

**H B**

**156**

STATE OF ALASKA  
THE LEGISLATURE

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JUNEAU, ALASKA 99811  
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Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMFR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

HB 150

House Transportation 2/23/87

HOUSE COMMITTEE REPORT

(7)

Date Referred: February 8, 1989

FURTHER REFERRALS: JUDICIARY waived  
FINANCE

Date of Committee Action: 2/28/89

The TRANSPORTATION Committee considered:

HB 156

HOUSE BILL NO. 156 [UNCLAIMED PROPERTY: UNUSED AIRLINE TICKETS]  
"An Act relating to unused airline tickets; and providing for an effective date."

RECOMMENDS:

- replacing with HB 156 [ ] the same title [ ] a new title
- [ ] the attached amendment(s)
- [ ] do pass
- [ ] do not pass
- [ ] no recommendation
- [ ] individual recommendations
- [ ] additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact
- [ ] zero fiscal note
- [ ] zero with analysis

APPROVES PREVIOUS:

- [ ] fiscal note(s) published: \_\_\_\_\_
- [ ] zero fiscal notes(s) published: \_\_\_\_\_

SIGNING DO PASS:

SIGNING OTHER THAN DO PASS:  
(Do Not Pass, No Recommendation, Amend)

Butte Cuts  
Ben S. Adams  
Bill Hudson  
Richard Story  
Arew Adelman

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Butte Cuts  
Chairman's signature

House Bill 156

"An Act Relating to Unused Airline Tickets"

Section 1

Chapter 29, SLA 1988 amended the definition of unclaimed property (under the Unclaimed Property Statute of 1986) to exclude unused airline tickets. Because Ch 29, SLA 88 was not retroactive to 1986, the Department of Revenue has the right to enforce the original statute for a two year window (1986-88). As was demonstrated during last year's hearings, this exercise would be counter productive, as the cost of enforcement would likely exceed the benefits to the State. The accounting cost of compliance to the effected airline would exceed the value of any "unused and unclaimed airline tickets." Further, the old statute was in conflict with the stated contract terms of airline tickets, and without addresses of the unclaimed ticket holders, it is extremely unlikely that money would be returned to the person who originally purchased the ticket.

After discussions with the Department of Revenue, it was concluded that this clean up legislation was the best means of solving any uncertainty about the Department's responsibilities for the period 1986-88.

Section 2

The Department of Revenue has received payment from one airline (under protest) for "unmatched airline coupons." The

airline requested a refund of the money after passage of Ch 29, SLA 88, but was denied. Section 2 requires DOR to return any funds collected while the prior statute was in effect (the total refund is approximately \$23,000). It would be unfair for one airline to have been singled out for compliance.

①

HB 156 RELATES TO UNUSED AIRLINE TICKETS.

IN 1986 THE UNCLAIMED PROPERTY ACT PASSED INTO LAW. UNCLAIMED PROPERTY INCLUDED SUCH THINGS AS DIVIDENDS, MONEY, CHECKS, STOCKS, BONDS, INSURANCE POLICIES, CREDIT MEMOS PLUS NUMEROUS OTHER TANGIBLE AND INTANGIBLE ITEMS. UNUSED AIRLINE TICKETS WERE PART OF THE UNCLAIMED PROPERTY THAT HAD TO BE REPORTED AND PAID TO THE DEPARTMENT OF REVENUE. ESSENTIALLY, THIS IS HOW IT WORKED - YOU BOUGHT A TICKET FROM THE AIRLINES TO GO TO FLORIDA, YOU DIDN'T USE THIS TICKET AND CIRCUMSTANCES AROSE WHERE YOU DID NOT TURN THE TICKET IN FOR A REFUND. AFTER 5 YEARS, THE AIRLINE HAD TO REPORT THIS TICKET TO THE DEPT. OF REVENUE AS UNCLAIMED PROPERTY. REVENUE OF COURSE WOULD ATTEMPT TO LOCATE YOU AND NOTIFY YOU OF THIS UNCLAIMED PROPERTY .THIS REQUIREMENT CREATED SOME MAJOR PROBLEMS FOR THE AIRLINES BECAUSE THE ACCOUNTING COST OF COMPLIANCE TO THE EFFECTED AIRLINE WOULD EXCEED THE VALUE OF ANY "UNUSED OR UNCLAIMED AIRLINE TICKET". FURTHER, THE OLD STATUTE WAS IN CONFLICT WITH THE STATED CONTRACT TERMS OF AIRLINE TICKETS, ADDITIONALLY, WITHOUT ADDRESSES OF THE UNCLAIMED TICKET HOLDERS, IT IS EXTREMELY UNLIKELY THAT MONEY WOULD BE RETURNED TO THE PERSON WHO ORIGINALLY PURCHASED THE TICKET.

