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Mitch

THIS FINAL VERSION  
(LEG. COUNSEL)  
BY ASPERA IS DIFFERENT  
(DEPT. OF ~~LAWS~~)  
ONLY IN STYLE TO A ~~DIAMUE~~  
COLVIN'S VERSION, NOT  
SUBSTANCE. IT JUST  
NOW CAME IN.

HB 563 (cont'd)

(2) for entering into cooperative agreements with educational institutions and state, federal or other agencies to promote fish research, management, education and information and to train persons for fish management; and (3) as provided under AS 16.10.125 (relating to the use of a termination device on shell fish and bottom fish pots), 16.10.190 (regulation of taking of migratory fish & shellfish), 16.10.440(b) (relating to regulation of hatcheries), 16.20.240 (taking of fish and game in critical habitat areas), and 41.21.616 (regulation governing fish and game management in the Alaska Chilkat Bald Eagle Preserve).

Allows the Master Board, under certain conditions, to amend or veto regulations adopted by a regional board.

Directs the Governor to make initial appointments to the regional boards and designate chairmen within 90 days after the effective date of the Act. Directs the Master Board to adopt regulations establishing the specific boundaries for the four regions within six months after the completion of initial appointments to the regional boards. Current Board of Fisheries regulations remain in effect until amendment or repeal by a regional board of fisheries or by the Master Board. Repeals AS 16.05.221(a) which creates the existing Board of Fisheries. Effective immediately.

Introduced February 1 and referred to the House Special Committee on Fisheries, Resources and Finance.

Perm. Fund Dividends  
(use to pay debts to state)

HOUSE BILL NO. 564, by Rep. Nettisworth. Would allow the the state to attach all of a person's Permanent Fund dividend to satisfy debts owed to the state. Applies to dividends issued in 1984 and subsequent years. Effective immediately. Amends AS 43.23.065, "Exemption of Permanent Fund Dividends," to eliminate the 50% exemption for dividends if money is withheld from the dividend to satisfy "a debt owned by an eligible individual to an agency of the state."

Introduced February 1 and referred to State Affairs and Finance.

Sexual Abuse of a Minor  
(hearsay evidence)

HOUSE BILL NO. 565, by Reps. Lacher, Phillips, Flood and Larson. Would allow hearsay evidence of a statement made by a child under 10 describing an act of sexual contact with the child. Such evidence could be admitted in a prosecution for the crime of sexual abuse of a minor in any degree if "(1) the court determines in a hearing outside the presence of the jury that the circumstances of the statement indicate its reliability; and (2) the child (A) testifies at the proceeding; or (B) is unavailable as a witness and there is additional evidence introduced to corroborate the statement." Has the effect of amending Rules 803 and 804, Alaska Rules of Evidence, by adding hearsay evidence of certain statements made by a certain victim of sexual abuse of a minor to the list of exceptions to the hearsay rule. Does not provide for an effective date (becomes law 90 days after Governor's signature).

Mitch...

①

by Bettisworth

HB 564 "An act relating to the use of permanent fund dividends to satisfy debts owed to the state; and providing for eff. date."

This bill was held over from previous hearings in order to see about the feasibility of combining it with a similar bill relating to the permanent fund, that of HB 632 by Cowdery titled the same. It appears that there will not be too much problem with this. A committee substitute for HB 564 is in the files combining the two bills, and we have a fiscal note on the CS from Revenue.

Bettisworth will probably not be here to testify, as he testified earlier on it, but his office said that Tom Williams, legislative liaison from Revenue may be here to testify.

Cowdery will be here to testify on it of course.

Commissioner Robert Heath of Revenue will be here to testify on this bill and would like to testify on it early, as he has to go testify at a Judiciary committee hearing and then wishes to come back to State Affairs in order to provide testimony on the other two bills being heard today in State Affairs, which also affect Revenue.

②

HB 572

by Duncan, Mike Miller, Larson, etc. "An Act making an appropriation to the Alaska permanent fund from state revenues in excess of the state spending limits; and providing for an effective date."

*Combine?*

③

HB 540

by Rules Committee at the request of the Governor, "An Act amending an appropriation made to the Alaska permanent fund; and effe. date."

Because these two bills are direct appropriations, they do not have a fiscal note. Both bills were held over to see if they could be combined into one bill, if there was no objection. It appears there may be some from Duncan et al. but probably none from the Governor or the Dept. of Admin.

Duncan or someone from his office will probably be here to testify on HB 572.

