

ALASKA LEGISLATURE COMMITTEE FILES 2001-2002 8672

10333 HOUSE LABOR & COMMERCE

078

Subject: HB 225 - Increasing the alcoholic beverage tax rates

Date: Sun, 1 Apr 2001 19:35:58 -0800

From: "Michele Czajkowski" <michelec@gci.net>

To: <Representative_Joe_Hayes@legis.state.ak.us>,
<Representative_Lisa_Murkowski@legis.state.ak.us>,
<Representative_Andrew_Halcro@legis.state.ak.us>,
<Representative_Kevin_Meyer@legis.state.ak.us>,
<Representative_Pete_Kott@legis.state.ak.us>,
<Representative_Norman_Rokeberg@legis.state.ak.us>,
<Representative_Eric_Croft@legis.state.ak.us>

Dear Representative Murkowski, Representative Halcro and Members of the Labor and Commerce Committee:

I am writing to ask you to support HB 225, "an act relating to municipal taxation of alcoholic beverages and increasing the alcoholic beverage tax rates." HB 225 recommends a very modest increase to an alcohol tax that has not seen one penny of an increase since 1983. This tax increase is very reasonable.

What is not reasonable is to continue to ignore the cost of alcohol to this community and other communities statewide. Because the cost is, indeed, severe. In Anchorage alone, 55% of all motor vehicles crash fatalities, 100% of fire fatalities, 60% of fire injuries, 50% of assaults, 59% of all domestic violence, 55% of sexual assaults, and 48% of all homicides are alcohol-related (ref. MOA's Healthy Anchorage Indicators Report, 1998). Statewide, the annual cost of alcohol abuse in Alaska is \$246 million yet a mere \$12.7 million is collected under Alaska's current state alcohol tax.

I applaud Representative Murkowski for introducing this legislation and I hope it passes with overwhelming support.

Respectfully,
Michele Czajkowski
3930 East 66th Avenue
Anchorage, AK 99507
phone: 907-522-3479

Subject: Please increase the tax on alcoholic beverages

Date: Sun, 08 Apr 2001 20:05:35 -0800

From: Steve McGee <smcgee@gci.net>

To: Representative_Lisa_Murkowski@legis.state.ak.us

Dear Representative Murkowski:

As a life-long Alaskan, I support HB225 to increase the tax on alcoholic beverages. I'm willing to pay a little more for the beer and wine I buy in order to make additional money available to combat some of the problems caused by excess drinking. I am particularly concerned about getting drunk drivers off our roads. I've experienced personally the kind of damage a drunk driver can cause and we simply have to do everything we can to stop this problem. Alcohol also causes a multitude of other problems for Alaska and regardless of how the alcoholic beverage industry may try to rationalize it, I think the people of this state are willing to pay a few cents more for each drink they purchase. Please consider my opinion tomorrow in the House Labor and Commerce Committee hearing on HB225, and please feel free to make this message available to all your colleagues in both the House and Senate. I am sure I'm not alone in urging the Legislature to pass this bill.

Sincerely,

Steve McGee

CAAPS

Council on Alcohol Abuse & Public Safety- Alaska, Inc.

Box 23007 Juneau Alaska

(907) 586-3032 / CAAPS@alaska.com / www.councilonalcoholabuse.com

My name is Howard Scaman, I am here today as the Secretary of CAAPS. This is essentially the same old clergy coalition which was responsible for convincing legislators to pass a number of alcohol consumption moderation measures about 18 years ago. That was the last time excise tax has been adjusted. When we get cranked up, we have the support of more than 400 influential; community leaders, who happen to be clergy from every faith and denomination in the state. It is our guys "day off" on Monday, but we will keep them informed.

We would like to publicly thank representative Murkowski and this Committee for honoring the formal #1 priority request of the Criminal Justice Assessment Commission. CJAC requests a 25 cent per drink addition to the existing 1983 level. That request has been formally presented to you with the written endorsement of the Chairman of the House Finance Committee, and the House Minority leader. CAAPS, and many others formally requested that you consider adding 20 cents per drink to existing 1983 levels. You have honored those requests and are considering a bill which would (If municipalities participated 100%) total 20 cents per drink. Thanks !

We are all aware that an attempt was made by the leadership to see if the "liquor lobby" would show some responsibility and attempt to negotiate what they might consider to be a "reasonable" rate of taxation . There is no longer a single unified "liquor lobby". Alaskan retailers and some Seattle distributors have attempted bring rational insight to the issue, but several of the out-of-state interests have told Alaska and this legislature to go stuff it ! We do appreciate the effort however .

We totally endorse the testimony of Jim Crary who makes the factual presentation for an increase, as does the excellent statistical information provided by the Alcoholism & Drug Abuse Advisory Board.

- Do not be confused if a lot of alcohol industry people show up today . . . they have economic interests to protect.
- Do not be confused if a lot of people who work in the alcohol field show up today. They have economic interests to protect. Confusion about the infusion of what appears to be "New Federal money has resulted in severe cutbacks in that divisions funding.
- Public testimony is a place for people to vent, but the numbers are indisputable . . . 68% of Alaska voters support or strongly support a substantial increase in alcohol excise tax. In the recent Mayoral election in Anchorage, the Hellenthal poll indicated an astonishing 80.3% of the voters said: "*We don't like taxes of any sort but, If you tax anything tax alcohol !*".
- We represent that constituency. The spokespeople for hat group of voters are essentially clergy. Monday happens to be their day off, and other than the three officers of CAAPS we have not asked anyone to begin public support . Those of you old enough to see this incredible coalition riled up know we will be there before the floor vote to support your decisions to adjust the tax .

- For the first time in my 30 years of working with clergy and the legislature, this is the first time I have heard clergy so indignant (they never get "angry") that they are talking about not endorsing and supporting candidates who ignore the problem.
- Alcohol excise tax has been LOWERED EACH YEAR since 1983, because of inflation. Forget the % of rate increase . . . adding 10 cents per drink to existing levels will barely make up for inflation but it will; :
 1. Increase the retail package goods cost of cheap beer, cheap wine, and cheap booze significantly . . . That's the idea ! regular and premium brands increase slightly.
 2. Allow Retail Alaskan bars and restaurants will make money on the excise tax ! A \$3.00 bottle of beer will have it's PC raised by 10 cents the bar will mark it up to another 25cents . They will sell a bit less and make more.
- Your constituents are behind you. The adjustment is long, long overdue, and the only groups fighting with any vigor are the out-of-state liquor industry poltroons, who look at Alaska as a big fat profitable market. We have no quarrel with well regulated Alaskan retail licensees . We probably do not agree with the rate which should be set, but we respect their input . We have no quarrel with the Alaskan lobbyists who represent any of the liquor interests . We have no use at all for any of the unethical influence we see coming from the out-of-state interests. We had "Miss Guinness" here last week representing the poor impoverished United Kingdom brewer/distiller/vintner. . .we understand a barge load of frogs, lizards, and fluffy footed draft horses are en rout from St. Louis to sway your decision.

SALES TAX AUTHORIZATION:

- We have consistently advised the constituency groups we work with to support authorization for the municipalities to collect excise tax . . .(if they choose).
- The original HB 225 had a provision to accomplish this but in the drafting process there was confusion with the Department of revenue. and only a differential sales tax, in the version you have before you.
- Authorization for municipal excise tax collection is legal. There will be a 0 fiscal note attached .
- The excise tax and/or differential sales tax authorization are complex issues which will take a lot of study .
- We would encourage you to pass out the state adjustment, and perhaps make a separate piece of legislation of the sales tax authorization portion until the excise tax authorization can be resolved.

We might all be better served if we started calling this what it is . . .

not a tax, but a cost reimbursement alcohol use fee.

Thank you !



ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the H LJC
Committee on Alcohol Tax Committee Name
Bill / Subject Dated 4-10-01

I am in support of the Alcohol Tax, this would provide a constant source of additional revenue for the State. I would also hope that if this tax passes that a considerable amount of the funds raised would be used to improve treatment services throughout the State. The Fairbanks Native Association treatment programs are in need of additional funding. It is not possible at the current funding levels to provide competitive salaries, training for staff and adequately maintain property.

Thank you.

SIGNED:

Cindy M. Massingill - Backes
Testifier

Fairbanks Native Association
Representing

201 1st Ave, Suite 200, Fbks 99701
Address / Phone Number

452-1648x222



ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the House Labor & Commerce
Committee on HB225 Dated 4-10-01
Committee Name
Bill / Subject

Thank you, Representative Murkowski, for sponsoring HB 225. My name is Annette Freiburger, and I am the Executive Director of Fairbanks Native Association. FNA administers four residential alcohol and drug treatment centers, as well as a long-term residential unit for chronic inebriates. We have the only Detox unit serving a 250,000 square mile area, plus we have instituted an outpatient treatment center.

Our treatment programs have been struggling with flat funding for more than a decade. It is getting more difficult all the time to maintain the expected outcomes with no increases in the budget to cover expenses like cost of living increases. Our staff is burning out at an alarming rate due to overtime and no break in service. We can not afford to be competitive with private organizations that use medical personnel, like we require in our Detox unit, as well as trained, certified treatment staff. Staff turnover is our most critical difficulty.

FNA is in total support of HB225. We believe that the excise tax on alcohol, paid by the people who use alcohol, will relieve some of the budget burdens that the Legislature has to deal with every session. If this tax is collected and redistributed to help support the programs that the abuse of alcohol creates, it would be of great benefit to the people of the State of Alaska. It would be only the users that would be affected. A full 10% of Alaska's population suffer from alcohol dependency - more than twice the national average. Alcohol abuse is Alaska's number one social and public health concern.

The increase is not staggering to anyone except the heavy user. As heard in prior testimony, the majority of alcohol users are not abusers. Therefore, most users will not be heavily impacted. This small amount of money on each drink will have a large economic impact on struggling programs. Running treatment programs is difficult and frustrating, but it is encouraging to know that some of our Legislators are supporting our efforts. Thank you.

SIGNED:

Annette Freiburger
Testifier

Fairbanks Native Assoc.
Representing

201 First Avenue, Ste 200, Fbks AK 99701
Address / Phone Number

907 452-1648 x223



Alaska State Legislature

Please enter into the record my testimony to the House Labor / Commerce Committee committee name
 committee on HB 225 , dated 4/11/2001
 bill/subject

TO LISA & THE LABOR & COMMERCE COMMITTEE

I DON'T SUPPORT YOUR CURRENT BILL
 HB 225. A LOWER TAX INCREASE I WOULD
 SUPPORT IE 50% INCREASE, WITH FUTURE INCREASES
 APPROVED NOW.

ANOTHER CONCERN IS WHY IS ALASKA SPENDING
 SO MUCH OF THE TAXPAYERS MONEY. CAN YOU NOT
 FIND A WAY TO LOWER OUR STATE EXPENSES.

I DON'T BELIEVE THAT THIS TAX SHOULD BE FUNDING
 PROGRAMS THAT THE RECEPIENTS RECEIVE BEUPIS WITHOUT
 PAYING THEIR BURDEN.

Signed: Ray Le Grue RAY LE GRUE

Testifier

HENRYS GREAT ALASKAN REST.

Representing (Optional)

BOX 8050

Address

907-486-353

Phone No



MUNICIPALITY OF ANCHORAGE

Department of Health and Human Services

P.O. Box 196650

Anchorage, Alaska 99519-6650



Date: April 9, 2001
To: Representative Lisa Murkowski and all members of the House Labor and Commerce Committee
Fax #: (907) 465-2293
From: Madeline G. Holdorf, Cultural Family Resource Specialist, SAFE City Program
Phone: (907) 343-4798
Subject: Alcohol Use and Domestic Violence Incidence

Good afternoon respected members of the Alaska House of Representatives.

My name is Madeline G. Holdorf and I am an employee of the Municipality of Anchorage, Department of Health and Human Services, SAFE City Program. My interest here today is to provide the committee with information regarding the well-defined relationship between domestic violence and the presence of alcohol.

In October 2000, the Municipality released a study entitled *Analysis of Police Action and Characteristics of Reported Domestic Violence in Anchorage, Alaska Ten Year Study 1989-1998*. This study analyzed domestic violence reports made to the Anchorage Police Department over a ten-year period. The research team was able to assess police action and characteristics of suspects, victims and the incidents themselves.

I'd like to give you the numbers reflective of the presence of alcohol and arrest factors. The presence of alcohol was found in 47% of all reported cases of domestic violence. The most statistically significant variable in whether an arrest is made is the presence of physical injury to the victim. Arrest action occurred 82.3% of the time when intoxicants were identified.

These figures clearly show the definitive relationship between interpersonal violence, domestic violence and the use of alcohol. Other factors contributing to Anchorage's high numbers of domestic violence may be found in the Analysis under Domestic Violence Study at the Municipal website "muni.org".

Thank you for your attention to this public health and safety issue.



Alaska State Legislature

Please enter into the record my testimony to the Labor & Commerce
 committee name
 committee on HB 225 / alcohol tax, dated April 9, 2001
 bill/subject

I am a member of the Coalition on Alcohol Abuse and Public Safety and have been a member of the board of directors of the Anchorage Chapter of MADD since it was founded 19 years ago. I was the Anchorage Municipal Prosecutor for over ten years (1974-1984) and I have been a family law attorney for 16 years.