IN 1988 WE PASSED SB 463 WHICH EXEMPTED UNUSED AIRLINE TICKETS FROM THE UNCLAIMED PROPERTY ACT. SO, ESSENTIALLY PRIOR TO 1986 THE AIRLINES DID NOT HAVE TO REPORT UNUSED AIRLINE TICKETS, THEN, IN 1986 AFTER THE UNCLAIMED PROPERTY ACT PASSED

INTO LAW, AIRLINES HAD TO PAY TO THE DEPT. OF REVENUE THE AMOUNT OF ALL AIRLINE TICKETS THAT HAD NOT BEEN USED IN THE PAST 5 YEARS. IN 1988, SB 463 PASSED INTO LAW AND THE AIRLINE NO LONGER HAD TO ACCOUNT TO THE DEPT. OF REVENUE FOR THESE FUNDS.

SO THERE WAS A TWO YEAR PERIOD IN THERE, FROM 1986 WHEN THE ACT WENT INTO EFFECT, TO 1988 WHEN UNUSED AIRLINE TICKETS WERE EXEMPTED THAT THE AIRLINES WERE REQUIRED TO PAY THESE FUNDS TO REVENUE.

ONLY ONE AIRLINE COMPLIED. THIS AIRLINE HAS SINCE REQUESTED THE DEPARTMENT OF REVENUE TO EITHER REFUND THE AMOUNT PAID, OR REQUIRE THE OTHER AIRLINES TO COMPLY WITH THIS TWO YEAR WINDOW PERIOD. THE DEPARTMENT OF REVENUE HAS NO STATUTORY AUTHORITY TO REFUND THE MONEY, HOWEVER, THE TIME AND EXPENSE TO WORK ON COLLECTION OF THESE FUNDS WOULD OUTWEIGH THE ACTUALY BENEFIT OF ATTEMPTING TO GO AFTER THOSE CARRIER WHO DID NOT COMPLY. ESPECIALLY WHEN WE CONSIDER THAT IT IS ONLY FOR THE TWO YEAR PERIOD. IT IS THE OPINION OF THE DEPARTMENT THAT IF THE LEGISLATURE DECIDED IN 1988 TO EXEMPT UNUSED AIRLINE TICKETS FROM THE UNCLAIMED PROPERTY ACT, IT WOULD NOW BE BENEFICIAL TO CLARIFY THIS 2 YEAR WINDOW PERIOD.

I FEEL THAT THIS IS RATHER UNUSUAL, WE ARE SAYING TO THE ONE AIRLINE THAT COMPLIED, SORRY, WE CANNOT DO ANYTHING FOR YOU. THIS CERTAINLY PROVIDES NO INCENTIVE FOR PRIVATE INDUSTRY TO

COMPLY WITH NEW LAWS AND REQUIREMENTS. IT ENCOURAGES THE WAIT AND SEE ATTITUDE, WAIT AND SEE IF ANYBODY ELSE PAYS FIRST. I THINK THIS IS DEFINITELY THE WRONG MESSAGE TO BE SENDJNG OUT.

SECTION 2 OF HB 156 REQUIRES DEPT. OF REVENUE TO RETURN ANY FUNDS COLLECTED WHILE THE PRIOR STATUTE WAS IN EFFECT. (THE TOTAL REFUND IS APPROXIMATELY \$21,000) I URGE YOUR SUPPORT TO HELP CLEAR UP THIS TWO YEAR WINDOW PERIOD. WE COULD HAVE CONSIDERED CLARIFYING THIS WINDOW WHEN WE EXEMPED UNUSED AIRLINE TICKETS IN 1988, WE DID NOT. I FEEL WE NEED TO ADDRESS THIS NOW. WE HAVE EXEMPTED UNUSED AIRLINE TICKETS, LET'S CLARIFY OUR 1988 INTENT.

