



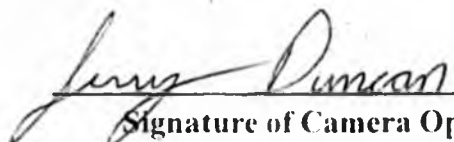
HOUSE LABOR & COMMERCE



# RECORDS CERTIFICATION



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

  
\_\_\_\_\_  
Signature of Camera Operator

11/1/07  
Date

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**HB**

**7**

# STATE OF ALASKA

Department Of Labor and Workforce Development

FRANK H. MURKOWSKI, GOVERNOR

P. O. Box 21149  
Juneau, AK 99802-1149  
Phone: (907)465-2700  
Fax: (907)465-2784

## OFFICE OF THE COMMISSIONER

March 10, 2005

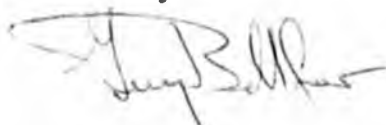
The Honorable Tom Anderson  
Chair, House Labor and Commerce Committee  
State Capitol Room 408  
Juneau, AK 99801-1182

Dear Representative Anderson,

Attached you will find answers to the questions regarding the State Training and Employment Program (STEP) that were asked of the department staff by Representative Norman Rokeberg during your March 7, 2005, House Labor and Commerce Committee meeting regarding House Bill 7, relating to Unemployment Insurance Benefits.

If you need additional information or further assistance, please do not hesitate to contact my office.

Sincerely,



Greg O'Claray  
Commissioner

Enclosures

**Representative Rokeberg's Questions / HB7**  
**Hearing Date March 7, 2005**

**Question 1:** How is the State Training and Employment Program (STEP) Funded?

**Answer:** Funding for STEP comes from employee contributions to the Unemployment Insurance Trust Fund. Currently, STEP amounts to twenty percent of the employee contributions, annually. This funding mechanism was first authorized under Alaska Statute 23.15.630 in 1996.

**Question 2:** What Programs are funded by STEP?

**Answer:** STEP offers competitive grant opportunities to a variety of organizations that are able to provide industry specific, customized employer linked and on-the -job training services that lead directly to employment. These organizations include public and private post-secondary educational institutions, private for profit and non-profit businesses, union and other apprentice-able crafts training trusts, tribal entities, and economic development agencies. STEP also awards grants directly to eligible individuals.

**Question 3:** What is the geographic location of the programs funded by STEP?

**Answer:** See the attached for a summary of Fiscal Year 2004 STEP distributions and geographic information.

**STATE TRAINING AND EMPLOYMENT PROGRAM  
FOR THE PERIOD JULY 1, 2003 - JUNE 30, 2004**

**VENDORS / Spending Experience by Geographic Area**

<b>Grant Recipient, Community</b>	<b>Total Expenditures</b>
Alaska Hospital and Nursing Home Assn, Juneau	\$38,746
Alaska Joint Electrical Apprenticeship, Anchorage/Fairbanks	\$188,645
Alaska Laborers Apprenticeship, Anchorage	\$299,901
Alaska Operators Apprenticeship, Palmer	\$297,735
Alaska Piledrivers and Divers Apprenticeship, Anchorage	\$30,274
Alaska Best Plumbing and Heating, Fairbanks	\$32,186
Alaska Works Partnership, Anchorage	\$47,229
AVTEC Advanced Culinary Arts, Seward	\$40,573
AVTEC No Child Left Behind, Seward	\$52,890
Center for Employment Education (CEE), Anchorage	\$140,653
Central Council Tlingit/Haida Headstart, Juneau	\$77,062
Coastal Villages Seafood (CDQ), Anchorage	\$109,827
Delta Mine Training Center, Delta Junction	\$51,670
Fairbanks Painters, Fairbanks	\$71,052
Galena Aviation, Galena	\$32,647
Galena Hospitality, Galena	\$98,051
MILA, Inc., Anchorage	\$106,277
Northern Industrial Training (NIT), Palmer	\$97,780
Nuniwarmiut Reindeer and Seafood Plant, Mekoryuk	\$57,381
Roofers Apprenticeship, Anchorage	\$52,525
Rural Cap Headstart, Anchorage	\$127,396
UAA Kodiak Campus, Kodiak	\$78,881
UAF Kuskokwim No Child Left Behind, Bethel	\$115,749
UAS Oiler Training Program, Juneau	\$15,901
Wyatt Enterprises - Fairbanks	\$188,016
Yukon Kuskokwim Heath Corporation, Bethel	\$58,435
Yuut Elitnaukviat, Inc., Bethel	\$34,240
<b>Subtotal Job Training Grants</b>	<b>\$2,591,722</b>

**EXPENDITURE DETAIL BY GEOGRAPHIC AREA FOR INDIVIDUAL TRAINING\***

Anchorage	34%	\$246,284
Bristol Bay	0.5%	\$4,261
Fairbanks	19%	\$138,057
Juneau	8%	\$57,310
Ketchikan	4%	\$29,757
Kotzebue	2%	\$12,711
Mat Su Valley	11%	\$82,805
Nome	6%	\$44,600
Kenai Peninsula	11%	\$87,066
Sitka	0.5%	\$4,261
Y/K Delta	4%	\$27,626
<b>Total Individual Training</b>	<b>100%</b>	<b>\$734,738</b>

\* Represents training provided through Individual Training Accounts delivered through the Alaska Job Center Network to STEP eligible participants.



**Average Weekly Earnings in All State Compared to Maximum Weekly  
Unemployment Insurance Benefit Amounts as of January 2004, by Average  
Weekly Earnings**

<u>State</u>	<u>Average Weekly Earnings</u>	<u>Max WBA</u>	<u>Max WBA percentage % of Average Weekly Earnings</u>
District of Columbia	\$1,071.88	\$330.00	30.8%
CN	\$928.40	\$398.00	42.9%
NY	\$907.12	\$405.00	44.6%
NJ	\$887.83	\$490.00	55.2%
MA	\$887.76	\$508.00	57.2%
CA	\$814.85	\$410.00	50.3%
DE	\$785.99	\$309.00	39.3%
IL	\$776.02	\$336.00	43.3%
MD	\$754.51	\$310.00	41.1%
MI	\$753.56	\$362.00	43.0%
WA	\$743.01	\$496.00	66.8%
CO	\$741.42	\$429.00	57.9%
MN	\$739.36	\$478.00	64.7%
VA	\$721.69	\$326.00	45.2%
NH	\$713.18	\$372.00	52.2%
AK	\$706.49	\$248.00	35.1%
PA	\$705.67	\$461.00	65.3%
TX	\$705.25	\$330.00	46.8%
GA	\$695.47	\$300.00	43.1%
RI	\$690.70	\$441.00	63.8%
NV	\$674.56	\$317.00	47.0%
OH	\$670.38	\$323.00	48.2%
AZ	\$667.35	\$205.00	30.7%
OR	\$655.97	\$410.00	62.5%
MO	\$643.67	\$250.00	38.8%
NC	\$640.33	\$416.00	65.0%
WI	\$640.05	\$329.00	51.4%
TN	\$638.02	\$275.00	43.1%
IN	\$637.63	\$348.00	54.6%
FL	\$637.34	\$275.00	43.1%
HI	\$627.95	\$417.00	66.4%
VT	\$610.57	\$359.00	58.8%
AL	\$607.10	\$210.00	34.6%

KY	\$606.94	\$365.00	60.1%
KS	\$598.77	\$351.00	58.6%
UT	\$587.28	\$377.00	64.2%
IA	\$586.42	\$300.00	51.2%
SC	\$585.68	\$285.00	48.7%
LA	\$584.39	\$258.00	44.1%
ME	\$581.31	\$292.00	50.2%
NE	\$578.45	\$280.00	48.4%
WY	\$565.93	\$306.00	54.1%
NM	\$563.53	\$290.00	51.5%
OK	\$557.31	\$275.00	49.3%
WV	\$549.32	\$358.00	65.2%
AR	\$548.38	\$345.00	62.9%
ID	\$543.32	\$320.00	58.9%
ND	\$523.41	\$312.00	59.6%
MS	\$520.98	\$210.00	40.3%
SD	\$512.86	\$248.00	48.4%
MT	\$503.49	\$323.00	64.2%

Source: Highlights of State Unemployment Compensation Laws, January 2004

Prepared by the Alaska Department of Labor and Workforce Development, Employment Security Division, February 2005

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

February 9, 2005

**SUBJECT:** Sectional summary HB 7, (Work Order No. 24-LS0016\A)

**TO:** Representative Harry Crawford  
Attn: Heather Beaty

**FROM:** Barbara R. Craver *BRC*  
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

**Section 1.** This section amends the table which sets the weekly benefit amount for unemployment compensation benefits by adding base period wages up to \$37,750.

**Section 2.** This section, regarding the number of weeks for which a person can receive unemployment benefits, is made applicable to persons eligible under subsection (h) of the same section, which is added by section 3 of this bill.

**Section 3.** New subsections are added to AS 23.20.350 (amount of benefits.)

Subsection (h) provides a mechanism to increase the ceiling for unemployment benefits based on an annual calculation of the average weekly wage.

Subsection (i) provides for the public process for establishing new weekly benefits.

Subsection (j) requires the commissioner of labor and workforce development to notify the governor if the average weekly wage decreases as described.

Subsection (k) sets how the average weekly wage is determined for the year.

**Section 4.** Allows the department to get started on regulations before the act takes effect.

**Section 5.** Makes section 4 effective as soon as the bill is passed.

Representative Harry Crawford  
February 9, 2005  
Page 2

Section 6. Provides an effective date of January 1, 2006.

If I may be of further assistance, please advise.

BRC:med  
05-089.med

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05-089.med

# FISCAL NOTE

**STATE OF ALASKA**  
**2005 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB007-DOLWD-UI-02-11-05  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction):  
 Title: Unemployment Compensation Benefits

Department: Labor and Workforce Development  
 RDU: Employment Security  
 Component: Unemployment Insurance

Sponsor: Representatives Crawford, Guttenberg  
 Requester: House L&C

Component Number: 2276

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2005) cost: None

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This legislation increases the maximum unemployment insurance compensation weekly benefit amount (WBA) from \$248.00 to \$336.00 in calendar year 2006.

In addition, beginning in calendar year 2007 the maximum weekly benefit amount will be recalculated each year.

Costs associated with implementing changes to the WBA will be absorbed through routine resources. There is no fiscal impact to the department as a result of this legislation.

Prepared by: Thomas W. Nelson, Director  
 Division: Employment Security Division  
 Approved by: Greg O'Claray, Commissioner  
 Agency: Department of Labor and Workforce Development

Phone: 465-5933  
 Date/Time: 2/11/05 1:34 PM  
 Date: 2/11/2005

# FISCAL NOTE

**STATE OF ALASKA**  
**2005 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB 7  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: All  
 Title An Act relating to the calculation and RDU Various  
payment of unemployment compensation Component Various  
 Sponsor Crawford, Guttenberg, Gara  
 Requester \_\_\_\_\_ Component No. Various

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services	225.0	470.0	525.0	575.0	625.0	675.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>225.0</b>	<b>470.0</b>	<b>525.0</b>	<b>575.0</b>	<b>625.0</b>	<b>675.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)*	225.0	470.0	525.0	575.0	625.0	675.0
<b>TOTAL</b>	<b>225.0</b>	<b>470.0</b>	<b>525.0</b>	<b>575.0</b>	<b>625.0</b>	<b>675.0</b>

\*The fund source is shown as "other" because it encompasses all funding sources that pay for payroll.