Research has shown over many years that a significant increase in the price of alcoholic beverages will decrease alcohol abuse. It has worked in Europe and it has worked in the U.S. and it will work in Alaska. Our society found out long ago that prohibition does not work, but we have also learned that moderation of consumption does reduce the effects of abusive drinking.

My own experience has shown me that most crime is alcohol-related and much family violence, child abuse, child neglect and family dysfunction are alcohol-related.

A major increase in the alcohol excise tax will not only reduce alcohol abuse and its cost to society, but will provide revenue to help fund the resulting costs (from alcohol abuse) in health and public safety sectors. More and better treatment programs can be instituted.

Signed: Allen M. Bailey
 Testifier

Representing (Optional)
310 K Street, Ste. 400, Anchorage
 Address
(907) 272-1488
 Phone No.



Alaska State Legislature

Please enter into the record my testimony to the HLJC
committee name

committee on HB 225, dated _____
bill/subject

TREATMENT PROGRAMS WORK FOR DRINKERS, EVEN
PROBLEM DRINKERS. WE NEED TO INCREASE FUNDING
FOR CURRENT PROGRAMS AND NEW INNOVATIVE PROGRAMS.
I SUPPORT HIGHER TAXES IF THESE FUNDS
WILL BE USED FOR EXPANDED TREATMENT,
THERAPEUTIC COURTS, DIVERSION PROGRAMS, AND OTHER
INITIATIVES."

I DEAL WITH PEOPLE WITH SUBSTANCE ABUSE PROBLEMS
ON A DAILY BASIS & SEE PEOPLE WAITING WEEKS
TO GET INTO PROGRAMS.

P.S. IT IS NOW 5:15 & TESTIMONY STARTED AT 3:15 WITH JUNEAU THEN HUNTER,
THEN NOME & THEN BACK TO JUNEAU, APPROX 25 PEOPLE HAVE
LEFT ANCHORAGE SO FAR, IS THERE SOMETHING REASON WHY
ANCHORAGE WAS IGNORED??

Signed: GEORGE HIERONYMUS
Testifier

BEAN'S CAFE, INC

Representing (Optional)

210057 1341 E. 10TH AVE ANCHORAGE 99501

Address

<907> 274-9595

Phone No.



Alaska State Legislature

Please enter into the record my testimony to the HOUSE LABOR & COMMERCE
 committee name
 committee on HB 225, dated 4/9/01
 bill/subject

MY NAME IS DAVID SMITH, I AM AN ALCOHOLIC & A SUBSTANCE ABUSER. I PERSONALLY KNOW FIRST HAND THE EFFECT OF ALCOHOL ON A FAMILY & THE IMPACT ON MY LIFE THUS FAR. I HAVE HAD MANY ENCOUNTERS WITH ALCOHOL IN MY LIFE & SOME OF THE RESULTS CAN BE DEVASTATING. I CANNOT EXPLAIN THE IMPACT THAT IT HAS HAD ON MY FAMILY DUE TO MY DRINKING. THE CONSEQUENCES & PROBLEMS ARE ENORMOUS, I HAD PROBLEMS WITH THE LAW, FAMILY, IT EVEN AFFECTED MY PRIORITIES. I FOR ONE SUPPORT THIS TAX TO HELP CUT DOWN ON THE DRINKING FOR YOUNG PEOPLE, ALSO TO HELP SUPPORT THOSE IN NEED OF TREATMENT SERVICES TO GET OVER THIS DISEASE WE CALL ALCOHOLISM. THERE IS NOT ENOUGH PAPER IN THE STATE OF ALASKA TO FIT MY

Signed: DAVID W. SMITH
 Testifier

 Representing (Optional)
P.O. Box 9549, EAGLE RIVER 99517
 Address
694-3336
 Phone No.

START IN 5
 I JUST WANT TO SAY THANK YOU ARE DOING A LOT FOR THE YOUTH IN ALASKA.

DAVE



Alaska State Legislature

Please enter into the record my testimony to the House Labor & Commerce
 committee name
 committee on HB 225, dated 4/9/01
 bill/subject

I encourage your support of HB 225.
 In the 12 years I have worked with ^{substance} ~~abusing~~ youth I have seen the negative consequences and devastation alcohol has had on these individuals, their families and the community. These include youth w/ FAS/FAE who can't manage day to day in their school, family & community w/out difficulty; youth who can't return to their homes because of their parents alcoholism; youth spending their childhood ~~to~~ in jails and tx centers as a result of ^{their own} alcoholism; youth dying as a result of DWI, suicide and crime and violence much related to alcohol abuse, and youth who have lost parents and siblings to this #1 public health problem. Please support this bill and help decrease the devastating effects alcohol has on this state.

Signed: James Schaff
 Testifier

Volunteers of America Alaska

Representing (Optional)

441 W. 5th Ave, Ste 301

Address

243 -3594

Phone No.



Alaska State Legislature

Please enter into the record my testimony to the House Labor & Commerce
 committee name
 committee on HB 225, dated 4-9-01
 bill/subject

Please raise the tax! If it stops 1 child
 from drinking or 1 pregnant mother or 1 abusive
 father or 1 potential drunk driver from killing
 your child or spouse. What a better world it will be.
 We certainly can use the money for a myriad
 of TX facilities. We need to slow down this
 problem in any and every way possible!

Signed: Loetta Owens
 Testifier

Representing (Optional)
84322 Ruse Rd, Chugiak, AK 99567
 Address
907-688-5954
 Phone No.



Alaska State Legislature

Please enter into the record my testimony to the labor Commerce
committee name

committee on HB 225, dated 4-9-01

* Executive Director bill/subject

MADD Anchorage Chapter supports HB 225;

* Vice Chair, Community Based Action for a Safer Society (CBASS) within the Anchorage Western Community Policing Center, facilitated a community "townhall" meeting to address DUI/underage drinking issues in Sept. 2000 at East High School. Attended by 127 diverse members of community including underage youth, recovering alcoholics, alcohol treatment professionals and private citizens, the top twelve recommendations from this representative community group included an increase in alcohol tax

* Served on Anchorage Mayors DUI Task Force, while final recommendations from the Task Force were based on consensus, it must be noted that THE MAJORITY VOTE OF TASK FORCE MEMBERS VOTED FOR AN INCREASE IN ALCOHOL TAX.

Signed: Marti Greeson
Testifier

MADD Anchorage Chapter
Representing (Optional)

3000 Arctic Blvd, Box 3, Anchorage, 99503
Address

562-6890
Phone No.



Alaska State Legislature

Please enter into the record my testimony to the Labor & Commerce
 committee name
 committee on HB225 Alcohol Tax, dated 4/9/01
 bill/subject

I'm in favor of alcohol tax increase. With 1/4 to 1/2 BILLION DOLLARS paid to alleviate problem, an additional 10¢ per drink is not going to be significant - to anyone in the liquor industry or a responsible drinker like myself. The money should be put in state coffers and an ^{equal} exact amount should be used to alleviate the problems of alcohol abuse. Treatment does work and it's a good use of public dollars, to help save us all from those who threaten us with their alcohol use. I have an uncle whose sobriety (via treatment) has saved his family. This type of story is repeated again again throughout our society.

We have a #1 problem we should have a #1 tax level and be the state to break the ice on the tax ceiling.

Signed: Bill Herman
 Testifier

SELF

Representing (Optional)
2454 TULIK DR Anch AK 99517

Address
~~243~~ 243-9520

Phone No.



Alaska State Legislature

Please enter into the record my testimony to the Labor & Commerce Finance Rep. Murkowski
committee name

committee on HB #225 , dated 4-9-01
bill/subject

The Alaska Women's Resource Center is a 26 year old agency, working with women who have domestic violence and/or substance abuse issues.

Substance abuse negatively impacts every system in our society. Economically the cost of addiction is staggering. A conservative estimate puts the cost to government alone at \$250 million a year in Alaska. While I'm not saying that alcohol is the cause, it is implicated in 60% of domestic violence reports, 63% of sexual assaults and 83% of child abuse investigations. Over half of the defendants accused of murdering their spouses and almost half of the victims of spousal murders were drinking alcohol at the time of the offense.

Alaska has the highest per capita rates of alcohol consumption in the U.S. - 30% higher than the national average. It also has the highest alcohol related death rate. One in 4 of Ak's children is a child of an alcoholic. Lifetime costs of one FAS infant is \$1.4 million. We ask you to consider this excise tax realizing it won't totally eliminate the above problems, but it may slow down some of the damage done to many helpless & innocent victims in this State.

Signed: Mary Idean, Executive Director

Testifier

Alaska Women's Resource Center

Representing (Optional)

111 W. 9th Ave Anchorage 99501

Address

907-279-6316

Phone No.

Thank you.



Alaska State Legislature

Please enter into the record my testimony to the (H) L & C
committee name

committee on Alcoholic Beverage TAX, dated April 9-01
bill/subject

*Older Persons Action Group favors
this tax increase.*

Signed: *Steph H. Albrecht*
Testifier

Older Persons Action Group OPAG
Representing (Optional)

235 E 3rd Ave Anchorage 99504
Address

907 276 1059
Phone No.

April 11, 2001



Representative Lisa Murkowski
Alaska State Legislature
State Capital (MS 310C)
Juneau, AK 99801-1182

Representative Murkowski,

I am writing this letter in regards to HB 225, addressing the alcohol tax for Alaskans. I work for Akeela Inc. as a prevention coordinator for the Alternative to School Suspension Program.

The ASSP (Alternative to School Suspension Program) is a prevention program based at two different High Schools and two Middle Schools in the Anchorage School District. When a student is caught using drugs or alcohol they are given a ten day suspension and have a choice to buy back five days if they go through the program. The program is very effective in providing the students with educational materials about drugs and alcohol.

Additional funding from the proposed alcohol tax will ensure continuous growth and success of this program.

Sincerely,

A handwritten signature in cursive script that reads "Tina M. Leon-Guerrero".

Tina Marie Leon-Guerrero
Prevention Coordinator
Akeela Incorporated



April 10, 2001

Representative Lisa Murkowski
Alaska State Legislature
State Capital (MS 3100)
Juneau, Alaska 99801-1182

Representative Murkowski,

I write this letter in regards to HB 225, addressing the alcohol tax for Alaskans. I have been a social worker in Alaska for several years and recognize the need or substance abuse prevention across the state. I am currently employed as a prevention coordinator for two family based service programs offered by Akeela Incorporated.

H.A.P.P.Y. (Healthy And Positive Parents and Youth) is a prevention program designed to help youth and their families achieve their goals - ultimately helping them take control of their lives and maximizing their potential. The H.A.P.P.Y. Family Program provides information and referral, outreach and education, as well as case management services. The program provides appropriate information directing families to services that address their needs. Develop plans ensuring each child and his/her family has access to comprehensive services based on needs. The program coordinates with other agencies to provide as many services as possible to benefit each parent and youth.

Strengthening Families Program consists of an integrated system of family training and skill building sessions combined with individual family assessment and referral services as appropriate. The designed curriculum is 14 to 15 weeks long and consists of one session per week. Each session is divided into two parts, the first in which parents and youth work separately on issues relevant to prevention. The second session requires the family to participate in an activity addressing issues relating to building positive family relationships. The curricula is designed to enhance skills for parenting, communications, family strengthening, and boundary setting as well as to provide relevant information on alcohol and other drugs.

These programs are made possible through grant funding from the State of Alaska. Additional funding from the proposed alcohol tax would ensure continuous growth and success of these greatly needed services. As a community, we need to work together to close the gaps in services and promote optimal health for all Alaskans.

Sincerely,

A handwritten signature in cursive script that reads "Paul R. Allis".

Paul R. Allis
Prevention Coordinator
Akeela Incorporated



Alaska State Legislature

Please enter into the record my testimony to the House Labor + Commerce
committee name

committee on _____, dated _____
bill/subject

K+L Distributors is the largest alcoholic beverage distributor in the State of Alaska. We employ over 125 Alaskans. Teamsters, administrative support, sales professionals and management personnel that live and work in our community

- 1) A 300% or 600% increase is shocking. No industry that is represented by so many Alaskans (est 16,000+ jobs) would expect this type of increase to their businesses.
- 2) Alaska is already taxed higher than most other states on beverage alcohol. The reason we have not had an increase since '83 is due to the high rate that was imposed.
- 3) 20¢ a drink is misleading; with normal mark-ups the amount of increase to consumers would be dramatically higher. A case of beer would retail at \$8.00 higher. A \$15.00 case would sell at over \$23.00.
- 4) The beer/soda argument is false; go to Fred Mier today and purchase 24 pepsis for 7.99 on sale; a 24 pack of Budweiser, the #1 seller in the state sells at Safeway on sale for 14.49
- 5) We sell alcohol to over 1200 licensed customers; many of our customers are on C.O.D. over 50%. These are small businesses that in some cases have trouble paying their bill week to week.

Signed: Don Grasse
Testifier

K+L Distributors

Representing (Optional)

6307 Artic Spur

Address

907-345-0124

Phone No.



Alaska State Legislature

Please enter into the record my testimony to the _____ committee name

committee on _____, dated _____ bill/subject

- 6) Anchorage voters have twice recently voted against a moderate alcohol taxes at the retail level
- 7) High BAC and/or repeat offenders will not be deterred by increased cost of alcohol.
- 8) This is a regressive tax and puts a large tax burden on a segment of Alaskans that can least afford it.

