2.10	50%
Taiwan	\$0.66	\$1.39	47%
U.S.A. (hi)	\$0.86	\$2.15	40%
Kuwait	\$0.22	\$0.74	30%
U.S.A. (aver)	\$0.56	\$1.99	30%
U.S.A. (lo)	\$0.34	\$1.73	20%

hi = highest rate or province; lo = lowest rate or province; aver = average rate or province
 Source: Non-Smokers' Rights Assn (Canada)

The benefits of increasing the tobacco tax will most immediately be seen in the drop in consumption by youth and in the decrease in the number of youth who begin to use tobacco products. Only a very small percentage of tobacco users begin as adults. Reducing the initiation of youth to tobacco use is the most important prevention objective of health professionals. Studies have shown that children and adolescents who start to use tobacco do not understand the nature of tobacco addiction and are unaware of or underestimate important health consequences of tobacco use. Children and adolescents who use tobacco are persuaded to do so through advertising and peer pressure resulting from media images, and because it is readily available as well as inexpensive. Research concludes that higher tobacco excise taxes significantly reduce the number of teenage tobacco users.

CIGARETTE CONSUMPTION VERSUS PACK PRICE

New Zealand, 1973 - 1991



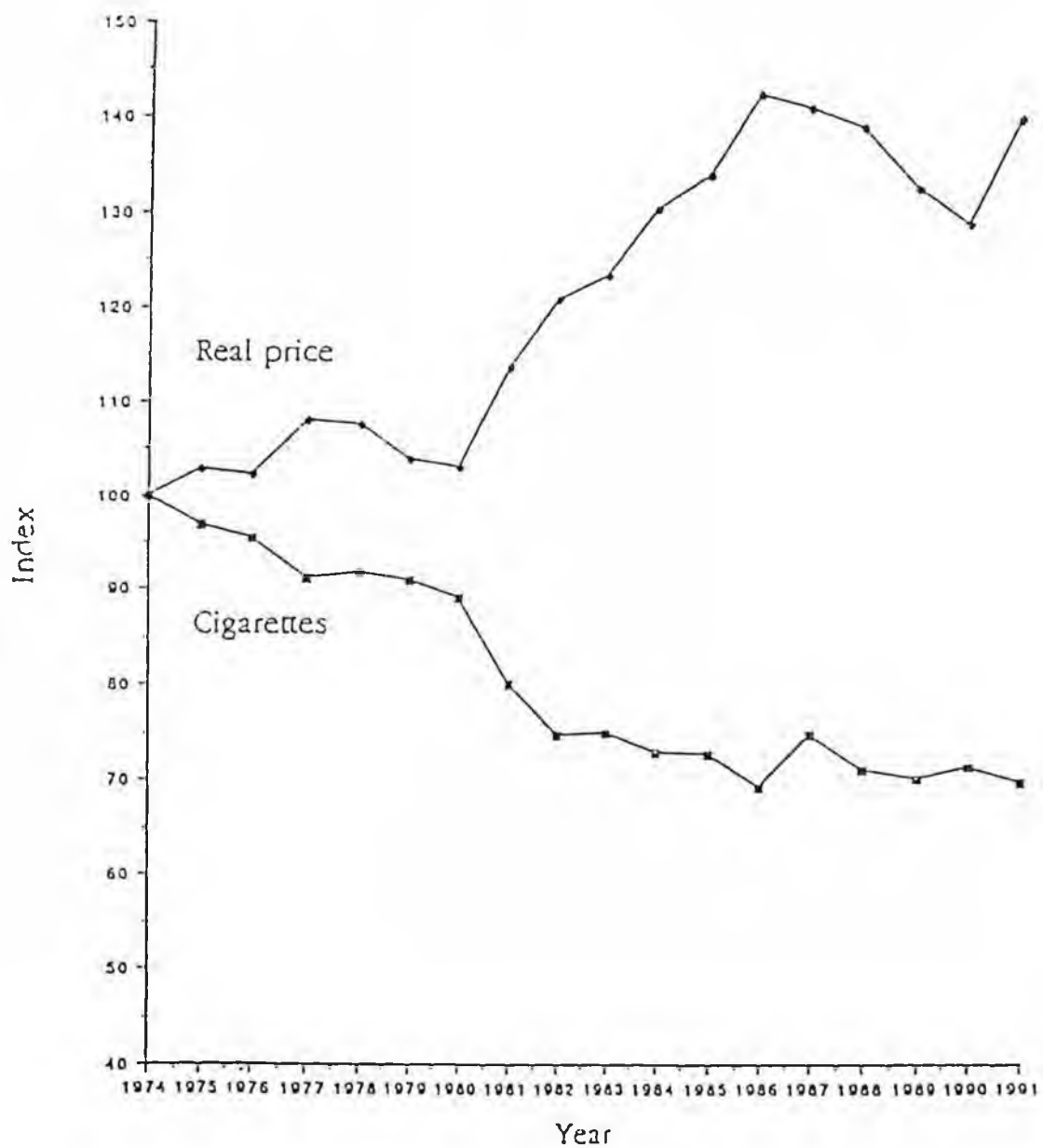
Cigarette consumption per adult 15+
 Price per pack of 20 cigarettes

Non-Smokers' Rights Association (Canada), Suite 300, 124 O'Connor, Ottawa, Ontario K1P 5M9
 Tel.: (613) 230-4211 Fax (613) 230-9454

