

MINUTES
SENATE FINANCE COMMITTEE
April 06, 2004
4:21 PM

TAPES

SFC-04 # 73, Side A

CALL TO ORDER

Co-Chair Gary Wilken convened the meeting at approximately 4:21 PM.

PRESENT

Senator Lyda Green, Co-Chair
Senator Gary Wilken, Co-Chair
Senator Con Bunde, Vice Chair
Senator Ben Stevens
Senator Donny Olson
Senator Lyman Hoffman
Senator Fred Dyson

Also Attending: REPRESENTATIVE RALPH SAMUELS; JOHN MAIN, Staff to Representative Pete Kott;

Attending via Teleconference: From an offnet location: BROOK MILES, Executive Director, Alaska Public Offices Commission, Department of Administration; DIANE WENDLANDT, Chief Assistant Attorney, General, Statewide Section Supervisor, Collections and Supports Section, Civil Division Department of Law;

SUMMARY INFORMATION

SB 351-APOC REPORTS BY NONELECTRONIC MEANS

The Committee heard from the sponsor and the Alaska Public Offices Commission. A committee substitute was adopted and the bill moved from Committee.

HB 357-RESTITUTION

The Committee heard from the sponsor and the Department of Law. The bill moved from Committee.

HB 513-CSED NAME CHANGE/DRIVER'S LIC.SUSPENSION

The Committee heard from the sponsor. The bill moved from Committee.

#SB351

SENATE BILL NO. 351

"An Act requiring the Alaska Public Offices Commission to accept documents by nonelectronic means."

This was the first hearing for this bill in the Senate Finance Committee.

Co-Chair Wilken stated this bill "broadens the acceptable format for the filing of APOC [Alaska Public Offices Commission] mandatory reports. It's sponsored by the Senate Finance Committee."

Senator B. Stevens moved to adopt CS SB 351, 23-LS1742\I as a working draft.

There was no objection and the committee substitute was ADOPTED.

Co-Chair Green testified that when she received notice that further filings of public office information must be through electronic methods, she was "shocked". She remarked that campaigns should have the option of filing by either hard copy or electronic means, provided that the filing is on time and correct. She stated that the Alaska Public Offices Commission (APOC) prefers electronic filing to eliminate the process of transferring information from hard copy and subsequently make the information available to the public immediately. She disagreed this was an issue. She predicted that electronic requirement would be a deterrent for some to file for public office. She relayed that APOC is still in the process of developing electronic filing methods and could be couple more years before established. Regardless, she opined that flexibility should be provided for those to file either electronically or hard copy.

Senator Bunde relayed discussion about electronic voting and the need for a paper trail. He asked how this would be assured for APOC information.

BROOK MILES, Executive Director, Alaska Public Offices Commission, Department of Administration, testified via teleconference from an offnet location that although she appreciated Co-Chair Green and her staff's professionalism and cooperation, APOC opposes this legislation. She reminded that in 2003 the legislature passed SB 219, relating to campaign finance reform, after undergoing public

process. She stated that full disclosure of all campaign contributions are now required of campaigns. She noted that bill provided a \$450,000 capital appropriation for APOC to update the existing electronic filing system and to develop new procedures. She added that she supported the retention of the mandatory electronic filing for lobbyists.

Ms. Miles spoke to the requirement to fully disclose all contributions under the new statute. She noted that certain political groups, such as labor unions, garner frequent contributes in smaller amounts, thus generating lengthy reports which APOC is required to process. She told of other significant information that APOC staff must enter into a database. She informed that today, the computer program was unable to access the system due to the high number of other users. She qualified that it is an election day for the Municipality of Anchorage. However, she emphasized the Commission operates with a limited budget, with current funding reductions resulting a 20 percent reduction to personal services.

Ms. Miles informed that the project to convert to an electronic filing method is underway with planned completion for the gubernatorial election in 2006. She expressed concern that using the current paper method with the changed campaign finance statutes would result in the inability to have information available to the public before elections occur. She relayed the fundamental philosophy that to be fully accessible to the public, APOC information must be available on the Internet.

Ms. Miles directed attention to the indeterminate fiscal note submitted by APOC, stating that the number of campaigns that would choose electronic filing is unknown. She listed the number of candidates and groups currently filing electronically.