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This legislation has a fiscal impact on the employer charge paid by all state agencies using the working reserves for unemployment insurance. The fiscal note calculations are based on a 3-year average of actual usage reimbursed to the unemployment program (\$3,815,035 in FY 2002 - FY 2004). Fiscal note assumes that 33% of the State's former employees would be eligible for new maximum benefit amount. It excludes the impact of the benefit increase on the University of Alaska.

Fiscal note is prepared as information only, not as support for appropriation. Working reserve rates are calculated annually in August for the next fiscal year's budget preparation. This benefit increase would not affect the FY 2006 rates which have already been factored into the FY 2006 budget, but it would increase the amount the state as an employer reimburses the unemployment program beginning January 1, 2006 (half of FY 2006) and raise budgeted rates beginning in FY 2007.

Prepared by: Kim Garner Phone 465-3435  
 Division: Division of Finance Date/Time 2/17/05 2:06 PM  
 Approved by: Michael Tibbles, Deputy Commissioner Date 2/17/2005  
 Agency: Department of Administration

**Average Weekly Earnings in All State Compared to Maximum Weekly  
Unemployment Insurance Benefit Amounts as of January 2004, by WBA  
percentage of Average Weekly Earnings**

<u>State</u>	<u>Average Weekly Earnings</u>	<u>Max WBA</u>	<u>Max WBA percentage % of Average Weekly Earnings</u>
WA	\$743.01	\$496.00	66.8%
HI	\$627.95	\$417.00	66.4%
PA	\$705.67	\$461.00	65.3%
WV	\$549.32	\$358.00	65.2%
NC	\$640.33	\$416.00	65.0%
MN	\$739.36	\$478.00	64.7%
UT	\$587.28	\$377.00	64.2%
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VT	\$619.57	\$359.00	58.8%
KS	\$598.77	\$351.00	58.6%
CO	\$741.42	\$429.00	57.9%
MA	\$887.76	\$508.00	57.2%
NJ	\$887.83	\$490.00	55.2%
IN	\$637.63	\$348.00	54.6%
WY	\$565.93	\$306.00	54.1%
NH	\$713.18	\$372.00	52.2%
NM	\$563.53	\$290.00	51.5%
WI	\$640.05	\$329.00	51.4%
IA	\$586.42	\$300.00	51.2%
CA	\$814.85	\$410.00	50.3%
ME	\$581.31	\$292.00	50.2%
OK	\$557.31	\$275.00	49.3%
SC	\$585.68	\$285.00	48.7%
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OH	\$670.38	\$323.00	48.2%
MI	\$753.56	\$362.00	48.0%

NV	\$674.56	\$317.00	47.0%
TX	\$705.25	\$330.00	46.8%
VA	\$721.69	\$326.00	45.2%
NY	\$907.12	\$405.00	44.6%
LA	\$584.39	\$258.00	44.1%
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VT	\$785.99	\$309.00	39.3%
RI	\$643.67	\$250.00	38.8%
AK	\$706.49	\$248.00	35.1%
AL	\$607.10	\$210.00	34.6%
District of Columbia	\$1,071.88	\$330.00	30.8%
AZ	\$667.35	\$205.00	30.7%

Source: Highlights of State Unemployment Compensation Laws, January 2004

Prepared by the Alaska Department of Labor and Workforce Development, Employment Security Division, February 2005

**Alaska State Legislature**  
House of Representatives



**Representative Harry Crawford -- District 21**  
**Representative David Guttenberg -- District 8**

---

**SPONSOR STATEMENT FOR HB 7**

House Bill 7 would increase the maximum weekly benefit available through unemployment insurance from \$248 to \$336. Future unemployment benefit amounts would be indexed to Alaska's average weekly wage; adjustments would be automatic and synchronized with the state's economy.

Alaska's economy includes many seasonal industries and current benefits fall short in helping families cover living expenses during periods of unemployment. Alaska's maximum weekly unemployment insurance benefit of \$248, which would only be available to individuals with an annual income exceeding \$38,000, is the fourth lowest in the nation. Increasing the maximum weekly benefit is not only long overdue, it is essential in alleviating skill shortages by ensuring Alaskan workers and their families survive periods of unemployment.

The current maximum weekly benefit amount of \$248 is only 35% of Alaska's average weekly wage, the third lowest state in the country. Other western states provide a much higher percentage of average weekly earnings in their maximum weekly benefit amount: Washington, 67%; Hawaii, 66%; Oregon, 63%; and Idaho, 59%. Using Alaska's average weekly earnings as the basis for calculating future unemployment insurance benefits will not only provide greater flexibility, it will also make certain the benefits accurately reflect the state's economy. The maximum weekly benefit amount would be indexed to the average weekly wage in the state for the preceding fiscal year, and benefits would not exceed 50% of the average weekly wage.

Retaining a well-trained Alaskan workforce is essential for a strong economy. Providing an overdue increase in the weekly benefit amount is necessary to keep Alaska's workers in Alaska. Linking the method for future benefit calculations to average weekly earnings will ensure any changes are in concert with Alaska's economy.

We urge your support of HB 7.

## Questions with Answers regarding Unemployment Insurance Benefit Amounts in Alaska

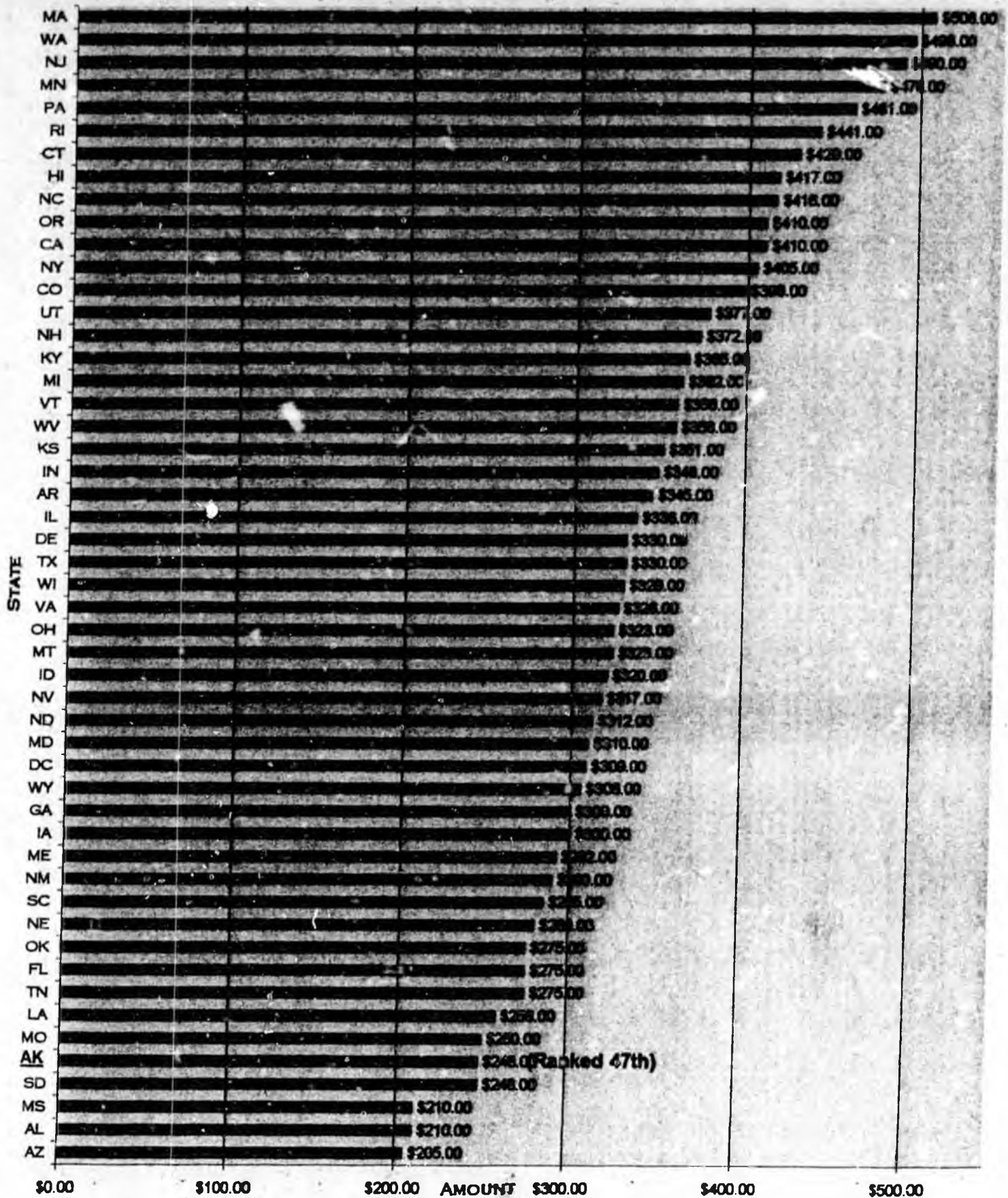
1. What is Alaska's average weekly benefit amount for Unemployment Insurance (UI) with dependents and without?
  - The average weekly UI benefit amount for all claimants, including dependent allowance was \$193.04 for 2003.
  - The average weekly UI benefit amount for claimants without dependent allowance was \$172.67 for 2003
2. What is Alaska's maximum weekly UI benefit amount as a percentage of the average weekly wage?
  - Alaska's maximum weekly UI benefit amount (\$248) as a percentage of the average weekly earnings for 2003 (\$706.49) was 35%.
3. What is the maximum weekly UI benefit amount by state (including DC)?
  - See attached table titled "Maximum Weekly Benefit Amount By State" (Table A)

Note: Data is from January 2004. At this time it is not known if any states had increases to their maximum weekly benefit amount during calendar year 2004.
4. What is the average weekly wage by state (including DC)?
  - See attached table titled "Average Weekly Earnings By State CY 2003" (Table B)

Prepared by Alaska Dept. of Labor & Workforce Development, Employment Security Division, January 25, 2005

# MAXIMUM WEEKLY BENEFIT AMOUNT BY STATE

TABLE A



Note: Data includes 50 states and District of Columbia

Source: Highlights of State Unemployment Compensation Laws, January 2004

Prepared by: Alaska Department of Labor and Workforce Development, Employment Security Division  
Date: January 25, 2005

## Average Weekly Earnings by State Calendar Year 2003

**Table B**

<u>Rank</u>	<u>State</u>	<u>Average Weekly Earnings</u>
1	District of Columbia	\$1,071.88
2	Connecticut	\$928.40
3	New York	\$907.12
4	New Jersey	\$887.83
5	Massachusetts	\$887.76
6	California	\$814.85
7	Delaware	\$785.99
8	Illinois	\$776.02
9	Maryland	\$754.51
10	Michigan	\$753.56
11	Washington	\$743.01
12	Colorado	\$741.42
13	Minnesota	\$739.36
14	Virginia	\$721.69
15	New Hampshire	\$713.18
18	Alaska	\$708.49
17	Pennsylvania	\$705.67
18	Texas	\$705.25
19	Georgia	\$695.47
20	Rhode Island	\$690.70
21	Nevada	\$674.56
22	Ohio	\$670.38
23	Arizona	\$667.35
24	Oregon	\$655.97
25	Missouri	\$643.67
26	North Carolina	\$640.33
27	Wisconsin	\$640.05
28	Tennessee	\$638.02
29	Indiana	\$637.63
30	Florida	\$637.34
31	Hawaii	\$627.95
32	Vermont	\$610.57
33	Alabama	\$607.10
34	Kentucky	\$606.94
35	Kansas	\$598.77
36	Utah	\$587.28
37	Iowa	\$586.42
38	South Carolina	\$585.68
39	Louisiana	\$584.39
40	Maine	\$581.31
41	Nebraska	\$578.45
42	Wyoming	\$565.93
43	New Mexico	\$563.53
44	Oklahoma	\$557.31
45	West Virginia	\$549.32
46	Arkansas	\$548.38
47	Idaho	\$543.32
48	North Dakota	\$523.41
49	Mississippi	\$520.98
50	South Dakota	\$512.86
51	Montana	\$503.49

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section  
 Prepared by: Alaska Department of Labor and Workforce Development, Employment Security Division  
 Date: January 25, 2005

# STATE OF ALASKA

Department Of Labor and Workforce Development

FRANK H. MURKOWSKI, GOVERNOR

P. O. Box 21149  
Juneau, AK 99802-1149  
Phone: (907)465-2700  
Fax: (907)465-2784

## OFFICE OF THE COMMISSIONER

March 1, 2005

The Honorable Tom Anderson  
Chair, House Labor and Commerce Committee  
State Capitol Room 408  
Juneau, Alaska 99801

Dear Representative Anderson,

Attached you will find answers to the questions that were asked of the department staff during your February 23, 2005, House Labor and Commerce Committee meeting regarding House Bill 7 – relating to Unemployment Insurance Benefits.

