

SB 474

SENATE FINANCE COMMITTEE REPORT

DATE: 4/29/92

FURTHER:

DATE TURNED INTO OFFICE: _____

The Finance Committee considered SENATE BILL NO. 474

"An Act relating to fees charged by state agencies."

and recommends:

- replace with _____ CS _____ (FINANCE)
or adopt previous _____ CS _____
 attaches amendment(s)

- same title
 new title
 technical title change (HB only)

- adopts **Diad** letter of Intent
 further referral to the _____

- do pass
 do not pass
 no recommendation
 individual recommendations

Incorporated in
HB 572
IN

NEW FISCAL NOTES: Dept/Date

zero fiscal notes _____

fiscal notes _____

appropriation--no fiscal note

DO PASS:

1. _____
Co-Chair: Signature/Recommendation

PREVIOUS FISCAL NOTES: Dept/Date

zero fiscal notes _____

fiscal notes _____

OTHER RECOMMENDATIONS:

2. _____
Co-Chair: Signature/Recommendation

STATE OF ALASKA
1992 LEGISLATIVE SESSION

FISCAL NOTE

No. 1

Bill Version: SB 474

(S) Publish Date: 4-29-92

Revision Date: _____

Department Affected: Commerce & Econ. Dev.

Title: Fees Charged by State Agencies

BRU: Banking, Securities & Corporations

Sponsor: Senate HES

Component: _____

Requestor: Senate L & C

COMPONENT SERIAL NO.

1	2	3	3
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
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
LAND & 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

CAPITAL	0	0	0	0	0	0
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REVENUE FUND RESOURCE:	3.5	7.0	7.0	7.0	7.0	7.0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER						
FUND SOURCE:	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

Estimate of current year impact: _____

ANALYSIS (Attach a separate page if necessary.)

Regulations with established fees should be promulgated by mid-FY 93.

Prepared By: Willis F. Kirkpatrick, Director Phone: 465-2521

Division: Banking, Securities & Corporations Date: 4/22/92

Approved by Commissioner: Glenn A. Olds *Glenn A. Olds*

Agency: Department of Commerce & Economic Development Date: 4-21-92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., and Impacted Agency(ies).

KP/dg11937D-1/042292a

Page 1 of 1

SENATE BILL NO. 474

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Introduced: 4/15/92

Referred: L&C, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to fees charged by state agencies."

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

3 * Section 1. AS 05.10.070 is amended to read:

4 Sec. 05.10.070. APPLICATION FOR LICENSE. A club, corporation, organization,
 5 association, or fraternal society affected by this chapter may apply to the commission for a
 6 license. An application must be in writing and upon a form prescribed by the commission and
 7 must be verified in the manner the commission requires and accompanied by an annual license
 8 fee set by the commission by regulation under AS 05.10.125 [OF \$100].

9 * Sec. 2. AS 05.10.120(a) is amended to read:

10 (a) The commission may grant annual licenses upon application in compliance with the
 11 regulations adopted by the commission and the payment of the fees prescribed by regulation
 12 under AS 05.10.125 for managers, referees, examining physicians, boxers, wrestlers, seconds,
 13 and trainers.

14 * Sec. 3. AS 05.10 is amended by adding a new section to read:

1 Sec. 05.10.125. FEES. The commission shall establish by regulation the fees for licenses
2 issued by the commission under this chapter.

3 * Sec. 4. AS 05.30.020 is amended to read:

4 Sec. 05.30.020. REGISTRATION AND REGISTRATION FEE. A registration is valid
5 for two years [COMMENCING SEPTEMBER 1, 1968]. The registration fee shall be
6 established by regulation by the Department of Public Safety [IS \$5, WHICH SHALL BE
7 PAID INTO THE GENERAL FUND].

8 * Sec. 5. AS 06.01.010 is amended by adding a new subsection to read:

9 (g) The commissioner may establish by regulation a fee for the filing of an application
10 required by this title. The fee is in addition to investigation expenses that may be charged to the
11 applicant.

12 * Sec. 6. AS 06.20.030(b) is amended to read:

13 (b) An applicant shall pay to the department at the time of submitting an application a
14 sum, in addition to that specified in (a) of this section, set by the commissioner by regulation
15 [OF \$200] as an annual license fee for a period terminating on the last day of the current
16 calendar year. If the application is filed after June 30, an [THE] additional sum set by the
17 commissioner by regulation shall be paid to the department [IS \$100].