Thank you for your consideration in not passing this bill

Signed: Don Grasse
Testifier

Representing (Optional)

Address

Phone No.



Alaska State Legislature

Please enter into the record my testimony to the Labor and Commerce
committee name

committee on HB 225, dated 4/9/2001
bill/subject

As a ^{25 year} ~~business~~ owned Alaska distributor of fine wine and beer with offices in Anchorage, Fairbanks, Sitka and Soldotna we wish to express our ~~opinion~~ objection to HB 225. Although a modest increase of 20-30% would be supported by me and my employees - who are after all, also your constituents, tripling the taxes would have a very serious impact on business. Who else are you trying to triple taxes on at this time? What will be next - a 5 to 10 times increase? Much alcohol consumption is good - in fact is beneficial to good health in moderate amounts. Lets all work together to reduce high risk - drinkers. Is the money now being spent well? Will more money solve the problems or create more bureaucracy? In 2000 reported ^{Alaska} wine sales went down. People are drinking less - and better products.

Signed: Shawn Beck
Testifier

Specialty Imports, Inc
Representing (Optional)

4119 Ingra, Anchorage, Alaska 99503
Address

(907) 563-9100
Phone No.



Alaska State Legislature

Please enter into the record my testimony to the Labor + Commerce
committee name

committee on HB 225, dated 4/9/01
bill/subject

As both a restaurant owner + President of the Alaska Restaurant + Beverage Association I must speak out in opposition to HB225. While no industry likes to be taxed or have it's taxes increased sometimes there can be justification for a reasonable increase. However proposed in HB 225 is by no means reasonable. It should be noted that Alaska's excise taxes are among the highest in the country. Currently in wine Alaska is 15th + beer 10th. The dime a drink proposal would place us 283% above the highest taxed state (FLA) in the nation + 508% above the national average in liquor. 460% above the national average in wine + 591% above the national average in beer (over)

Signed: Jack Amor

Testifier

Mount Bros Cafe / ARBA

Representing (Optional)

627 W 3rd Ave Anch 99501

Address

278-2133

Phone No.



Alaska State Legislature

Please enter into the record my testimony to the HOUSE LABOR & Commerce
committee name

committee on HB 225, dated _____
bill/subject

-unfortunately there are many Alcohol Related Horror stories - But this Bill will not rectify any of these situations.

HB 225 is misleading AS FAR AS what the cost to the Business owner is. I would ASK that you would review it, And ASK industry leaders their opinion And work with us instead of ATTACKING us. We are all for ABUSE prevention, But this is just another "Sin" tax to go into a "General fund" And then how much of this money will go towards these Alcohol Horror stories? thats exactly what happened to the cig. tax

Signed: CYNDI RAMIREZ
Testifier

Representing (Optional)
210 W 16th Ave 99501
Address

276 - 2337
Phone No.



Alaska State Legislature

Please enter into the record my testimony to the Labor & Commerce
 committee name
 committee on HB 225, dated 4/9/01
 bill/subject

I am a bartender in Anchorage. I work very hard for every penny I make. I live from pay check to pay check. I am also a single parent. It is difficult already to pay bills. This tax increase would be 300% across the board it will affect everyone, as dominoes.

I am totally against this tax!
 There are approx. 16,600 employees in the state of Alaska this will affect harshly!
 I also see it will affect the Tourist business, which is greatly related!

Signed: Kathryn Lamb
 Testifier

Bartender, waitress, waiter, barback...
 Representing (Optional)

6530 # 58 Hampstead Dr., Anchorage, AK 99518
 Address

907-349-5190
 Phone No.



Alaska State Legislature

Please enter into the record my testimony to the _____
 committee name
 committee on HB 225, dated 4/9/01
 bill/subject

WE DON'T NEED TO RAISE MORE MONEY
 FOR MORE BUREAUCRACY. UNDER OUR STATE CONSTITUTION
 THESE ADDITIONAL REVENUES CANNOT BE DEDICATED
 FOR A SPECIFIC PURPOSE. THAT MEANS THAT HIGHER
 ALCOHOL TAXES WILL GO INTO THE GENERAL FUND
 WHERE THEY CAN BE - AND WILL LIKELY BE -
 SPENT ON SOMETHING COMPLETELY DIFFERENT.
 WE SHOULD BE PRESSING FOR BUDGET CUTS,
 NOT NEW TAXES.

Signed: Dan R. Heitman
 Testifier

Representing (Optional)
520 IDAHO #2 ANCH AK 99504
 Address
440-4467
 Phone No.



Alaska State Legislature

Please enter into the record my testimony to the House Labor + Commerce
 committee name
 committee on HB 225, dated 4-9-01
 bill/subject

Arguing against an excise tax increase is not my intent. I recognize that 1983 was a long time ago, but we need to recognize that we have relatively high taxes on alcohol in Alaska already. We would need only a 16% increase to tie the highest in the nation on liquor, Florida. We are presently 15th for wine + 10th for beer.

Ten cents a drink does not seem like much but on liquor it would be 283% of the highest in the nation and 508% of the national average.

Wine - it would be 151% of the highest in the nation and 460% of the national average.

Beer - It would be 152% of the highest in the nation and 591% of the national average.

If you add in .10 for the local government you double the above figures

So I believe this is a punitive tax + is supported by the same people who are advocating .08, which will

Signed: Michael W. Gordon (Mike Gordon)
 Testifier

Self
 Representing (Optional)
2207 Sardus Way Anchorage AK 99508
 Address

(907) 247-3374
 Phone No.



Alaska State Legislature

Please enter into the record my testimony to the House Labor & Commerce
committee name

committee on HB 225, dated 4-9-01
bill/subject

also act as a tax upon the industry. But the effects of all of this together and it is hard to believe it is being proposed.

I would be happy to support a reasonable increase but there is nothing reasonable about HB 225.

We all know by now that people are going to drink whether we want them to or not & we need a healthy, viable industry made up of responsible operators who have something to lose.

This bill discriminates against lower income citizens & will take tip income from my employees.

Finally, all we hear about are the costs of alcohol, I do not want to foot my horn but our business contributes thousands upon thousands of dollars every year to all kinds of community organizations & needs that improve the quality of life in the city, and we are not alone.

Signed: Michael W. Gordon (Mike Gordon)
Testifier

Self

Representing (Optional)

2207 Sarbus Way, Anchorage 99508

Address

(907) 277-3374

Phone No.



Alaska State Legislature

Please enter into the record my testimony to the Finance
 committee name
 committee on House Bill 225, dated April 9, 2001
 bill/subject

I do not believe that any industry ~~is~~ doing business in the State of Alaska should be unfairly subject to such an enormous increase in taxes on their goods sold. I would support a reasonable increase in excise tax on liquor, but no one could tell me, with a straight face, that 300% is ~~is~~ close to reasonable.

A small segment of our community has a problem with alcohol abuse. Excessive taxation has never been an effective tool for dealing with society's woes.

Signed: Tom McInerney
 Testifier
Ch. Kent Charles
 Representing (Optional)
12811 Monterey Circle Anch AK 99516
 Address
345 4961
 Phone No.



Alaska State Legislature

Please enter into the record my testimony to the HOUSE LABOR & COMMERCE
 committee on AB 225, dated 4-9-01
 committee name / bill/subject

I don't agree with an increase in taxes, as it will not stop repeat offenders, which is the root of the problem.

Signed: DAVID T. WANSOR
 Testifier

Representing (Optional)
1830 ALOUTIAN ST
 Address
ANCHORAGE AK 99507
 Phone No.
772-4121

John G. Pattee
721 West 4th Avenue
Anchorage AK 99501
Office 907-2772660 / Fax 907-277-2670
Cell 907-529-7676 / E-mail jpatanch@aol.com 4/10/01

Lisa Murkowski
House Labor and Commerce Committee Chair

Re: Written testimony for HB225 (Alcohol Tax)

Dear Madam Chair:

I attended the hearing on HB 225 but had to leave before I could give my testimony therefore I'm writing to you now. I heard your comments yesterday in your opening statement about having the highest per capita of alcohol abusers and the 250,000,000-dollar cost to the state. I would like to comment on that. But first I feel it's important for you and the committee members to understand more about what the Hospitality industry does to support our communities.

First of all the Hospitality industry is very large not only in this state but across the country and the world. In this state it supports thousands of businesses, their employees and their families not all of which sell alcohol. Many of these businesses are support type companies. Hospitality industry members are people who live and work hard for their money to support themselves and their families. They also support their communities. Our industry members attend, support and are personally involved in every aspect of our community such as: Churches, Schools, PTA's, Community Councils, Non-Profits, Charities, Business organizations, government agencies and many, many other organizations that are good for our communities. Our pull-tab sales alone support thousands of charities and non-profits that would not exist without our help. We work with the Community Councils to help solve problems at the grass roots level. We train our employees to be responsible servers of alcohol. We've implemented or are working on implementing many programs that address alcohol abuse drunk driving and even sexual assault. We understand the problems related with alcohol as well or better than anyone and have and will continue to work towards solving them.


I do not believe the Hospitality industry should be punished by this very large tax. I don't believe the money generated would or can be dedicated to alcohol issues. The cigarette tax and tobacco industry settlement money is a good example of that. Ms. Murkowski stated that we are number one per capita in alcohol abuse. Because of the small population and remoteness of our state we are number one in almost any category you chose. We are also number one in ice cream consumption. Ms. Murkowski also mentioned the 250,000,000-dollar cost to the state. I don't have any scientific numbers but I do believe our industry pays for much more of that than has been proclaimed. We pay it by our taxes (personal, property, sales, corporate and other taxes including alcohol taxes). We pay it by our time and efforts involved within our communities to make them

pg 3 of 3

a better place to live and work. We pay it by the tens of millions in charitable donations and sponsorships given to our communities directly or by selling pull-tabs. And we pay it by the local economies the Hospitality industry helps fuel.

Finally lets not just throw money at our problems. Lets come up with some real solutions to solve the problems a small minority of the population is creating without punishing the rest of us or blaming us for a problem our whole society helped created. The Hospitality industries members and their families along with government and other concerned agencies can do if we work together. Please do not pass this tax bill. It will harm many of the people that help make Alaska a great state. Thank you

Sincerely:


John G. Pattee

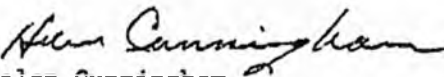
President Avenue Bar/Gaslight Lounge
Vice-President Anchorage CHARR
Board member Downtown Community Council
Board member Anchorage Downtown Partnership

Sitka CHARR
P.O. BOX 777
SITKA, AK 99835

House Bill 225

We are not opposed to a reasonable tax increase on alcohol but a 300% increase is too much. We would like to have the tax increase tied to a long range State financial plan.

We are in support of the Drug Court plan which would give us an idea of what plans and programs are working.


Helen Cunningham
Executive Director - Sitka CHARR

Y

Economic Costs Estimate for Alaska:
Negative Consequences of Alcohol Abuse and Dependence
\$250 Million per Year

The fact that alcohol abuse and dependence is a systemic problem for Alaskans is reflected in the wide variety of impacts on the annual state budget. The Advisory Board on Alcoholism and Drug Abuse has worked diligently to secure the funding required for an update on the most recent study within Alaska, completed in 1989, and to compare national data and norms to the current Alaskan environment. In April 2001 the Advisory Board was able to award a contract for this update. It is made possible by a pair of small grants from the Alaska Mental Health Trust Authority. The project will be conducted by the McDowell Group, one of Alaska's significant authorities on economic impacts, and will be concluded by September 30, 2001.

Where does the \$250 million figure come from?

1. The first comprehensive effort to tie specific costs to public sector services relating to substance abuse was published in January 1977. It was funded by a special grant for implementation of the Uniform Alcoholism and Intoxication Treatment Act. Dennis Kelso, Ph.D., led a team of more than 20 researchers and consultants to produce a five volume report for the Legislature, the Administration, and the public. At that time, the study concluded that the cost to Alaskans was at least \$134,800,000. At the time it was concluded that this was 65% higher than the corresponding national estimate. In 1998 dollars in Alaska this number would be \$356,240,000.
2. The second comprehensive effort was completed in by the Alaska State Office of Alcoholism and Drug Abuse. It consisted to two volumes, one focusing on economic costs and the other on economic impact. This report concluded that the FY85 expenditures came to \$184,829,417 for the public sector and a total of \$278,954,932 lost income, property loss and excess medical costs for all Alaskans. Together, that adds up to \$463,784,349.
3. Because all states were burdened with rising public sector costs related to alcohol and other drug abuse several national studies were commissioned to inform Congress and individual states of these economic impacts. The Economic Costs of Alcohol and Drug Abuse in the United States – 1992 is a major report from the National Institute on Alcohol Abuse and Alcoholism, and the National Institute on Drug Abuse. In its executive summary, the study estimated the cost of alcohol abuse and alcoholism nationally to be \$148 billion.
4. Study authors, The Lewin Group, broke down the burden of these costs this way:
 - Abusers and households \$ 66.8 billion
 - Government \$ 57.2 billion
 - Private insurance \$ 15.1 billion

• Victim losses	<u>\$ 8.9 billion</u>
National total:	\$148.0 billion

In 1995, an update of the data brought the estimate of alcohol abuse and alcoholism costs to \$166.5 billion. A further update of this study in 1998 estimated the cost at \$184.6 billion. Using a national population estimate of 272.8 million for 1998, that is \$676 per U.S. resident. If we applied that per capita cost to Alaska, the result would be \$425.2 million in costs to both the public and private sectors.