If you need additional information or further assistance, please do not hesitate to contact my office.

Sincerely,



Greg O'Claray  
Commissioner

**Alaska Department of Labor and Workforce Development Responses to House  
Labor and Commerce Committee Hearing Regarding  
House Bill 7-Unemployment Insurance Benefits-  
February 23, 2005 Hearing**

**Q: What is the mission of the Unemployment Insurance (UI) Program?**

**A:** As authorized in AS 23.20.005 and AS 23.20.010, Alaska's Unemployment Insurance Program is intended to lighten the burden on unemployed individuals and to maintain purchasing power as a factor in stabilizing the economy of the state during periods of high unemployment. Alaska's Unemployment Insurance Program is part of a nationwide employment security program and provides for meeting the requirements of Title III of the Social Security Act and the requirements of 26 U.S.C. 3303 and 3304 (Federal Unemployment Tax Act, Internal Revenue Code).

**Q: What was the time span between when the weekly benefit amount was \$212.00 and when it was raised to \$248.00?**

**A:** The maximum weekly benefit amount was \$212.00 beginning October 1, 1990 until it was raised on January 1, 1997 to \$248.

**Q: What about inflation during this time period?**

**A:** The cost of living in Alaska increased 61.4% between 1984 and 2004, during the same time period Alaska's maximum weekly benefit amount increased by 32%.

See Tables 1, 2 and 3 for detailed history

**Q: What is the percentage of UI claimants that collect the maximum weekly benefit amount?**

**A:** 31% received the maximum weekly benefit amount in calendar year (CY) 2004.

**Q: Is the duration of weeks claimed relative to the weekly benefit amount paid to an individual?**

**A:** The average number of weeks paid during CY 2004 to individuals receiving the maximum weekly benefit amount of \$248 was 11.81.

The average number of weeks paid to individuals receiving the middle weekly benefit amount of \$190 was 12.43. The average number of weeks paid to individuals receiving a relatively low weekly benefit amount of \$94 was 12.49.

**Q: What is the amount of regular UI benefits payments by industry?**

**A:** See Table 4.

**Q: What is the average weekly wage compared to the average weekly benefit amount?**

**A: Alaska Figures:**

In CY 2003 the average weekly wage was \$706.49, while the average weekly benefit amount paid to unemployed individuals was \$193.04. These figures reflect an average wage replacement of 27.3%.

**A: National Figures:**

In CY 2003 the average weekly wage was \$716.44, while the average weekly benefit amount paid to unemployed individuals was \$261.67. These figures reflect an average of wage replacement of 36.5%.

For a comparison of all states average weekly benefits as a percentage of average weekly earnings in CY 2003; see Table 5

The percentage of wage replacement in Alaska drops as the weekly benefit amount increases.

An individual earning \$6,999.00 per year, with an average weekly wage of \$134.60, is eligible for a UI benefit of \$90.00 per week, resulting in a 67% wage replacement.

An individual earning \$19,499.00 per year, with an average weekly wage of \$374.88, is eligible for a UI benefit of \$190.00 per week, resulting in a 51% wage replacement.

An individual earning \$26,699.00 per year, with an average weekly wage of \$514.41, is eligible for a UI benefit of \$248.00 per week, resulting in a 49% wage replacement.

An individual earning \$37,749.00 per year, with an average weekly wage of \$725.95, is eligible for a UI benefit of \$248.00 per week, resulting in a 35% wage replacement.

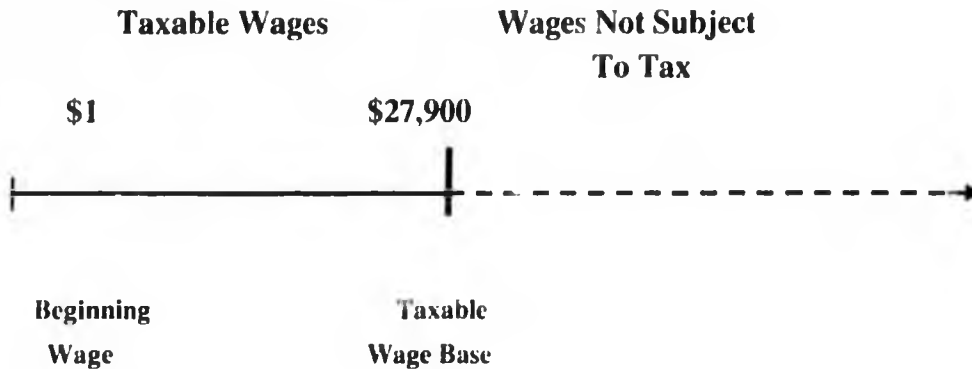
An individual earning \$47,000.00 per year, with an average weekly wage of \$903.85, is eligible for a UI benefit of \$248 per week, resulting in a 28% wage replacement.

**Q: What is the cost to employers if the maximum weekly benefit amount is raised to \$336?**

**A:** The estimated maximum increased cost to employers with an average tax rate would be \$64 per employee, per year.

See Table 6 for detailed tax increase estimates.

The amount of each worker's wage subject to UI taxation is called the taxable wage base. The taxable wage base is defined as 75 percent of the statewide average annual earnings of workers covered by the UI program. The Alaska taxable wage base for 2005 is \$27,900.



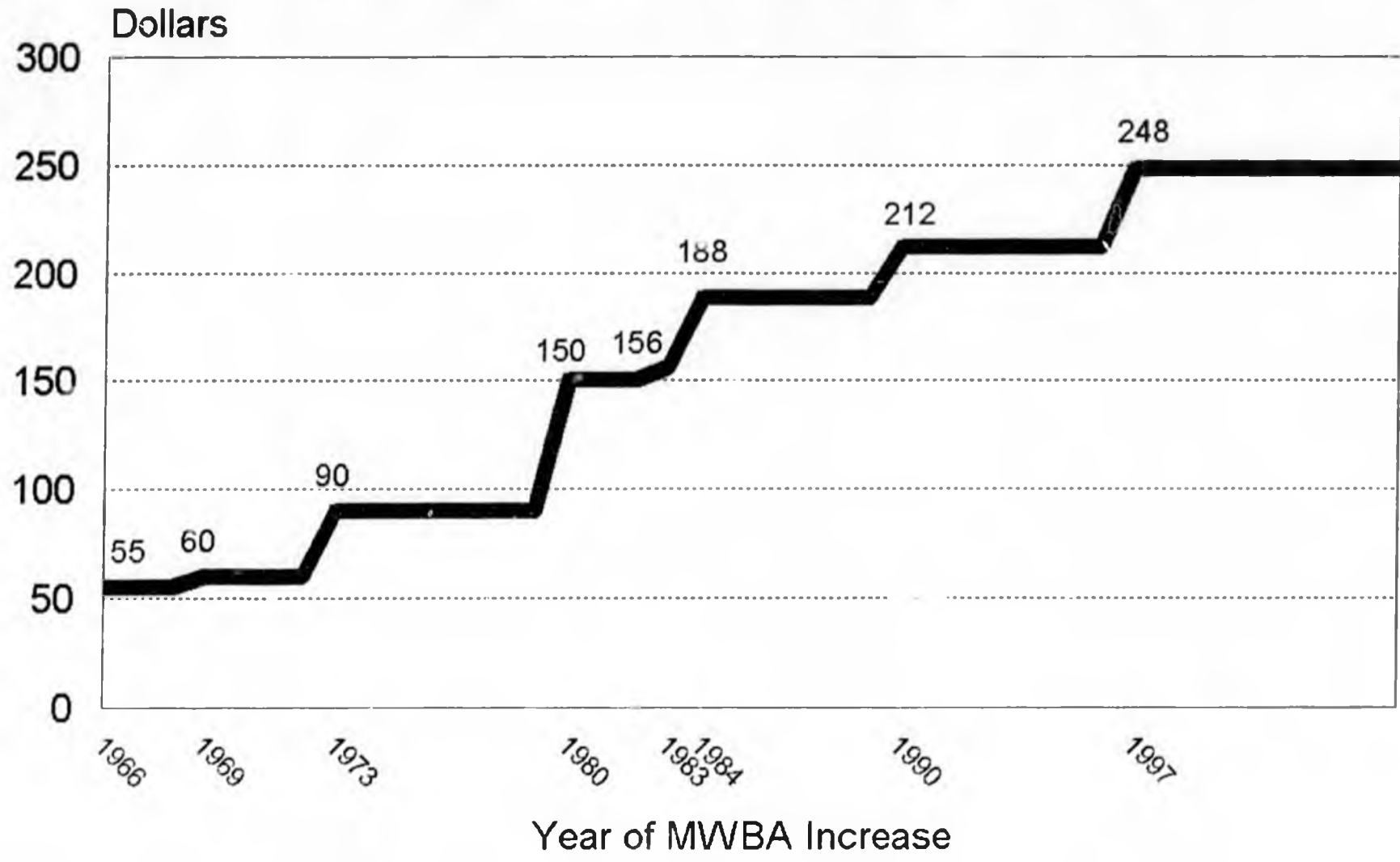
- The highest tax (excluding the penalty rate) on an employee's salary of \$25,000 per year would be \$930.
- The average tax for the same salary would be \$582.50 per year.
- An employer paying the lowest tax rate would pay \$250 per year.