Senator Bunde stated he derived comfort from walking into the APOC office, having his information date stamped and receiving a stamped copy for his records. He also relayed fears of losing work done on his computer. He asked how filers would receive assurance that information submitted was received.

Ms. Miles replied that confirmation of received information is sent to the filer via email. She compared this to purchases made through the Internet, whereby buyers receive an email confirmation of their order. She furthered that the filer is also able to print a hard copy of reports and that reports would be printed out by APOC to ensure a "paper trail".

Co-Chair Wilken shared that he attempted to file electronically in the year 2000, but encountered difficulties with the system

database. He stated he has since filed manually. He asked if the database has been changed to be more user friendly.

Ms. Miles assured the upgrade project would be more user friendly. She described the planned web based system that would prompt filers based on the answers to specific questions.

Co-Chair Wilken asked when the new system would be operational and implemented.

Ms. Miles replied the intent is to be implemented for the 2006 gubernatorial election.

Co-Chair Wilken clarified that the system would not be operational for the current year elections.

Ms. Miles affirmed.

Co-Chair Wilken asked how campaigns were to file electronically this year.

Ms. Miles replied that the existing, albeit rudimentary, electronic filing system remains operational until a new system is in place. She pointed out that filing could still be done manually this year.

Co-Chair Wilken asked if campaigns filing electronically could access and update information from previous years to avoid "starting all over again" each year.

Ms. Miles affirmed this is the focus of the project.

Co-Chair Wilken commented that as the system becomes more user friendly it provides incentive for use. He asked whether the Commission has considered imposing a surcharge for those who opt to file manually.

Ms. Miles indicated this would be an appropriate option for the Senate Finance Committee to consider.

Co-Chair Wilken asked the difference in expense of a manual filing and a recommended surcharge amount.

Ms. Miles replied she would calculate this and provide information to the Committee.

Senator Bunde commented that other State operations, such as the issuance of business licenses are self-supporting and he suggested APOC could implement filing fees and also become self-supporting.

Co-Chair Green announced that she was unaware the electronic filing requirement would not take effect until the elections of 2006 and she therefore had the option to file manually this year. She remarked that if she had understood this she would not have sponsored this legislation.

Ms. Miles apologized for the misunderstanding and emphasized that although she had directed APOC staff to encourage electronic filing, staff was not to instruct campaigns that it was required.

Co-Chair Wilken clarified that the requirement for electronic filing would not be in effect until the year 2006.

Ms. Miles responded this is the intent but she stressed that electronic filing would not be required until a new system is in place and not before the 2006 election. She noted that projects sometimes take longer to complete than planned.

Senator B. Stevens offered a motion to move CS SB 351, 23-LS1742\I from Committee as amended, with individual recommendations and accompanying fiscal note.

There was no objection and CS SB 351 (FIN) MOVED from Committee with fiscal note #1 from the Department of Administration in an indeterminate amount.

#HB357

SENATE CS FOR CS FOR HOUSE BILL NO. 357(JUD)

"An Act relating to restitution; and providing for an effective date."

This was the first hearing for this bill in the Senate Finance Committee.

Co-Chair Wilken stated, sponsored by Representative Samuels, "requires judges to order restitution in every criminal case where a victim has suffered a financial loss. It ensures that offenders are ordered to make realistic restitution payments within a reasonable timeframe."

REPRESENTATIVE RALPH SAMUELS testified that in 1994 the legislature passed, and voters approved a constitutional amendment giving crime victims certain rights. Article 1, Section 24 of the Alaska Constitution, he pointed out, lists the specific rights, including the rights of restitution from the accused. He stated this bill

conforms statutes to the constitution.

Representative Samuels noted the bill changes court ordered restitution from an optional order to a mandatory required order. He relayed that some victims may prefer to not receive restitution, such as a family member, or a victim of a violent crime wanting to "get on with their life" and have no reminders of the crime. In these events, he stated that the victim has the option to not receive restitution, but under the provisions of this legislation, the ability of the offender to pay restitution, would not be a factor in determining whether the money is owed. He noted that most crimes against property are committed by young male offenders, who are in a stage of life in which they do not have significant assets or income. However, he stressed that this does not remove liability for those individuals once they are in a position to pay restitution.

Representative Samuels explained that changes made to the bill by the Senate Judiciary Committee clarified the accounting procedures of the legislation.