18 * Sec. 7. AS 06.30.815 is amended to read:

19 Sec. 06.30.815. FEE FOR FILING COPY OF CHARTER OF FEDERAL SAVINGS
20 AND LOAN. A fee set by the commissioner under AS 06.01.010 [OF \$10] shall accompany
21 each copy of the charter of a federal savings and loan association or certificate showing the
22 organization by conversion.

23 * Sec. 8. AS 06.30.820 is amended to read:

24 Sec. 06.30.820. FEE FOR APPROVAL BY COMMISSIONER. The commissioner may
25 charge a fee set by regulation under AS 06.01.010 for [OF NOT EXCEEDING \$10 UPON]
26 each application submitted for the commissioner's approval under [, AS PROVIDED BY] this
27 chapter.

28 * Sec. 9. AS 06.40.040 is amended to read:

29 Sec. 06.40.040. ANNUAL LICENSE FEE. On or before December 20 of each year, each
30 licensee shall pay a fee established by the department by regulation [OF \$200] to the
31 department as an annual license fee for the next succeeding calendar year. At that same time the

1 licensee shall file with the department a new bond that complies with AS 06.40.030.

2 * Sec. 10. AS 10.06.843 is repealed and reenacted to read:

3 Sec. 10.06.843. REGULATIONS RELATING TO FEES. (a) The department shall
4 establish by regulation the fees specified or authorized in this chapter.

5 (b) The filing fee for a document not otherwise provided in this chapter shall be
6 established by the department by regulation.

7 (c) The department may by regulation charge a corporation subject to this chapter a fixed
8 fee, for routine administrative services rendered to a corporation by the department, that is in
9 place of the fees specified in this chapter. However, a fixed fee under this subsection may not
10 include the fees specified under AS 10.06.140 and 10.06.828, or the tax under AS 10.06.845.

11 * Sec. 11. AS 14.48.090(a) is repealed and reenacted to read:

12 (a) The commission shall establish by regulation and collect fees for

13 (1) authorization to operate;

14 (2) renewal of authorization to operate;

15 (3) an agent's permit; and

16 (4) renewal of an agent's permit.

17 * Sec. 12. AS 15.25.050(a) is amended to read:

18 (a) At the time the declaration is filed, a [EACH] candidate shall pay a nonrefundable
19 filing fee to the director. The filing fee for each office shall be set by the director by
20 regulation [FOR CANDIDATES FOR OFFICE OF GOVERNOR, LIEUTENANT GOVERNOR,
21 UNITED STATES SENATOR, AND UNITED STATES REPRESENTATIVE IS \$100. THE
22 FILING FEE FOR CANDIDATES FOR OFFICE OF STATE SENATOR AND STATE
23 REPRESENTATIVE IS \$30].

24 * Sec. 13. AS 15.35.041 is amended to read:

25 Sec. 15.35.041. REQUIREMENT OF FILING FEE FOR SUPREME COURT
26 CANDIDATE. At the time the declaration is filed, a [EACH] candidate for retention shall pay
27 a filing fee to the director. The filing fee shall be set by the director by regulation [FOR A
28 CANDIDATE FOR RETENTION ON THE SUPREME COURT IS \$100].

29 * Sec. 14. AS 15.35.057 is amended to read:

30 Sec. 15.35.057. REQUIREMENT OF FILING FEE FOR COURT OF APPEALS
31 CANDIDATE. At the time the declaration is filed, a [EACH] candidate for retention shall pay

1 a filing fee to the director. The filing fee shall be set by the director by regulation [FOR A
2 CANDIDATE FOR RETENTION ON THE COURT OF APPEALS IS \$100].

3 * Sec. 15. AS 15.35.071 is amended to read:

4 Sec. 15.35.071. REQUIREMENT OF FILING FEE FOR SUPERIOR COURT
5 CANDIDATE. At the time the declaration is filed, a [EACH] candidate for retention shall pay
6 a filing fee to the director. The filing fee shall be set by the director by regulation [FOR A
7 CANDIDATE FOR RETENTION ON THE SUPERIOR COURT IS \$30].