**Q: What is the history of tax rates over the past 20 years?**

**A:** See Table 7

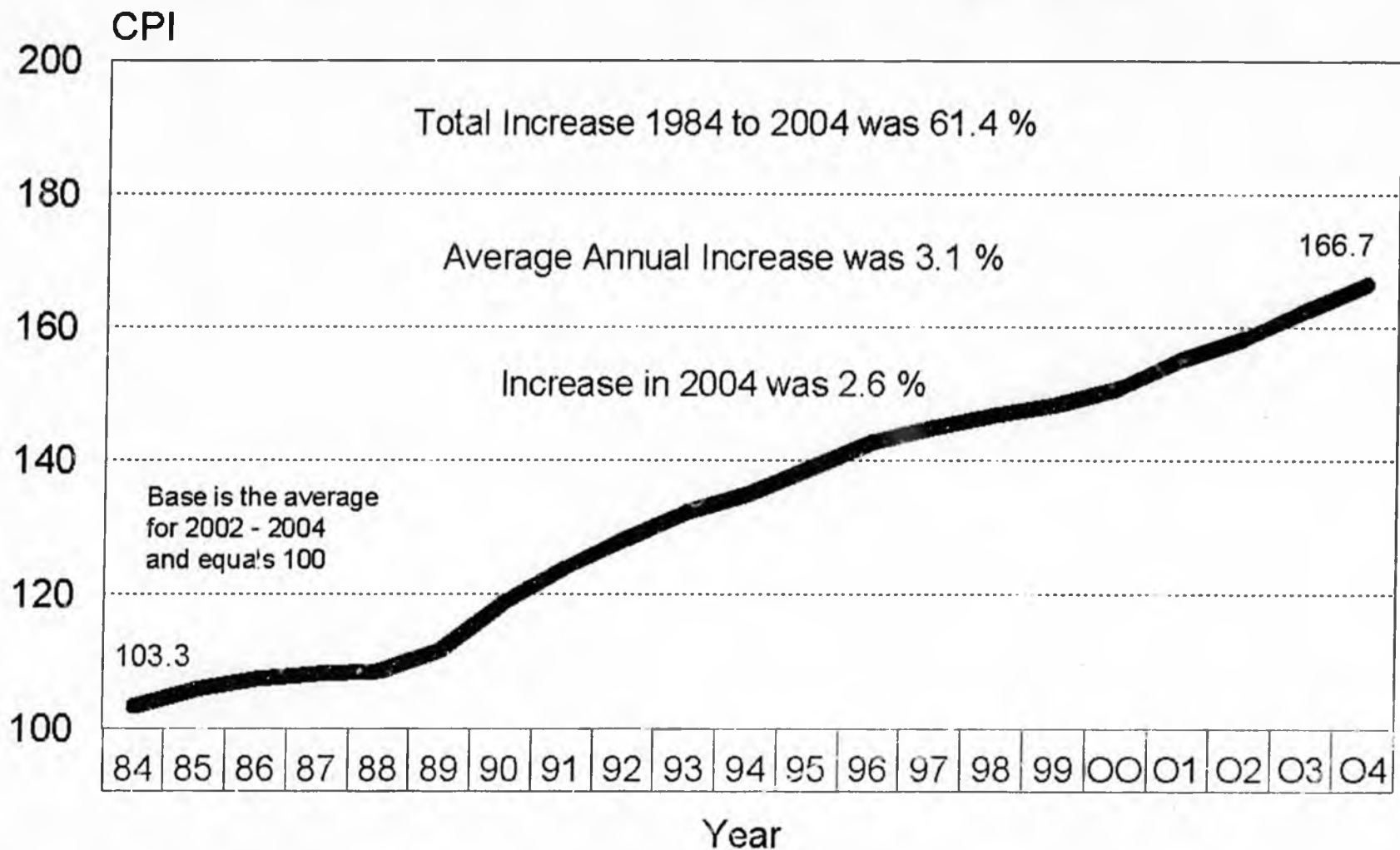
# Table 1

## U.I. Maximum Weekly Benefit Amount History from 1966 to 2005



Source: Alaska Department of Labor & Workforce Development Feb. 28, 2005

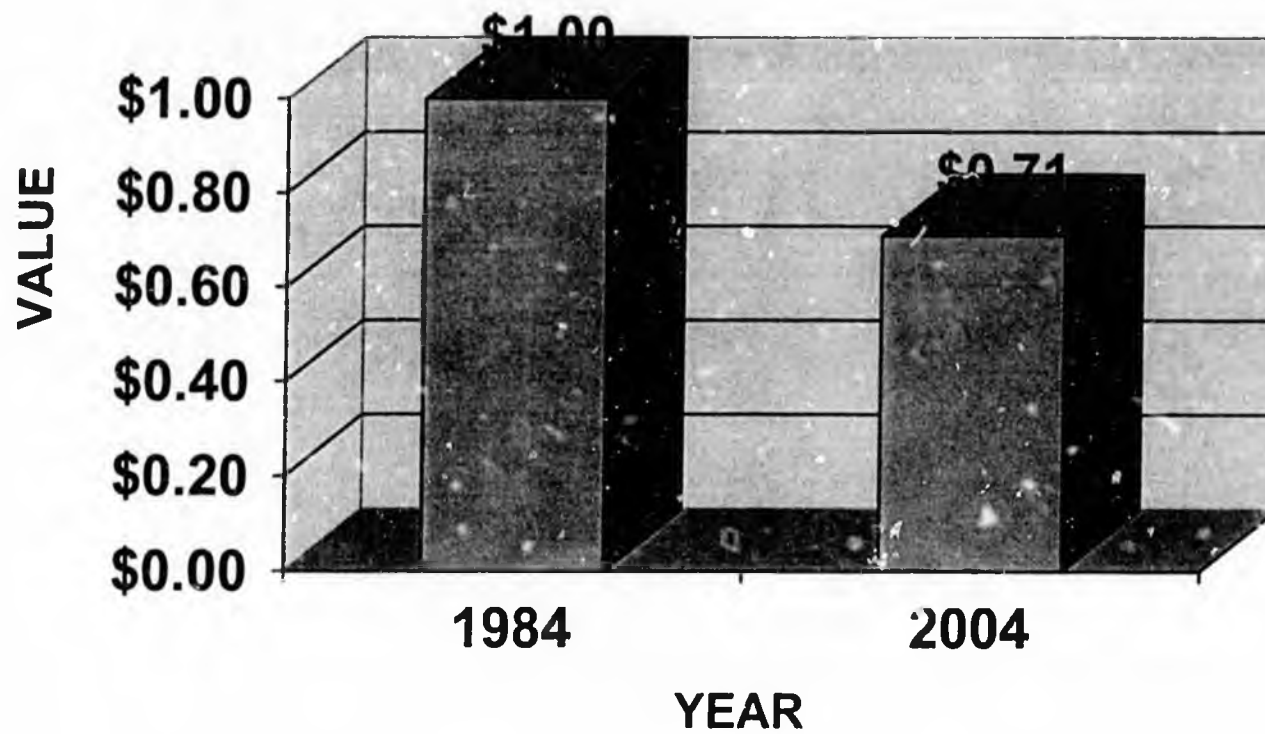
## Table 2 Growth of the Anchorage CPI-U Alaska's Cost of Living Index



Prepared by: Alaska Department of Labor & Workforce Development  
Source: US Department of Labor, Bureau of Labor Statistics

Rev. Feb. 28, 2005

**Table 3 - The Purchasing Power of One  
Unemployment Insurance Dollar**



**Table 4**  
**UI Regular Benefit Payments (Taxable and Reimbursable)**  
**by Industry - Intrastate & Interstate Total, 2004**

<b>Industry</b>	<b>Benefits Paid</b>
Agri, Forestry, Fish & Hunt	\$1,724,135
Mining	7,440,978
Utilities	714,617
Construction	22,351,487
Manufacturing	13,999,656
Wholesale Trade	2,246,594
Retail Trade	12,219,039
Transportation & Warehouse	8,839,046
Information	1,842,206
Fiance & Insurance	2,968,727
Real Estate, Rentals & Leasing	2,689,402
Prof & Tech Services	3,578,003
Mgmt of Companies	77,402
Admin & Waste Services	5,369,975
Educational Services	3,735,049
Health Care & Social Assistance	9,532,509
Arts, Entertainment & Recreation	1,190,154
Accommodations & Food Services	9,515,780
Other Services, except PA	4,622,915
Public Administration	11,851,103
Unclassified	1,451,926
<b>Totals (incl. unclass.)</b>	<b>\$127,960,703</b>

**Table 5**  
**Average Weekly Benefits (Regular UI) as a Percentage of**  
**Average Weekly Earnings (Covered Employment), 2003**

State	(\$) Benefit Amount	Rank	(\$) Weekly Earnings	Rank	AWBA as % of Earnings	Rank
Alabama	175.84	49	607.10	33	29.0	48
<b>ALASKA</b>	<b>193.04</b>	<b>43</b>	<b>706.49</b>	<b>16</b>	<b>27.3</b>	<b>49</b>
Arizona	173.26	51	667.35	23	26.0	50
Arkansas	228.90	36	548.38	46	41.7	12
California	246.37	28	814.85	6	30.2	45
Colorado	307.68	7	741.42	12	41.5	13
Connecticut	286.19	10	928.40	2	30.8	44
Delaware	235.46	32	785.99	7	30.0	46
Dist. of Columbia	258.43	21	1071.88	1	24.1	51
Florida	225.02	37	637.34	30	35.3	36
Georgia	243.43	29	695.47	19	35.0	38
Hawaii	312.21	5	627.95	31	49.7	1
Idaho	231.77	33	543.32	47	42.7	8
Illinois	280.94	11	776.02	8	36.2	34
Indiana	263.44	16	637.63	29	41.3	15
Iowa	260.12	18	586.42	37	44.4	5
Kansas	275.99	13	598.77	35	46.1	2
Kentucky	249.62	27	606.94	34	41.1	17
Louisiana	194.93	47	584.39	39	33.4	40
Maine	231.13	34	581.31	40	39.8	22
Maryland	252.14	24	754.51	9	33.4	39
Massachusetts	356.58	1	887.76	5	40.2	19
Michigan	290.52	9	753.56	10	38.6	26
Minnesota	322.15	4	739.36	13	43.6	7
Mississippi	173.43	50	520.98	49	33.3	41
Missouri	205.62	44	643.67	25	31.9	43
Montana	201.91	46	503.49	51	40.1	20
Nebraska	216.16	40	570.45	41	37.4	31
Nevada	236.29	31	674.56	21	35.0	37
New Hampshire	258.60	19	713.18	15	36.3	33
New Jersey	333.67	2	887.83	4	37.6	29
New Mexico	210.63	41	563.53	43	37.4	30
New York	271.55	14	907.12	3	29.9	47
North Carolina	258.33	22	640.33	26	40.3	18
North Dakota	222.30	38	523.41	48	42.5	9
Ohio	252.04	25	670.38	22	37.6	28
Oklahoma	229.45	35	557.31	44	41.2	16
Oregon	258.45	20	655.97	24	39.4	23
Pennsylvania	291.84	8	705.67	17	41.4	14
Rhode Island	398.78	6	690.70	20	44.7	4
South Carolina	210.05	43	585.68	38	35.9	35
South Dakota	201.96	45	512.86	50	39.4	24
Tennessee	210.24	42	638.02	28	33.0	42
Texas	260.80	17	705.25	18	37.0	32
Utah	269.38	15	587.28	36	45.9	3
Vermont	255.08	23	610.57	32	41.8	11
Virginia	276.09	12	721.69	14	38.3	27
Washington	324.40	3	743.01	11	43.7	6
West Virginia	219.87	39	549.32	45	40.0	21
Wisconsin	251.69	26	640.05	27	39.3	25
Wyoming	238.07	30	565.93	42	42.1	10
United States	261.67		716.44		36.5	