In 1997, Americans spent \$94.5 billion on alcoholic beverages and generated \$18.2 billion in Federal, State and local tax revenues. This \$112.7 billion contribution to the national "economic engine" is significantly less than the negative economic impact estimated at \$184.6 billion.

5. Because Alaska's consumption is significantly higher than the national average, we're now #2 down from #1, and Alaska ranks #4 in the nation on the "Alcohol Problem Index" which tracks the scope of negative consequences associated with alcohol abuse and alcoholism, the Advisory Board has been mindful that the true costs to our state and its citizens are higher than the national average. The Advisory Board's goal is to identify how much higher and in what specific areas.
6. The most recent national study, broken down by states, comes from the National Center on Addiction and Substance Abuse at Columbia University. It was released January 29, 2001. The results of this "CASA" study have received wide media attention, both in and out of Alaska. The three-year, state-by-state study titled "Shoveling Up: The Impact of Substance Abuse on State Budgets," found Alaska state spending relating to substance abuse to be \$323,874,300 for FY98. This amounted to \$532 in per capita.

Why do we use the \$250 million number?

Every study indicates that the \$250 million number is significantly lower than the economic impact amount. It is a frightening number, even at \$250 million. Based on an Alaskan population of 629,000, that's \$397 per capita. That's \$135 less per capita than the most recent "CASA" study indicates.

Please stay tuned. By October 2001 our recently commissioned update of actual economic impact on the Alaska state budget will be available for all to review and digest. It would be wonderful to be wrong. It would be wonderful to find that the \$250 million number exaggerates the scope of the problem. Based on the above work by both Alaskan and national experts, this is unlikely to be the result.

Contact: Anne Schultz, Research Analyst
State of Alaska, Advisory Board on Alcoholism and Drug Abuse – (907) 465-8920

Sec. 43.60.010. Alcoholic beverage tax. (a) Every brewer, distiller, bottler, jobber, retailer, wholesaler, or manufacturer who sells alcoholic beverages in the state or who consigns shipments of alcoholic beverages into the state, whether or not the alcoholic beverages are brewed, distilled, bottled, or manufactured in the state, shall pay on all malt beverages (alcoholic content of one percent or more by volume), wines, and hard or distilled alcoholic beverages, the following taxes: (1) malt beverages at the rate of 35 cents a gallon or fraction of a gallon;

(2) wine or other beverages of 21 percent alcohol by volume or less, except cider, at the rate of 85 cents a gallon or fraction of a gallon; and

(3) "Cider," meaning beverages that contain one-half of one percent of alcohol by volume, but not more than seven percent alcohol by volume that are made through the normal alcoholic fermentation of the juice of sound, ripe apples, including, without limitation, flavored, sparkling, or carbonated cider and cider made from pure condensed apple must, at the rate of 35 cents a gallon or fraction of a gallon; and

(4) other beverages having a content of more than 21 percent alcohol by volume at the rate of \$5.60 a gallon.

Resurrection Lutheran Church740 West Tenth Street
Juneau, AK 99801Church Office: 907-586-2380
Fax: 907-586-6225<http://home.gci.net/~rlcluth>e-mail: rlcoffice@alaska.com OR rlcpastor@alaska.comChild Development & Daycare Center
586-4386**HB 225**

State government carries the responsibility of caring for the common good. The abuse of alcohol has and continues to injure, degrade, and destroy families, homes, lives, and society. The use and abuse of alcohol in Alaska is staggering. Family relationships are strained and torn apart through emotional, verbal, and physical abuse. Instead of home being a place of security it can become a setting for family abuse, unthinkable without the abuse of alcohol.

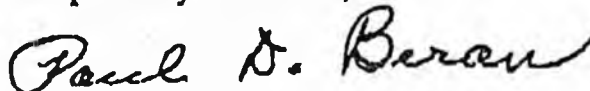
Fetal Alcohol Syndrome is 100% preventable. Yet this result of alcohol use during pregnancy prevents a person, from childhood through adulthood, from ever reaching their God-given potential. This robs society of talents marginalized. Many with FAS are unable to manage life alone and look to the state for assistance. Many are incarcerated because of crimes against society. These are the results of alcohol misuse and abuse. Society is injured and the state is forced to pay resultant costs.

The abuse of alcohol causes untold work-related loss. The abuser is either on the job, but functioning less than their capability or they miss work entirely. Accidents are more common when alcohol is mixed with the workplace.

The present dollars collected by taxes from the alcohol industry and the sale of alcohol are far less than that expended to treat the results of alcohol abuse in Alaska's society. Presently, the state is indirectly subsidizing the alcohol industry. Would the alcohol industry rather have a bill presented to them monthly with all the costs which the state is forced to pay on their behalf? This would be several times the present alcohol taxes received.

I strongly urge you to increase the excise tax by a minimum of 10 cents per drink.

Respectfully submitted,



The Rev. Dr. Paul D. Beran

04-09-01

To: House & Senate

From: Chris Sommer

PO Box 96

Galena, Alaska 99741

656-1382

656-2088 fax

Subj: HB 255

I would like to encourage you to support HB 255 introduced by Senator Lisa Murkowski to increase the alcohol excise tax. In the Yukon-Koyukuk area we have experienced 28 deaths since Oct. 2000. I would say 50% were alcohol related. All of our medivacs are paid for by us and the ones pocketing the money are the liquor stores and bars as 80% of medivacs are alcohol related.

Thank you

Chris Sommer



P.O. Box 8
Galena, AK 99741

RE: HB 255

Dear Alaska State Legislators:

I plead with you to support a reasonable (8-10%) increase of tax on alcohol in this State.

I worked for over 18 years as a social worker with abused children and the elderly in the State of Alaska. Of the thousands of individuals and hundreds of families that I worked with over the course of my career, 96 % of them are victimized in one way or another by alcohol and other drugs. I live in Rural Alaska, Galena to be specific. We have been continually and increasingly more often having to bury young people in our area (an infant and his father a couple months ago, our Search and Rescue coordinator and father of 5 in January, a 27 year old mother of 3 and her 51 year old uncle last week, a 29 year old healthy male this week, etc. etc. etc. all because of the abusive use of alcohol). We don't have a substance abuse program in this area. Of the villages in our area, Galena is the only one with public safety. I've seen an increasing number of children being born alcohol affected and more children than ever negatively affected by their parent's alcohol abuse. There is a rapidly increasing number of young widows left to care for young children because their husbands have been killed as a result of alcohol abuse. I could go on and on; I hope I have made the point that alcohol is killing our young people and every one of us - you and your family included - are devastatingly affected by alcohol abuse. We are a State that drinks too much thus abuses our children, kills one another, beats our spouses and one another, commits suicide, etc. etc.; statistics we aren't proud of.

We have got to make a change. Increasing the alcohol excise tax is a step in the right direction. An increase in cost will decrease consumption. The revenues derived can be used to fight the battle we are in against alcohol and other drugs - like doing prevention and providing much needed treatment. We must quit subsidizing the alcohol industry and start saving the lives of our children. I plead with you to do that.

Sincerely,



Agnes Sweetsir

To: House Labor and Commerce Committee

My name is Alice Johnstone. I fully support HB 225 "An Act relating to municipal taxation of alcoholic beverages and increasing the alcoholic beverage tax rate."

I have lived in Sitka and Alaska for more than 60 years and have seen over these many years the devastating affects of alcohol abuse on my friends and other community members. I'd like to give you some information concerning alcohol use in this state.

Alcohol is the overwhelming drug of choice for Alaskans.

Alaska leads the nation in alcohol abuse.

Alaska has the highest alcohol related death rate - 11.2% compared to 5% nationally.

Alaska has the highest incidence of FAS in the nation and the world. The incidence of FAS in our state is 4 times the national average.

Alcohol is overwhelmingly the drug of choice for Alaskans who practice abusive behaviors.

Alaska's arrest rate for DUI is among the highest in the nation.

Alaska's rate of alcohol-related vehicle fatalities is also one of the highest in the nation.

Alaska has the 2nd highest per capita alcohol consumption in the nation, only recently having dropped from leading the nation in this field.

According to an Associated Press release of April 2 in The Daily Sitka Sentinel, Ms. Kace McDowell, Executive Director of CHARR, laments that this bill will jump Alaska to number 1 in the nation in alcohol taxes.

I feel that it is appropriate that having the dubious distinction of being either at the top or near the top in all these areas of alcohol use that Alaska have also the highest alcohol excise rate in the nation in order that we will have more dollars to address these problems with appropriate prevention and treatment.

I ask you to approve HB 255.

Thank you.

Madam chairwomen and honorable members of the committee, Thank you for this time to testify. My name is Brian Massey and I am from Sitka.. I manage two transitional living facilities. We deal with the chronically alcoholic dependant. I was born in the territory of Alaska and am one of three generations of my family living in this great state. I would encourage you to pass HB225 in its entirety. The people I deal with are the chronic alcoholics. The people I see have been a financial burden on this state in both their social needs, their negative impact on the work force and in many other areas.. The majority have been in state run prisons, have impacted our courts and have also had a negative impact on their family. If you want to know the cost of alcohol to this state just read your local police blotter or count the number of times deaths are alcohol related. I have heard it said that one FAS baby costs society about 1.3 million dollars over its lifetime. I have seen the negative impact of alcohol on my fellow Alaskans and continue to see it on a daily basis. Lost productivity, lost human potential and most off all lost generations from one generation to the next are the price paid by Alaska to the Liquor industry.

This state has been subsidizing the liquor industry by not tying its taxes (user fees) to inflation. This industry has had its hands in the destruction of Alaskan family's and whole villages. It is time for this industry to carry its own weight and be responsible for the destruction left in its wake.

In this state we hold the oil industry responsible for its waste and make them clean it up. We hold other industry responsible for their pollution and make them pay fines. The cruise industry is held accountable when they pollute our waters. About the only industry that is not held accountable for the destruction it causes in this state is the liquor industry. I ask you, as a life long Alaskan to hold this industry accountable for the destruction of it leaves behind it. Make the liquor industry not the state pay for its pollution. I know the voters of this state will appreciate it and reward you for it.

Thank you for your time

April 9, 2001

Dear Representative Murkowski:

I am writing in support of HB225 because I believe it will help many Alaskans. I am a Licensed Professional Counselor, and certified chemical dependency counselor (CDII). I deal with a wide range of clients who are not chronically mentally ill. My clients are your friends and neighbors, the postman, the grocer, your dentist's wife and the pastor's teenage daughter—average folks. Many of these people have serious alcohol problems that have landed them in the hospital, in jail, in debt and out of a job.

Alaska has a massive alcohol problem and we are turning a blind eye to it because of the belief that "those people" choose to be that way. There are tremendous amounts of money spent by lobbyists and the alcohol industry in the glamorization of their profitable product. This message has been fed to us for decades through advertising and the media and we as a culture have internalized it.

We have internalized the message to the point that it is literally the equivalent of brainwashing. We believe in the message that alcohol consumption means good times, sexiness, and "normal people" doing "normal life". We have internalized the message so much that normal people doing normal life turn around one day and realize that they have become one of thousands of "those people" in our state. And, they wonder how it happened to them, they wonder if they "chose" to be this way, and they wonder where to turn.

This bill will help to provide for more places to turn for help. Unfortunately it will not come out of the extraordinarily deep pockets of the liquor companies, but those who use this substance most and are most at risk will be contributing to the facilities that may one day save their lives.

Please support the passage of HB225, Our people need help.

Sincerely,



Anne L. Henry, LPC Annual School of Addictions

CAAPS

Council on Alcohol Abuse & Public Safety, Alaska, Inc.

Box 23007 Juneau, AK 99802 •• (888) 731-3165 toll free •• caaps@alaska.com

Testimony: HB 225

Chairperson Murkowski and other committee members.

My name is Obed Nelson. I am a Lutheran clergyman with 30 years of experience directing alcohol and drug treatment programs. But one of the other hats I wear is as President of the Council on Alcohol Abuse and Public Safety, a grassroots organization of clergy and others concerned about public policy issues involving alcohol.

Last August I flew to Juneau for a meeting with local clergy about the excise tax issue. Prior to the meeting I wanted to check out the local price of beer. Fred Meyer's was selling a 12 pack for \$4.49. In their grocery section a 12 pack of Coke and Pepsi were selling for \$5.99.

There are lots of good reasons to raise alcohol excise tax, and no doubt lots of others will testify to these reasons. But one of the things that CAAPS is most concerned about is young people drinking. And when young people can buy beer that is cheaper than soda or bottled water, then something is really out of kilter.

As a treatment person, I grow weary of seeing young men and women in their 20s who are deeply into trouble with their drinking...and when I ask them how and when they started—most of them started out with older teenagers buying cheap beer for them.

I am very proud of you, Lisa, for sponsoring legislation that begins to put the price of alcohol excise tax—or should I say alcohol users fees--where it should be. We know from national studies that this increase of 10 cents will cut down on the per capita consumption of alcohol. And we are confident that a significant percentage of this reduction will be among our young people.

