COMMITTEE REPORT

SENATE

FURTHER:

2/18/85

Date____________________

Mr. President

The Committee on FINANCE considered SB 68 repealing certain accounts, funds, and dedications of state revenue; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass

[ ] do pass with attached amendment(s)

[ ] replace with/or adopt CS for ____________________
[ ] new title
[ ] same title and recommends ____________________

[ ] and attached a "LETTER OF INTENT" [ ] NEW FISCAL NOTE

[ ] reports it back without recommendation

[ ] recommends referral to ____________________ Committee

MEMBERS SIGNING DO PASS	MEMBERS HAVING OTHER RECOMMENDATIONS
____________________	____________________
____________________	____________________
____________________	____________________
____________________	____________________
____________________	____________________
____________________	____________________
____________________	
____________________	

____
Chairman

____
Chairman recommendation

COMMITTEE REPORT

SENATE

FURTHER: FINANCE

1/21/85

Date 2/14/85

Mr. President

The Committee on JUDICIARY considered SB 68

repealing certain accounts, funds, and dedications of state revenue; efd.

and ~~(a majority of the committee)~~ (the committee) reports it back with the following recommendations:

[ ] do pass

[ ] do pass with attached amendment(s)

[ ] replace with/or adopt CS for
[ ] new title
[ ] same title and recommends

[ ] and attached a "LETTER OF INTENT" [ ] NEW FISCAL NOTE

[X] reports it back without recommendation

[ ] recommends referral to ____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Jan Faiks No Rec

Tim Kelly No Rec

" "

Rick Halford No Rec

Chairman

No Rec.

Chairman recommendation

Introduced: 1/21/85
Referred: Judiciary and Finance

IN THE SENATE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

SENATE BILL NO. 68

IN THE LEGISLATURE OF THE STATE OF ALASKA

FOURTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act repealing certain accounts, funds, and dedications of state revenue; and providing for an effective date."

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

* Section 1. AS 43.40.010(e) is amended to read:

(e) Sixty percent of the proceeds [OF THE REVENUE] from the taxes on aviation fuel, excluding the amount determined to have been spent by the state in its collection, _must_ [SHALL] be refunded to a municipality owning and operating_,_ or leasing and operating_,_ an airport_,_ in the proportion that the revenue was collected at the municipal airport. All other proceeds of the taxes on aviation fuel _must_ [SHALL] be paid into [A SPECIAL AVIATION FUEL TAX ACCOUNT IN] the [STATE] general fund. [THE LEGISLATURE MAY APPROPRIATE FUNDS FROM THIS ACCOUNT FOR AVIATION FACILITIES.]

* Sec. 2. AS 43.40.010(h) is amended to read:

(h) _Except as provided in (e) of this section,_ all motor fuel tax receipts, _must_ [SHALL] be paid into the general fund [AND DISTRIBUTED TO THE PROPER ACCOUNTS IN THE GENERAL FUND]. Valid motor fuel tax refund claims _must_ [SHALL] be paid from [THE HIGHWAY FUEL TAX ACCOUNT IN] the general fund.

* Sec. 3. AS 43.40.030 is amended to read:

Sec. 43.40.030. REFUND FOR NONHIGHWAY USE. (a) _A_ [EXCEPT AS SPECIFIED IN AS 43.40.010(j), A] person who uses motor fuel to operate an internal combustion engine is entitled to a refund of six cents a gallon if

(1) the tax on the motor fuel has been paid;

(2) the motor fuel is not aviation fuel, or motor fuel used in or on watercraft; and

(3) the internal combustion engine is not used in or in conjunction with a motor vehicle licensed to be operated on public ways.

* Sec. 4. AS 43.40.070 is amended to read:

Sec. 43.40.070. REFUND WARRANTS. Upon approval of a refund claim by the department, a warrant <u>must</u> [SHALL] be drawn on [THE HIGHWAY FUEL TAX ACCOUNT IN] the general fund in favor of the applicant in the amount of the claim.

* Sec. 5. AS 37.05.157, 37.05.158; AS 37.07.062(c)(4); AS 37.20.040; AS 43.05.210; AS 43.40.010(f), 43.40.010(g), 43.40.010(i), and 43.40.010(j) are repealed.

* Sec. 6. This Act takes effect July 1, 1985.

BILL SHEFFIELD
GOVERNOR

Dh-68

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 21, 1985

The Honorable Don Bennett
President of the Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator Bennett:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that repeals certain accounts, funds, and dedications of state revenue, and makes amendments to delete language that might look too much like a dedication of certain revenue.

Sections 1 -- 4 of the bill make amendments to the motor fuel tax statutes (AS 43.40), which remove provisions that appear to segregate or dedicate for special purposes tax revenue earned from the sale of motor fuel. Certain statutes repealed in sec. 5 also relate to the amendments made by secs. 1 -- 4 of the bill. The repeal of AS 44.40.-010(f), (g), (i), and (j) in sec. 5 is consistent with the policy set out in art. IX, sec. 7 of the Alaska Constitution, which prohibits the earmarking of state tax revenue.