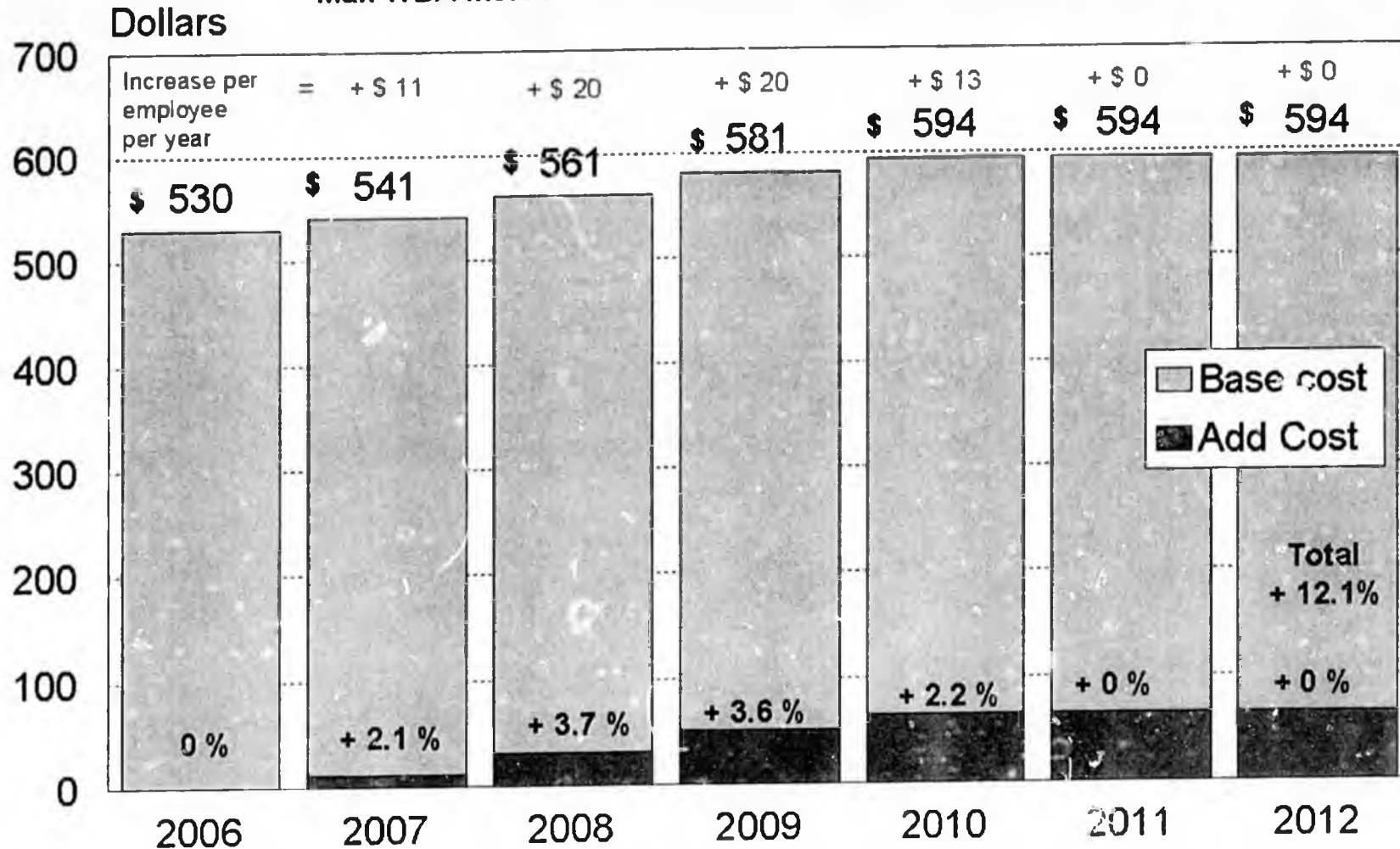
Note: U.S. Data Include Puerto Rico and the Virgin Islands.

Sources: Alaska Department of Labor and Workforce Development      Feb. 28, 2005

## Table 6

### Estimated Max Cost per Worker for Average Employer (4 years to reach cost of the proposal)

Max WBA Increases from 248 to 336 effective Jan 01 2006

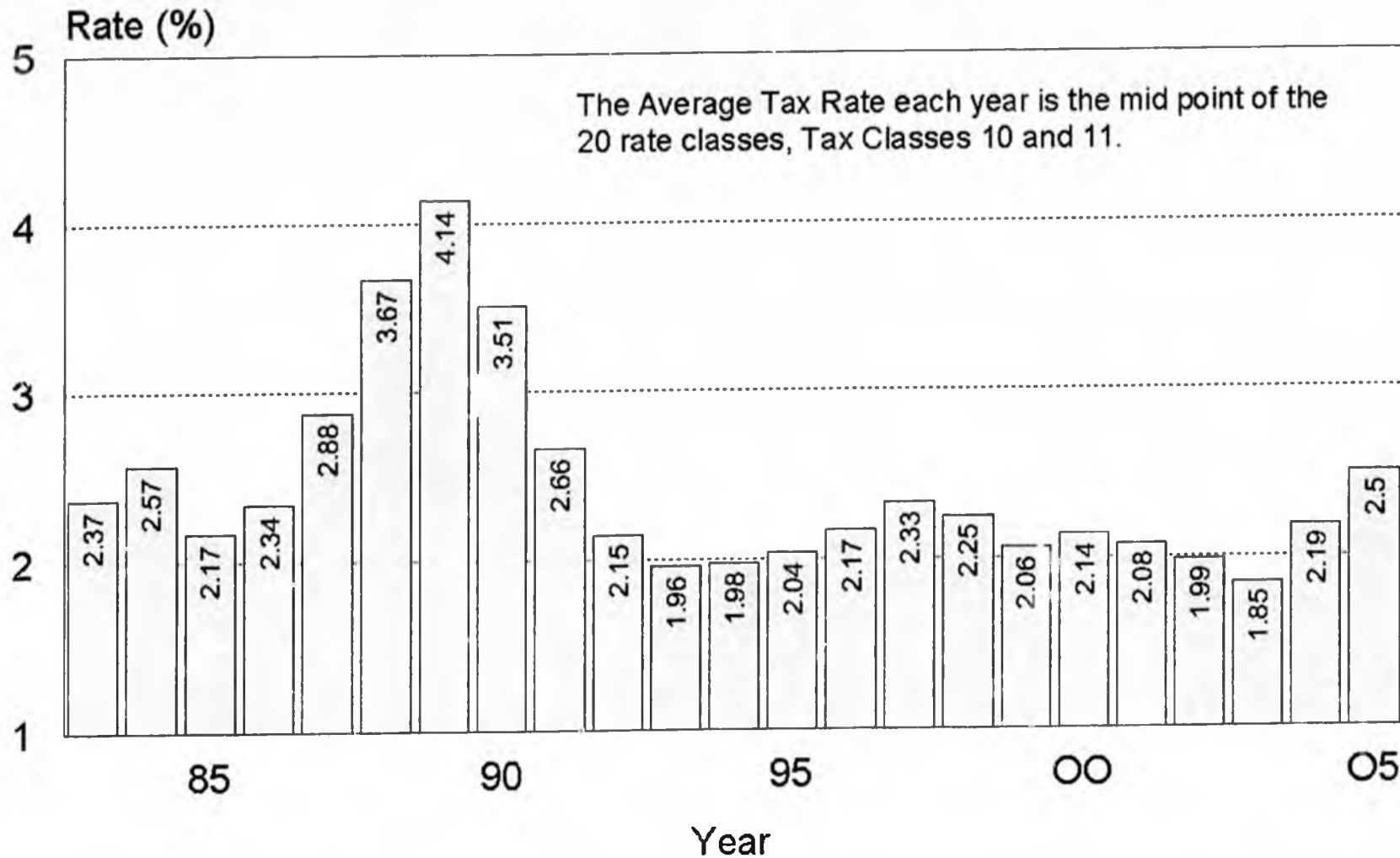


Note: Average Employer = Tax Classes 10 & 11

Source: Alaska Department of Labor & Workforce Development

Rev Feb. 28, 2005

# Table 7 Alaska UI Average Tax Rates from 1983 to the Present



Source: Alaska Department of Labor & Workforce Development Feb. 28, 2005

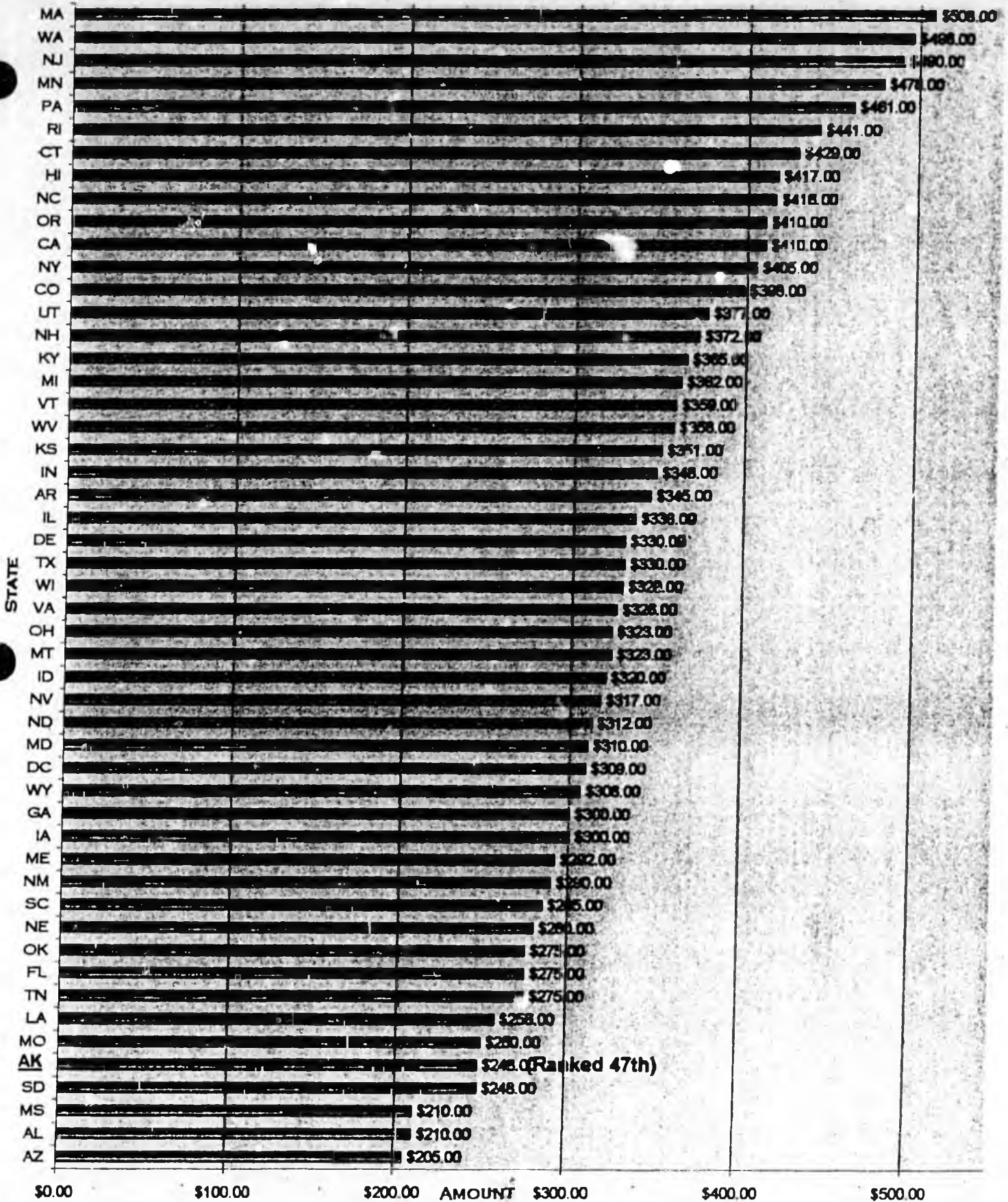
## Questions with Answers regarding Unemployment Insurance Benefit Amounts in Alaska