8 * Sec. 16. AS 15.58.060(a) is amended to read:

9 (a) Each general election candidate shall pay to the lieutenant governor at the time of
10 filing material under this chapter. The fee for each office shall be established by regulation
11 by the lieutenant governor [THE FOLLOWING:

12 (1) PRESIDENT OR VICE-PRESIDENT OF THE UNITED STATES, UNITED
13 STATES SENATOR, UNITED STATES REPRESENTATIVE, GOVERNOR, LIEUTENANT
14 GOVERNOR, SUPREME COURT JUSTICE AND COURT OF APPEALS JUDGE, \$150
15 EACH;

16 (2) SUPERIOR COURT JUDGE AND DISTRICT COURT JUDGE, \$75 EACH;

17 (3) STATE SENATOR AND STATE REPRESENTATIVE, \$50 EACH].

18 * Sec. 17. AS 15.58.060(b) is amended to read:

19 (b) The state chair [CHAIRMAN] or executive committee of a political party shall pay
20 to the lieutenant governor at the time of filing material under this chapter the fee established by
21 regulation by the lieutenant governor [\$300] for each page purchased.

22 * Sec. 18. AS 18.65.310(a) is amended to read:

23 (a) Upon payment of a [\$5] fee established by regulation by [,] the Department of
24 Public Safety, the department shall issue a card identical to the motor vehicle operator's license
25 provided for in AS 28.15.111, except that the card shall be of a different color and shall state in
26 bold type letters across the face of it that it is for identification purposes only.

27 * Sec. 19. AS 18.65.410 is amended to read:

28 Sec. 18.65.410. APPLICATIONS. Application for a license as a security guard or
29 security guard agency shall [MUST] be made on forms provided by the commissioner. The
30 application must require the furnishing of information reasonably required by the commissioner
31 to carry out the provisions of AS 18.65.400 - 18.65.490, including classifiable fingerprints to

1 enable the search of criminal indices for evidence of a prior criminal record. The application
2 must be accompanied by a nonrefundable application fee set by the commissioner by regulation
3 under AS 18.65.450 [OF \$50 FOR A SECURITY GUARD AND \$200 FOR A SECURITY
4 GUARD AGENCY].

5 * Sec. 20. AS 18.65.450 is amended to read:

6 Sec. 18.65.450. REGULATIONS. The commissioner shall adopt regulations necessary
7 to implement AS 18.65.400 - 18.65.490, including provisions specifying the amount of bond or
8 insurance required and the types of uniforms, badges, and insignia that may be used, and
9 establishing the application fees for security guards and security guard agencies.

10 * Sec. 21. AS 18.72.030(a) is amended to read:

11 (a) A person who desires to sell fireworks at wholesale in the state shall first make
12 verified application for a license to the state fire marshal on forms provided by the state fire
13 marshal. The application shall be accompanied by an annual license fee by the state fire
14 marshal by regulation [OF \$50].

15 * Sec. 22. AS 23.15.390 is amended to read:

16 Sec. 23.15.390. FEES. The fee for filing an application for a permit shall be set by the
17 department by regulation adopted under AS 23.15.500 [IS \$10]. All fees shall be deposited
18 in the general fund. In addition to paying this fee, all persons conducting employment agencies
19 must comply with the provisions of AS 43.70 (Alaska Business License Act).

20 * Sec. 23. AS 24.45.041(g) is amended to read:

21 (g) An application for registration as a lobbyist under (a) of this section or for renewal
22 of a registration under (f) of this section is subject to a fee set by the commission by regulation
23 [OF \$100]. The commission may not accept an application for registration or renew a
24 registration until the fee is paid. This subsection does not apply to a volunteer lobbyist under
25 AS 24.45.161 or a representational lobbyist under regulations of the commission.