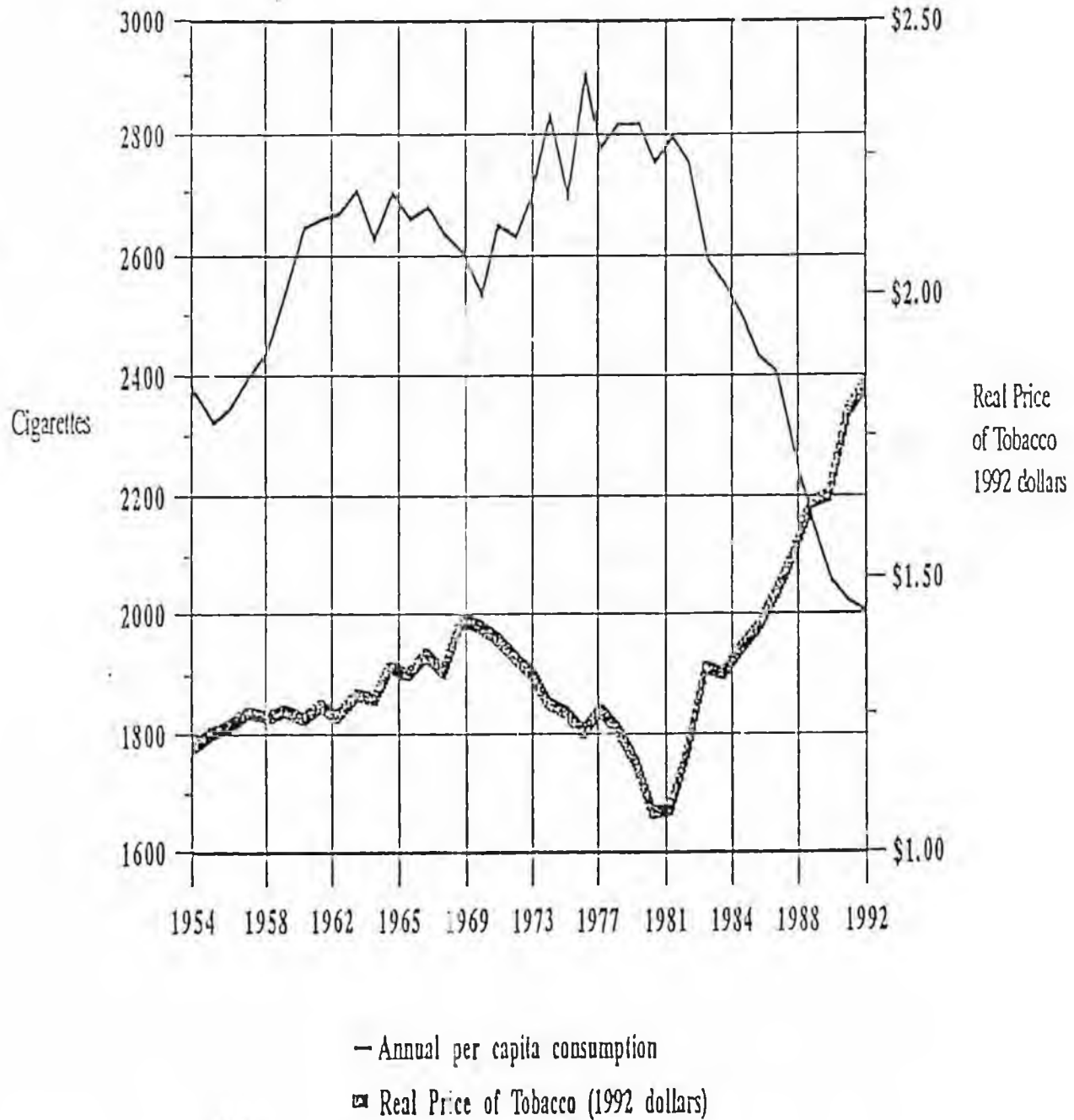
UNITED KINGDOM

TREND IN THE REAL PRICE OF TOBACCO

1974=100

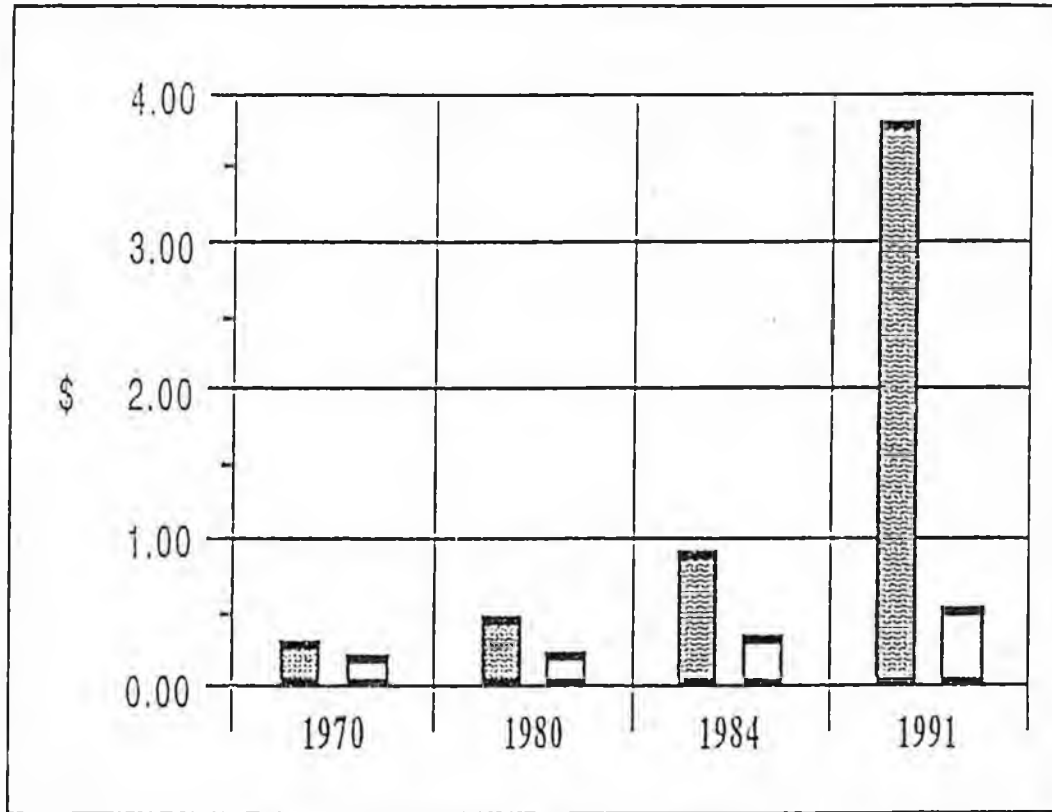


ANNUAL PER CAPITA CONSUMPTION OF CIGARETTES
 AND REAL PRICE OF TOBACCO (per 20 cigarettes)
 UNITED STATES 1954 - 1992



Sources: 1. THE TAX BURDEN ON TOBACCO, The Tobacco Institute, United States, Volume 27, 1992.
 2. United States Consumer Prices Index (All Items).