1. What is Alaska's average weekly benefit amount for Unemployment Insurance (UI) with dependents and without?
  - The average weekly UI benefit amount for all claimants, including dependent allowance was \$193.04 for 2003.
  - The average weekly UI benefit amount for claimants without dependent allowance was \$172.67 for 2003
2. What is Alaska's maximum weekly UI benefit amount as a percentage of the average weekly wage?
  - Alaska's maximum weekly UI benefit amount (\$248) as a percentage of the average weekly earnings for 2003 (\$706.49) was 35%.
3. What is the maximum weekly UI benefit amount by state (including DC)?
  - See attached table titled "Maximum Weekly Benefit Amount By State" (Table A)
    - Note: Data is from January 2004. At this time it is not known if any states had increases to their maximum weekly benefit amount during calendar year 2004.
4. What is the average weekly wage by state (including DC)?
  - See attached table titled "Average Weekly Earnings By State CY 2003" (Table B)

Prepared by Alaska Dept. of Labor & Workforce Development, Employment Security Division, January 25, 2005

# MAXIMUM WEEKLY BENEFIT AMOUNT BY STATE

TABLE A



Note: Data includes 50 states and District of Columbia

Source: Highlights of State Unemployment Compensation Laws, January 2004

## Average Weekly Earnings by State Calendar Year 2003

**Table B**

<u>Rank</u>	<u>State</u>	<u>Average Weekly Earnings</u>
1	District of Columbia	\$1,071.88
2	Connecticut	\$928.40
3	New York	\$907.12
4	New Jersey	\$887.83
5	Massachusetts	\$887.76
6	California	\$814.85
7	Delaware	\$785.99
8	Illinois	\$776.02
9	Maryland	\$754.51
10	Michigan	\$753.56
11	Washington	\$743.01
12	Colorado	\$741.42
13	Minnesota	\$739.36
14	Virginia	\$721.69
15	New Hampshire	\$713.18
16	Alaska	\$706.49
17	Pennsylvania	\$705.67
18	Texas	\$705.25
19	Georgia	\$695.47
20	Rhode Island	\$690.70
21	Nevada	\$674.56
22	Ohio	\$670.38
23	Arizona	\$667.35
24	Oregon	\$655.97
25	Missouri	\$643.67
26	North Carolina	\$640.33
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48	North Dakota	\$523.41
49	Mississippi	\$520.98
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51	Montana	\$503.49

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section  
 Prepared by: Alaska Department of Labor and Workforce Development, Employment Security Division  
 Date: January 25, 2005

**HB**

**15**

24-LS0075\S  
Luckhaupt  
2/3/05

**CS FOR HOUSE BILL NO. 15(L&C)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-FOURTH LEGISLATURE - FIRST SESSION**

**BY THE HOUSE LABOR AND COMMERCE COMMITTEE**

**Offered:**

**Referred:**

**Sponsor(s): REPRESENTATIVE MEYER**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to outdoor recreation lodge alcoholic beverage licenses; relating to  
2 transfer of certain beverage dispensary licenses issued before June 6, 1985; and  
3 providing for an effective date."

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

5 \* **Section 1.** AS 04.11.080 is amended by adding a new paragraph to read:

6 (21) outdoor recreation lodge license.

7 \* **Sec. 2.** AS 04.11 is amended by adding a new section to read:

8 **Sec. 04.11.225. Outdoor recreation lodge license.** (a) An outdoor recreation  
9 lodge license authorizes the holder to sell alcoholic beverages to a registered overnight  
10 guest or off-duty staff of the lodge. An outdoor recreation lodge license may not be  
11 transferred.

12 (b) The biennial fee for an outdoor recreation lodge license is \$1,250.

13 (c) In this section, "outdoor recreation lodge" means a business that provides  
14 overnight accommodations and meals, is primarily involved in offering opportunities

1 for persons to engage in outdoor recreation activities, and has a minimum of two guest  
2 rooms.

3 \* **Sec. 3.** AS 04.11.360 is amended to read:

4 **Sec. 04.11.360. Denial of transfer of a license to another person.** An  
5 application requesting approval of a transfer of a license to another person under this  
6 title shall be denied if

7 (1) the board finds, after review of all relevant information, that  
8 transfer of a license to another person would not be in the best interests of the public;

9 (2) the application has not been completed in accordance with  
10 AS 04.11.280;

11 (3) the application contains false statements of material fact;

12 (4) the transferor has not paid all debts or taxes arising from the  
13 conduct of the business licensed under this title unless

14 (A) the transferor gives security for the payment of the debts or  
15 taxes satisfactory to the creditor or taxing authority; or

16 (B) the transfer is under [PURSUANT TO] a promise given as  
17 collateral by the transferor to the transferee in the course of an earlier transfer  
18 of the license under which promise the transferor is obliged to transfer the  
19 license back to the transferee in the event of default in payment for property  
20 conveyed as part of the earlier transfer of the license;

21 (5) transfer of the license to another person would result in violation of  
22 the provisions of this title relating to identity of licensees and financing of licensees;

23 (6) transfer of the license to another person would violate the  
24 restrictions pertaining to the particular license under this title;

25 (7) transfer of the license to another person is prohibited under the  
26 provisions of this title as a result of an election conducted under AS 04.11.507;

27 (8) the prospective transferee does not have the qualifications required  
28 under this title of an original applicant;

29 (9) the license was issued under AS 04.11.100(f) or 04.11.400(g);  
30 however, this paragraph does not apply to a beverage dispensary license issued  
31 before June 6, 1985, under former AS 04.11.400(i); or

1 (10) the license was issued under AS 04.11.135, unless the transferor is  
2 also applying to transfer the beverage dispensary license required under AS 04.11.135  
3 to the same transferee.

4 \* Sec. 4. AS 04.11.400(a) is amended to read:

5 (a) Except as provided in (d) - (h), [AND] (k), and (m) of this section, a new  
6 license may not be issued and the board may prohibit relocation of an existing license

7 (1) outside an established village, incorporated city, unified  
8 municipality, or organized borough if after the issuance or relocation there would be  
9 (A) more than one restaurant or eating place license for each 1,500 population or  
10 fraction of that population, or (B) more than one license of each other type, including  
11 licenses that have been issued under (d) or (e) of this section, for each 3,000  
12 population or fraction of that population, in a radius of five miles of the licensed  
13 premises, excluding the populations of established villages, incorporated cities, unified  
14 municipalities, and organized boroughs that are wholly or partly included within the  
15 radius;

16 (2) inside an established village, incorporated city, or unified  
17 municipality if after the issuance or relocation there would be inside the established  
18 village, incorporated city, or unified municipality

19 (A) more than one restaurant or eating place license for each  
20 1,500 population or fraction of that population; or

21 (B) more than one license of each other type, including licenses  
22 that have been issued under (d) or (e) of this section, for each 3,000 population  
23 or fraction of that population;

24 (3) inside an organized borough but outside an established village or  
25 incorporated city located within the borough, if after the issuance or relocation there  
26 would be inside the borough, but outside the established villages and incorporated  
27 cities located within the borough,

28 (A) more than one restaurant or eating place license for each  
29 1,500 population or fraction of that population; or

30 (B) more than one license of each other type, including licenses  
31 that have been issued under (d) or (e) of this section, for each 3,000 population

1 or fraction of that population excluding the population of those established  
2 villages that have adopted a local option under AS 04.11.491(b)(1), (3), or (4),  
3 and excluding the population of incorporated cities located within the  
4 organized borough.

5 \* Sec. 5. AS 04.11.400 is amended by adding a new subsection to read:

6 (m) The board may approve the issuance of a outdoor recreation lodge license  
7 without regard to (a) of this section if it appears that the issuance will encourage the  
8 tourist trade by encouraging the construction or improvement of a business relating to  
9 the tourist trade and the business meets the requirements for issuance of the license  
10 under AS 04.11.225.

11 \* Sec. 6. This Act takes effect immediately under AS 01.10.070(c).

AMENDMENT

OFFERED IN THE HOUSE  
TO: HB 15

BY REPRESENTATIVE ROKEBERG

1 Page 1, line 1, following "licenses;":

2 Insert "relating to transfer of certain beverage dispensary licenses issued before  
3 June 6, 1985;"

4

5 Page 1, following line 14:

6 Insert a new bill section to read:

7 **\*\* Sec. 3.** AS 04.11.360 is amended to read:

8 **Sec. 04.11.360. Denial of transfer of a license to another person.** An  
9 application requesting approval of a transfer of a license to another person under this  
10 title shall be denied if

11 (1) the board finds, after review of all relevant information, that  
12 transfer of a license to another person would not be in the best interests of the public;

13 (2) the application has not been completed in accordance with  
14 AS 04.11.280;

15 (3) the application contains false statements of material fact;

16 (4) the transferor has not paid all debts or taxes arising from the  
17 conduct of the business licensed under this title unless

18 (A) the transferor gives security for the payment of the debts or  
19 taxes satisfactory to the creditor or taxing authority; or

20 (B) the transfer is under [PURSUANT TO] a promise given as  
21 collateral by the transferor to the transferee in the course of an earlier transfer  
22 of the license under which promise the transferor is obliged to transfer the  
23 license back to the transferee in the event of default in payment for property

1 conveyed as part of the earlier transfer of the license;

2 (5) transfer of the license to another person would result in violation of  
3 the provisions of this title relating to identity of licensees and financing of licensees;

4 (6) transfer of the license to another person would violate the  
5 restrictions pertaining to the particular license under this title;

6 (7) transfer of the license to another person is prohibited under the  
7 provisions of this title as a result of an election conducted under AS 04.11.507;

8 (8) the prospective transferee does not have the qualifications required  
9 under this title of an original applicant;

10 (9) the license was issued under AS 04.11.100(f) or 04.11.400(g);  
11 **however, this paragraph does not apply to a beverage dispensary license issued**  
12 **before June 6, 1985, under former AS 04.11.400(j); or**

13 (10) the license was issued under AS 04.11.135, unless the transferor is  
14 also applying to transfer the beverage dispensary license required under AS 04.11.135  
15 to the same transferee."

16

17 Renumber the following bill section accordingly.

## Changes to HB 15 incorporated in CS HB 15 (L&C)

### HB 15 – Current Version

- Seasonal Hunting & Fishing Lodge

Defined as: “a resort facility that provides lodging, food, and outdoor hunting or fishing guiding services to its registered overnight guests and that is not directly accessible by automobile.”

- Service/Sale to registered overnight guests only.
- Lodge limited to those “not accessible by automobile.”
- Seasonal License – six months per calendar year.
- License issuance limited by population in AS 04.11.400

### CS HB 15 – L&C

- Outdoor Recreation Lodge

Defined as: “a business that provides overnight accommodations and meals, is primarily involved in offering opportunities for persons to engage in outdoor recreation activities and has a minimum of two guest rooms.”

- Service/Sale expanded to “off-duty staff.”
- Reference to “not directly accessible by automobile” removed.
- Year round license.
- Addition of exemption to population limitations on licenses in AS 04.11.400 (d) by adding a new subsection (m). An outdoor recreation lodge license may be issued but not transferred.

24-LS0075\J  
Luckhaupt  
1/31/05

**CS FOR HOUSE BILL NO. 15( )**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-FOURTH LEGISLATURE - FIRST SESSION**

**BY**

**Offered:**  
**Referred:**

**Sponsor(s): REPRESENTATIVE MEYER**

**A BILL**

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5 (21) outdoor recreation lodge license.

6 **\* Sec. 2.** AS 04.11 is amended by adding a new section to read:

7 **Sec. 04.11.225. Outdoor recreation lodge license.** (a) An outdoor recreation  
8 lodge license authorizes the holder to sell alcoholic beverages to a registered overnight  
9 guest or off-duty staff of the lodge. An outdoor recreation lodge license may not be  
10 transferred.