26 * Sec. 24. AS 37.10.050(a) is amended to read:

27 (a) A state agency may not charge for [THE PROVISION OF] state services, materials,
28 licenses, registrations, permits, application processing, the use of state facilities, or other
29 state activities unless the charge (1) is set or otherwise authorized by statute; and (2) where a
30 regulation is necessary, is set by or provided for in a regulation that meets the standards of
31 AS 44.62.020 and 44.62.030. A fee or other charge that is set by regulation may not exceed the

1 estimated actual costs of the state agency in administering the activity or providing the service
2 unless otherwise provided by the statute under which the regulation is adopted; this limitation
3 does not apply to sales of property by a state agency. Unless specifically exempted by statute,
4 a state agency authorized to collect or receive fees, licenses, taxes, or other money belonging to
5 the state shall account for and remit the receipts, less fees to which the collector is entitled by
6 statute or regulation, to the Department of Revenue at least once each month. The commissioner
7 of administration shall separately account under AS 37.05.142 for receipts deposited under this
8 subsection.

9 * Sec. 25. AS 37.10.050 is amended by adding new subsections to read:

10 (d) Each state agency shall annually review fees and charges collected by the agency.
11 If a fee that is set by an agency does not pay for the estimated actual costs of administering the
12 activity or providing the service or material, the agency shall adjust the fee to that level. If an
13 agency regulates an activity or provides a service or material and another agency is authorized
14 to set fees for the costs of regulating the activity or providing the service or material, the other
15 agency shall consider the recommendations of the agency regarding the setting of fee levels and
16 adjustment of fee levels so that they comply with this subsection. If the adjustment of a fee
17 results in a substantial increase, the agency may set a schedule to phase in the increase over a
18 period of time. By October 1, each state agency shall submit a report to the office of
19 management and budget regarding existing fee levels set by the agency or by statute, adjustments
20 made to fee levels during the previous fiscal year, and recommended increases in fees set by
21 statute. Each year by January 1, the office of management and budget shall submit a report to
22 the legislative auditor summarizing the reports and recommendations. By January 15, the
23 legislative auditor shall report to the legislature the status of fee regulations and make
24 recommendations for statutory changes.

25 (e) In this section, "agency" means a board, commission, or agency in the legislative,
26 judicial, or executive branch, but does not include the University of Alaska or a public
27 corporation.

28 * Sec. 26. AS 38.05.057(d) is amended to read:

29 (d) To apply for participation in a lottery under this section an applicant shall
30 (1) be qualified under the applicable provisions of this section and certify that fact
31 in the application; and

1 (2) pay a nonrefundable application fee [OF NOT MORE THAN \$25] for each
2 application; the fee shall be set by the commissioner by regulation.

3 * Sec. 27. AS 38.08.030(b) is amended to read:

4 (b) Fees for filing an application shall be set by the commissioner by regulation [MAY
5 NOT EXCEED \$10].

6 * Sec. 28. AS 42.05.661 is amended to read:

7 Sec. 42.05.661. APPLICATION FEES. With each application relating to a certificate
8 the applicant shall pay the commission a fee set by the commission by regulation that [OF \$50
9 WHICH] shall be deposited in the general fund of the state.

10 * Sec. 29. AS 44.19.024 is amended to read:

11 Sec. 44.19.024. FEES FOR ISSUING CERTIFICATE. For issuing each certificate with
12 the seal of the state affixed, the lieutenant governor shall collect a fee set by the lieutenant
13 governor by regulation [OF \$2 FOR THE FIRST THREE FOLIOS OR LESS AND 20 CENTS
14 PER FOLIO FOR EACH ADDITIONAL FOLIO]. The lieutenant governor shall account for the
15 fees received under this section and shall pay them into the general fund [STATE TREASURY].

16 * Sec. 30. AS 44.50.040 is amended to read:

17 Sec. 44.50.040. FEES. A fee set by the lieutenant governor by regulation [OF \$40]
18 shall be paid to the lieutenant governor for each commission issued to a person other than a state
19 employee.

20 * Sec. 31. AS 45.55.195(b) is amended to read:

21 (b) The administrator may by regulation [OR ORDER] adopt a schedule of charges for
22 annual examination fees of issuers, broker-dealers, agents, and investment advisers.