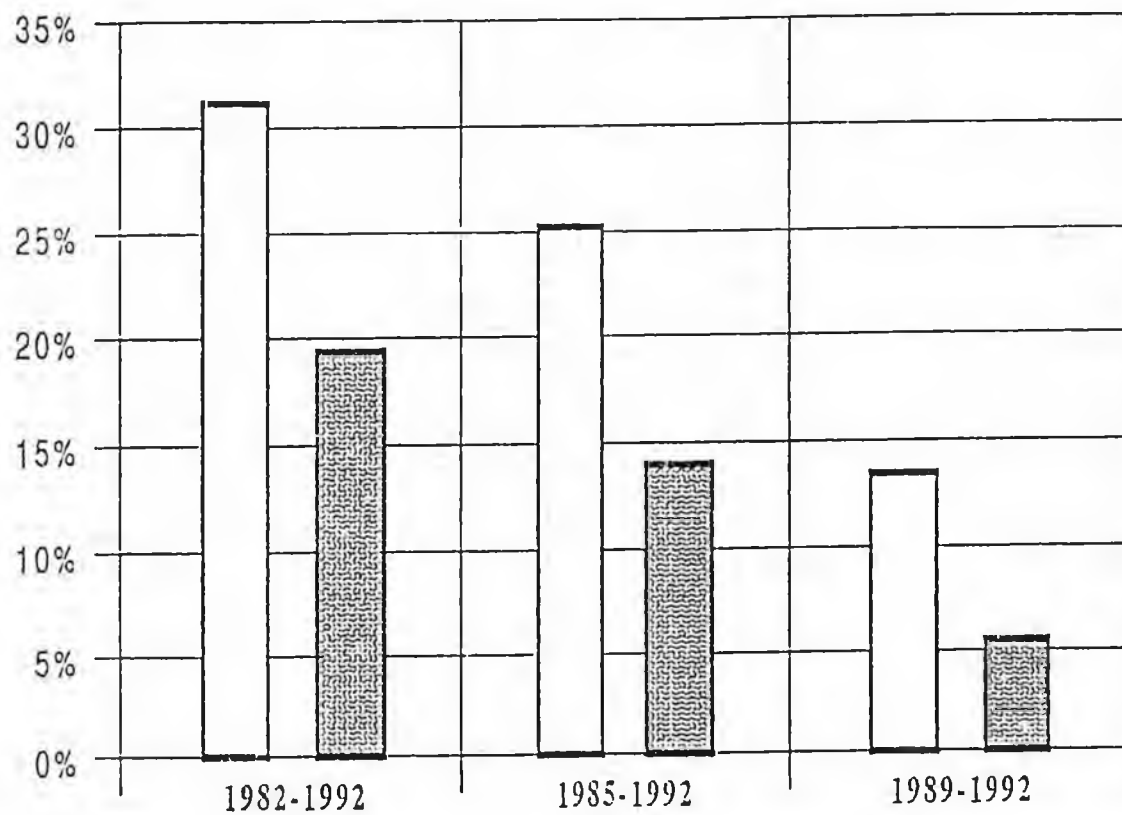
AVERAGE TAXES ON 20 CIGARETTES COMBINED
FEDERAL & STATE/PROVINCIAL TOBACCO AND SALES TAXES
(NOT ADJUSTED FOR INFLATION OR CURRENCY FLUCTUATION)



■ CANADA

□ UNITED STATES

DECLINE IN DOMESTIC SALES OF CIGARETTES IN CANADA AND THE UNITED STATES

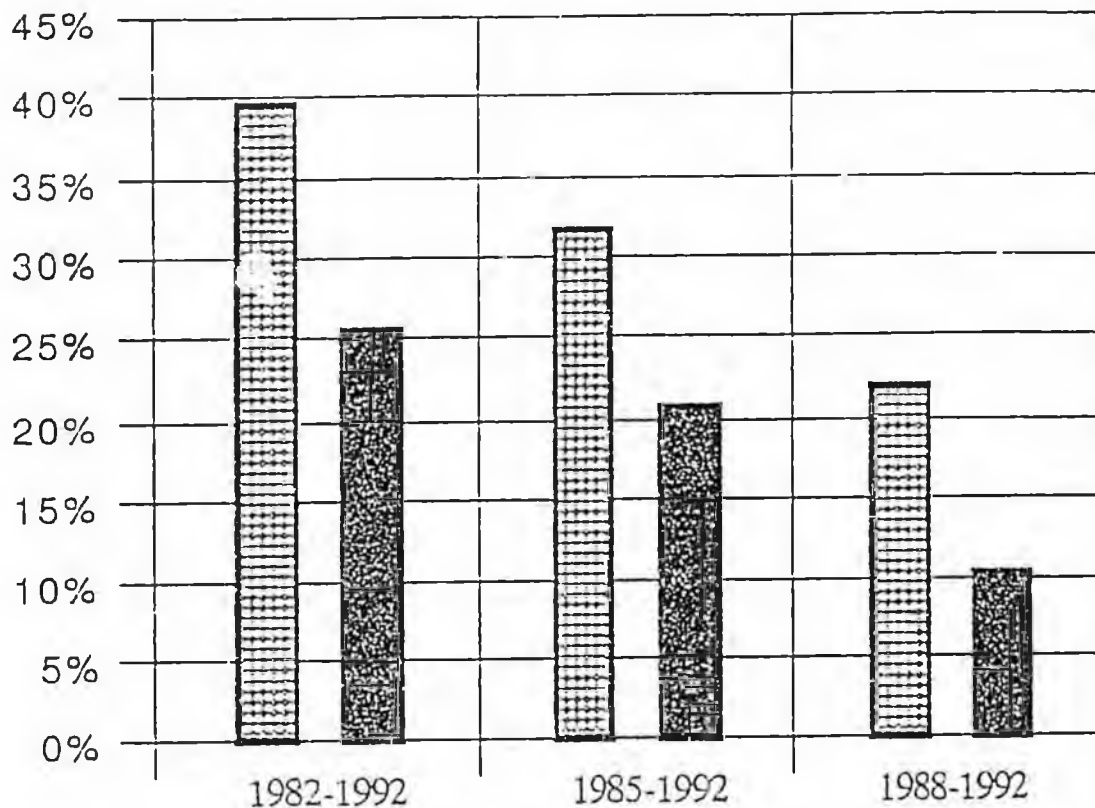


CANADA
 U.S.

