

SB

157



A Sealaska Company



Rhonda

George W. Easley
President

157
[Handwritten initials]

June 26, 1987

JUN 30 1987

Senator Mitchell Abood
P.O. Box V
Juneau, Ak. 99811

Senator Abood:

Please understand that for me and thousands of other people doing business in Alaska, the FY88 capital budget is the most important piece of legislation needing your support this year.

I am sure you have, as I have, many friends and associates whose ability to do business in Alaska has been eliminated because of our current economic conditions. We also have a number of friends whose hopes of remaining in business rests primarily on the work created by the FY88 capital budget.

Please consider the importance of a capital budget to Alaska's economy and people. Since statehood, we've always had a capital budget. Consider the capital budget on its own merits and address it separately from other issues.

We feel the priorities on line items within the budget should include: (1) adequate funds to match all Federal monies; (2) those projects which will do the most to stimulate our economy.

All Alaskans are relying on your ability to work together in dealing with this most important issue. Thank you for your time. If I can be of any assistance to you, don't hesitate to ask.

Kindest personal regards,

Thanks Mitch - Good fishing this summer -

[Handwritten signature]

Dave Choquette
Business Operations & Development

DC:sm

INTRODUCTION OF BILLS, (House)

Oil & Gas Properties HOUSE BILL NO. 164, by the Rules Committee by Request of the Governor. See SB 158, this report, identical.

Production Tax
(amendments to) Introduced March 4 and referred to Resources; Finance.

Bradley Lake Appropriation HOUSE BILL NO. 165, by the Rules Committee by Request of the Governor. See SB 159. this report, identical.

(amending)
Introduced March 4 and referred to Resources; Finance.

FY '87 Budget Deficit HOUSE BILL NO. 166, by the Rules Committee by Request of the Governor. See SB 157, this report, identical.

(appropriating from budget reserve acct.)
Introduced March 4 and referred to Finance.

Seat Belts HOUSE BILL NO. 167, by Reps. Cotten, Ulmer, Koponen, Collins, Brown, Donley, Ellis, Gruenberg, Vanley, Hudson, Phillips and Davidson. Rewrites current law relating to mandatory use of seat belts so that ". . . a person may not occupy a motor vehicle while in operation unless restrained by a safety belt." Currently children under the age of seven are required to wear seat belts, and children under the age of four must be properly secured in a child safety device meeting federal Dept. of Transportation standards. Children between four and six have to be properly secured in a child safety device for the age and size. The standards that currently apply to children would be the same under this bill. The law would not apply to passengers in school buses or emergency vehicles; to operators of mail or newspaper delivery vehicles; children with physical or medical conditions that have been exempted by regulation; cars that are not equipped with seatbelts; and motor vehicles that are not subject to state registration requirements. Persons could not remove seatbelts from cars solely to be exempted from requirements.

Changes penalty section so that a person convicted of a seat belt violation could be fined up to \$15, in addition to being assessed demerit points (as current law provides).

Does not provide an effective date (bill becomes law 90 days after being signed by the governor).

Introduced March 6 and referred to State Affairs; Judiciary.

Public Employees
(protection) HOUSE BILL NO. 168, by the Labor & Commerce Committee. Relates to protection of public employees. Prohibits a public employer from discharging, threatening, or otherwise discriminating against an employee regarding the employee's compensation, terms, conditions, location, or privileges of employment because (1) the employee, or a person acting on his/her behalf, reports to a public body a violation of state, federal, or municipal law, regulation or ordinance; a substantial and specific danger to public health or safety; or mismanagement, a gross waste of funds, or an abuse of authority; or (2) the employee is requested by a public body to participate in a court action or in an investigation, hearing, or inquiry held by that public body.

BILLS PASSED BY THE HOUSE (cont'd)

CSHB 120 (FIN) (TITLE AM), (cont'd)

The effective date clause was adopted. Rep. Barnes gave notice of reconsideration.

On March 13 reconsideration was taken up. Amendment 3 by Brown and Gruenberg was adopted, changing the bill's title. The bill then passed the House on reconsideration, 32-5-3. Nays: Barnes, Furnace, Hanley, Martin, Shultz. Excused: Donley, Pearce, Taylor.

Eklutna Highway HOUSE CONCURRENT RESOLUTION NO. 1 (AM S), (see pages 80; 113;143;160;206;244;276). On March 9 the House concurred in Senate amendments (final action) to the resolution, 39-0-1. Absent: Shultz.

Alaskan Seafood Products CS FOR HOUSE JOINT RESOLUTION NO. 17 (L&C), (see pages 221; 227;254;299). On March 9 the Labor & Commerce substitute was adopted (see page 299). The resolution then passed the House, 40-0. (trade names)

Seafood Marketing HOUSE RESOLUTION NO. 4, (see introductions, this report). Passed the House March 13, 37-0-3. Excused: Donley, Pearce, Taylor. (application for funds)

State Militia SENATE BILL NO. 90, (see pages 91;164;187;300). Passed the House March 9, 40-0. The effective date clause was adopted. Rep. Cotten gave notice of reconsideration. (eligible age)

On March 11 Rep. Cotten brought up reconsideration and the bill was held until the March 16 calendar.

OTHER ACTION IN THE HOUSE

FY '87 Budget Deficit HOUSE BILL NO. 166, (see page 284). On March 9 the Speaker added a referral to the State Affairs Committee. The bill (appropriating from budget reserve fund) was taken from Finance and sent to State Affairs. It will be sent to Finance again after State Affairs.

Bd. of Electrical Examiners SENATE BILL NO. 111, (see pages 147;275;289). On March 9 the Labor & Commerce referral was waived by the Speaker. To Finance. (extending)

Div. of Mining & Geology EXECUTIVE ORDER NO. 64, (see pages 83;206). On March 9 a message was received from the governor WITHDRAWING the executive order:

I am today withdrawing Executive Order No. 64, which would have consolidated the Department of Natural Resources' division of mining and division of geological and geophysical surveys and named the consolidated unit the division of mining and geology.

The plan to merge the division of mining into the division of geological and geophysical surveys was conceived in response to the perceived efficiencies of the consolidation and the cost savings that would result. We have continued to analyze the possible benefits, detriments, and alternatives.

COMMITTEE REPORTS (House, cont'd)

HB 156, (cont'd)

to use the amount to make appropriations to the oil and hazardous substance release response fund. An additional one percent would be accounted for, and the legislature could use it to make appropriations to the dept. of environmental conservation for implementation of the state's air quality control implementation plan in nonattainment areas designated by the federal EPA for carbon monoxide emissions. The balance of the revenue would be deposited in the existing special highway fuel tax account for use by the legislature for appropriations for maintenance of highways, construction of highway projects and ferries.

Public Assistance
(misc. ams.)

HOUSE BILL NO. 157, (see page 280). Reported back to the House May 1 by Health, Education & Social Services recommending it be replaced with a substitute and without recommendation. concurring: Ellis and Koponen (Co-Chairs), Hudson, Donley, Hanley and Phillips. Not concurring: Gruenberg recommends it do pass. To Finance.

The HESS substitute completely rewrites the bill. It adds a new section to AS 47.25.455 (Interim Assistance) that would require a person, as a condition of receiving payments, to sign an agreement to refund the department any payment received by the person during a month for which the person receives payment under the federal law. Adult public assistance payments would begin in the month after the month in which it is determined a person is eligible for federal benefits.

FY '87 Budget Deficit
(appropriating from budget reserve fund)

HOUSE BILL NO. 166, (see pages 284;334). Reported back to the House April 28 by State Affairs recommending it be replaced with a State Affairs substitute and as follows: Ulmer (Chair) and Boucher recommend it do pass; Donley recommends it do not pass; Martin and Davidson had no recommendation. To Finance.

The State Affairs substitute completely rewrites the bill. Under the State Affairs version \$250 million is appropriated from the earnings reserve account of the Alaska Permanent Fund to the Budget Reserve Fund. Provides Act takes effect July 1, 1987.