Alaska leads the nation in alcohol abuse statistics. We surely ought to lead the nation in the imposition of "user's fees" on this deadly drug.

Many clergy members of our coalition have Monday's off so you will not have them participating in great numbers today. But rest assured that members of the CAAPS organization such as Glenn Clary, Rick Benjamin and others will be ready to speak out strongly on this issue as this bill moves its way through the legislative process.

Moving this 10 cent increase along will go a long ways towards taking a very positive step in the multi-faceted and difficult battle against the ravages of alcohol abuse in Alaska. After all, why not let the small minority of the drinkers who abuse alcohol, pay the majority of the tax.

One more thing: This increase will not hurt the local retailer. In spite of the hue and cry you may hear from them on this issue, they will happily pass on the increase by tacking on a bit more for themselves to make up the difference in sales.

Thank you


Obed Nelson, President

Choggiung Ltd.
Dillingham, AK 99576

April 9, 2001

Rep. Lois Murkowski
State Capitol
Juneau, AK

Dear Rep. Murkowski:

As President of a successful Native Corporation, Choggiung Ltd., with shareholders in the Dillingham area, I am very concerned about the continuing health and well-being of the people of my region. It is clear to me and most of the people who live here that the number-one threat to our future is the abuse of alcohol. It is connected with practically every arrest, injury, act of violence, and child-in-need-of-aid case. It is the direct cause of every FAS birth.

I also Chair the Alaska Federation of Natives Planning Committee and we recently did a study on alcohol and some of its abuses and made it one of our priorities to deal with. Alcohol affects people across the state not only those that drink but also people around them.

For these reasons, I totally support your bill to increase the excise tax on alcohol. I support this measure as a way to reduce the use of alcohol among young people. I also support collecting more money from those people who use alcohol, to increase the state's resources to be able to "clean up" the social, health, and legal consequences of that use.

Thank you for your efforts on behalf of Alaska.

Sincerely,



Thomas Tilden, President
Choggiung Ltd.

Memo to: Lisa Murkowski

Through: *Carl* Morgan
From: Marvin Yoder

The City of Galena wishes to support HB 225. The City is particularly in favor of allowing municipalities to set the Sales Tax on Alcohol different from the general Sales Tax Rate.

The City has a different Sales Tax rate in our City Ordinances. However, current State Law does not allow us to enforce that Ordinance. We believe that our community leaders should have the right to decide if this tax makes sense for our community.

For the past ten+ years the State has steadily lowered the amount a municipality gets for Revenue Sharing, increased the amount we pay for State services such as permits and inspections and cut back on the VPSO Program. We are limited in where we can go for additional resources.

The City needed to hire a Police Officer. We were able to hire one through a Federal "COPS" grant for 3 years. That time has expired. We now have to make a decision. Where do we get funds to continue the program? We are willing to get the funds from the item that precipitates most of our police calls, the sale of Alcohol. SO WHY DOES THE STATE FEEL IT NECESSARY TO LIMIT LOCAL CONTROL? Does the Legislature have another solution to Public Safety in the bush?

HB 225 allows the municipality to solve a local problem. WE URGE YOU TO PASS THIS LEGISLATION.

To: House Labor and Commerce Committee

Good afternoon Ladies and Gentlemen. My name is Alice Johnstone. I fully support HB 225 " An Act relating to municipal taxation of alcoholic beverages and increasing the alcoholic beverage tax rate."

I have lived in Sitka and Alaska for more than 60 years and have seen over these many years the devastating affects of alcohol abuse on my friends and other community members. I'd like to give you some information concerning alcohol use in this state.

1. Alcohol is the overwhelming drug of choice for Alaskans.2. Alaska leads the nation in alcohol abuse with 13.8% of the Alaska population affected and only 7.38% nation wide.

3. Alaska has the highest alcohol related death rate - 11.2% compared to 5% nationally.

4. Alaska has the highest incidence of FAS in the nation and in the world. The incidence of FAS in our state is 4 times the national average.

5. Alaska has the 2nd highest per capita alcohol consumption in the nation, only recently having dropped from leading the nation in this field.

6. Alcohol is overwhelmingly the drug of choice for Alaskans who practice abusive behaviors.)

7. Alaska's arrest rate for DUI is among the highest in the nation.

8. Alaska's rate of alcohol-related vehicle fatalities is also one of the highest in the nation.

According to an Associated Press release of April 2 in The Daily Sitka Sentinel, Ms. Kace McDowell Executive Director of CHARR, laments that this bill will jump Alaska to number 1 in the nation in alcohol taxes.

I feel that it is appropriate that having the dubious distinction of being either at the top or near the top in all these areas of alcohol use that Alaska have also the highest alcohol excise rate in the nation in order that we will have more dollars to address these problems with appropriate prevention and treatment.

I ask you to approve HB 225.

Thank you

1.; 3; 4; 5,, Advisory Board on Alcohol and Drug Abuse, Finding the Answers to Tough Questions about Substance Abuse, page 17;

2. ibid, page 9

4; 7,8. ABADA, Alaska's Greatest Hidden Tax . page 4.

6. ABADA, Finding the fit for Effective Service Delivery, page 1



Bristol Bay Area Health Corporation
6000 Kanakanak Road
P.O. Box 120
Dillingham, AK 99576
(907) 842-5201
800-478-3201
FAX (907) 842-9354

Rep. Lisa Murkowski
State Capitol Building
Juneau, Alaska 99801

April 9, 2001

Dear Rep. Murkowski:

Bristol Bay Area Health Corporation is a tribal organization representing 34 villages in Southwest Alaska:

- Aleknagik
- Chignik Bay
- Chignik Lagoon
- Chignik Lake
- Clark's Point
- Dillingham
- Egegik
- Ekuk
- Ekwook
- Goodnews Bay
- Igiugig
- Illamna
- Ivanof Bay
- Kanatak
- King Salmon
- Kokhanak
- Kolliganek
- Levelock
- Manokotak
- Naknek
- New Stuyahok
- Newhalen
- Nondalton
- Olsonville
- Pedro Bay
- Perryville
- Pilot Point
- Platinum
- Port Helden
- Portage Creek
- South Naknek
- Togiak
- Twin Hills
- Ugashik

I would like to commend you for your foresight in presenting HB 225, providing for a tax increase on alcohol.

I know that you are aware of the major role that alcohol abuse plays in virtually every health and social problem in this state -- accident/injury statistics, health status, domestic violence, suicide, broken homes, teen pregnancy -- all would be significantly decreased without the factor of addiction. The number of children born with Fetal Alcohol Syndrome would, of course, drop to zero. We in Bristol Bay recognize the fearsome extent of this problem

We are aware of the studies which show that young people are less likely to become involved in experimentation with alcohol if it is priced out of their range. We are also aware that the state is becoming less willing to pay for "picking up the pieces" in terms of medical, legal, and social costs of alcohol abuse, and hope that revenues acquired through this tax will help to alleviate this burden.

Thank you very much for your efforts on behalf the people of Alaska

Sincerely,

Cristy Willer Tilden
A/DA Program Director

To promote health with competence, a caring attitude & cultural sensitivity



217 Second Street, Suite 200 • Juneau, Alaska 99801 • Tel (907)586-1325, Fax (907)-463-5480

April 9, 2001

Representative Lisa Murkowski
State Capitol
Juneau, AK 99811

Dear Representative Murkowski,

The League Policy Statement supports HB 225 to increase the wholesale tax on alcohol and allow local voters to increase local sales tax on alcohol. Local voters should have an option to allow higher alcohol taxes to provide some level of local tax relief for alcohol related local expenses.

While we do not have a good estimate of direct local expenses for direct alcohol treatment, the costs associated with public safety services are well documented by the State DCED at approximately \$190 million in FY 98 (see calculations below). A very large portion of the public safety workload is directly related to alcohol abuse.

The Alaska Municipal League and the Alaska Conference of Mayors Policy Statement adopted by the full membership in November 2000 states:

Part III Public Safety, Health, and Welfare:

3. Alcohol Issues: The League supports an increase in the alcohol tax at the wholesale level to help fund the inherent cost to the public of alcohol abuse, and the League supports that the resulting tax increase be returned to communities.

Part I Revenue and Finance:

a. State Alcoholic Beverage Wholesale Tax: The League's position is that if the state increases the wholesale tax on alcohol, the increase shall be shared equitably with municipalities for programs that mitigate the impacts of alcohol consumption based on the proportion of local vs. state expenditures for public safety and alcohol treatment.

1. Tax Levying Authority: ... The League supports legislation to remove the prohibition in AS 4.21.010. c. that prevents local voters from approving a special tax on alcohol.

Regarding a local vote, Title 29 (AS 29.45.670) states, "A new sales and use tax or an increase in the rate of levy of a sales tax approved by ordinance does not take effect until ratified by a majority of the voters at an election."

**Estimate of the Percentage of State vs Municipal Direct Public Safety Expenditures
based on FY 98 figures**

Municipal Public Safety Expenditures FY 98

➤ Municipal fire, police, EMS, "other public safety" = \$190.3 million
(FY97 was \$178 million: estimated growth rate is 7.04%) Source: DCED-MRAD from
annual municipal financial reports for latest year recorded - FY 98.

State Public Safety Expenditures FY 98

➤ Dept of Corrections	\$130.3
➤ Dept of Law - Criminal Division	\$14.1
➤ Dept of Public Safety	\$90.5
➤ Courts	\$49.5
➤ TOTAL	\$284.4 million

Source: FY 99 OMB budget report

Ratio of State to Municipal Public Safety Expenditures

Total State+Municipal	= \$474.7	
State to Total	= \$284.4/\$474.7 million	= 60%
Municipal to Total	= \$190.3/\$474.7 million	= 40%

Discussion:

Public Safety is the major category of public service most directly impacted by alcohol abuse. While there are many other public service impacts of alcohol abuse, the highest correlation is in public safety category. (direct alcohol treatment expenditures is a relatively small category and is not listed separately in the MRAD reports. We are working developing these numbers. Per the Dept of Health and Social Services the state awarded \$17.8 million in state and federal funds for alcohol treatment to municipal and non-profit agencies)

Sincerely,



Kevin Ritchie
Executive Director



Safe and Fear-Free Environment, Inc.

Post Office Box 94 Dillingham, Alaska 99576
Office: (907) 842-2320 Fax: (907) 842-2198
24 Hour Toll Free Crisis Line: 1-800-478-2316

SERVICES PROVIDED

9 April 2001

Safe Shelter

Crisis Intervention

Emergency Transportation

24 Hour Crisis Line

Advocacy & Support

Children Services

Medical & Court Accompaniment

Information & Referral

Legal Advocacy

Community Education & Awareness

Presentations & Training

Domestic Violence

Sexual Assault

Child Abuse

Sexual Harassment

Elder Abuse

Parenting

Conflict Resolution

Workplace Safety

"Serving all of Bristol Bay Since 1982"

To Whom It May Concern:

I am writing in support of a measure pending before you to add an excise tax on each alcoholic drink purchased or served in Alaska.

As the Director of a rural crime victim assistance program I am daily witness to the devastating effects of alcohol abuse. As a member of the Advisory Board of the regional Alcohol/Drug Abuse treatment center I am also aware of two pertinent facts. One is that treatment works. The other is that many treatment programs will be reduced and/or eliminated this year due to budget shortfalls.

An excise tax on served beverages would help raise enough revenue to offset a small part of the costs of alcohol abuse and to help treatment programs stay viable. It may also reduce the amount of alcohol consumed and help people moderate their drinking – not a bad outcome given the excessive use of alcohol in many areas of the state.

Our organization operates S.I.S.T.R. (Safety In Sobriety Through Recovery), a program to assist women who are coping with both battering and substance abuse find safe shelter and services for themselves and their children while they are in treatment. The SISTR program is augmented by free evening child care services for mothers and fathers participating in any sobriety supporting activities (support groups, AA meetings, after care treatment, faith related support systems, etc.). The M.O.M.S.S. program (Maintaining our Mothers – Safe & Sober) is funded through a special innovative community grant for FAS/ARBD prevention. Both programs are designed to remove barriers to treatment and to help maintain sobriety in the long term.

The viability of alcohol and substance abuse treatment programs are essential for the ongoing success of innovative and cooperative responses such as what we are doing in Bristol Bay. The excise tax proposed under this measure will go a long way toward helping us reach and maintain our goals of a safer, sober community. I urge your swift and positive consideration of this measure.

Sincerely,

Ginger Baim, Executive Director
Safe & Fear-Free Environment, Inc.

Subject: House Bill 225

Date: Mon, 09 Apr 2001 09:23:23 -0800

From: "Norma Strickland" <normastrickland@hotmail.com>

To: Representative_Lisa_Murkowski@legis.state.ak.us

Dear Representative Murkowski -- I am requesting that this letter be copied and distributed to the full House and Senate.

HB 225 is asking for an increase of ten cents per alcoholic drink served. I am in support of this bill and here are the reasons why:

The Alcohol industry believes that a 400% increase is out of line. I enjoy a glass of wine with my dinner and an Alaskan Ale when I dine on mexican food. Not only would I not have a problem with paying an extra ten cents toward this endeavor, but I would feel even better because I know that my 10 cents could stop someone from taking another drink that would cause them to act irresponsibly. It would also bring a reminder to me that I am paying more so that others won't die. It's a reminder at the time of purchase -- just w r it's necessary to have the reminder. In fact, I would go one step further and say that it would be mandatory for the waitress, the barmaid, the server to remind the buyer that ten cents of his money is going towards educating responsible drinking and driving practices -- again it's a reminder at the moment. This is similar to posting the sign that Alcohol is lethal and can cause problems to the unborn child of a pregnant woman. Why not let people know. We assume they know, but do they really know?