	CANADA	U.S.
1982 - 1992	31.18%	19.56%
1985 - 1992	25.16%	14.14%
1989 - 1992	13.36%	5.56%

Note: Canadian data includes highest credible estimates of smuggling

Decline in daily per capita consumption of cigarettes Canada versus United States 1982 - 1992



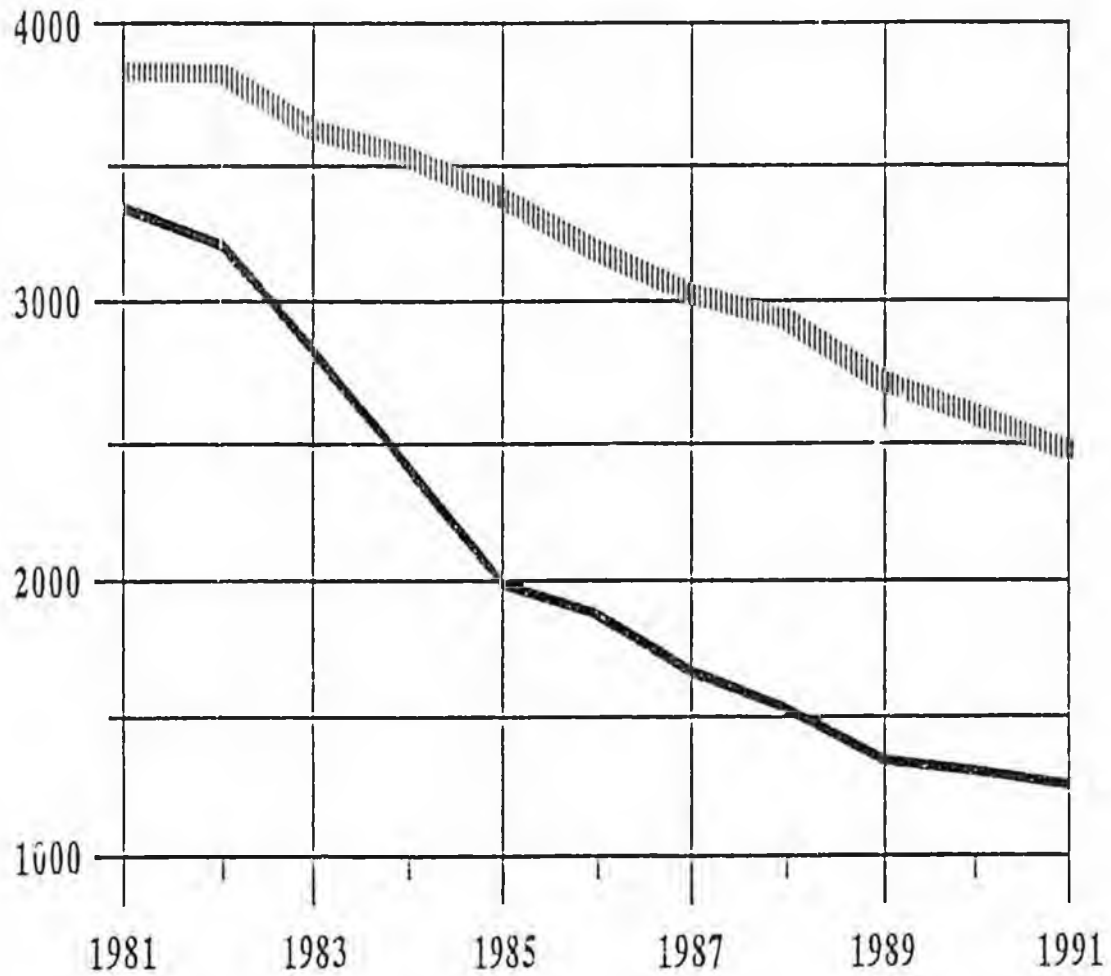
Canada

 U.S.

	Canada	U.S.
1982-1992	39.7%	25.7%
1985-1992	32.0%	20.8%
1988-1992	22.0%	10.4%

Source: Canadian Tobacco Manufacturers' Council (for 1982 to 1991 consumption data);
adjusted to include 1992 data.