Workers' Comp 2nd Injury Fund
(use of)

HOUSE BILL NO. 177, (see pages 322;477). Reported back to the House April 27 by Judiciary recommending it be replaced with a Judiciary substitute and that it do pass. Concurring: Sund (Chair), Ulmer, Barnes, Taylor, Gruenberg. Not concurring: Cotten had no recommendation. To Finance.

The Judiciary substitute adds a new section rewriting AS 23.30.015(c) (Alaska Workers' Compensation Act. Compensation Where Third Persons Are Liable) so that payment of compensation into the second injury fund within six months after the date of death operates as an assignment to the employer, for a period of six months after payment, of all rights of the deceased's representative to recover damages from the third person. If payment is not made within six months after the death, or if the employer does not file a lawsuit against the third person within

HOUSE BILLS RECEIVED IN THE SENATE (cont'd)

- State Land (survey reqs.) CS FOR HOUSE BILL NO. 111 (RES), (see pages 167;530 & House action, this report). Received in the Senate May 17 and referred to Resources; Finance. On May 18 the Resources referral was waived. To Finance.
- International Airport Bonds (issuance) HOUSE BILL NO. 123, (see pages 175;618 & House action, this report). Received in the Senate May 11 and referred to Transportation; Finance.
- Future of the Permanent Fund (establishing commission) CS HOUSE BILL NO. 160 (FIN) (AM), (see pages 282;535 & House action, this report). Received in the Senate May 18 and referred to State Affairs; Judiciary; Finance.
- FY '87 Budget Deficit (appropriating from budget reserve fund) CS FOR HOUSE BILL NO. 166 (RULES), (see pages 284;334;665 & House action, this report). Received from the House May 18 and referred to State Affairs; Finance.
- State Loan programs (repealing/ changing) CS FOR HOUSE BILL NO. 185 (FIN) (AM), (see pages 355 & House action, this report). Received in the Senate May 13 and referred to Labor & Commerce; Judiciary; Resources; Finance.
- Geographic Pay Differentials CS FOR HOUSE BILL NO. 187 (FIN) (AM), (see pages 361;477 & House action, this report). Received in the Senate May 17 and referred to Finance.
- Weapons Used in a Crime (forfeiture) CS FOR HOUSE BILL NO. 203 (FIN), (see pages 412;722 & House action, this report). Received in the Senate May 15 and referred to Judiciary; Finance.
- Occupational & Phys. Therapy (regulating) CS FOR HOUSE BILL NO. 205 (HESS) (AM), (see pages 412;582; 722 & House action, this report). Received in the Senate May 13 and referred to Labor & Commerce; Finance.
- Leave of Absence w/o Pay (credited service for) HOUSE BILL NO. 215, (see pages 416;537;723 & House action, this report). Received in the Senate May 13 and referred to State Affairs; Labor & Commerce; Finance.
- Game Farming (license fees) HOUSE BILL NO. 216, (see pages 416;666 & House action, this report). Received in the Senate May 15 and referred to Labor & Commerce; Resources; Finance.
- Employment Rights (pregnancy, childbirth & adoption) CS FOR HOUSE BILL NO. 224 (JUD) (AM), (see pages 420;629;667; 724 & House action, this report). Received in the Senate May 17 and referred to Health, Education & Social Services; Labor & Commerce; Finance.
- Insurance Premium Tax (increasing) CS FOR HOUSE BILL NO. 230 (FIN), (see pages 462;620;680;725 & House action, this report). Received in the Senate May 11 and referred to Labor & Commerce; Judiciary; Finance.

BILLS & RESOLUTIONS PASSED BY THE HOUSE (cont'd)

CSHB 160(FIN)(AM), (cont'd)

governor and the legislature on the investment policy for the principal and the use that should be made of the income of the Permanent Fund.

Judiciary would require the commission to report to the governor and legislature by February 1, 1988 (was 1989). Would repeal the Act February 2, 1988.

Reported back to the House May 15 by Finance recommending it be replaced with a Finance substitute and that it do pass. Concurring: Adams (Chair), Pourchot, Swackhammer, Boyer, Frank, Davis, Brown. Not concurring: Larson, Rieger and Goll have no recommendation. Wallis signed "adopt State Affairs Committee."

The Finance substitute would have the commission gather testimony concerning the use that should be made of the income from the fund - it would not gather testimony concerning the investment policy. Deletes language, "The commission may also comment on changes in the management of the fund that may be needed as a result of its recommendations."

On May 16 Rep. Koponen added his name as co-sponsor.

On May 17 the House Finance substitute was adopted. Amendment 1 by Boucher was adopted. It provides that the members of the commission appointed by the governor be six members of from the public (was five appointees of the governor and listed what sectors of the state the members had to represent). The bill then failed to advance to third reading.

On May 18 the bill was automatically before the House in third reading. It passed the House, 26-13-1. Nays: Barnes, Collins, Furnace, Hanley, Hudson, Martin, Menard, Pearce, Pettyjohn, Phillips, Shultz, Taylor, Zawacki. Absent: Goll. The effective date clause was adopted.

FY '87 Budget
Deficit
(appropriating
from earnings
& budget res.
accounts)

CS HOUSE BILL NO. 166 (RULES), (see pages 284;334;665). Reported back to the House May 11 by Finance recommending it be replaced with a Finance substitute and without recommendation. Concurring: Goll, Davis, Boyer, Brown, Frank, Rieger. Not concurring: Adams (Chair), Pourchot, Wallis, Swackhammer and Larson recommend it do pass. To Rules.

The Finance substitute appropriates to the budget reserve fund in the general fund the balance of the earnings reserve account of the Permanent Fund after subtracting the amount to pay dividends in 1987 and to pay for 1987 inflation proofing.

If the unexpended and unobligated balance of the general fund is insufficient to pay obligations of the general fund under appropriations at any time during fiscal year 1988, the amount required to pay those obligations will be appropriated from the budget reserve fund in the general fund to the general fund. Provides Act takes effect July 1, 1987.

BILLS & RESOLUTIONS PASSED BY THE HOUSE (cont'd)

CSHE 166(RULES), (cont'd)

Reported back to the House May 16 by Rules recommending it be replaced with a Rules substitute and that it do pass. Concurring: Navarre (Chair), Grussendorf, Gruenberg, Hoffman. Not concurring: Pettyjohn, Gruenberg and Boucher have no recommendation.

The House Rules substitute is completely different. It states (in its entirety): "If the 'Available Fund Equity/Balance' for the general fund as reported for June 30, 1988, on the 'State of Alaska, All Fund Types and Account Groups, Combines Balance Sheet' in the state's 'Annual Financial Report' for fiscal year 1988, published under AS 37.05.210(2) is a positive amount, that amount is appropriated from the general fund to the budget reserve fund (AS 37.05.156)."

On May 16 the Rules substitute was adopted. The bill failed to advance to third reading, lacking the necessary two-thirds vote. On May 17 the bill was automatically before the House in third reading. Passed the House, 26-14. Nays: Barnes, Collins, Frank, Furnace, Hanley, Hudson, Martin, Menard, Miller, Pearce, Pettyjohn, Shultz, Taylor, Zawacki. Rep. Pearce gave notice of reconsideration. Reconsideration was taken up May 18, and the bill again passed the House, 26-12-2. Nays: Barnes, Collins, Furnace, Hanley, Hudson, Martin, Menard, Pearce, Pettyjohn, Shultz, Taylor, Zawacki. Absent: Frank, Miller.

Individual
Tax Credits
(repealing)

HOUSE BILL NO. 184 (AM S), (see pages 355;499;536;541;606;802). On May 15 the House concurred in Senate amendments (see page 802), 38-2. Nays: Collins, Phillips.

State Loan
Programs
(repealing/
changing)

CS HOUSE BILL NO. 185 (FIN) (AM), (see page 355). Reported back to the House May 11 by Finance recommending it be replaced with a Finance substitute and without recommendation. Concurring: Goll, Swackhammer, Boyer, Rieger, Frank, Davis. Not concurring: Adams (Chair), Pourchot, Larson, Wallis, Brown. To Rules.