My classmate and good friend, Ladd Macaulay was killed on the highway by a man who was sold liquor while indoxicated and then proceeded to get behind the wheel of his truck and hence, plow into a car on the other side of the highway killing two men and leaving one very seriously damaged. Ten cents could have made a difference in this behavior. It's an educational process. Since Alaska is ranked 2 per capita in the U. S. in alcohol related accidents, isn't it time to find ways to turn this discusting statistic around? As an Alaskan I'm embarassed that we hold this high ranking slot. Let's be leaders and take control of this problem.

The Alcohol industry believes that this will have an impact on their product. If so, perhaps that's not a bad thing. But evidence shows that in 1983 when a 3 cent increase was implemented the business owners MADE money! They increased the tax not by 3 cents but rounded up to the nearest dime, quarter or more. One Juneau bar raised the cost of beer by almost a dollar. Bottom line, people paid it and probably didn't even realize it (especially after the first drink).

The Alcohol industry believes that irresponsible drinking is not their fault and they should not be penalized. The product by it's very nature causes one to become relaxed and for those with the allergy, irresponsible. We're talking about Alcohol right now. There are many products on the market that are not good for us if taken in large doses. We're not addressing those products. Right now, we're addressing Alcohol. Alcohol by it's very nature has the ability to cause irrational thinking, which effects others, not just themselves. I ask you if this is an ethical product to produce? Nevermind, I am not expanding on that issue. I just ask you to think about that. If it was just themselves they were hurting, it could be argued that they must be the ones to bear the responsibility, which I agree they should, but it's not happening is it? They are hurting others not only in auto accidents, but in villages and homes across our State with abusive action to those close to them.

My father, Claude Millsap, started the AA group here in Juneau in 1960. Now, there are many awareness groups in this community that are working diligently with those who are aware they have a problem with alcohol. But life goes on and while AA is an annonymous group, in small communities it is

important that they remain so, and therefore you cannot depend on them to do the educating. They are busy scooping up the mess they've made of their lives and are concentrating on helping one another.

I ask you to think seriously, would you have a problem paying an extra 10 cents each time you ordered a drink? If so, where are your priorities? Are you willing to risk the wrath of the Alcohol industry? Will this be the legislative body that goes down in history in taking a positive step toward a negative problem? It could be your wife, husband, daughter, son or best friend that this bill effects. I urge you to vote YES on HB 225.

Thank you,

Norma Strickland
3151 Pioneer Ave.
Juneau, AK 99801
907-790-4576

Get your FREE download of MSN Explorer at <http://explorer.msn.com>

Subject: HB 225

Date: Mon, 09 Apr 2001 10:39:35 -0800

From: Janice Tower <jtower@alaska.com>

**To: Representative_Lisa_Murkowski@legis.state.ak.us,
Representative_Andrew_Halcro@legis.state.ak.us,
Representative_Pete_Kott@legis.state.ak.us, Representative_Kevin_Meyer@legis.state.ak.us,
representative_norm_rokeberg@legis.state.ak.us**

Dear House Labor and Commerce Committee,

I am writing to express my support to increase the tax on alcoholic beverages. Since alcohol is Alaskans' drug of choice it makes sense that the amelioration of the related consequences of its consumption should be paid for by those who use it. Committee members know that Alaskans are among the heaviest drinkers in the nation and, not surprisingly, Alaskans suffer among the highest alcohol-related health effects in the country (FAS/FAE, alcoholism; mental illness; traumatic death as a result of being drunk).

The Legislature continues to whine about not having enough money to pay for social services--a tax increase on those who use and abuse seems a likely way to solve this particular problem.

Sincerely,

Janice Tower
7645 Griffith Street
Anchorage, AK 99516
(907) 346-1374
jtower@alaska.com

Janice Tower <jtower@alaska.com>

Subject: HB 225

Date: Mon, 9 Apr 2001 11:13:44 -0800

From: "Prinz, Scot" <sprinz@anmc.org>

To: "representative_lisa_murkowski@legis.state.ak.us" <Representative_Lisa_Murkowski@legis.st:

CC: "representative_pete_kott@legis.state.ak.us" <Representative_Pete_Kott@legis.state.ak.us>, "representative_fred_dyson@legis.state.ak.us" <Representative_Fred_Dyson@legis.state.ak.us> "senator_randy_phillips@legis.state.ak.us" <Senator_Randy_Phillips@legis.state.ak.us>

My name is Scot Prinz and I live in Eagle River. I work for the Alaska Native Tribal Health Consortium as the Alcohol and Behavioral Health Consultant for the Tribes, and prior to going to the Consortium, I was the Indian Health Services Alaska Area Alcohol Consultant/Coordinator. It is from my professional experiences that I feel compelled to write in support for an increase in alcohol tax. I am also concerned about the misleading rhetoric and hyperbole currently going around regarding the possibility of increasing the alcohol tax in Alaska.

Though the current proposal would increase the tax by 10 cents (a 400% increase) a drink or bottle of beer, I do not think it is excessive or exorbitant. Infact, 20 cents a drink tax increase would probably be a little more on target, considering what "alcohol" costs us all in a variety of areas such as: direct and indirect medical costs & services, health and property insurance costs, law enforcement, family services, the courts, and jails/prisions. Not to mention the substance abuse prevention and treatment, which are costing about 4 times as much as is currently being collected from tax revenue now.

All told, it appears that the current level of tax is about 20 times less than what is currently needed to cover: substance abuse prevention and treatment, direct and indirect medical costs & services, insurance costs, law enforcement, family services, the courts, and jails/prisions. These costs also don't account for the individual, family or community suffering associated with alcohol misuse and abuse, nor the increasing costs which will be paid by the next generation.

Even if we increase the tax on alcohol by 10 cents a drink (generating an estimated \$60 million total), we will still not have a level playing field, as the cost of alcohol to all residents of Alaska exceeds \$250 million a year.

I support the increase and am only sorry that it is not more.

Scot Prinz
18336 McCrary Road
Eagle River, AK 99577

Subject: HB 225

Date: Mon, 09 Apr 2001 12:06:05 -0800

From: dlrogers@customcpu.com (Rogers, D.L.)

To: <Representative_Lisa_Murkowski@legis.state.ak.us> Representative Murkowski

Dear Representative Murkowski:

I am lending my support to the passage of HB 225. **Please copy this letter and distribute it to the full House and Senate.**

After losing a very dear friend and reading in the newspaper about many others suffering the same fate last year to drunken drivers on our Alaskan roads it is my sincere belief that changes must be accomplished to prevent this insult to society. None of us are safe any longer on the highways of this State due to the apparent failings of all present systems. Drunk drivers are arrested time and time again, allowed to continue driving with the end result that someone innocent dies in a head-on crash. Society smiles at the *town drunk*, frowns at his latest antics but looks away refusing to see the river of tears that flows from those family members that are left to cope over a lost loved one. I believe Alaskans deserve more, demand more and expect more from those we have placed in charge. It is time to not look away, to find no humor in these senseless acts. Solutions and new programs must be invented with better results than those in the past. It is time for those of you that are in responsible positions to enact changes, to create a positive impact and to pass legislation that will make the difference. We can start with this HB 225 and take a small step forward. All it then will take is another small step, another and another, soon we will be at the end of this journey and families can once again be safe upon our highways.

If a small tax increase can be made on the Alcohol Industry which would have such a positive impact on innocent lives by helpful funding of *preventative programs* then how can anyone stand in the way of passage? The Alcohol Industry should embrace the opportunity to help cure this *blight* upon society that they help sponsor. There are no other answers at present time until the automotive industry comes up with the means to have their vehicles shutdown whenever someone with alcohol breath sits behind the wheel and reaches for the gear shift.

Thank you for your time and interest. Bear in mind the worn out battle cry of the anti-gunners: *if it will save one life!* In this case the Alaska House and Senate might just succeed.

Sincerely yours,

David L. Rogers

Voter ID#01029380

David L. Rogers - Anchorage, Alaska

PGP:

RSA Key ID: Ox8C9B5BC7 <dlrogers@customcpu.com>

DSS Key ID: OxFDABA3E8 <dlrogers@customcpu.com>

Subject: YES on HB225

Date: Mon, 9 Apr 2001 12:53:23 -0800

From: "JAHC" <jahc@gci.net>

To: <Representative_Lisa_Murkowski@legis.state.ak.us>

As a person who enjoys a beer on a hot day, or after playing tennis, or a nice glass of wine with dinner--I'm HAPPY to pay an extra 10 cents or 25 cents, or whatever needed to help our state gain resources to offset the terrible price alcohol demands of our social services. Please vote yes on this very moderate, practical piece of legislation!
Sybil Davis, 836 Calhoun Avenue, Juneau, 99801

Date: April 9, 2001
To: Representative Lisa Murkowski
From: Duane S. Udland
Subject: House Bill 225, Alcohol Tax

I want to thank you for having the courage and foresight to introduce HB 225, an act raising the sales tax on alcohol. Even though I recently retired from the Anchorage Police Department as Chief of Police, I still have great interest in legislation that affects public safety. If enacted, HB 225 would help ensure that people, who drink, pay for the costs that alcohol imposes on our society.

Several times during my tenure at the Anchorage Police Department, we had occasion to try and measure the impact of alcohol on police activity. We consistently found that alcohol was a factor in 60 to 70 percent of our total calls for service. At worst, the presence of alcohol is the main cause for many types of crime. At the least, alcohol aggravates the severity of deviant or illegal behavior.

Those who oppose an increase in alcohol taxes will claim that it is unfair to increase the price on those people who do not abuse alcohol. To that argument, I would offer this: Adding 10 cents to the purchase price of a drink is not unfair. If you only have one drink, it only costs one additional dime. If you have ten drinks, you only pay one additional dollar. Let the people who use alcohol the most, be the ones who pay the most.

There is no question that Alaska needs to look for additional revenues to help pay for public safety. An increased alcohol tax is a good start. Please pass on my support for your bill to other committee members.

DRAFT CS FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: Draft CS HB 225
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title: Alcoholic Beverage Tax BRU: Revenue Operations
 Component: Tax Division
 Sponsor: Representative Murkowski
 Requester: House Labor and Commerce Committee Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	63.0	63.0	63.0	63.0	63.0	63.0
Travel	2.5	2.5	2.5	2.5	2.5	2.5
Contractual	3.0	3.0	3.0	3.0	3.0	3.0
Supplies	1.0	1.0	1.0	1.0	1.0	1.0
Equipment	5.0					
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	74.5	69.5	69.5	69.5	69.5	69.5

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (Increase)	22,538-24,178	28,173-30,221	28,173-30,221	28,173-30,221	28,173-30,221	28,173-30,221
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	74.5	69.5	69.5	69.5	69.5	69.5
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	74.5	69.5	69.5	69.5	69.5	69.5

Estimate of any current year (FY2001) cost: _____

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time	1	1	1	1	1	1
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

**** Please see attached bill analysis.**

We used the following to arrive at the revenue estimates above:

- (1) Alcoholic beverage prices are from the 1999 American Chamber of Commerce Research Association survey for Anchorage.
- (2) Price elasticity ranges from 1990 Congressional Office report: "Federal Taxation of Tobacco, Alcoholic Beverages, and Motor Fuels."
- (3) We assume that the tax is completely passed on to the consumer in the form of higher prices.
- (4) We assume that in the first year of implementation, as a result of stockpiling, the revenue increase would be 20 percent less (from our experience with the cigarette tax rate increase).
- (5) We assume that the tax becomes effective on July 1, 2001.
- (6) We did not include any estimates for potential revenue increases to communities.
- (7) We assume that the decrease in consumption occurs as one-time effect and then does not change.

Prepared by: Johanna Bales and Brett Fried
 Division: Tax Division
 Approved by: Larry Persily, Deputy Commissioner
 Agency: Department of Revenue

Phone: 907-269-6628 or 465-3682
 Date/Time: 04/06/2001 10 a.m.
 Date: 04/06/2001

For distribution information, call the Governor's Legislative Office

Department of Revenue raft bill analysis
Draft CS HB 225 - Alcoholic Beverage Tax (April 9, 2001)

Section 1. Municipal sales tax on alcoholic beverages.

This section would remove the existing restrictions on municipal sales taxes on alcoholic beverages.

Section 2. Municipal taxation powers.

This changes AS 29.45.650(a) to conform to the new version of AS 04.21.010(c) as amended in Section 1.

Section 3. Increasing the alcoholic beverage excise tax rate.