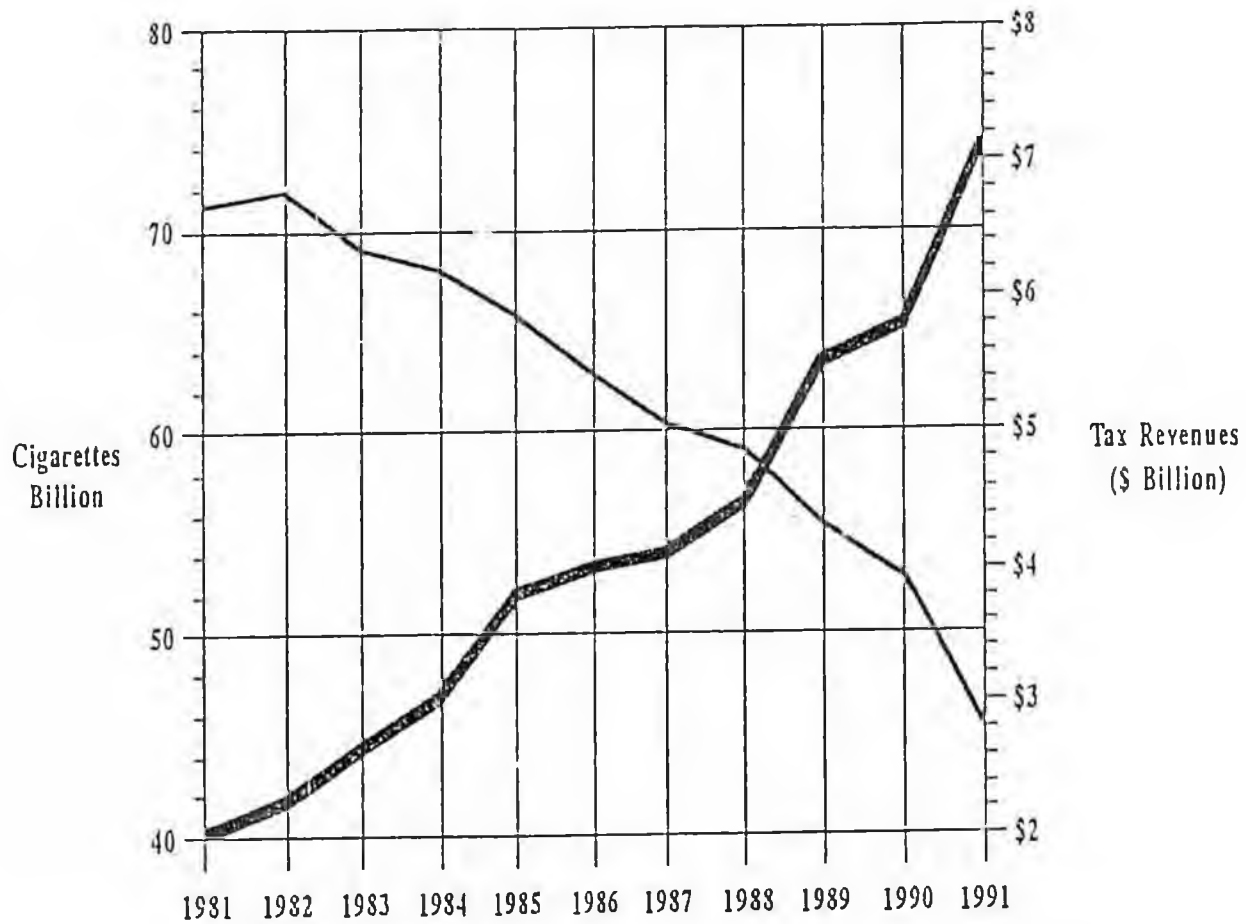
ANNUAL PER CAPITA CIGARETTE CONSUMPTION
CANADA 1981 - 1991



— 15 - 19 YEAR OLDS ▨ ADULTS 15+

Note: Calculations include highest credible estimate of smuggling.
Cigarettes include fine-cut equivalents.

Domestic Sale of Cigarettes and Fine-Cut Equivalents
 Versus Domestic Tobacco Tax Revenues
 Canada 1981 - 1991



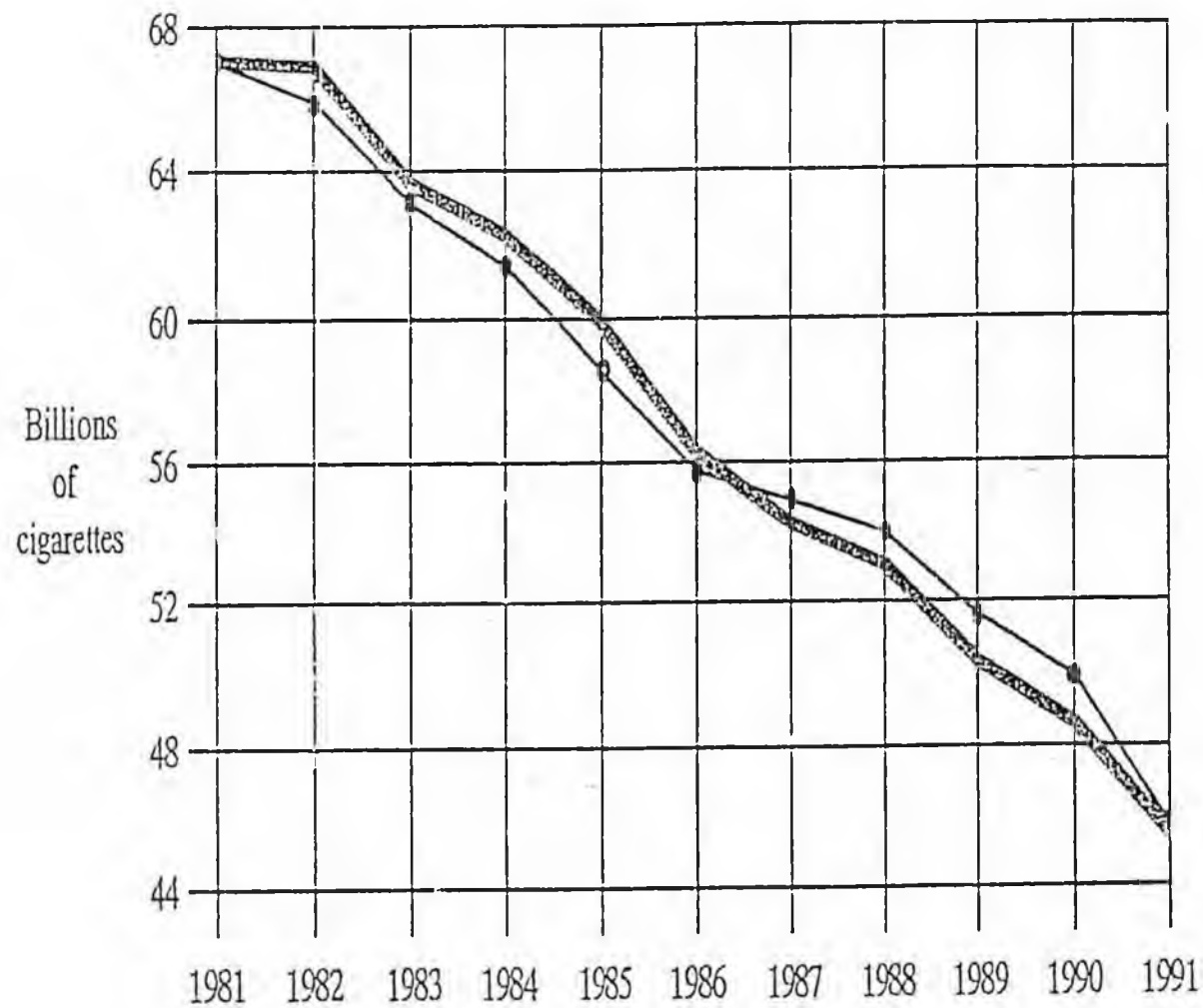
— Sale of Cigarettes and Fine-Cut Equivalents (1 g)