The Finance substitute makes the following changes:

—all principal and interest payments and all money chargeable to principal or interest that is collected through liquidation by foreclosure or other process on loans made under the salmon enhancement loan fund would be paid into the salmon enhancement revolving loan fund.

—deletes language from AS 16.10.510 (Fisheries Enhancement Loan Program - renamed the Salmon Enhancement Loan Program under this bill) that allows the commissioner of commerce to establish the rate of interest for loans not to exceed nine and a half percent a year. Under this bill, the department of commerce would establish loan terms.

—deletes subsection (d) under "Loan Terms." That subsection said the department could defer principal and interest payments up to 10 years for the purpose of allowing the borrower to establish



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

P.O. Box Y, State Capitol
Juneau, Alaska 99811-3100
Mail Stop 3100
(907) 465-3991

May 14, 1987

TO: File
FROM: David Teal, Director *Teal*
RE: Permanent Fund Projections
Research Request 87.174

Several runs of worksheet PF174 were produced for Representative Ulmer during the past month. No memos were written because the tables were self-explanatory. Files have been purged of older runs because the runs:

- were exploratory;
- were revised to accommodate changes to hold harmless provisions;
- can be easily reproduced in their corrected versions; and
- are subject to change with each new financial statement and revenue forecast.

The latest version (attached) is a comparison of a 50 percent split--to dividends and the General Fund/Budget Reserve--of earnings after full inflation proofing with the 40/30/30 split proposed by the Senate. The Senate plan is inaccurately modeled in that capital gains are treated as earnings instead of as additions to principal. There is no way to project capital gains with any confidence and the Permanent Fund Corporation was unable to clarify whether or not current projections of earnings include capital gains. The model will be kept for future use.

Attachments

cc: Representative Ulmer

TABLE B
PERMANENT FUND BALANCE, RESERVES AND DIVIDEND PROJECTIONS
(in millions of nominal dollars)

% of earnings to dividends: 40.0% 30% REVENUE FORECAST, 40%-30%-30% SPLIT TO DIVIDENDS, INFLATION PROOFING AND RESERVES
 cutting "n" dividends: none
 inflation proofing priority: 3
 inf. prf. % (if priority=3): 30.0%
 dividends smoothed; D=no: 0
 reserves to Gen fund; D=no: 1

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	
FUND BALANCE			PERM FUND AS IS:			DISPOSITION OF EARNINGS				RESERVE ACCOUNT		RESERVE ACCOUNT AS IS:		DIVIDEND PROGRAM					DIVIDEND AS IS:		Potential Transfer
Fiscal Year	Starting Balance	Contributions	Inflation Proofing	Final Balance	Final Balance	Total Earnings	To Dividends	Inflation Proofing	Available for Reserves	Starting Balance	Reserve Transfer	Final Balance	Final Balance	From Earnings	Admin Cost	Available for Distribution	Thousands of Checks	Each PFD Check	Each PFD Check	General Fund	
1978	0	54	0	54	54	2	0	0	2	0	0	0	0	0	--	0	--	--	--	--	
1979	54	84	0	139	139	8	0	0	8	0	0	0	0	0	--	0	--	--	--	--	
1980	135	244	0	483	483	32	12	0	20	0	0	0	0	0	--	0	--	--	--	--	
1981	483	1,285	0	1,768	1,769	150	28	0	122	0	59	59	59	12	--	0	--	--	--	--	
1982	1,769	1,201	0	2,969	2,969	368	71	0	297	59	185	244	244	28	--	0	--	--	--	--	
1983	2,969	821	231	4,021	4,021	471	108	231	132	244	110	354	354	71	3.4	478	478.0	\$1,000	\$1,000	--	
1984	4,021	666	151	4,839	4,839	530	175	151	204	354	204	558	558	108	3.1	198	486.0	\$386	\$386	--	
1985	4,839	668	235	5,741	5,741	658	217	235	206	558	206	764	764	175	3.0	160	471.1	\$331	\$331	--	
1986	5,741	321	216	6,281	6,281	1,021	303	216	501	764	(764)	0	0	217	7.5	211	\$26.9	\$404	\$404	--	
1987	6,281	1,414	148	7,842	7,842	1,016	391	148	507	0	507	507	507	303	7.7	295	536.4	\$556	\$556	--	
1988	7,842	167	235	8,244	8,383	786	314	236	236	0	236	236	539	391	11.6	360	527.2	\$720	\$720	507	
1989	8,244	188	239	8,672	8,987	798	319	239	239	0	239	239	522	314	12.1	302	525.6	\$575	\$794	236	
1990	8,672	208	267	9,147	9,737	892	357	267	267	0	267	267	456	319	12.3	306	528.0	\$580	\$855	239	
1991	9,147	196	282	9,625	10,523	939	376	282	282	0	282	282	413	357	13.6	343	530.2	\$647	\$914	267	
1992	9,625	213	297	10,134	11,371	989	395	297	297	0	297	297	391	376	14.4	361	532.4	\$678	\$913	282	
1993	10,134	227	313	10,674	12,287	1,043	417	313	313	0	313	313	364	395	15.1	380	534.5	\$712	\$923	297	
1994	10,674	232	330	11,235	13,262	1,098	439	330	330	0	330	330	326	417	15.9	401	536.7	\$748	\$991	313	
1995	11,235	231	357	11,822	14,332	1,188	475	357	357	0	357	357	280	439	16.7	423	538.8	\$784	\$1,071	330	
1996	11,822	230	375	12,427	15,468	1,250	500	375	375	0	375	375	222	475	17.5	458	540.9	\$846	\$1,154	357	
1997	12,427	232	394	13,053	16,677	1,313	525	394	394	0	394	394	151	500	18.3	482	543.0	\$887	\$1,244	375	
1998	13,053	232	414	13,699	17,361	1,379	552	414	414	0	414	414	64	525	19.1	506	545.1	\$929	\$1,340	394	
1999	13,699	229	434	14,362	19,261	1,446	579	434	434	0	434	434	0	552	19.8	532	547.1	\$972	\$1,442	414	
2000	14,362	224	450	15,036	20,592	1,500	590	450	450	0	450	450	0	579	20.7	558	549.1	\$1,016	\$1,550	434	
2001	15,036	217	471	15,723	21,947	1,565	628	471	471	0	471	471	0	600	21.6	578	551.1	\$1,049	\$1,653	450	
2002	15,723	215	492	16,430	23,385	1,640	656	492	492	0	492	492	0	628	22.4	595	553.1	\$1,094	\$1,759	471	
2003	16,430	210	514	17,154	24,895	1,714	685	514	514	0	514	514	0	656	23.2	623	555.2	\$1,140	\$1,870	492	
2004	17,154	208	536	17,895	26,495	1,788	715	536	536	0	536	536	0	685	24.0	641	557.2	\$1,187	\$1,995	514	
2005	17,899	205	555	18,663	28,171	1,865	742	555	555	0	555	559	0	715	24.9	660	559.2	\$1,234	\$2,107	536	
2006	18,553	202	574	19,458	29,915	1,944	778	574	574	0	574	583	0	746	25.7	679	561.3	\$1,283	\$2,239	555	
2007	19,447	194	597	20,248	31,751	2,028	810	597	597	0	607	607	0	778	26.5	701	563.1	\$1,333	\$2,375	574	
2008	20,249	193	622	21,071	33,746	2,109	843	622	622	0	632	632	0	810	27.4	723	565.4	\$1,384	\$2,516	597	
2009	21,075	190	648	21,912	35,803	2,191	877	648	656	0	658	658	0	843	28.3	745	567.5	\$1,436	\$2,668	622	
2010	21,922	183	684	22,790	37,565	2,281	912	684	684	0	684	684	0	877	29.2	768	569.6	\$1,489	\$2,826	648	
2011	22,790	168	711	23,669	40,279	2,370	948	711	711	0	711	711	0	912	30.0	802	571.8	\$1,543	\$2,991	684	
2012	23,559	149	738	24,556	42,596	2,460	984	738	738	0	738	738	0	948	30.9	827	573.7	\$1,598	\$3,164	711	
2013	24,556	117	765	25,438	45,057	2,550	1020	765	765	0	765	765	0	984	31.8	852	575.8	\$1,653	\$3,345	738	
2014	25,438	103	792	26,334	47,637	2,641	1056	792	792	0	792	792	0	1,020	32.7	877	577.9	\$1,708	\$3,534	765	