Based on experience with the 1997 increase in the tax rate on cigarettes and tobacco products, the department would like to point out the following:

1. There is no provision in this bill to tax existing inventory in the state at the new tax rate. When the cigarette and tobacco products tax rates were increased, a significant amount of stockpiling took place within the state. The department estimates that approximately \$7.1 million in revenue was lost during the first six months of the tax increase due to stockpiling. We believe the same thing could happen if the alcoholic beverage tax rate is increased. If it is the intent of the legislature to tax existing inventory at the new rate, there should be transitional language in the bill requiring a floor stock tax. A floor stock tax is a one-time tax paid by all retailers in the state on existing alcoholic beverage inventory. However, we believe that there would still be some stockpiling by individuals.
2. There is no explicit provision for a person to pay the tax if they import product from outside the state for personal consumption. If it is the intent of the legislature to put the tax burden on the consumer, a provision should be made to make a person primarily liable for the tax if they are the first importer of the product into the state for personal consumption.
3. Based on experience with the tobacco tax increase, the department believes that there will be an incentive to try to avoid the increased state excise tax. As such, the department estimates it would need one full-time Revenue Auditor III (Range 18) to provide additional enforcement.

(prepared by Johanna Bales and Brett Fried, Tax Division)

For the Record, My name is Mary Rosenzweig and I am the Executive Director of the Substance Abuse Directors Association of Alaska.

Our organization supports increasing the excise tax on alcoholic beverages, and we ask you to support it as well. I would like to take this time to give some reasons why we think you should support this, and discuss some of the arguments I've heard people expressing against this tax increase.

Why vote yes? Cost and Prevention.

We have heard that abuse of alcohol has enormous fiscal implications in this State. It costs us at least \$250,000 million a year; and one recently released study places that figure at over \$307 million in just state spending for corrections, education, health, child and family assistance issues and mental health. This doesn't even begin to address additional spending for employers, local public safety, child welfare issues and the enormous social cost that you can't place a dollar figure on for such things as premature deaths and children faced with a life of abuse and/or being sent through the foster care system. This is costing our state plenty and we need to face those costs by recouping some of the money spent, and in my opinion invest those monies wisely in things that we know will reduce consumption and abuse.

We know the increasing the price of alcohol decreases consumption, especially in our most price sensitive group, that being youth.

And price sensitivity aside, raising the price of alcohol makes a policy statement. It says to our youth that this is a product they should not be buying right now. What message are we sending to our youth when a teen pulls into the local Tesoro station and sees a window poster advertising Pepsi products for \$7.99 a case and in the very next window sees Milwaukee's best beer is advertised on sale for \$5.99 a case?

Cost and Prevention are strong reasons to support this bill, but what are some reasons given for voting against this?

Number 1: We don't want Alaska to be on the top of the list for taxing alcoholic beverages. I would argue:

1. First, since the probability of running over to a bordering state to purchase a less taxed product is essentially zero in this state, having higher taxes will not cause people to go get a cheaper product elsewhere.
2. Second, these comparison lists just deal with excise taxes – and not total revenue generated by the state on the sales of alcohol. Most states also impose sales taxes and many states actually own liquor stores and are thus reaping much more in the way of revenues from sales of alcohol than what is presented on excise tax rate lists. Increasing the excise tax on alcoholic beverages by 10/cents per drink would more than likely put us on par with what other states are already collecting – not put us out in front.
3. If we do show up at the top of a "list", good. It says that our state recognizes we have a problem and is willing to do something about it.

Number 2: The vast majority of people who drink do so responsibly – why should they have to pay more to recover the costs of those who are not responsible in their drinking habits?

1. First – All Alaskans are paying now, and dearly. It is estimated that the State spends \$504 per capita on the negative consequences of misuse. State policy that reduces overall consumption, whether it be through prevention, or treatment or increased price will ultimately REDUCE the per capita spending.
2. Second, National data shows that light to moderate drinkers account for nearly half of all alcohol-related unintentional injuries – so while they may not be abusing alcohol, the person who slips and falls because they were slightly intoxicated, or the one who drives home from her cousin's wedding after one too many and has a fender bender is affecting the system in some way.
3. And third – those who drink more pay more. I'm a light drinker. Let me use myself as an example. At 10 cents a drink, 3 drinks a week on average, that amounts to about \$15 dollars extra a year. Not much for me to pay if this action could prevent just ONE FAS diagnosed child at a lifetime cost of \$1.4 million. I am a voter, I am a light drinker, I support this.

Number three: Increased taxes will unfairly penalize Alaskan businessmen, specifically sellers of alcoholic beverages.

1. I would first argue that retailers should not be selling anyway to the most price sensitive group, that being youth, so if sales to that population decline then we should all be supporting it rather than fighting it.
2. Second, responsible retailers recognize that there is a problem and in the words of one of the Brown Jug liquor store owners Ed O'Neill, as quoted in the March 24, Anchorage Daily News

"we are part of the problem, so we want to be part of the solution".

In that same article, Mr. O'Neill sites as a strategy for dealing with the problem of public inebriates eliminating cheap liquor favored by street people. What better way to level the playing field for responsible retailers and those who are not so responsible than to have an across the board increase in the price and not have to worry so much about what your competitors are doing.

And finally, We're targeting a particular industry unfairly.

1. We hear this argument over and over again, whether you're talking about taxes on cruise ships, rental cars, pollution or products such as alcohol, no body would ever stand up and say TAX ME PLEASE.
2. We know that the cost of misuse of this product is enormous – amounting to close to ten percent of our state spending, and yet current revenues generated by the product, about \$13.5 million in fees and taxes, does not even come close to recouping for the state it's losses. With an alcoholism rate at twice the national average, we cannot afford to continue on our current economic path.

The benefits of voting for an increase in the alcohol tax far outweigh the supposed negative consequences, and I would encourage your support for HB 225.

If you have further questions:

Mary Rosenzweig, Executive Director

Substance Abuse Directors Association of Alaska, 4111 Minnesota Drive, Anchorage 99503
(907)770-2927

ALASKA STATE

HOSPITAL & NURSING HOME

ASSOCIATION

April 9, 2001

Representative Lisa Murkowski
Alaska State Legislature
State Capitol Building, Room 406
Juneau, AK 99801-1182

Dear Representative Murkowski:

I am writing in regard to HB 225, Municipal taxation of alcoholic beverages and increasing the alcoholic beverage tax rates.

The Alaska State Hospital and Nursing Home Association is very interested in the passage of this bill. Public inebriates continue to be a real problem for our hospitals...when someone is picked up by the police, they are escorted to the hospital. While one might question that inebriates be taken to the hospital, we must follow the law. The problem comes in with the ability of the municipality to put additional tax on alcohol. Currently, municipalities (with the exception of Juneau which was grandfathered at the time of law) are not allowed to put separate taxes on alcohol. HB 225 would give communities this ability.

If you have questions regarding our position on the bill, please don't hesitate to call.

Sincerely yours,



Laraine L. Derr
President/CEO

DEAR COMMITTEE MEMBERS:

I WRITE IN STRONG SUPPORT OF HB 225 TO INCREASE THE ALCOHOL EXCISE TAX.

LET US BE CLEAR: THIS IS NOT AN ATTEMPT TO "LEGISLATE ABSTINENCE", NOR AN ATTEMPT TO PUT BARS & PACKAGE STORES OUT OF BUSINESS. IT IS PURELY AND SIMPLY A USER FEE. IN THE LOWER 48, PEOPLE WHO DRIVE ON TOLL ROADS PAY FOR THEM.

THE ARGUMENTS OVER PERCENTAGES ARE A "RED HERRING". THE QUESTION IS REALLY QUITE SIMPLE: EITHER THE CONSUMERS CONTRIBUTE TO DEFRAID THE COSTS OF PROBLEMS CAUSED BY ALCOHOL, OR WE WILL ALL PAY ONE WAY OR ANOTHER. THE ONLY DIFFERENCE IS WHETHER WE KNOW IF WE'RE PAYING. THE COSTS WILL NOT GO AWAY.

Mike Backer

4-9-01

To House labor and Commerce Committee

My name is Ray Watson. I was born and raised in Bethel. Work for the Yukon Kuskokwim Health Corp as the Behavioral Health Village Services Director. I strongly support HB 225 as written. Alaska has so many problems with Alcohol abuse. We as people and the state needs to send the right message, that message being overall as Alaskan people we want to do the right thing in addressing the state's alcohol problems ~~that is~~

Raymond Watson



STATE of ALASKA

Bethel Legislative Information Office

PO Box 886
Bethel, Alaska 99559
(907) 543-3541
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Written Testimony
for the
Record:

TCN: 4522

Committee: HL+C

Date: 4/9/01

Bill Number(s): HB 225

Subject(s): _____

Please enter my testimony into the record.

Elizabeth Sunnyby
Testifier's name (s):

myself
Representing (opt.)

PO Box 1568
Address

907-543-6716
Phone

Bethel, Alaska
99559

I, Elizabeth Sunnyboy do support and am for HB 225, because this bill if passed may generate monies for prevention activities and workshops, where we will involve all people in the villages to prevent Domestic Violence, child abuse, Homicides, suicides, drownings etc due to alcoholism and alcohol abuse. It is time that we also get support from liquor stores, brewers, and wholesalers or manufacturers of alcoholic beverages, because it has harmed, hurt and affected too many of our people in the Yukon-Kuskokwim Delta Region.



Alaska State Legislature

Please enter into the record my testimony to the House Labor & Commerce
committee name

committee on Alcohol tax, dated 04-09-01
bill/subject

The alcohol taxes are high enough. The town is dying already, the bars are about the only businesses left - the fisheries are not profitable anymore. No one can make any money here anymore and can't hardly afford to purchase alcohol. I work at three different bars in order to make enough money to survive. As a bartender - we depend on our tips now - if the taxes go up our tips will stop and hours will go down.

Signed: Barbe Wolkoff

Testifier

bartenders

Representing (Optional)

Box 21 Kodiak, AK

Address

907-486-6195

Phone No.



Alaska State Legislature

Please enter into the record my testimony to the House Labor & Commerce
committee name

committee on HB 225: Alcohol Tax, dated 4-09-01
bill/subject

I work in the Liquor Ind.
I feel that the Liq Industry
should not be responsible for
rehab for Drugs also - Perhaps
some of this should be spread
around to some other industries also.
I feel this 600% increase would
be detrimental to many jobs &
probably put me out of work.
I feel this is a preferential tax

Signed:

Karen Loutensack

Testifier

T Omip Bar

Representing (Optional)

Box 1294 Kodiak, AK

Address

Phone No. 907-486-5838



Alaska State Legislature

Please enter into the record my testimony to the House Labor & Commerce
committee name

committee on HB 225- Alcohol Tax, dated 4-09-01
bill/subject

I think that most of the violent crimes that people under the influence of alcohol do - are also because the person needs medication and counseling from a psychiatrist doctor or AP I but most people can not afford help unless they have enough money - Because since Reagan the funding of mental services has been depleted. And a lot of problems concerning violence and criminal activity are because of mental illness, ^{with Alcohol} and not alcohol.

Signed: Wendy Waldheim Wendy Waldheim
Testifier

Tony's Bar
Representing (Optional)

PO Box 574 Kodiak AK 99615
Address

907-487-2978
Phone No.

LEGISLATIVE INFORMATION OFFICE

Email: Ketchikan_LIO@legis.state.ak.us

50 Front St., Suite 203
Ketchikan, Alaska 99901Phone: (907) 225-9675
Fax: (907) 225-8546FROM: AMY SCHROEDER
Box 7072
KETCHIKAN, AK 99901**HB 225 --- Written Testimony**

TO: House Labor and Commerce Committee

Good Afternoon -

My name is Amy Schroeder - I live in Ketchikan and have worked in the hospitality industry for almost 20 years. I have watched the progress that the industry has made over the last 10 years as far as promoting responsible drinking. (I.E. more I.D. information and cab usage.) I've heard a lot of emotional testimony this afternoon and especially regarding the welfare reform blah, blah, blah. Elmer (?) called it a "cliff" that they are approaching as they re-enter the work force - it should be referred to as a "first step up".

I am a single parent who receives neither welfare or Child Support and rely solely on my income. We are the 2nd largest private employer in the state and we all vote, pay taxes and use goods & services in the state.

Also - people need to accept responsibility for their own actions, not us. Thank you. Amy Schroeder

LEGISLATIVE INFORMATION OFFICE

Email: Ketchikan_LIO@legis.state.ak.us

50 Front St., Suite 203
Ketchikan, Alaska 99901Phone: (907) 225-9675
Fax: (907) 225-8546FROM: CARRIE McLAUGHLIN
830 WATER ST
KETCHIKAN, AK 99901**HB 225 --- Written Testimony**

TO: House Labor and Commerce Committee

My name is Carrie McLaughlin and I am representing First City Saloon at 830 Water St Ketchikan AK. I am a single woman who owns, operates, and bartends at my place of business. I have been struggling in business for 11 years. I employ approx. 16 or 18 people and those people range from single working mothers with small children to unemployed loggers. We have lost approx. 3500 jobs in this area in the last couple years with the closure of our pulp mill. My electricity at my bldg. is 3300.⁰⁰ per month. Let alone insurance, mortgage, wages, ect. Our industry should not be singled out to provide revenue for health issues. We have other alternatives such as lottery, reducing PERM funds, electronic gaming. Please don't force me to lay off my employees because people cannot afford to socialize. There are no jobs here available to them. Let's take a harder look at multiple offenders. Yes I would except a reasonable tax raise. This is ridiculous.