11 (b) The biennial fee for an outdoor recreation lodge license is \$1,250.

12 (c) In this section, "outdoor recreation lodge" means a business that provides  
13 overnight accommodations and meals, is primarily involved in offering opportunities  
14 for persons to engage in outdoor recreation activities, and has a minimum of two guest

1 rooms.

2 \* Sec. 3. AS 04.11.400(a) is amended to read:

3 (a) Except as provided in (d) - (h), [AND] (k), and (m) of this section, a new  
4 license may not be issued and the board may prohibit relocation of an existing license

5 (1) outside an established village, incorporated city, unified  
6 municipality, or organized borough if after the issuance or relocation there would be  
7 (A) more than one restaurant or eating place license for each 1,500 population or  
8 fraction of that population, or (B) more than one license of each other type, including  
9 licenses that have been issued under (d) or (e) of this section, for each 3,000  
10 population or fraction of that population, in a radius of five miles of the licensed  
11 premises, excluding the populations of established villages, incorporated cities, unified  
12 municipalities, and organized boroughs that are wholly or partly included within the  
13 radius;

14 (2) inside an established village, incorporated city, or unified  
15 municipality if after the issuance or relocation there would be inside the established  
16 village, incorporated city, or unified municipality

17 (A) more than one restaurant or eating place license for each  
18 1,500 population or fraction of that population; or

19 (B) more than one license of each other type, including licenses  
20 that have been issued under (d) or (e) of this section, for each 3,000 population  
21 or fraction of that population;

22 (3) inside an organized borough but outside an established village or  
23 incorporated city located within the borough, if after the issuance or relocation there  
24 would be inside the borough, but outside the established villages and incorporated  
25 cities located within the borough,

26 (A) more than one restaurant or eating place license for each  
27 1,500 population or fraction of that population; or

28 (B) more than one license of each other type, including licenses  
29 that have been issued under (d) or (e) of this section, for each 3,000 population  
30 or fraction of that population excluding the population of those established  
31 villages that have adopted a local option under AS 04.11.491(b)(1), (3), or (4),

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and excluding the population of incorporated cities located within the organized borough.

\* Sec. 4. AS 04.11.400 is amended by adding a new subsection to read:

(m) The board may approve the issuance of a outdoor recreation lodge license without regard to (a) of this section if it appears that the issuance will encourage the tourist trade by encouraging the construction or improvement of a business relating to the tourist trade and the business meets the requirements for issuance of the license under AS 04.11.225.

\* Sec. 5. This Act takes effect immediately under AS 01.10.070(c).



# FISCAL NOTE

**STATE OF ALASKA**  
**2005 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
Bill Version: HB015-DPS-ABC-01-24-05  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Public Safety  
Title: An Act relating to seasonal alcoholic beverage RDU: Alcoholic Beverage Control Board  
licenses Component: ABC Board  
Sponsor: Representative Meyer  
Requester: H. Labor and Commerce Component No.: 2690

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>	<b>18.8</b>	<b>12.5</b>	<b>25.0</b>	<b>18.8</b>	<b>25.0</b>	<b>18.8</b>
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	18.8	12.5	25.0	18.8	25.0	18.8
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>18.8</b>	<b>12.5</b>	<b>25.0</b>	<b>18.8</b>	<b>25.0</b>	<b>18.8</b>

Estimate of any current year (FY2005) cost: 0.0  
Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

The state will issue new licenses to lodges, so the fiscal impact of this legislation should be positive. The difficult question will be determining how many licenses will be issued. While there will be some additional cost to the Alcohol Beverage Control (ABC) Board (staff time, postage, criminal background checks, long distance telephone, printing of signs), these additional costs can be absorbed assuming the Legislature approves increments in the fiscal year (FY) 06 budget.

For purposes of this fiscal note, I have conservatively estimated 15 new licenses issued in FY 06 and 10 new licenses in FY 07. When the 15 FY 06 licenses renew in FY 08 we will add another 5 licenses and additional 5 licenses will be added in FY 09 plus renewals.

Prepared by: Douglas B. Griffin Director Phone 269-0350  
Division: Alcoholic Beverage Control Board Date/Time 1/24/05 11:43 AM  
Approved by: Commissioner William Tandeske Date 1/24/2005  
Agency: Department of Public Safety

# FISCAL NOTE

**STATE OF ALASKA**  
**2005 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: H.B. 15  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Fish and Game  
 Title: Seasonal Hunt/Fish Lodge Liquor RDU: \_\_\_\_\_  
License Component: \_\_\_\_\_  
 Sponsor: Representative Meyer  
 Requester: House Labor & Commerce Committee Component No.: \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type-Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2005) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)  
 Passage of this legislation would have no fiscal impact.

Prepared by: Sarah Gilbertson Phone 465-6137  
 Division: Legislative Liaison Date/Time 1/24/05 12:21 PM  
 Approved by: Acting Commissioner Wayne Regelin Date 1/24/2005  
 Agency: Alaska Department of Fish & Game

24-LS0075\F  
Luckhaupt  
1/25/05

**CS FOR HOUSE BILL NO. 15( )**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-FOURTH LEGISLATURE - FIRST SESSION**

**BY**

**Offered:**  
**Referred:**

**Sponsor(s): REPRESENTATIVE MEYER**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to outdoor recreation lodge alcoholic beverage licenses; and providing**  
2 **for an effective date."**

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

4 **\* Section 1.** AS 04.11.080 is amended by adding a new paragraph to read:

5 (21) outdoor recreation lodge license.

6 **\* Sec. 2.** AS 04.11 is amended by adding a new section to read:

7 **Sec. 04.11.225. Outdoor Recreation lodge license.** (a) An outdoor  
8 recreation lodge license authorizes the holder to sell alcoholic beverages to a  
9 registered overnight guest or off-duty staff of the lodge. The license may not allow  
10 the holder to sell alcoholic beverages for a period greater than six months of a calendar  
11 year.

12 (b) The biennial fee for an outdoor recreation lodge license is \$1,250.

13 (c) In this section, "outdoor recreation lodge" means a business that provides  
14 overnight accommodations, meals, and opportunities for persons to engage in outdoor

1 recreation activities and has a minimum of two guest rooms.

2 \* Sec. 3. AS 04.11.400(d) is amended to read:

3 (d) The board may approve the issuance or transfer of ownership of a  
4 beverage dispensary or restaurant or eating place license without regard to (a) of this  
5 section if it appears that the issuance or transfer will encourage the tourist trade by  
6 encouraging the construction or improvement of

7 (1) a hotel, motel, resort, outdoor recreation lodge, or similar  
8 business relating to the tourist trade with a dining facility or having kitchen facilities  
9 in a majority of its rental rooms and at least a minimum number of rental rooms  
10 required according to the population of the established village, incorporated city,  
11 unified municipality, or population area established under (a) of this section in which  
12 the facility will be located, as follows:

13 (A) 10 rental rooms if the population is less than 1,501;

14 (B) 20 rental rooms if the population is 1,501 - 2,500;

15 (C) 25 rental rooms if the population is 2,501 - 5,000;

16 (D) 30 rental rooms if the population is 5,001 - 15,000;

17 (E) 35 rental rooms if the population is 15,001 - 25,000;

18 (F) 40 rental rooms if the population is 25,001 - 50,000; and

19 (G) 50 rental rooms if the population is greater than 50,000; or

20 (2) an airport terminal.

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



State of Alaska  
Department of Public Safety  
**Alcoholic Beverage Control Board**

Frank H. Murkowski, Governor  
William Tandeske, Commissioner

January 21, 2005

Representative Kevin Meyer  
Alaska House of Representative s  
Room 515  
State Capitol  
Juneau, Alaska 99801-1182

Sent Via email/Original mailed

Attn: Mile Pawlowski

RE: Suggestions Regarding HB 15

Dear Representative Meyer:

In response to a request from Mr. Mike Pawlowski of your staff, below are comments and suggestions regarding amendments to HB 15, "An Act relating to seasonal alcoholic beverage licenses." If you have any questions regarding this matter, please contact me. I will be available to attend and testify at a hearing on this bill when it is scheduled.

**SUGGESTED AMENDMENTS TO HB 15 "AN ACT RELATED TO SEASONAL ALCOHOLIC BEVERAGE LICENSES" OFFERED BY THE ALCOHOLIC BEVERAGE CONTROL BOARD**

The Alcoholic Beverage Control Board reviewed an early draft of what is now HB 15 at its November 23, 2004 meeting. The Board's comments are reflected in a letter to Representative Meyer, the bill's sponsor, dated January 3, 2005. The letter raised concerns regarding: definition of "lodge", the license fee for small operations, the limitation of lodges being "not directly accessible by automobile", and relaxation of population limitations for lodges since lodges are limited to selling alcohol to guests only.

Representative Meyer's office has requested that ABC Board staff assist in addressing these concerns that were raised by the ABC Board. The following are conceptual suggestions to address the concerns raised by the ABC Board.

**Definition of "Lodge"**

The staff believes the statute should provide a broader definition of a lodge and that the duration of the license should not be limited to a six-month season. Some lodges are looking at operating during some winter or shoulder season months and that should be encouraged. The option that is now available for a half price license that operates no more than 12 months in the two-year licensing period under AS 04.11.680 remains an option for lodges that are oriented to summer months. A lodge in this bill should be defined as "a business that provides overnight accommodations, meals, and opportunities for persons to engage in outdoor recreation activities. The business must have a minimum of two guest rooms." This includes, but is not limited to, fishing, hunting, hiking, snow machining, dog mushing, skiing, and wildlife viewing.

The present bill implies that alcohol service to guests is not limited and, therefore, could include service for on-premise consumption (alcohol service by the drink with or without meals in the lodge) or off-premise consumption (alcohol sold for consumption out on the boat). The sponsor or committee may wish to make this dual use license more explicit.

Alcoholic Beverage Control Board  
5848 E. Tudor Road - Anchorage, AK 99507 - Voice (907) 269-0350 - Fax (907) 272-9412

The limitation that alcohol may be provided to overnight guests only (I would recommend that it be expanded to off-duty staff also) is essential to keeping this license focused on the need to serve guests and not function as an alcohol outlet for a nearby community. This limitation would also discourage present licensees like ski resorts and roadhouses that largely serve people who are not overnight guests from applying for the lodge license.

#### **License fee**

The concern regarding the present fee set out in HB 15 of \$1,250 for a seasonal biennial license raised by the ABC Board reflects a desire to be fair and reasonable regarding the fee for small "Mom and Pop" operations. The best way to address this issue is to base the license fee on the number of rooms provided. For purposes of discussion, I would suggest \$250 per room up to no more than \$2,500 (the cost of a beverage dispensary license). A seasonal license under AS 04.11.680 would reduce this amount by one-half.

#### **Accessibility by Automobile**

HB 15 focuses the lodge license on those operations located in remote areas of the state by requiring that they are "not directly accessible by automobile." There may be a good reason for making this distinction and this approach merits discussion. However, the ABC staff believe it is not necessary to limit this license in this manner. The limitation to allow alcohol service to registered guests only is a major constraint. A lodge located on Alaska's road system may not be a candidate for this type of license if it relies on serving persons other than registered overnight guests. It just seemed more expedient to keep the lodge definition simple.

#### **Relax Population Limitations**

Limiting the number of licensed outlets available significantly controls alcoholic beverages. Therefore, making exceptions to the population quota placed on licenses should require abundant justification. The ABC Board believes that the unique nature and location of lodge operations and the limitation of service to guests and off-duty staff only mitigates concerns of creating additional liquor dispensing businesses. Presently, there are two major exceptions to the population limitations set out in AS 04.11.400. Subsection (d) allows an exception for hotels, resorts, and airport terminals and subsections (e) and (g) allows the issuance of restaurant or eating place licenses that serve the public convenience. A similar exception in AS 04.11.400 needs to be created for lodges.