Source: Alaska Permanent Fund Corporation February 25, 1917 Financial Statement
 Department of Revenue, 30% Revenue Forecast, March 1997

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

P.O. Box Y, State Capitol
Juneau, Alaska 99811-3100
Mall Stop 3100
(907) 465-3991

May 14, 1987

TO: File
FROM: David Teal, Director *Teal*
RE: Permanent Fund Projections
Research Request 87.174

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The latest version (attached) is a comparison of a 50 percent split--to dividends and the General Fund/Budget Reserve--of earnings after full inflation proofing with the 40/30/30 split proposed by the Senate. The Senate plan is inaccurately modeled in that capital gains are treated as earnings instead of as additions to principal. There is no way to project capital gains with any confidence and the Permanent Fund Corporation was unable to clarify whether or not current projections of earnings include capital gains. The model will be kept for future use.

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cc: Representative Ulmer

TABLE A
PERMANENT FUND BALANCE, RESERVES AND DIVIDEND PROJECTIONS
(in millions of nominal dollars)

% of earnings to dividends: 50.0% 30% REVENUE FORECAST; 50% TO DIVIDENDS, 50% TO GF AFTER FULL INFLATION PROOFING
 ceiling on dividends: none
 inflation proofing priority: 1
 inf. prf. % (if priority=3): 0.0%
 dividends smoothed: 0=no
 reserves to Gen Fund: 0=no

A Fiscal Year	B C D FUND BALANCE			E F PERM FUND AS IS:		G H I J DISPOSITION OF EARNINGS				K L M N RESERVE ACCOUNT			O P Q RESERVE ACCOUNT AS IS:			R S T U DIVIDEND PROGRAM					Potential Transfer to General Fund
	Starting Balance	Contri- butions	Inflation Proofing	Final Balance	Final Balance	Total Earnings	To Dividends	To Available For Reserves		Starting Balance	Reserve Transfer	Final Balance	Final Balance	From Earnings	Admin Cost	Available Thousands			Each PFD Check	Each PFD Check	
								for Distribution	of Checks							Each PFD Check					
1978	0	54	0	54	54	2	0	0	2	0	0	0	0	0	--	0	--	--	--	--	--
1979	54	84	0	138	138	8	0	0	8	0	0	0	0	0	--	0	--	--	--	--	--
1980	138	344	0	483	483	32	12	0	20	0	0	0	0	0	--	0	--	--	--	--	--
1981	483	1,285	0	1,768	1,768	150	28	0	122	0	59	59	59	12	--	0	--	--	--	--	--
1982	1,768	1,201	0	2,969	2,969	368	71	0	297	59	185	244	244	28	--	0	--	--	--	--	--
1983	2,969	821	231	4,021	4,021	471	108	231	322	244	110	354	354	71	3.4	478	478.8	\$1,000	\$1,000	--	--
1984	4,021	666	151	4,839	4,839	530	175	151	204	354	204	558	558	100	3.1	180	486.8	\$286	\$386	--	--
1985	4,839	668	235	5,741	5,741	650	217	235	206	558	206	764	764	175	3.0	160	483.1	\$331	\$331	--	--
1986	5,741	323	216	6,281	6,281	1,021	303	216	501	784	(764)	0	0	217	7.5	217	520.9	\$404	\$404	--	--
1987	6,281	1,414	148	7,842	7,842	1,046	391	148	507	0	507	507	507	303	7.7	295	536.4	\$556	\$556	--	--
1988	7,842	167	375	8,383	8,383	786	385	375	26	0	26	26	539	381	11.6	380	527.2	\$720	\$720	507	507
1989	8,383	188	416	8,987	8,987	811	371	416	25	0	25	25	522	385	12.1	373	525.8	\$709	\$794	26	26
1990	8,987	208	544	9,739	9,739	924	342	544	38	0	38	38	456	371	12.9	358	528.0	\$678	\$855	25	25
1991	9,739	196	589	10,523	10,523	999	278	589	134	0	134	134	413	342	13.6	328	530.2	\$619	\$914	38	38
1992	10,523	212	636	11,371	11,371	1,080	214	636	230	0	230	230	391	278	14.4	263	532.4	\$694	\$913	134	134
1993	11,371	227	689	12,287	12,287	1,169	222	689	259	0	259	259	364	214	15.1	199	534.5	\$773	\$923	230	230
1994	12,287	232	744	13,262	13,262	1,263	235	744	284	0	284	284	326	222	15.9	206	536.7	\$883	\$991	259	259
1995	13,262	231	839	14,332	14,332	1,401	254	839	308	0	308	308	280	235	16.7	218	538.8	\$404	\$1,071	284	284
1996	14,332	210	906	15,468	15,468	1,513	274	906	333	0	333	333	222	254	17.5	236	540.9	\$437	\$1,154	308	308
1997	15,468	232	977	16,677	16,677	1,632	296	977	359	0	359	359	151	274	18.3	256	543.0	\$471	\$1,244	333	333
1998	16,677	232	1,052	17,961	17,961	1,758	320	1,052	386	0	386	386	84	296	19.1	277	545.1	\$509	\$1,340	359	359
1999	17,961	229	1,131	19,322	19,322	1,893	346	1,131	416	0	416	416	64	320	19.9	300	547.1	\$549	\$1,442	386	386
2000	19,322	224	1,194	20,739	20,739	2,013	373	1,194	446	0	446	446	3	346	20.7	325	549.1	\$591	\$1,550	416	416
2001	20,739	217	1,280	22,337	22,337	2,160	401	1,280	478	0	478	478	0	373	21.6	351	551.1	\$637	\$1,653	446	446
2002	22,337	215	1,372	23,884	23,884	2,315	431	1,372	512	0	512	512	0	401	22.4	379	553.1	\$685	\$1,759	478	478
2003	23,884	210	1,468	25,502	25,502	2,479	463	1,468	547	0	547	547	0	431	23.2	408	555.2	\$735	\$1,870	512	512
2004	25,502	208	1,571	27,281	27,281	2,655	497	1,571	585	0	585	585	0	463	24.0	439	557.2	\$788	\$1,966	547	547
2005	27,281	205	1,679	29,165	29,165	2,837	531	1,679	625	0	625	625	0	497	24.9	472	559.2	\$844	\$2,107	585	585
2006	29,165	202	1,794	31,151	31,151	3,032	570	1,794	667	0	667	667	0	533	25.7	507	561.3	\$903	\$2,238	625	625
2007	31,151	194	1,916	33,271	33,271	3,278	610	1,916	712	0	712	712	0	570	26.6	544	563.3	\$965	\$2,375	667	667
2008	33,271	183	2,045	35,529	35,529	3,457	651	2,045	760	0	760	760	0	610	27.4	583	565.4	\$1,030	\$2,519	712	712
2009	35,529	190	2,181	37,879	37,879	3,649	697	2,181	810	0	810	810	0	652	28.3	624	567.5	\$1,100	\$2,668	760	760
2010	37,879	183	2,326	40,388	40,388	3,934	744	2,326	864	0	864	864	0	697	29.2	668	569.6	\$1,172	\$2,826	810	810
2011	40,388	168	2,478	43,035	43,035	4,193	794	2,478	921	0	921	921	0	744	30.0	718	571.6	\$1,249	\$2,991	864	864
2012	43,035	149	2,639	45,822	45,822	4,466	847	2,639	980	0	980	980	0	794	30.9	763	573.7	\$1,331	\$3,164	921	921
2013	45,822	117	2,807	48,746	48,746	4,753	903	2,807	1,043	0	1,043	1,043	0	847	31.8	816	575.8	\$1,416	\$3,345	980	980
2014	48,746	103	2,985	51,834	51,834	5,055	963	2,985	1,108	0	1,108	1,108	0	903	32.7	871	577.9	\$1,507	\$3,534	1,043	1,043