Section 5 of the bill repeals statutes that appear to create dedicated funds in a manner that is not consistent with the limitations imposed by the Alaska Constitution. Repealed in sec. 5 are: (1) the reserve for capital outlay account (AS 37.05.157); (2) the reserve for energy facilities development account (AS 37.05.158); and (3) a reference to AS 37.05.157 (reserve for capital outlay) in AS 37.07.062 dealing with the capital budget. The accounts and the funds are inactive because it has been determined that they violate the dedicated fund prohibition contained in art. IX, sec. 7 of the Alaska Constitution. On the advice of the attorney general, no deposits were ever made to these accounts, and none has an outstanding balance.

Also, in sec. 5 of the bill, the dedication of revenue to the Alaska Native fund (AS 37.20.040) is repealed because the fund is no longer needed to implement the Alaska

AH-68

Native Claims Settlement Act. AS 43.05.210 is repealed because the dedication, for specific uses, of a part of the revenue received under 36 U.S.C. sec. 191 (the Federal Mineral Leasing Act) is no longer required by federal law.

Under some circumstances, the dedication of state revenue might be appropriate. However, I believe that a dedication, if made at all, should be effected by amending the Alaska Constitution.

Sincerely,

Bill Sheffield

Bill Sheffield
Governor

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date ____________

REQUEST
Bill/~~Resolution No~~: 68
Title: Repealing certain accounts, funds, and dedications of revenue
Sponsor: Governor
Requestor:
Date of Request:

FISCAL DETAIL
Agency Affected: Department of Revenue
Program Category Affected:
BRU, Program or Subprogram(s) Affected:

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

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

ANALYSIS: Attach a separate page for analysis.

Prepared By: Milt Barker MB
Phone: 465-2350
Division: Treasury
Date: October 22, 1984

Approved by Commissioner:
Date:
Agency: Department of Revenue

Distribution (by Agency preparing fiscal note):
- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

ALASKA STATE LEGISLATURE

14TH Legislature FIRST Session

SENATE BILL NO. 68

By THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

"An Act repealing certain accounts, funds, and dedications of state revenue; and providing for an effective date."

Introduced in the Senate 1/21, 1985

HISTORY IN THE SENATE

19 85		
1	21	Read first time and referred to Committee on Judiciary and Finance
2	18	Reported back with Judiciary recommendation that 5 no rec to Finance. Eir:
		Read second time and
		Read third time and

PASS — Yeas, Nays, Absent, Excused
Effective Date — Yeas, Nays, Absent, Excused

Reconsideration

PASS — Yeas, Nays, Absent, Excused
Effective Date — Yeas, Nays, Absent, Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS — Yeas, Nays, Absent, Excused
Effective Date — Yeas, Nays, Absent, Excused

Reconsideration

PASS — Yeas, Nays, Absent, Excused
Effective Date — Yeas, Nays, Absent, Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

.... by Governor

Filed with Lt. Governor

Chapter No. ....

31-001

Introduced: 1/21/85
Referred: Judiciary and
Finance

IN THE SENATE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

SENATE BILL NO. 68

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FOURTEENTH LEGISLATURE - FIRST SESSION

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* Sec. 6. This Act takes effect July 1, 1985.

BILL SHEFFIELD
GOVERNOR

dl-68

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 21, 1985

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Alaska State Legislature
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Sincerely,

Bill Sheffield

Bill Sheffield
Governor

COMMITTEE REPORT

SENATE

FURTHER: FINANCE

1/21/85

Date 2/14/85

Mr. President

The Committee on JUDICIARY considered SB 68

repealing certain accounts, funds, and dedications of state revenue; efd.

and ~~(a majority of the committee)~~ (the committee) reports it back with the following recommendations:

[ ] do pass

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[ ] and attached a "LETTER OF INTENT" [ ] NEW FISCAL NOTE

[X] reports it back without recommendation

[ ] recommends referral to ________ Committee

MEMBERS SIGNING DO PASS	MEMBERS HAVING OTHER RECOMMENDATIONS
	Jan Faiks No Rec
	Tim Kelly No Rec
	[illegible] " "
	Rick Halford No Rec.

[signature]

Chairman

no rec.

Chairman recommendation

031
SB 68

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date ______

REQUEST
Bill/Resolution No: ______
Title: Repealing certain accounts, funds, and dedications of revenue
Sponsor: Governor
Requestor: ______
Date of Request: ______

FISCAL DETAIL
Agency Affected: Department of Revenue
Program Category Affected: ______
BRU, Program of Subprogram(s) Affected: ______

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
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400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
FULL-TIME	-	-	-	-		-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page for analysis.

Prepared By: Milt Barker MB
Phone: 465-2350
Division: Treasury
Date: October 22, 1984

Approved by Commissioner: ______
Date: ______
Agency: Department of Revenue

Distribution (by Agency preparing fiscal note):
- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)