- - - Total Tax Revenues

Non-Smokers' Rights Association (Canada), Suite 300, 124 O'Connor, Ottawa, Ontario K1P 5M9
 Tel.: (613) 230-4211 Fax (613) 230-9454

ACTUAL AND PREDICTED CIGARETTE SALES

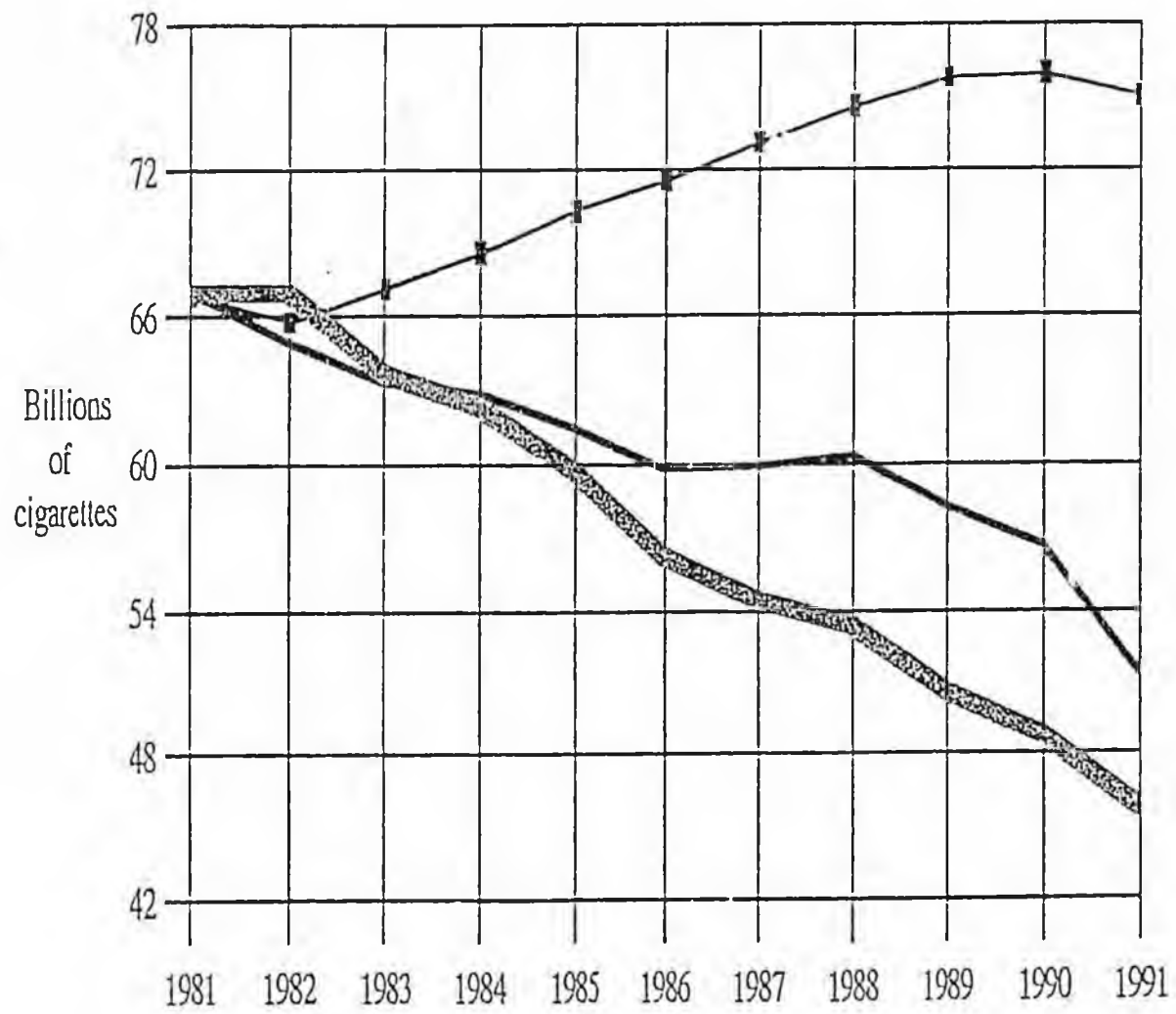
no demand curve shift



— Actual sales -♦- Predicted sales

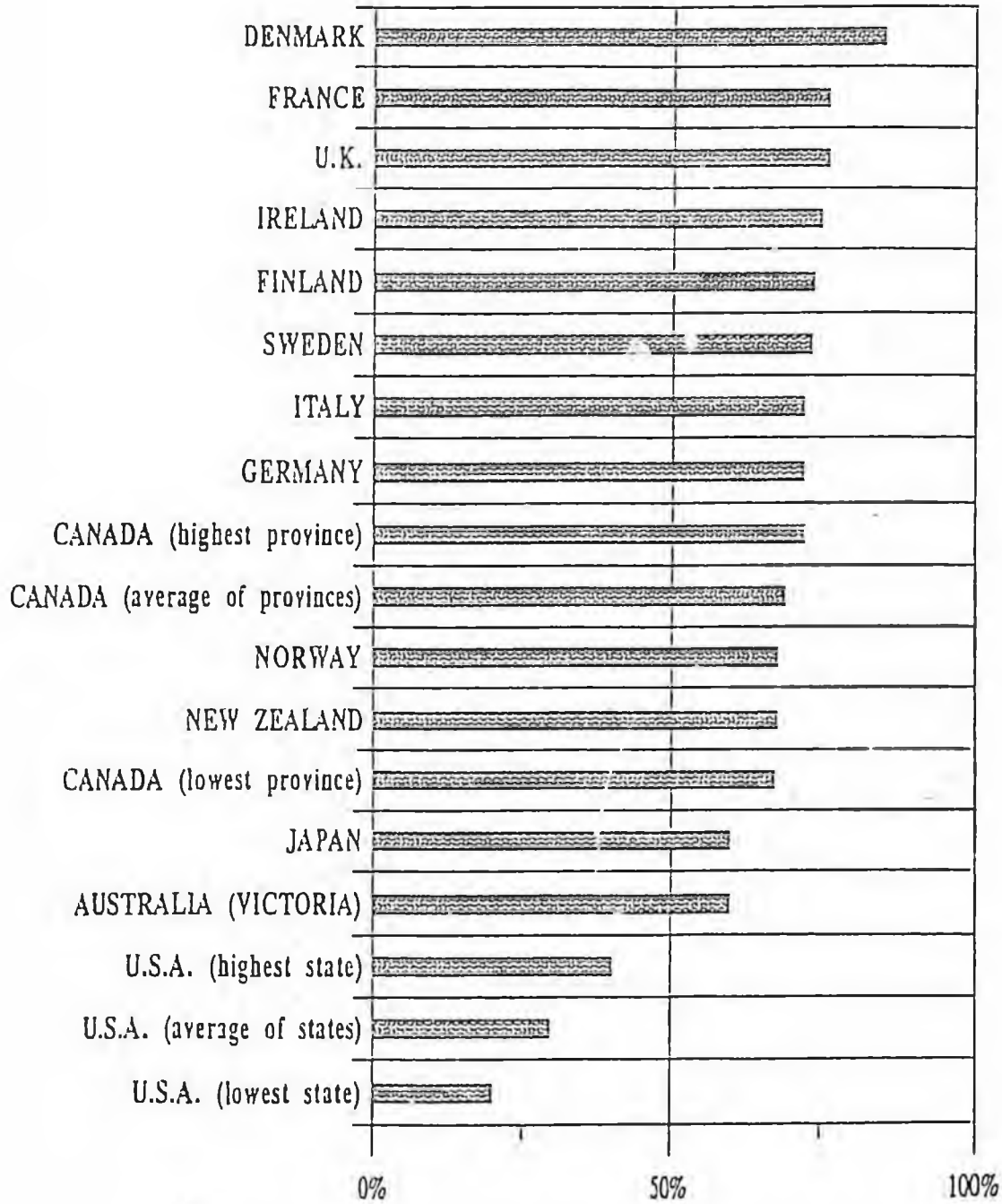
IMPACT OF TOBACCO CONTROL POLICIES

income elasticity equals 0.5



Actual sales Price only policy Sales, no policy

TOTAL TAX INCIDENCE ON A PACK OF 20 CIGARETTES
IN VARIOUS COUNTRIES, AS OF APRIL 23, 1993



NON-SMOKERS' RIGHTS ASSOCIATION, 124 O'CONNOR ST., OTTAWA, ONTARIO (CANADA) K1P 5M9
TEL.: (613) 230-4211 FAX: (613) 230-9454



American
Heart
Association

AMERICAN  LUNG ASSOCIATION®
The Christmas Seal People.™



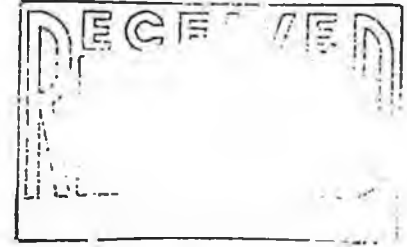
Coalition on Smoking OR Health

Steering Committee

Alan C. Davis, Chairman
American Cancer Society

Scott D. Ballin,
American Heart Association

Fran Du Melle,
American Lung Association



Administrator - Federal Issues

Jos Silver Epstein

Administrator - State Issues

Peter Fisher

Counsel

Matthew L. Myers
Asbill, Junkin & Myers

SAVING LIVES AND
RAISING REVENUE:

Legislative Advisors Council

American Academy of Family Physicians
American Academy of Pediatrics
American Association for
Respiratory Care
American College of Cardiology
American Public Health Association
American Society of Internal Medicine
Association of State and Territorial
Health Officials
March of Dimes Birth Defects Foundation

Reasons for Major Increases
In State and Federal
Tobacco Taxes

January, 1993

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"Saving Lives and Raising Revenue: Reasons for Major Increases in Federal and State Tobacco Taxes" outlines rationales for major increases in tobacco taxation at the state and federal levels. It is a working document of the American Cancer Society, American Heart Association and American Lung Association, united as the Coalition on Smoking OR Health. It is intended for general use by state and federal policy makers, the media and health groups. This document will be updated as new information becomes available.

For more information on tobacco taxation and other public policy health issues relating to tobacco use, please contact the Coalition on Smoking OR Health.

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EXECUTIVE SUMMARY

Cigarettes kill about 435,000 Americans and cost society tens of billions of dollars each year. For thirty years national policy has been to discourage tobacco use.

As budget difficulties at all levels of government increase, and as more and more Americans die from tobacco use, many public health officials, economists and elected officials have concluded that the time has come for major increases in state and federal cigarette excise taxes. The case for raising these taxes is persuasive on several fronts:

- * **As a health measure.** Cigarette taxes have an enormous potential to rapidly and significantly reduce smoking among teenagers and adults. For example, a conservative estimate is that a \$2 per pack tax increase, maintained in real terms, would prevent roughly **2 million premature deaths** over time by discouraging young people from beginning to smoke and by encouraging some current smokers to quit. That is a saving of a greater number of lives than American losses from all wars combined.
- * **As one of few taxes most Americans support.** Cigarette taxes provide a unique opportunity for federal and state governments to save millions of lives and simultaneously raise substantial revenue for priorities such as deficit reduction and health care reform. While proposals to increase most taxes meet fierce popular resistance, polling data shows that 70 percent or more of the public supports higher cigarette taxes.