Source: Alsea Permanent Fund Corporation February 28, 1987 Financial Statement
 Department of Revenue, 30% Revenue Forecast, March 1987

TABLE B
PERMANENT FUND BALANCE, RESERVES AND DIVIDEND PROJECTIONS
(in millions of nominal dollars)

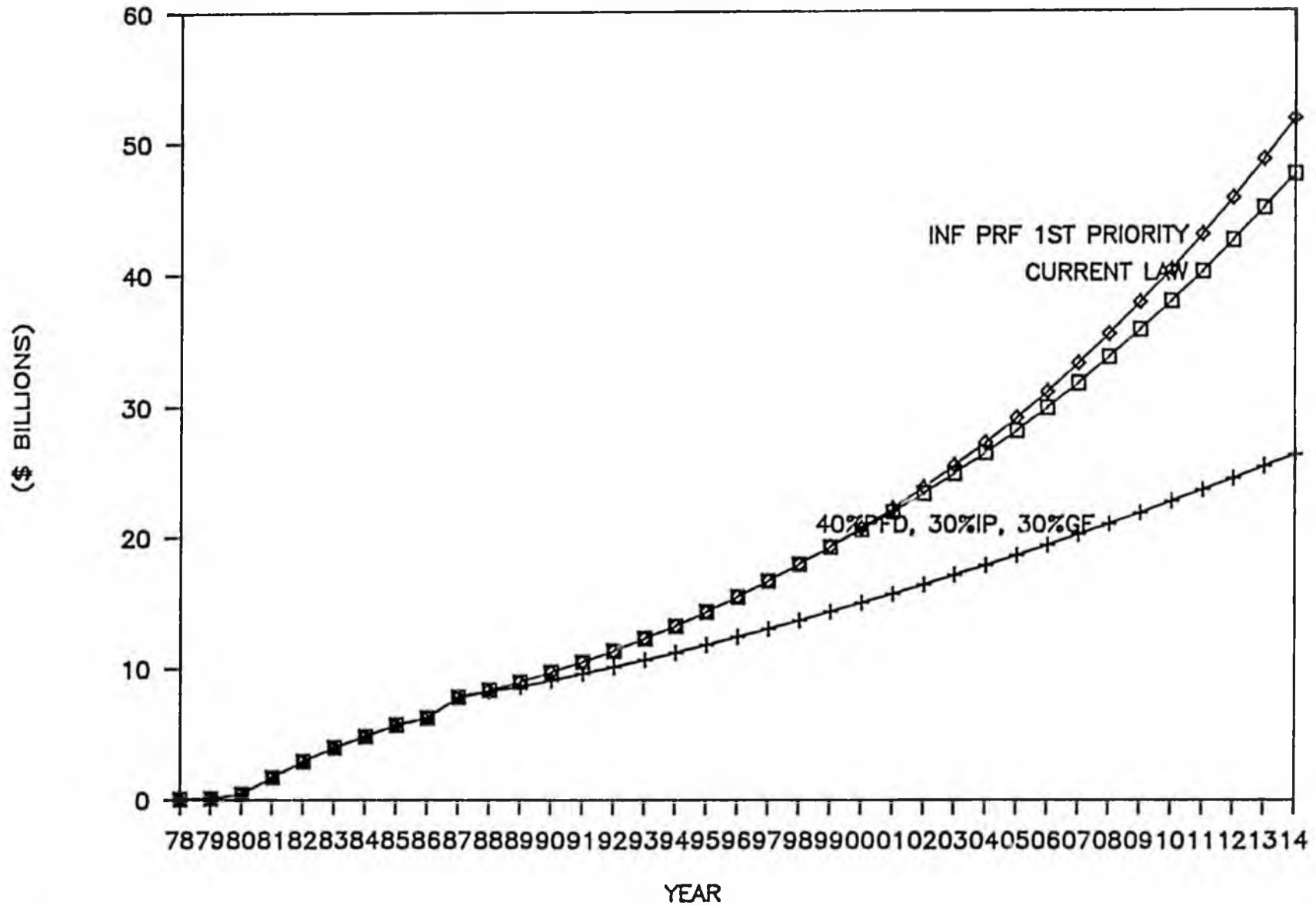
% of earnings to dividends: 40.0% 30% REVENUE FORECAST, 40%-30%-30% SPLIT TO DIVIDENDS, INFLATION PROOFING AND RESERVES
 calling on dividends: none
 inflation proofing priority: 3
 inf. prf. % (if priority=3): 30.0%
 dividends smoothed: 0
 reserves to Gen Fund: 3-no: 1