Representative Samuels stated this legislation would not change the process, but rather hold those in arrears accountable for payment.

Co-Chair Green referenced stipulations providing that when a person is charged with a crime, restitution must be determined without considering the suspect's ability to pay; however, after conviction, the offender's ability to pay could be considered in ordering restitution.

Representative Samuels explained this language would provide judges the latitude to prevent a liable party from becoming bankrupt; in which case he pointed out, repayment would never be received, regardless of whether the liable party earned sufficient income in the future.

Co-Chair Green clarified that the court may not reduce an order of restitution but may change the payment schedule.

Senator Dyson remarked that Representative Samuels is attempting to correct inadvertent omissions of Senator Dyson's when these statutes were amended several years prior.

DIANE WENDLANDT, Chief Assistant Attorney, General, Statewide Section Supervisor, Collections and Supports Section, Civil Division Department of Law, testified via teleconference from an offnet location to answer questions related to the collections process. She described the Senate Judiciary Committee amendment to

the bill to require that restitution payments received by the court be transferred to the Department of Law for distribution.

Co-Chair Green noted other programs in which the court is required to order restitution, although accounting difficulties have arisen in the link between the court and the receiving agency. She asked if the provisions of this legislation would encounter the same difficulties.

Ms. Wendlandt responded that efforts are underway to correct the situation and that implementing this legislation should be successful. She expressed this legislation reflects the theory that money should never "be turned away". She spoke to the reluctance of some victims to accept restitution, particularly if the offenders are known to them, and also when living in smaller communities.

Senator Olson asked if any opposition to this bill has been voiced.

Representative Samuels answered none has been received and that the public defender has not testified to this legislation.

Senator Olson asked if other states implement similar procedures.

Representative Samuels was unsure of any.

Senator Dyson interjected that at least 35 other states have implemented some form of restorative or restitution method. He emphasized his support of this bill.

Senator Dyson offered a motion to report the bill from Committee with individual recommendations and accompanying fiscal note.

Without objection SCS CS HB 357(JUD) MOVED from Committee with fiscal note #1 from the Department of Administration and fiscal note #2 from the Department of Law, both in indeterminate amounts.

#HB513

SENATE CS FOR HOUSE BILL NO. 513(JUD)

"An Act relating to the enforcement of support orders through suspension of drivers' licenses; changing the name of the child support enforcement agency to the child support services agency; amending Rules 90.3 and 90.5, Alaska Rules of Civil Procedure; and providing for an effective date."

This was the first hearing for this bill in the Senate Finance Committee.

Co-Chair Wilken stated this bill, sponsored by Representative Kott, "changes the name of the Child Support Enforcement Division to the Child Support Services Division and it simplifies the method in which the Division may revoke an obligor's drivers license."

JOHN MAIN, Staff to Representative Pete Kott, testified that the Division performs functions in addition to enforcing child support orders, specifically educating the public about the meaning of child support. He furthered the proposed name change would foster an attitude that the Division is service oriented. He noted several other states are considering similar title changes.

Mr. Main stated this bill would also "close a loophole" for those in arrears. He detailed the current process in which an individual found in compliance is sent a letter directing that person to become compliant within 60 days. After this, he continued, the individual is given 150 days in which to comply. If during the 150-day period, that individual agrees to comply, he informed that the driver's license is returned; however, if the individual stops making child support payments, the process start again. He explained that this legislation would provide that the process would resume "where it left off", with the individual subject to compliance within the remaining number of days of the original notification. He qualified that a two-year limit would be implemented for each individual, at which time this provision would not apply.

Senator Dyson noted the zero fiscal note from the Department of Revenue. He asked if stationary and other items printed with the Division's current name would be used until supplies run out, then replaced with the updated title.

Mr. Main replied this is his understanding.

Senator Dyson and Mr. Main clarified that other provisions related to this Division that would make broader changes, are included in separate legislation.

Senator Dyson offered a motion to report the bill from Committee with individual recommendations and accompanying fiscal notes.

There being no objection, SCS HB 513 (JUD) MOVED from Committee with zero fiscal note #1 from the Alaska Court System, and zero fiscal note #2 from the Department of Revenue.

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ADJOURNMENT

Co-Chair Gary Wilken adjourned the meeting at 05:07 PM