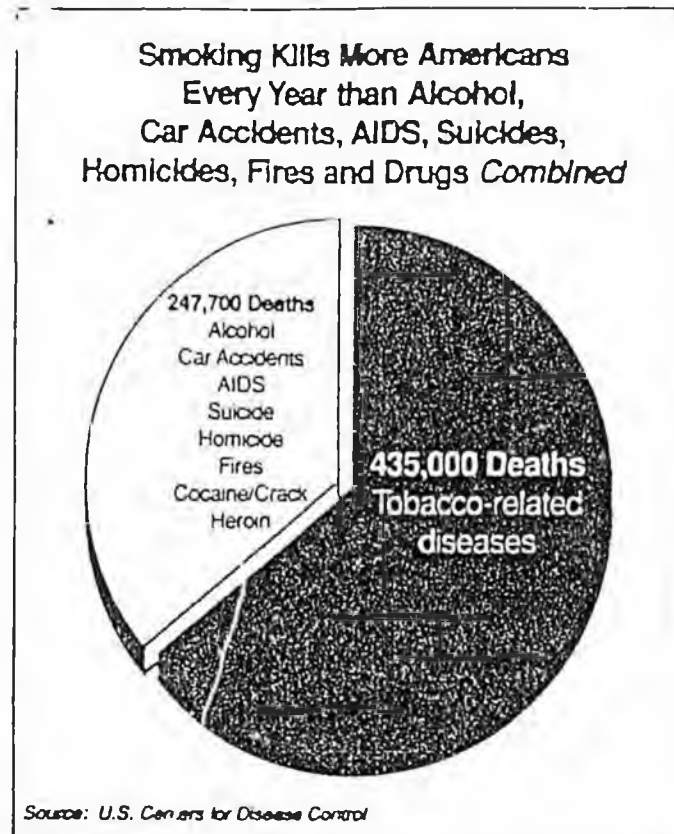
This document discusses in greater detail how raising tobacco taxes substantially can play a critical role in reducing the death, disease and economic hardships caused by tobacco use. It concludes with the following policy recommendations:

- * State and federal governments should enact major increases in cigarette excise taxes.
- * Federal and state cigarette taxes should be indexed to keep pace with rising product prices.
- * All other tobacco products should be taxed in proportion to the rate imposed on cigarettes.

CIGARETTES: AMERICA'S LEADING PREVENTABLE CAUSE OF DEATH

Nearly thirty years after the 1964 Surgeon General's Report sounded the health alarm on smoking, one-fourth of the nation's adult population remains addicted to cigarettes, and smoking remains the leading preventable cause of premature death and crippling disease in the United States. In all, smoking now kills an estimated 435,000 Americans each year -- more than alcohol, heroin, crack, automobile and airplane accidents, homicides, suicides and AIDS combined.

Figure 1



The cigarette is the only legal product that:

- * kills more than one out of three long-term users and disables many more, when used as intended
- * has been determined to be a major cause of heart disease, lung cancer, mouth and throat cancer, emphysema, chronic bronchitis, chronic obstructive pulmonary disease, low birthweight babies, strokes and a variety of other diseases¹
- * is as addictive as cocaine or heroin

¹ U.S. Department of Health and Human Services. Reducing the Health Consequences of Smoking: 25 Years of Progress. A Report of the Surgeon General. DHHHS Publication No. (CDC) 89-8411, 1989.

Environmental tobacco smoke (ETS) -- smoke from other people's cigarettes -- has been identified as the nation's third leading cause of preventable death, causing approximately 35,000 to 40,000 deaths per year from cardiovascular disease among nonsmokers and 3000 lung cancer deaths.² A panel of experts appointed by the Environmental Protection Agency has recommended that ETS be labeled a "Group A Carcinogen," a category reserved for only the most serious human carcinogens such as benzene and asbestos.³

More than one million teenagers begin smoking each year, a rate of approximately 3000 per day. Ninety percent of young smokers report that they became regular smokers before age 18.⁴ Thus reducing smoking by children and teenagers is accepted as a key to reducing the enormous burden of addiction, death and disease smoking imposes on the health and economy of the United States.

Despite public health programs aimed at reducing teenage smoking, and despite the fact that it is illegal (with rare exceptions) to sell cigarettes to children, the smoking initiation rate among children and teenagers remains alarmingly high, and the age of initiation of new smokers has fallen steadily for several decades.⁵ This is no accident. It is partly the result of marketing strategies typified by R.J. Reynolds' "Joe Camel" advertising campaign aimed at children and teenagers. Cigarette companies lavish nearly \$4 billion on youth-oriented advertising and gimmicks designed to promote and reinforce the image of smoking as youthful, sophisticated and sexy, and to associate smoking with freedom and good health.

In addition to strengthening and enforcing laws to limit youth access to tobacco, the search for an effective strategy to discourage teenage smoking leads to one point upon which health experts and the cigarette industry agree: major increases in cigarette taxes will dramatically reduce smoking.

² Council on Cardiopulmonary and Critical Care, American Heart Association, "Environmental Tobacco Smoke and Cardiovascular Disease," Circulation, August 1992, and U.S. Environmental Protection Agency, Respiratory Health Effects of Passive Smoking, Review Draft, May, 1992.

³ U.S. Environmental Protection Agency, Respiratory Health Effects of Passive Smoking, Review Draft, May, 1992.

⁴ Pierce, Naquiu, Gilpin, Giovino, Mills and Marcus, "Smoking Initiation in the United States: A Role for Worksite and College Smoking Bans," Journal of the National Cancer Institute, vol. 83, pp. 1009- 1013 (1991).

⁵ CDC, "Differences in Age of Smoking Initiation Between Blacks and Whites, United States," MMWR, Vol. 40, pp. 754-757, November 8, 1991.