THANK YOU FOR CONSIDERING THIS BILL

# Alaska Statutes

## Title 34. Property.

### Chapter

- 03. Uniform Residential Landlord and Tenant Act (§§ 34.03.100, 34.03.120, 34.03.220, 34.03.225)
- 07. Horizontal Property Regimes Act (§§ 34.07.020 — 34.07.050)
- 08. Common Interest Ownership (§§ 34.08.010 — 34.08.040, 34.08.070, 34.08.090, 34.08.140, 34.08.160 — 34.08.180, 34.08.200, 34.08.210, 34.08.250 — 34.08.260, 34.08.320, 34.08.340, 34.08.440, 34.08.470, 34.08.590, 34.08.620, 34.08.700, 34.08.740, 34.08.990)
- 10. Land Registration Law (§ 34.10.170)
- 15. Conveyances (§§ 34.15.010, 34.15.015, 34.15.260, 34.15.343)
- 20. Mortgages and Trust Deeds (§§ 34.20.020, 34.20.070, 34.20.090, 34.20.160)
- 35. Liens (§§ 34.35.025, 34.35.062 — 34.35.067, 34.35.069 — 34.35.071, 34.35.074, 34.35.080, 34.35.112, 34.35.114, 34.35.117, 34.35.118, 34.35.120, 34.35.135, 34.35.160, 34.35.185, 34.35.190, 34.35.200, 34.35.205, 34.35.240, 34.35.250 — 34.35.260, 34.35.275, 34.35.280, 34.35.305, 34.35.325, 34.35.330, 34.35.340, 34.35.345, 34.35.391, 34.35.400, 34.35.405, 34.35.415, 34.35.425, 34.35.440 — 34.35.445, 34.35.900)
- 45. Unclaimed Property (§§ 34.45.030, 34.45.070, 34.45.090, 34.45.110, 34.45.120, 34.45.140 — 34.45.260, 34.45.280 — 34.45.340, 34.45.360 — 34.45.430, 34.45.450 — 34.45.470, 34.45.700 — 34.45.780)
- 55. Uniform Land Sales Practices Act (§ 34.55.020)
- 65. Land Surveys (§§ 34.65.030 — 34.65.050)

### Chapter 03. Uniform Residential Landlord and Tenant Act.

#### Article

- 3. Landlord Obligations (§ 34.03.100)
- 4. Tenant Obligations (§ 34.03.120)
- 6. Landlord Remedies (§§ 34.03.220, 34.03.225)

ject to AS 34.45.110 — 34.45.780 must include all items of property that would have been presumed abandoned during the six-year period preceding September 7, 1986, as if AS 34.45.110 — 34.45.780 had been in effect during that period. (§ 11 ch 133 SLA 1986)

**Sec. 34.45.730. Regulations.** The department shall adopt regulations necessary to carry out the provisions of AS 34.45.110 — 34.45.780. (§ 11 ch 133 SLA 1986)

**Sec. 34.45.740. Uniformity of application and construction.** AS 34.45.110 — 34.45.780 shall be applied and construed so as to effectuate their general purpose to make uniform the law with respect to unclaimed property among states enacting the Uniform Unclaimed Property Act. (§ 11 ch 133 SLA 1986)

**Sec. 34.45.750. Report by department upon failure to make report or making false report.** If a person fails to submit a report as required under AS 34.45.110 — 34.45.780, or makes, wilfully or otherwise, a false report, the department shall make the report from the information it obtains under AS 43.05.050. A report made by the department is prima facie valid for all legal purposes. (§ 11 ch 133 SLA 1986)

**Sec. 34.45.760. Definitions.** In AS 34.45.110 — 34.45.780, unless the context requires otherwise,

(1) "apparent owner" means the person whose name appears on the records of the holder as the person entitled to property held, issued, or owing by the holder;

(2) "banking organization" means a bank, trust company, savings bank, industrial bank, land bank, safe deposit company, private banker, or an organization defined by other applicable laws as a bank or banking organization;

(3) "business association" means a nonpublic corporation, joint stock company, investment company, business trust, partnership, or association for business purposes of two or more individuals, whether or not for profit, including a banking organization, financial organization, insurance company, or utility;

(4) "commissioner" means the commissioner of the Department of Revenue;

(5) "department" means the Department of Revenue;

(6) "domicile" means the state of incorporation of a corporation and the state of the principal place of business of an unincorporated person;

(7) "financial organization" means a savings and loan association, cooperative bank, building and loan association, or credit union;

(8) "holder" means a person, wherever organized or domiciled, who is

- (A) in possession of property belonging to another,
- (B) a trustee, or
- (C) indebted to another on an obligation;

(9) "insurance company" means an association, corporation, fraternal or mutual benefit organization, whether or not for profit, that is engaged in providing insurance coverage, including accidental, burial, casualty, credit life, contract performance, dental, fidelity, fire, health, hospitalization, illness, life, including endowments and annuities, malpractice, marine, mortgage, surety, and wage protection insurance:

(10) "intangible property"

(A) includes

(i) money, checks, drafts, deposits, interest, dividends, and income;

(ii) credit balances, customer overpayments, gift certificates, security deposits, refunds, credit memos, unpaid wages, and unidentified remittances;

(iii) stocks and other intangible ownership interests in business associations;