Carrie McLaughlin

**THE LAW OFFICE OF COLLEEN A. RAY
1101 W. 7 TH AVENUE
ANCHORAGE, ALASKA 99501
(907) 274-8664 258-6419 fax**

To: All House Labor and Commerce Committee members
Fax:(907) 465-2293

From: Colleen A. Ray

I am writing to strongly support the alcohol tax proposed by Rep. Lisa Murkowski. I have practiced law in the field of child protection for over 20 years. I understand that many individuals believe that they are responsible consumers of alcohol. However, I deal daily with the unspeakable havoc and damage done as the result of the consumption of alcohol. I have worked with 3 generations of people impacted by alcohol in Alaska. I serve on the board of a non profit organization that provides services to the children impacted by a 100% preventable brain damage known as Fetal Alcohol. It is estimated that a child with fetal alcohol syndrome will cost society millions of dollars for support services in their lifetime, not to mention loss of their full potential. The correlation between learning disabilities and juvenile delinquency is extremely high. Fetal alcohol causes learning disabilities. The majority of children in the delinquency system have either been raised in a home where alcohol is abused, were impacted before birth by alcohol and/or are abusing alcohol themselves. Alaska needs to wake up to the devastating impact of alcohol abuse which is and will continue to drain our state of its financial resources, and more importantly, of the full potential of its greatest resource, its people. I have no hesitation to tax the consumer of a product that so many people abuse or become addicted to with so many devastating consequences for that individual as well as society. With the hope that the tax will send a message, deter abuse and distribute the cost of paying for the damage caused by the abuse of alcohol among its consumers, I strongly support the effort to raise the alcohol tax.

Thank you for your time and consideration and a special thanks to Rep. Murkowski for sponsoring this legislation.



Alaska State Legislature

Please enter into the record my testimony to the HL+C
 committee name
 committee on HB# 225, dated 4-9-01
 bill/subject

EVERYONE SHOULD PAY TAXES EQUALLY. RESPONSIBLE DRINKERS ARE NO MORE RESPONSIBLE FOR THE PROBLEMS OF OTHERS OR THE PROBLEMS OTHERS CAUSE THAN NON DRINKERS. WE HAVE NOT CAUSED ANY OF THESE SITUATIONS ANY MORE THAN NON DRINKERS HAVE. WE WILL ALWAYS HAVE IRRESPONSIBLE BEHAVIOR IN OUR SOCIETY WHETHER OR NOT IT BE ALCOHOL, DRUGS (PRESCRIPTION OR NON) LEGAL OR ILLEGAL, OBESITY FROM DRINKING EXCESSIVE AMOUNTS OF OVER PRICED SODA POP & DAIRY PRODUCTS. PLEASE THINK ABOUT IT WE ALL NEED TO BE RESPONSIBLE EVEN THE NON DRINKER.

Signed: Ted W. Anderson Jr. TED W. ANDERSON JR.
 Testifier

Mul-SHOT SALOON & NOBODY'S INN
 Representing (Optional)

P.O. Box 875163 WASILLA, AK. 99687
 Address

(907) 373-7890
 Phone No.



Alaska State Legislature

Please enter into the record my testimony to the HOUSE, LABOR AND COMMERCE
 committee name
 committee on HB 225, dated 4-9-01
 bill/subject

I OPPOSE HB 225. THIS TAX COULD TRIPLE IF ALL FORMS OF GOVT. TAKE A CUT OF THIS TAX. I AM WITH THE AMERICAN LEGION POST 15- PALMER, I WAS IN THE KOREAN WAR - WE DID NOT GO TO WAR TO HAVE TAXATION WITH OUT REPRESENTATION, FREEDOM IS NOT FREE. THE SMALL PERCENTAGE OF PEOPLE WHO CAUSE THIS PROBLEM SHOULD PAY - THE LARGE PERCENTAGE SHOULD NOT HAVE TO PAY. THERE ARE MANY THINGS THAT CAUSE DEATH - TAX THEM ALL OR NONE. I BELIEVE THOSE FOR THIS BILL ARE ASSUMING THESE STATISTICS ARE TRUE BUT IN FACT NOT ACTUAL - BLOTTED BY BUREAUCRACY.

Signed: Burg A. Arnold
 Testifier
AMERICAN LEGION MEMBER
 Representing (Optional)
P.O. Box 214 PALMER, AK. 99645
 Address
(907) 745-2055
 Phone No.



Alaska State Legislature

Please enter into the record my testimony to the HLTC
committee name

committee on HB 225 , dated 4-9-01
bill/subject

I oppose HB-225 for several reasons
(One) you have a provision for municipalities or boroughs to raise the same amount of money. One or the other is plenty. (Two) you have not demonstrated to anyone yet that the cigarette tax went directly for smoking related problems. You should demonstrate where specifically the revenue would go before asking for the money. (Three) the way this tax reads it will be extremely easy for you to raise the tax higher & higher after or if it passes. High prices killed any thought of meeting friends at airports when they fly in - it will do the same for friends who want to meet at cocktail lounges or Resorts. Responsible Drivers

Signed: James V. Fitzley
Testifier

Representing (Optional) Wesilla AK
2750 E. Palmer Wesilla Hwy 99654
Address
(907) 376-6999
Phone No.

Madam chairwomen and honorable members of the committee,
Thank you for this time to testify. My name is Brian Massey and I am from Sitka.. I manage two transitional living facilities. We deal with the chronically alcoholic dependant. I was born in the territory of Alaska and am one of three generations of my family living in this great state. I would encourage you to pass HB225 in its entirety. The people I deal with are the chronic alcoholics. The people I see have been a financial burden on this state in both their social needs, their negative impact on the work force and in many other areas.. The majority have been in state run prisons, have impacted our courts and have also had a negative impact on their family. If you want to know the cost of alcohol to this state just read your local police blotter or count the number of times deaths are alcohol related. I have heard it said that one FAS baby costs society about 1.3 million dollars over its lifetime. I have seen the negative impact of alcohol on my fellow Alaskans and continue to see it on a daily basis. Lost productivity, lost human potential and most off all lost generations from one generation to the next are the price paid by Alaska to the Liquor industry.

This state has been subsidizing the liquor industry by not tying its taxes (user fees) to inflation. This industry has had its hands in the destruction of Alaskan family's and whole villages. It is time for this industry to carry its own weight and be responsible for the destruction left in its wake.

In this state we hold the oil industry responsible for its waste and make them clean it up. We hold other industry responsible for their pollution and make them pay fines. The cruise industry is held accountable when they pollute our waters. About the only industry that is not held accountable for the destruction it causes in this state is the liquor industry. I ask you, as a life long Alaskan to hold this industry accountable for the destruction of it leaves behind it. Make the liquor industry not the state pay for its pollution. I know the voters of this state will appreciate it and reward you for it.

Thank you for your time



Alaska State Legislature

Please enter into the record my testimony to the House Labor & Commerce
 committee name
 committee on HB 225 , dated April 9, 2001
 bill/subject

Testimony follows

Signed: Alice Johnstone
 Testifier

Representing (Optional)
213 Shotgun Alley, Sitka AK 99835
 Address
747-3991
 Phone No.

To: House Labor and Commerce Committee

My name is Alice Johnstone. I fully support HB 225 " An Act relating to municipal taxation of alcoholic beverages and increasing the alcoholic beverage tax rate."

I have lived in Sitka and Alaska for more than 60 years and have seen over these many years the devastating affects of alcohol abuse on my friends and other community members. I'd like to give you some information concerning alcohol use in this state.

Alcohol is the overwhelming drug of choice for Alaskans.

Alaska leads the nation in alcohol abuse.

Alaska has the highest alcohol related death rate - 11.2% compared to 5% nationally.

Alaska has the highest incidence of FAS in the nation and the world. The incidence of FAS in our state is 4 times the national average.

Alcohol is overwhelmingly the drug of choice for Alaskans who practice abusive behaviors.

Alaska's arrest rate for DUI is among the highest in the nation.

Alaska's rate of alcohol-related vehicle fatalities is also one of the highest in the nation.

Alaska has the 2nd highest per capita alcohol consumption in the nation, only recently having dropped from leading the nation in this field.

According to an Associated Press release of April 2 in The Daily Sitka Sentinel, Ms. Kace McDowell, Executive Director of CHARR, laments that this bill will jump Alaska to number 1 in the nation in alcohol taxes.

I feel that it is appropriate that having the dubious distinction of being either at the top or near the top in all these areas of alcohol use that Alaska have also the highest alcohol excise rate in the nation in order that we will have more dollars to address these problems with appropriate prevention and treatment.

I ask you to approve HB 255.

Thank you.

**To: Alaska State Legislature
From: Kevin Murphy, M.A., LPC
President Substance Abuse Director's Association
Deputy Director Gateway Center for Human Services, Ketchikan, Alaska**

April 9, 2000

Please pass the increase in alcohol tax during this session. After this is completed then add much needed increments to the alcohol and drug treatment and prevention budgets. The state of Alaska's budget continues to decrease in the area of substance abuse treatment while the need for treatment continues to increase in the state.

70 % of the people who need treatment cannot afford it. During this legislative session there has been considerable recognition that something must be done to stop or slow down alcohol related legal problems. Treatment must be a part of the solution or the legal problems and costs to the state continue to spiral.

Many people who find recovery state that Consequences plus Treatment were the solution to their continued deterioration. Legal efforts alone will not turn a person with an alcohol or other drug problem back to a productive member of society. After treatment many people became productive members of our state, and they contribute to the state and often help others find recovery. We can treat 9 people in residential treatment for every 1 year that 1 person is incarcerated. Treatment works and it saves the state money.

MISSION OF LOVE FOSTER HOME

Fax Transmittal Form

To LTO

FROM

Name: Rep. Lisa Murkowski
Organization Name/Dept: JIMMAY
CC:
Phone number:
Fax number: 465-2293

Tamara Keech
Phone: 907-332-5757
Fax: 907-332-5757
Email: keechtammy@hotmail.com

- Urgent
- For Review
- Please Comment
- Please Reply

Date sent: 4/09/01
Time sent: 7:45 P.m.
Number of pages including cover page: 5

Message:
HB 225

7715 Port Orford Dr.
Anchorage, AK 99516

Phone: 907-332-5757
Fax: 907-332-5757
Email: keechtammy@hotmail.com

Alcohol is the most significant contributing factor to crime in Alaska. Excessive drinking is associated with child abuse, domestic violence, poor health, and low educational achievement in our state. I am not a drinker but if I were I feel as a consumer I would consider it a privilege to pay the .10 per glass to possibly save one or more children from this lifetime disability.

I am a foster and adoptive parent of children affected by alcohol. Some of their neurological characteristics are:

- ❖ Easily distracted and disorganized.
- ❖ Poor judgment
- ❖ Difficulty with abstract math and money management
- ❖ Difficulty with memory
- ❖ Emotional immaturity
- ❖ Inability to control impulses

Without early identification and early interventions, our children at high risk for secondary disabilities.

- ❖ Mental illness
- ❖ Suspension from school
- ❖ Trouble with the law
- ❖ Victims or perpetrators of sexual abuse
- ❖ Difficulty maintaining employment
- ❖ Difficulty achieving independent living
- ❖ Early or unwanted pregnancies

Many adoptive mothers sacrifice a career to provide their child or children with FAS 24 hr. supervision, nursing therapy, and tutoring, as well as transportation to doctor's appointments with specialists. The cost of the mother's lost salary is estimated to be 750,000, which affects the local economy. Not to mention medical cost, special education and if the child qualifies for supported employment and assisted living; this will cost the taxpayer an additional 1,500,00.00. The lifetime costs could be as much as \$4 million. Who pays for the effects of prenatal exposure to alcohol? Everybody does!

FAS in a nutshell

FAS is the leading known cause of mental retardation

Most individuals with FAS have normal intelligence

FAS causes serious social and behavior problems

Each year in the US 5,000 babies are born with FAS

Ten times as many are born with Alcohol related disorders

No amount of alcohol is known to be safe during pregnancy.

Alcohol causes more damage than any other drug.

FAS and related conditions are 100% preventable.

FAS/E is a lifetime disability. It is not curable. It takes very little alcohol to cause serious damage. Research has shown that even a single exposure to high levels of alcohol can cause significant brain damage to the infant. SO IF YOU are sexually active at all do not drink. On an average, each FAS/E individual costs the taxpayer more than \$4 million in his or her lifetime. (Health problems, sp ed, psychotherapy, counseling, welfare, crime and the justice system)

More than 60% of prisoners are likely affected by alcohol in utero. It costs 120,000yr to house a young offender and punishment does not cure neurological damage. I cannot condemn the ignorance of others, as I was once ignorant myself. However, I do not see a healthy outcome for our state if we continue in this mass ignorance. I am in support of the alcohol tax bill and hope many others will lend their support.

Fetal Alcohol Syndrome



A lifelong sentence

This 4-year-old girl has Fetal Alcohol Syndrome (FAS). As she matures physically, she will stay at the emotional level of a child.

She is not really in jail, she is just posing for a picture. But sadly, her future may hold a reality that is close to this. Because of her neurological disabilities, caused by prenatal exposure to alcohol, she will need structure and support services for the rest of her life. Without early identification and intervention, many children with FAS will end up in jail long before they are adults.

It is estimated that between 50% and 80% of persons in the criminal justice system suffer brain damage due to exposure to alcohol before they were ever born.

Give the next generation the freedom to grow up healthy and independent. Prevent FAS and alcohol related disabilities. Don't drink during pregnancy.

FAS AWARENESS DAY - SEPTEMBER 9, 1999



The TRIUMF Project