Fiscal Year	FUND BALANCE					PERM FUND AS IS:	DISPOSITION OF EARNINGS				RESERVE ACCOUNT				RESERVE ACCOUNT AS IS:	DIVIDEND PROGRAM					DIVIDEND AS IS:	Potential Transfer to General Fund
	Starting Balance	Contributions	Inflation Proofing	Final Balance	Final Balance		Total Earnings	To Dividends	Inflation Proofing	Available For Reserves	Starting Balance	Reserve Transfer	Final Balance	Final Balance		Available Thousands						
																From Earnings	Admin Cost	Distribution	for Checks	of Each PFD Check		
1978	0	54	0	54	54	2	0	0	2	0	0	0	0	0	--	0	--	--	--	--	--	
1979	54	84	0	139	139	8	0	0	8	0	0	0	0	0	0	0	--	--	--	--	--	
1980	139	244	0	483	483	32	12	0	20	0	0	0	0	0	--	0	--	--	--	--	--	
1981	483	1,285	0	1,768	1,769	150	28	0	122	0	59	59	59	12	--	0	--	--	--	--	--	
1982	1,769	1,201	0	2,969	2,969	368	71	0	297	59	185	244	244	28	--	0	--	--	--	--	--	
1983	2,969	821	231	4,021	4,021	471	108	231	132	244	110	354	354	71	3.4	478	478.0	\$1,000	\$1,000	--	--	
1984	4,021	666	151	4,839	4,839	530	175	151	204	354	204	558	558	108	3.1	188	486.0	\$386	\$386	--	--	
1985	4,839	668	235	5,741	5,741	658	217	235	206	558	206	764	764	175	3.0	160	483.1	\$331	\$331	--	--	
1986	5,741	323	216	6,281	6,281	1,021	303	216	501	764	(764)	0	0	217	7.5	211	520.8	\$404	\$404	--	--	
1987	6,281	1,414	188	7,842	7,842	1,046	391	188	507	0	507	507	507	303	7.7	295	538.4	\$556	\$556	--	--	
1988	7,842	167	236	8,244	8,383	785	314	236	236	0	236	236	539	39	11.6	360	527.2	\$720	\$720	507	507	
1989	8,244	188	239	8,672	8,987	798	319	239	239	0	239	239	522	31	12.1	302	525.8	\$579	\$579	1734	236	
1990	8,672	208	267	9,147	9,739	892	357	267	267	0	267	267	456	319	12.9	306	528.0	\$580	\$555	\$855	239	
1991	9,147	196	282	9,625	10,523	939	378	282	282	0	282	282	413	357	13.6	343	570.2	\$667	\$914	\$914	267	
1992	9,625	213	297	10,134	11,371	989	395	297	297	0	297	297	391	376	14.4	361	532.4	\$679	\$913	\$913	282	
1993	10,134	227	313	10,674	12,287	1,043	417	313	313	0	313	313	364	395	15.1	386	534.5	\$712	\$923	\$923	297	
1994	10,674	232	330	11,234	13,262	1,098	439	330	330	0	330	330	326	417	15.9	401	536.7	\$748	\$991	\$991	313	
1995	11,235	231	357	11,822	14,332	1,188	475	357	357	0	357	357	280	439	16.7	423	538.8	\$784	\$1,071	\$1,071	330	
1996	11,822	230	375	12,427	15,468	1,250	500	375	375	0	375	375	222	475	17.5	458	540.9	\$846	\$1,154	\$1,154	357	
1997	12,427	232	394	13,053	16,677	1,313	525	394	394	0	394	394	151	500	18.3	487	543.0	\$887	\$1,244	\$1,244	375	
1998	13,053	232	414	13,699	17,961	1,379	552	414	414	0	414	414	61	525	19.1	506	545.1	\$929	\$1,340	\$1,340	394	
1999	13,699	229	434	14,362	19,261	1,446	578	434	434	0	434	434	0	552	19.9	532	547.1	\$972	\$1,442	\$1,442	414	
2000	14,362	224	450	15,036	20,582	1,500	590	450	450	0	450	450	0	579	20.7	558	549.1	\$1,016	\$1,550	\$1,550	434	
2001	15,036	217	471	15,723	21,647	1,565	628	471	471	0	471	471	0	600	21.6	578	551.1	\$1,049	\$1,653	\$1,653	450	
2002	15,723	215	492	16,430	23,385	1,640	656	492	492	0	492	492	0	628	22.4	594	553.1	\$1,091	\$1,759	\$1,759	471	
2003	16,430	210	514	17,154	24,996	1,714	689	514	514	0	514	514	0	656	23.2	633	555.2	\$1,140	\$1,870	\$1,870	492	
2004	17,154	208	536	17,895	26,493	1,790	715	536	536	0	536	536	0	685	24.0	661	557.2	\$1,187	\$1,936	\$1,936	514	
2005	17,895	205	555	18,663	28,173	1,865	742	555	555	0	555	559	0	715	24.9	690	559.2	\$1,234	\$2,017	\$2,017	536	
2006	18,555	202	574	19,331	29,935	1,941	778	574	574	0	574	573	0	746	25.7	720	561.3	\$1,283	\$2,109	\$2,109	555	
2007	19,331	194	592	20,117	31,765	2,017	807	592	592	0	592	597	0	778	26.5	751	563.3	\$1,333	\$2,205	\$2,205	574	
2008	20,117	193	612	20,919	33,744	2,093	843	612	612	0	612	612	0	810	27.4	783	565.4	\$1,384	\$2,306	\$2,306	592	
2009	21,075	190	638	21,902	35,803	2,181	877	638	638	0	638	638	0	843	28.3	815	567.5	\$1,426	\$2,408	\$2,408	612	
2010	21,902	183	664	22,750	37,955	2,281	912	664	664	0	664	664	0	877	29.2	848	569.6	\$1,469	\$2,509	\$2,509	638	
2011	22,750	168	711	23,669	40,229	2,370	948	711	711	0	711	711	0	912	30.0	887	571.6	\$1,513	\$2,591	\$2,591	664	
2012	23,555	149	738	24,556	42,596	2,460	984	738	738	0	738	738	0	948	30.9	917	573.7	\$1,558	\$2,664	\$2,664	711	
2013	24,556	117	765	25,438	45,057	2,550	1020	765	765	0	765	765	0	984	31.8	952	575.8	\$1,603	\$2,738	\$2,738	738	
2014	25,438	103	792	26,334	47,637	2,641	1056	792	792	0	792	792	0	1,020	32.7	987	577.9	\$1,708	\$2,834	\$2,834	765	

Source: Alaska Permanent Fund Corporation February 25, 1987 Financial Statement
 Department of Revenue, 30% Revenue Forecast, March 1987