Commissioner Bob Heath will be here to testify on these as well.

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date 3/1/84

I. REQUEST

Bill/Resolution No: CSHB 564 (SA)  
 Title: An Act relating to use of permanent fund dividends to satisfy debts owed to the state  
 Original Sponsors: Bettisworth & Cowdery  
 Requestor: House State Affairs Committee  
 Date of Request: \_\_\_\_\_

FISCAL DETAIL

Agency Affected: Revenue  
 Program Category Affected: Revenue Management and Collections  
 BRU, Program of Subprogram(s) Affected: Enforcement

II. EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<u>OPERATING</u>						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
<u>TOTAL OPERATING</u>	-	-	-	-	-	-
<u>CAPITAL</u>	-	-	-	-	-	-
<u>REVENUE</u>	-	45.0	49.1	28.8	15.8	8.9

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<u>TOTAL</u>	-	-	-	-	-	-

POSITIONS:

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

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

No increased expenditures are anticipated.

IV. ANALYSIS: See attached narrative.

Prepared By: Thomas C. Williams  
 Division: Enforcement

Phone: 465-2366  
 Date: March 1, 1984

Approved by Commissioner: Armed [Signature]  
 Agency: Revenue

Date: 3/2/84

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget

Enforcement Division  
Analysis of CSHB 564 (SA)  
 March 1, 1984

A. Assumptions

1. The PFD program is retained and there are no substantive changes to the current program.
2. Individual dividend payments over the next five years are as follows:

Dividend Year	84	85	86	87	88
Paid in FY	35	86	87	88	89
Dividend Amount	\$357	\$431	\$514	\$564	\$606

3. The average accounts receivable (a/r) attachment is estimated to amount to 84-88% of the value of an attached dividend. Currently 1982 PFD a/r attachments average approximately 44% of the value of dividends attached while 1983 PFD a/r attachments average approximately 48%. Accordingly, we could expect an increase of approximately 40% of each dividend attached.
4. The number of a/r attachments on PFD applications is likely to decrease 10% per year until FY '86 and then by 50% per year. This change will result largely from the lapsing of the 6 year statute of limitations on the repeal of income taxes in 1978. Under this scenario the number of attachments would likely be as follows:

Fiscal Year	84	85	86	87	88	89
Est. Attachments	350	315	285	140	70	35

B. Program Summary

This bill requires no significant program changes.

C. Computations

<u>Dividend Year</u>	<u>Fiscal Year</u>	<u>A (2) Dividend Amount</u>	<u>x</u>	<u>A (3) Average Increase</u>	<u>x</u>	<u>A (4) Est a/r Attachment</u>	<u>=</u>	<u>Income in Revenue (x 1000)</u>
84	85	\$357	x	.40	x	315	=	\$ 45.0
85	86	431	x	.40	x	285	=	49.1
86	87	514	x	.40	x	140	=	28.8
87	88	564	x	.40	x	70	=	15.8
88	89	606	x	.40	x	35	=	8.9

Total Amount of Increase Over 5 Years \$147.6

D. Economic Impact

This bill has no significant impact on the State's economy.

E. Impact on Local Governments

This bill has no impact on Local Governments.

Enforcement Division  
Analysis of CSHB 564 (SA)  
March 1, 1984

Impact of 100% Accounts Receivable Offset on Enforcement Division Collection Activities:

Although the additional revenue collected by Enforcement is relatively small, the impact on our collection efforts may be more significant. The additional offset provision will likely allow us to close more cases with a minimal amount of collection effort when the tax liability is small. This would allow more of our current resources to be devoted to more difficult cases where the tax liability is larger.

*Alaska*

HOUSING



FINANCE

CORPORATION

February 28, 1984

The Honorable Bob Battisworth  
House of Representatives  
Alaska State Legislature  
Pouch Y  
Juneau, AK 99811

Dear Representative Battisworth:

An inquiry has been made by your office as to how HB 564 would affect AHFC.

The Corporation has not in the past utilized the option to attach permanent fund dividends. AHFC most frequently uses a summary foreclosure process and deficiency judgments are prohibited.

Although we currently do not pursue judicial foreclosure (under which a deficiency judgment could be obtained) that does not mean we would not in the future. That decision, however, would be based on the amount of the dividend that could be attached.

Sincerely,

A handwritten signature in dark ink, appearing to read "MSL". The signature is fluid and cursive.

Michael S. Lynch  
Executive Director

MSL:sel