I hope these suggestions are helpful. The staff stands ready to act as a resource as work continues to make HB 15 a responsive and responsible piece of legislation.

Sincerely,

Douglas B. Griffin  
Director

cc: ABC Board Members  
Bill Tandeske, Commissioner, Department of Public Safety  
Ted Bachman, Deputy Commissioner, Department of Public Safety  
Cliff Stone, Special Assistant, Department of Public Safety  
Anne Carperetti, Asst. Attorney General, Department of Law

# ALASKA STATE HOUSE OF REPRESENTATIVES

716 W. 4<sup>th</sup> Ave  
Anchorage, AK 99501  
Room 610



Phone (907)-269-0265  
Fax# (907)-269-0264

## Representative Tom Anderson

### FACSIMILE

To: Legal Services Fax: 2029  
From: Josh Applebee Date: 1/24/2005  
Re: Amendments  
CC:

Urgent  For Review  Please Comment  Please Reply  Please Recycle

Good afternoon,

Please draft a CS to HB 15 version 24 LS-0075\G with the attached conceptual amendments and deliver to Room 408. Thanks in advance for all your excellent work!

-Josh Applebee  
465-4954

**Conceptual Amendment**

To: HB 15 version 24 LS-0075\G

Intent: to better define a "lodge" for the purposes of this bill.

Technical:

To page 1, delete lines 12-14 and replace with new:

(c) In this section, "lodge" means a business that provides overnight accommodations, meals, and opportunities for persons to engage in outdoor recreation activities. The business must have a minimum of two guest rooms."

Conceptual Amendment

To: HB 15 version 24 LS-0075\G

Intent: to remove "seasonal from the bill."

Technical:

To page 1 line 5 – delete "seasonal"

To page 1 line 7 – delete "seasonal"

To page 1 line 11 – delete "seasonal"

**Conceptual Amendment**

To: HB 15 version 24 LS-0075\G

Intent: to expand the licenses authorization to "off-duty staff" in addition to overnight guests.

To page 1 line 9 – insert "or off-duty staff" after "overnight guest"

Conceptual Amendment

To: HB 15 version 24 LS-0075AG

Intent: to add the lodge license to the existing exemptions in AS 04.11.400 to the population limitations on liquor licenses.

Technical:

Insert new section adding "lodges" to the exemptions for hotels, resorts, and airport terminals set in AS 04.11.400 to the population limitations on liquor licenses.

Conceptual Amendment

To: HB 15 version 24 LS-0075\G

Intent: remove reference to "seasonal hunting or fishing" throughout the bill to expand the license to all lodges that provide "outdoor recreation" activities. Outdoor recreation activities includes, but is not limited to, fishing, hunting, hiking, snow machining, dog mushing, skiing, and wildlife viewing.

Technical:

To line 5 of page 1: delete "hunting or fishing"

To line 8 of page 1: delete "hunting or fishing"

To line 11 of page 1: delete "hunting or fishing"

# **REPRESENTATIVE KEVIN MEYER**

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HOUSE DISTRICT 30

## **MEMORANDUM**

**DATE:** January 18, 2004

**TO:** Representative Tom Anderson, Chairman  
House Labor and Commerce Committee

**FROM:** Representative Kevin Meyer

**RE:** Hearing Request for House Bill 15 *Seasonal Hunt/Fish Lodge Liquor License*

---

Please schedule HB 15 *Seasonal Hunt/Fish Lodge Liquor License* for a hearing in the House Labor and Commerce at your earliest convenience.

HB 15 creates a seasonal alcoholic beverage license for hunting/fishing lodges.

Included in this packet:

- HB 15 *Seasonal Hunt/Fish Lodge Liquor License* v. LS-0075VG
- Sponsor Statement
- Sectional Analysis
- Letter from ABC Board to Representative Meyer
- Letter from Douglas Griffin to the ABC Board
- Contact List



# REPRESENTATIVE KEVIN MEYER

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HOUSE DISTRICT 30

## Sponsor Statement

### House Bill 15

**“An Act relating to seasonal alcoholic beverage licenses; and providing for an effective date.”**

Alaska is dotted with hunting and fishing lodges that cater to both residents and non-residents. The activity at many of these lodges is seasonal, following the migration of salmon or movements of big game. Lodges that wish to provide alcoholic beverages to their guests must currently obtain a year round license, even if they are only open for part of the year.

Lodges that currently serve alcoholic beverages to their guests without a liquor license are violating Alaska law. The logistics of enforcing the law in areas of the state that are remote presents a considerable challenge for the Alcohol and Beverage Commission.

House Bill 15 creates a seasonal alcoholic beverage license for lodges that provide hunting or fishing services and are inaccessible from the road system. The biennial license will cost \$1,250 and will only allow a lodge to serve alcoholic beverages to their overnight guests for six months of the year.



# REPRESENTATIVE KEVIN MEYER

HOUSE DISTRICT 30

## MEMORANDUM

**DATE:** January 18<sup>th</sup>, 2004  
**TO:** Representative Kevin Meyer  
**FROM:** Mike Pawlowski  
**RE:** Sectional Analysis for HB 15  
(Work Order No. 24 – LS0075\G)

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As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

**Section 1.** Makes a conforming amendment to section 2.

**Section 2.** Amends AS 04.11 by adding a new section that creates a seasonal liquor license for hunting and fishing lodges and makes appropriate definitions.

**Section 3.** Makes the Act take immediate effect under AS 01.10.070(c)



**State of Alaska**  
Department of Public Safety  
**Alcoholic Beverage Control Board**

Frank H. Murkowski, Governor  
William Tandeske, Commissioner

January 3, 2005

Representative Kevin Meyer  
Alaska House of Representatives  
State Capitol, Room 513  
Juneau, AK 99801-1182

RE: Proposed Bill for Seasonal Alcoholic Beverage Licenses

Dear Representative Meyer:

On September 20, 2004, Suzanne Cunningham of your staff sent me a Work Draft of a House bill relating to seasonal licenses for hunting and fishing lodges. I prepared a cover memorandum and placed this item on the agenda for the Alcoholic Beverage Control (ABC) Board's regular meeting held in Anchorage on November 23, 2004. The issue of how to accommodate the unique liquor licensing needs of lodges who simply wish to serve alcoholic beverages to registered guests has been a problem for the State of Alaska. The ABC Board appreciates your willingness to initiate the public policy debate as the State seeks to debate how to balance the needs of this growing segment of the visitor industry with the protection of the public from abuse of alcoholic beverages.

After review and discussion of the Work Draft (Luckhaupt 9/3/04) provided by your office, the ABC Board had the following comments:

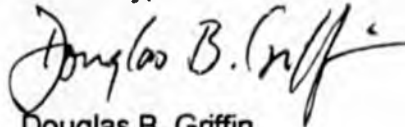
1. Lodges need to be better defined—expanded to include more than hunting and fishing and some minimum number of rooms or beds to give some direction to the types of businesses intended to benefit from the new type of license.
2. ABC Chairman Mike Gordon thought the license fee might be too high for small operations.
3. The issue of a lodge being "not directly accessible by automobile" needs some discussion and a clearer definition to make sure the definition of lodges that may get this type of license is not too narrow or too broad.
4. Relaxation of population limitations needs to be considered when it comes to lodge licenses. Since the license is limited to service of registered overnight guests only, limiting the number of licenses based on population as set out in AS 04.11.400 a public safety consideration. In fact, you may have several lodges located in a small community (near where the good hunting and fishing is) like Elfin Cove and only one lodge license could be issued based on present population limitations. Making exceptions to fundamental alcohol licensing practices adds complexity, but in this instance it makes sense to not apply the population limitation criteria.

JAN 08 2005

The ABC Board and its staff stands ready to work with you and the various committees that may work on this legislation. It will be important to consult with lodge owners and operators to make sure that if a new license is created it will address unique needs.

I will be happy to address any question you may have regarding these comments. Thank you again for your efforts to address this liquor licensing challenge.

Sincerely,



Douglas B. Griffin  
Director

Enclosure: Memorandum to ABC Board, November 4, 2004  
Draft Bill for Lodge Licenses

cc: ABC Board Members  
Commissioner Bill Tandeske, Department of Public Safety  
Deputy Commissioner Ted Bachman, Department of Public Safety  
Cliff Stone, Special Assistant, Comm. Office, Department of Public Safety



STATE OF ALASKA  
Department of Public Safety  
Alcoholic Beverage Control Board  
**MEMORANDUM**



To: ABC Board Members

Date: November 4, 2004

Telephone: 269-0350

From: Douglas B. Griffin *DBG*  
Director

Subject: PROPOSED LEGISLATION  
TO CREATE A HUNTING  
OR FISHING LODGE  
LICENSE

Representative Kevin Meyer is contemplating introducing a bill in the Twenty-fourth Legislature to create a seasonal hunting or fishing lodge license. It would appear as if Representative Meyer is seeking to narrowly focus on the particular needs of lodges operating in Alaska whose needs for the serving of alcoholic beverages are not addressed particularly well by the present liquor licensing regime. Lodges typically wish to provide cocktails, beer, and wine to guests in the lodge and as part of meals. Lodges also wish to provide alcohol for consumption away from the lodge to accompany fishing, animal viewing, hiking, and hunting excursions. Under the present system of licensing this would require a beverage dispensary license for "in lodge" alcohol service and a package store license for "off premise" consumption. In this respect, Representative Meyer's bill is broad to allow both of these types of alcohol service.

However, the bill is narrow in only allowing service of "alcoholic beverages to a registered overnight guest of the lodge." The license is also, by design, seasonal in nature providing for a period of service not to exceed six months of a calendar year.

Lodges present unique challenges for the ABC Board. Some apply for licenses available to them under our present system and try to make them work while we know others lodges, particularly those that are more remote, simply provide alcohol service without a license or advise guests to bring their alcohol with them. Policing lodges is a low priority for our small ABC Board enforcement staff. However, now that the ABC Board is part of the Department of Public Safety, Troopers stationed in remote parts of Alaska are providing new oversight of lodge activities.

The arguments in favor of this proposal are:

1. Creation of this "customized" license will invite these businesses that serve alcohol to come under the regulatory umbrella and no longer break the law.
2. It generates additional revenue for the state.
3. It will remove a potential insurance liability for lodges and may encourage growth in this visitor-related industry.

Arguments that could be raised in opposition to the bill are:

1. Creating more liquor licenses increases alcohol consumption and is not in the public interest.
2. Lodges are remote and difficult to police. Will they limit service to guests only if there is demand from nearby residents?
3. The bill is too limiting as it applies only to lodges "not directly accessible by automobile."

I do not think the ABC Board needs to take a position on this bill. I am sure Representative Meyer would appreciate comments from the ABC Board on ways to improve the bill and he would surely welcome the support of the ABC Board for the bill, as written or improved.

Attachment: Draft of "An Act relating to seasonal alcoholic beverage licenses" 9/3/04

**TELECONFERENCE REQUEST & CONTACT LIST**

**BILL #:** HB 15: Seasonal Hunt/Fish Beverage License

**COMMITTEE:** House Labor and Commerce

**STAFF CONTACT:** Mike Pawlowski, x 2812

**CONTACT LIST:** Please contact the following persons prior to scheduling a hearing so that they may have the opportunity to testify.

---

1. Doug Griffin – Chairman ABC Board – 907-269-0350
2. Lodge Owners (To be provided)