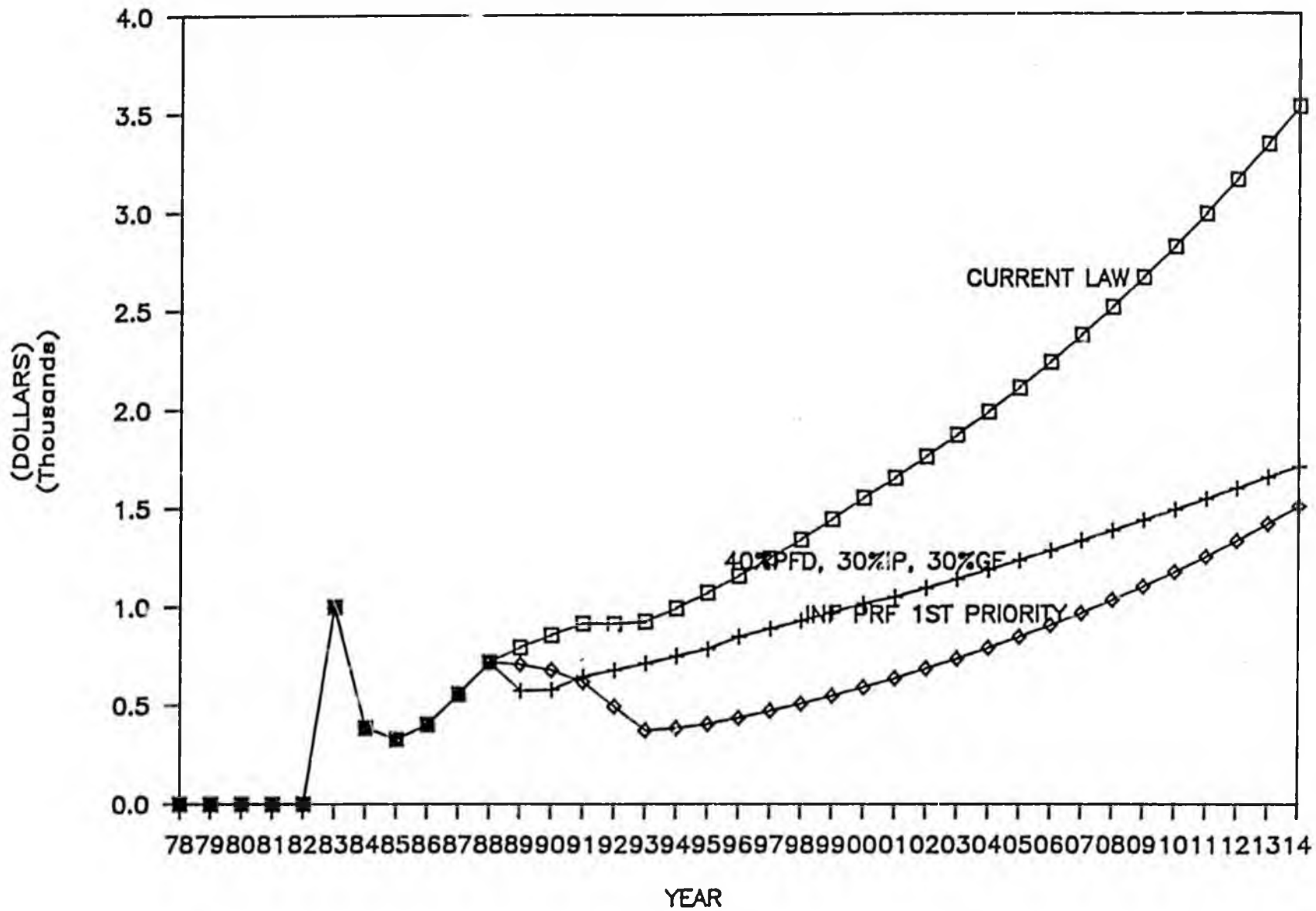
PERMANENT FUND BALANCE

30% Revenue Forecast



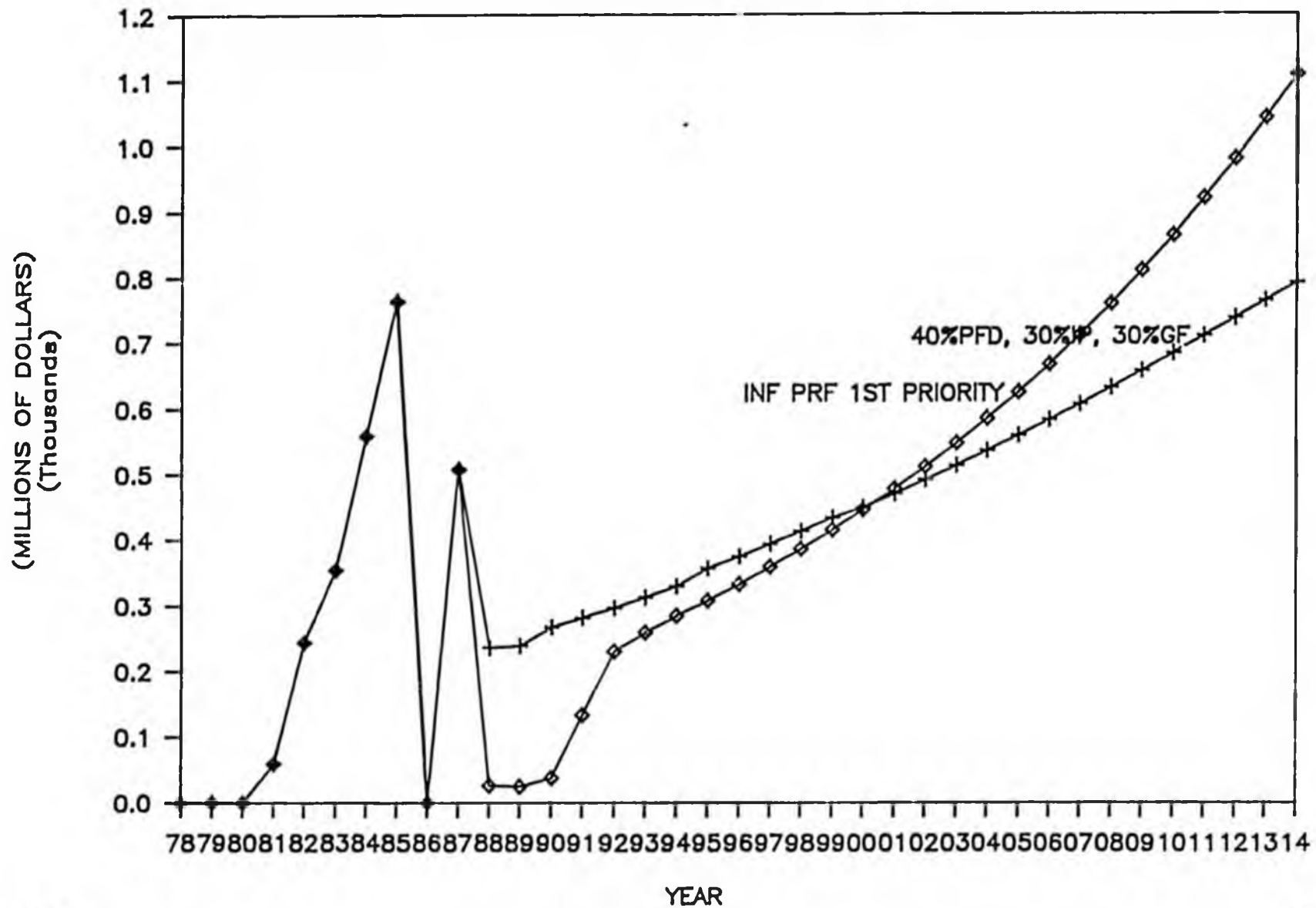
PERMANENT FUND DIVIDENDS

30% Revenue Forecast



PERMANENT FUND RESERVE TRANSFERS

30% Revenue Forecast



IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

SENATE BILL XX

IN THE LEGISLATURE OF THE STATE OF ALASKA

FIFTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act making an appropriation to the Budget Reserve Fund and balancing the budget; and providing for an effective date."

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

* Section 1. The sum of \$250,000,000 is appropriated from the general fund to the budget reserve fund (AS 37.05.156).

* Section 2. The lesser of the following two amounts is appropriated from the earnings reserve account of the Alaska permanent fund (AS 37.13.145) to the general fund: (1) an amount sufficient to offset any negative amount in the "Available Fund Equity/Balance" for the general fund as reported for June 30, 1988 on the "State of Alaska, All Fund Types and Account Groups, Combined Balance Sheet" in the State of Alaska's "Annual Financial Report" for fiscal year 1988, published under AS 37.05.210(2); or (2) the unencumbered balance in the earnings reserve account of the Alaska permanent fund as of July 1, 1988.

Section 3. This act takes effect immediately under AS 01.10.070(c).

JUN 22 1987

STATE OF ALASKA
THE LEGISLATURE

POUCHY STATE CAPITOL
BIENAU ALASKA 99511
907-365-1800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

June 19, 1987

SUBJECT: Consideration of vetoes during a special session

TO: Senator Jan Faiks
Senate President

FROM: Tamara Brandt Cook *TBC*
Director
Division of Legal Services

You have asked whether bills vetoed by the governor after adjournment of the first regular session may be reconsidered by the legislature during the special session. There is no doubt that the legislature has the power to take up vetoes during the special session called by the governor. In 1976 the state constitution was amended to specifically provide for that. Article II, Section 9 now provides in pertinent part:

At special sessions called by the governor, legislation shall be limited to subjects designated in his proclamation calling the session, to subjects presented by him, and the reconsideration of bills vetoed by him after adjournment of the last regular session.

The statutes contain almost identical language in AS 24.-05.100(1). A more difficult question is whether the legislature must take up a veto during the special session or lose its opportunity to reconsider the bill. During 1976 Article II, Section 16 was also amended so that it now provides in part:

Bills vetoed after adjournment of the first regular session of the legislature shall be reconsidered by the legislature sitting as one body no longer than the fifth day of the next regular or special session of that legislature.

This language is ambiguous in that it could be construed to permit the legislature to take up a veto by the fifth day of the next regular session or the fifth day of the next special session, at its choice, or it could be construed to require the legislature to take the matter up by the fifth day of the first session that next occurs, whether it be regular or special. It is also uncertain whether the legislature may consider a veto during the next regular session if the special session lasts less than five days. The ambiguity of this provision has been recognized by the Attorney General in Opinion No. J-66-863-87, copy attached.

It is my opinion that the legislature will run substantial legal risk of losing its opportunity to reconsider a veto if the matter is not taken up during the special session. While this is a strict construction of the provision, I believe that it is possible that the court could decide that the legislature must take a veto up at the next session, whether regular or special, and that it has five days or until it adjourns, whichever occurs first, in which to act. To avoid legal questions and inevitable litigation on the matter, it is my recommendation that the legislature reconsider vetoes during the upcoming special session and that this be done on or before the fifth day of that session.

This conclusion is supported by the history of the constitutional amendment to Article II, Section 16. A constitutional amendment is only proposed by the legislature. It is adopted by the voters. Evidence of the intent of the legislature is not given the weight it is normally given. Nevertheless, that intent is worth some consideration. The question was presented at the 1976 general election as Proposition No. 1. There was no statement in opposition to the proposition. The statement in favor was by Representative Mike Miller and stated in its entirety:

At present there is some question as to whether the legislature, during a special session called by the governor for another reason, can properly take up a veto which came down from the governor after the adjournment of a regular legislative session. This question should be resolved and will be resolved if the voters approve this proposed constitutional amendment. The amendment states without ambiguity that if a special legislative session is called by the governor (or by the legislature itself) for any reason, such vetoed bills will be considered during the first five days of

Senator Jan Faiks
Page 3
June 19, 1987

the session. (Emphasis added; see also Uniform Rule
45)

TBC:mi
wkmi1/070

Enclosure

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

JAY S. HAMMOND, GOVERNOR

POUCH K - STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

July 7, 1981

Hon. Richard W. Halford
Alaska State Legislature
P.O. Box 66
Chugiak, AK 99567

Re: Time in which legislature may
act on a post-adjournment veto
Our file: J-66-863-81

Dear Representative Halford:

You have asked whether and how the days spent by the legislature in the upcoming special session will be counted in determining when the time for the legislature to act on any post-adjournment vetoes has passed. Because of an absence of authority on the subject, our answer must be tentative.