(iv) money deposited to redeem stocks, bonds, coupons, and other securities, or to make distributions;

(v) amounts due and payable under the terms of insurance policies; and

(vi) amounts distributable from a trust or custodial fund established under a plan to provide health, welfare, pension, vacation, severance, retirement, death, stock purchase, profit-sharing, employee savings, supplemental unemployment insurance, or similar benefits;

(B) does not include

(i) unused airline tickets; or

(ii) shares of stock issued by a corporation organized under 43 U.S.C. 1601 — 1629a (Alaska Native Claims Settlement Act) or unclaimed dividends payable on the shares of stock;

(11) "last known address" means a description of the location of the apparent owner sufficient for the purpose of the delivery;

(12) "owner" means a depositor in the case of a deposit, a beneficiary in the case of a trust other than a deposit in trust, a creditor, claimant, or payee in the case of other intangible property, or a person having a legal or equitable interest in property subject to AS 34.45.110 — 34.45.780; the term includes a person's legal representative;

(13) "person" means an individual, business association, state, municipality or other government, including the United States government, subdivision or agency, public corporation, public authority, estate, trust, two or more persons having a joint or common interest, or other legal or commercial entity;

(14) "property" means personal property;

(15) "state" means a state, district, commonwealth, territory, insular possession, or other area subject to the legislative authority of the United States;

(16) "utility" means a person who owns or operates for public use a plant, equipment, property, franchise, or license for the transmission of communications or the production, storage, transmission, sale, delivery, or furnishing of electricity, water, steam, or gas. (§ 11 ch 133 SLA 1986; am § 1 ch 29 SLA 1988)

*Effect of amendments.* — The 1988 amendment, in paragraph (10), deleted "unused airline tickets" following "wages" in subparagraph (A)(ii), divided subparagraph (B) into introductory language and item (i) and, in that subparagraph, inserted item (ii) and deleted "to" preceding "unclaimed" in item (ii).

**Sec. 34.45.780. Short title.** AS 34.45.110 — 34.45.780 may be cited as the Uniform Unclaimed Property Act. (§ 11 ch 133 SLA 1986)

## Chapter 55. Uniform Land Sales Practices Act.

### Section

#### 20. General powers and duties

**Sec. 34.55.020. General powers and duties.** (a) The department shall adopt regulations under the Administrative Procedure Act (AS 44.62). The regulations shall include but not be limited to provisions for advertising standards to assure full and fair disclosure; provisions for escrow or trust agreements or other means reasonably to assure that all improvements referred to in the application for registration and advertising will be completed and that purchasers will receive the interest in land contracted for; provisions for operating procedures; and other provisions as are necessary and proper to accomplish the purpose of this chapter.

(b) The department, by regulation or by an order, after notice and hearing, may require the filing of advertising material relating to subdivided land before its distribution.

(c) If it appears that a person has engaged or is about to engage in an act or practice constituting a violation of this chapter, or a regulation or order under this chapter, the department, with or without prior administrative proceedings may bring an action in the superior court to enjoin the acts or practices and to enforce compliance with this chapter or a regulation or order under this chapter. Upon proper showing, injunctive relief or temporary restraining orders shall be granted, and a receiver or conservator may be appointed. The department is not required to post a bond in court proceedings.

(d) The department may intervene in a suit involving subdivided land. In a suit by or against a subdivider involving subdivided land.

STATE OF ALASKA  
1989 LEGISLATIVE SESSION

BILL VERSION: HB 156  
PUBLISH DATE: 2/8/89

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: Unused Airline Tickets

Agency Affected: Revenue  
BRU: Income & Excise Audit

Sponsor: Cato  
Requestor: Transportation

Components: Operating

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95
<b>OPERATING</b>						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LANDS & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
<b>CAPITAL</b>	0	0	0	0	0	0
<b>REVENUE</b>	(20.9)	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Steven E. Kettel  
Division: Income and Excise Audit

Phone: (907) 465-2320  
Date: February 17, 1989

Approved by Commissioner: Hugh Malone  
Agency: Department of Revenue

Date: February 17, 1989

Distribution (by preparer):  
Legislative Finance  
Legislative Sponsor  
Requester  
Office of Management and Budget  
Impacted Agency(ies)

Analysis:

The bill provides that AS 34.45.760(10) which exempts airlines from reporting unused airline tickets under the Uniform Unclaimed Property Act are exempt retroactive to passage of the act on September 8, 1986. The original act did not specifically exempt airlines. In 1988 Ch.29, SLA 1988 prospectively exempted unused airline tickets from the reporting requirements of the act.

Fiscal Impact

To date, a single airline has complied with AS 34.45 and submitted an unclaimed property report and paid over cash representing unclaimed airline tickets. Approximately \$25,000 was paid to the Department with over \$4,000 being returned to the rightful owners to date. The remaining \$20,900 will be returned to the airline upon passage of HB156 within 90 days after the bills effective date.

Department's Position

We do not have objections to passage of this bill

A handwritten signature in black ink, appearing to be "S. Kettel", is written over the end of the sentence "We do not have objections to passage of this bill".

HB 156 RELATES TO UNUSED AIRLINE TICKETS.

IN 1986 THE UNCLAIMED PROPERTY ACT PASSED INTO LAW. UNUSED AIRLINE TICKETS WERE PART OF THE UNCLAIMED PROPERTY THAT HAD TO BE REPORTED AND PAID TO THE DEPARTMENT OF REVENUE.

ESSENTIALLY, THIS IS HOW IT WORKED - YOU BOUGHT A TICKET FROM THE AIRLINES TO GO TO FLORIDA, YOU DIDN'T USE THIS TICKET AND CIRCUMSTANCES AROSE WHERE YOU DID NOT TURN THE TICKET IN FOR A REFUND. AFTER 5 YEARS, THE AIRLINE HAD TO REPORT THIS TICKET TO THE DEPT. OF REVENUE AS UNCLAIMED PROPERTY. REVENUE OF COURSE WOULD ATTEMPT TO LOCATE YOU AND NOTIFY YOU OF THIS UNCLAIMED PROPERTY .THIS REQUIREMENT CREATED SOME MAJOR PROBLEMS FOR THE AIRLINES.

IN 1988 WE PASSED SB 463 WHICH EXEMPTED UNUSED AIRLINE TICKETS FROM THE UNCLAIMED PROPERTY ACT. SO, ESSENTIALLY PRIOR TO 1986 THE AIRLINES DID NOT HAVE TO REPORT UNUSED AIRLINE TICKETS, THEN, IN 1986 AFTER THE UNCLAIMED PROPERTY ACT PASSED INTO LAW, AIRLINES HAD TO PAY TO THE DEPT. OF REVENUE THE AMOUNT OF ALL AIRLINE TICKETS THAT HAD NOT BEEN USED IN THE PAST 5 YEARS. IN 1988, SB 463 PASSED INTO LAW AND THE AIRLINE NO LONGER HAD TO ACCOUNT TO THE DEPT. OF REVENUE FOR THESE FUNDS.

SO THERE WAS A TWO YEAR PERIOD IN THERE, FROM 1986 WHEN THE ACT WENT INTO EFFECT, TO 1988 WHEN UNUSED AIRLINE TICKETS WERE EXEMPTED THAT THE AIRLINES WERE REQUIRED TO PAY THESE FUNDS TO REVENUE.

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THANK YOU FOR CONSIDERING THIS BILL

Rep  
Belle  
Cato

Article #2

House Bill 156

"An Act Relating to Unused Airline Tickets"

Section 1

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next set of business was (HB 156)

230

next order of bus. HB 156

Rep. who  
traced  
the

~~traced to the~~ to the Rep Richard Fish  
He see to

Rep Best not called to testify.

Rep Cook  
with testimony

Read from

280

Rep Leman - Intangible Property -

Significance of 1986 <sup>stat</sup> adopted

290

Dept. of Rev Royce Bollan

Uniform Unclaimed property Act

Minimal Fiscal Impact. no objection to Legislation

319

Holmes - who paid - Reese

325

Leman -  
335 Adams -

341

Leman - Source of funds to - parents

348

Royce - Have special forest tract. that will be sold

357

Holmes memo HB 156 I/R

SO ordered

362

9:04

Winston paid  
Holders of Unclaimed <sup>Advised</sup> Funds

8:39

Writer testimony File #1  
Actual #2

The Calendar was revised (HB3)  
Studies amount of money spent in fiscal  
as city prep for Art.

42 Cato

C/S HB 3

#2 Require AK Resident Artist. Post. of 1711 Act.

#3 Public evaluation expanded Selection Committee.

plaque

Artist, Title of Piece, Names of Selection Committee  
Date of Completion

123 Cato -

140 Harley

167 Cato

170 Andy

176 Helen

183 Ben

189 Harley

194 Ben

205 Helen

217 -

2:0

Amendment: Amending would not pass

Common Clause -

does not violate this Constitutional Provision

State Equal Protection Clause.

It's possible that it could be challenged in law suit.

likely that HB3 would not violate

- Supports HB3, Requirement of AK Artists -  
Rep Comm come to pass C/S HB3  
So ordered