The short answer appears to be that the time to act on a veto does not begin to run until the vetoed bill is in the legislature's possession when it is in session. Once it is, the legislature has five days or until it adjourns in which to act, whichever occurs first.

The constitution provides in relevant part as follows:

Bills vetoed after adjournment of the first regular session of the legislature shall be reconsidered by the legislature sitting as one body no later than the fifth day of the next regular or special session of that legislature.

Alaska Const., art. II, § 16.

A search of the digests for a century and more reveals but one recorded case in which there was a ruling on the time for a legislature to act on a veto. In Woessner v. Bullock, 93 N.E. 1057 (Ind. 1911), the court held that, where a bill was vetoed after adjournment and the constitution provided for action on the veto by the legislature "at its next session," the failure of the legislature to act at a special

session held after a bill was vetoed precluded its acting on the vetoed bill at a subsequent regular session.

Here, the constitution provides for action on a veto by the legislature "[u]pon receipt of a veto message at a regular session" Alaska Const., art. II, § 16. Receipt of a veto message by the legislature at a special session is not expressly prescribed by the constitution; however, it is necessarily implied. The legislature cannot reasonably be expected to act on a veto when it has not been advised that there has been a veto and when the vetoed bill is not in the legislature's possession. Indeed, it is hornbook law that the legislature cannot act on a bill which is not in its possession. Accordingly, the time for it to act cannot begin until the bill is returned to its house of origin. Alaska Const., art. II, §§ 15-16.

Under article II, section 17, of the Alaska Constitution, the time in which the governor must act to approve or veto a bill begins "after its delivery to him." McPhail v. Latouche Packing Co., 8 Alaska 297 (1931). In order to establish the time in which the chief executive must act on a bill under that type of provision, the court must begin on the day after the bill is presented. Taylor v. United States, 116 F. Supp. 439 (D. Minn. 1953); cf., Sheets v. Seldon's Lessee, 69 U.S. (2 Wall) 177 (1865). No reason occurs why the rule with respect to the running of the legislature's time for acting on a veto should differ from the rule for the chief executive to act. Accordingly, we conclude that the time runs from the legislature's receipt of the vetoed bill, with the day after receipt to be counted as day number one.

The answer to your question then is that any time spent in special session before a vetoed bill is returned to its house of origin will not count toward the five-day limit for the legislature's acting on the veto.

There is a possibility that a vetoed bill might be returned to its house of origin during a special session (thereby starting the time in which the five-day limit will run) and that the legislature could, less than five days later, adjourn without acting on the veto. The question then is whether the legislature may take up the veto at its next session.

Assuming that the court will interpret the words of article II, section 16, of the constitution: "no later than the fifth day of the next regular or special session," to mean the fifth day following the receipt of a vetoed bill by its house of origin, there are three possible results.

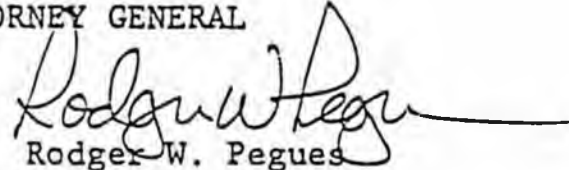
July 10, 1981

One, the days spent in special session after the day a vetoed bill is returned will be counted in establishing the time remaining for the legislature to act on the veto when it reconvenes at the next regular or special session. Two, those days will not be counted, and a new count will begin on the first day of the next regular or special session. Three, the failure to act during the time remaining in the special session will preclude the legislature's acting at a subsequent regular or special session. We were unable to find any cases at all on point, and therefore, are unable to predict with any authority which result the courts might choose. However, a failure to act on a vetoed bill returned to the legislature during the closing hours of a regular session precludes action at a subsequent session. It seems likely that, by analogy, the same result will occur if there is a failure to act when a vetoed bill is returned to the legislature during the closing hours of a special session.

Sincerely yours,

WILSON L. CONDON
ATTORNEY GENERAL

By:



Rodger W. Pegues
Assistant Attorney General

RWP/pjg

cc: Hon. Jalmar Kerttula
President of the Senate

Hon. Joe Hayes
Speaker of the House

Hon. Fred Brown
Minority Leader
House of Representatives

Keith Specking
Legislative Assistant
Office of the Governor

JUN 23 1987

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811
907 465 1600

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

June 24, 1987

SUBJECT: Consideration of vetoes during a special session

TO: Senator Jan Faiks
Senate President

FROM: Tamara Brandt Cook ^{TBC}
Director
Division of Legal Services

You have asked whether the legislature must take up a veto during the special session or lose its opportunity to reconsider the bill. During 1976 Article II, Section 16 was amended so that it now provides in part:

Bills vetoed after adjournment of the first regular session of the legislature shall be reconsidered by the legislature sitting as one body no later than the fifth day of the next regular or special session of that legislature.

This language is ambiguous in that it could be construed to permit the legislature to take up a veto by the fifth day of the next regular session or the fifth day of the next special session, at its choice, or it could be construed to require the legislature to take the matter up by the fifth day of the first session that next occurs, whether it be regular or special. It is also uncertain whether the legislature may consider a veto during the next regular session if the special session lasts less than five days. The ambiguity of this provision has been recognized by the Attorney General in Opinion No. J-66-863-81.

It is my opinion that the legislature will run substantial legal risk of losing its opportunity to reconsider a veto if the matter is not taken up during the special session. While this is a strict construction of the provision, I believe that it is more likely than not that the court would decide that the legislature must take a veto up at the next

session, whether regular or special, and that it has five days or until it adjourns, whichever occurs first, in which to act. To avoid legal questions and inevitable litigation on the matter, it is my recommendation that the legislature reconsider vetoes during the upcoming special session and that this be done on or before the fifth day of that session.

You have also asked what the procedure is for reconsideration of a veto by the legislature. Uniform Rule 51 provides in part:

A joint session may be called by agreement of the presiding officers of both houses or by either house by motion adopted by a majority vote of the full membership of the house. If a joint session is called by a house, the house calling the session shall propose a time for the session. The other house may agree to meet in joint session at the time proposed or set another time within the three-day period following the time proposed.

In the past both methods have been used for calling a joint session to reconsider a veto. (See attached House Journal, May 15, 1984, page 3850 and Senate Journal, March 30, 1984, Page 2584.)

Lastly, you have asked whether one body of the legislature can force the other body into convening into a joint session for the purpose of taking up a veto. While it is clear that the governor has the authority to convene the legislature into joint session under Article III, Section 17 (Aboud v. Gorsuch, 703 P.2d 1158 (Alaska 1985)), I can find no authority to support the proposition that one body can force the other to convene in special session. The constitution does, in Article II, Section 10, contain a specific mechanism whereby one legislative body can force the other to convene. However, there is no specific mechanism provided whereby one body can force the other into convening into a joint session.

Nevertheless, it is possible that action taken by the legislature in joint session where actual notice of the session is provided and a quorum of 31 legislators attends will be upheld, even if one body does not formally agree to meet in joint session. (Anderson v. Krupsak, 353 N.E.2d 822 (New

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York)) Under Uniform Rule 51 a joint session may be called by either house by majority vote. The other house is given only the option of accepting for the designated time or naming another time within three days of the time proposed by the first house. The President of the Senate presides over a joint session and it is not necessary for the Speaker of the House to be present. (See Aboud v. Gorshuch, supra) Furthermore, Article II, Section 16 provides that a veto "shall" be reconsidered by the legislature.

While the matter has not been considered by a court in this state, it may be that the court would find that the President of the Senate has the power to convene a joint session required to be held by law upon providing actual notice of the session to the House.

TBC:lmb
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Enclosure