23 * Sec. 32. AS 46.03.385(a) is amended to read:

24 (a) At the time of registration under AS 46.03.380, and annually thereafter, the owner
25 or operator shall pay to the department a registration fee for each tank registered unless the
26 owner or operator has notified the department under AS 46.03.395 that the tank has been taken
27 out of service. The fee shall be set by the department by regulation. The fees may be
28 structured to take into account the fact that an [AN] underground storage tank [THAT] has
29 leak detection, spill and overflow protection, and corrosion protection that meet requirements of
30 the department and may also reflect [IS SUBJECT TO A \$50 ANNUAL REGISTRATION FEE,
31 REGARDLESS OF] tank capacity. [AN UNDERGROUND STORAGE TANK SYSTEM THAT

1 LACKS ANY OR ALL OF THESE FEATURES IS SUBJECT TO AN ANNUAL
2 REGISTRATION FEE OF

3 (1) \$150 IF THE UNDERGROUND STORAGE TANK CAPACITY IS LESS
4 THAN 1,000 GALLONS;

5 (2) \$300 IF THE UNDERGROUND STORAGE TANK CAPACITY IS 1,000 -
6 5,000 GALLONS;

7 (3) \$500 IF THE UNDERGROUND STORAGE TANK CAPACITY IS OVER
8 5,000 GALLONS.]

9 * Sec. 33. AS 05.10.120(b) is repealed.

10 * Sec. 34. TRANSITIONAL FEES. A fee set by a statute that is amended or repealed by this Act
11 remains in effect until a regulation setting a new fee to replace that fee takes effect.

AMENDMENTS IN SENATE FINANCE TO SB 474:

SPONSOR

SUBJECT

#5 DUNCAN	APOC
#4 POURCHOT	AEA
#3 LEG. FIN	LB&A <i>Dierdorff. 6</i>
#2 DPS	IDS, SNOWMACHINES, FIREWORKS <i>Dierdorff. 5</i>
#6 KERTTULA	DNR
#1 STURGULEWSKI	ELECTIONS

Adopted for Incorporation into AmCS for HB 572.

Elections
SFC-92
5-4-92

AMENDMENT #1

OFFERED IN THE SENATE

BY SENATOR STURGULEWSKI

TO: SB 474

Page 3, line 17 - page 4, line 21:

Delete all material.

Renumber the following bill sections accordingly.

Adopted for Incorporation into H.RCS-48572

DAS

Sfc-92
5-4-92

7-LS2187J.5
Dierdorff
05/02/92

AMENDMENT

#2

OFFERED IN THE SENATE

TO: SB 474

Page 2, lines 3 - 7:

Delete all material.

Renumber the following bill sections accordingly.

Page 4, lines 22 - 26:

Delete all material.

Renumber the following bill sections accordingly.

Page 5, lines 10 - 14:

Delete all material.

Renumber the following bill sections accordingly.

LFD

SFC-92
5-4-92
7-LS2187J.6
Dierdorff
05/02/92

AMENDMENT #3

OFFERED IN THE SENATE

TO: SB 474

Page 6, line 22:

Delete "legislative auditor"

Insert "Legislative Budget and Audit Committee"

Page 6, lines 22 - 23:

Delete "By January 15, the legislative auditor"

Insert "Within 30 days after the convening of each regular session of the legislature, the committee"

Adopted for Incorporation into Liv CS for NB 572

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Finance



P.O. Box 113200
Juneau, AK 99811-3200
(907) 465-3795
FAX (907) 463-4885

MEMORANDUM

DATE: May 1, 1992

TO: Senator Jay Kerttula, Co-Chair
Senator Pat Pourchot, Co-Chair
Senate Finance Committee

FROM: Mike Greany,
Director

A handwritten signature in black ink, appearing to read "Mike Greany".

SUBJ: SB 474 - Fees charged by state agencies

SB 474 deletes several statutory references that set user fees and allows the departments to set those user fees in regulations. It also requires that the agencies review annually all fees and charges to determine if they are adequate to meet the administrative costs of the activity or of providing the service. If the revenues are not adequate, then the agency shall adjust the fees accordingly. A report is required from the Office of Management and Budget to the Legislature by January 1 of each year reporting all fees and adjustments to them, as well as recommendations for changes to statutory fee changes.

It appears that there are no sections in this bill that are necessary to implement actions taken to date by the Senate Finance Committee on the FY93 operating budget. There are two sections in this bill that change statutes that are also being amended in CS HB 574 (Fin)(am). Section 18 establishes regulatory authority for identification card fees that are being increased in section 7 of HB 574. Section 30 gives the lieutenant governor the authority to establish fees for notary commissions in regulations and is the same as section 29 in HB 574.

Because analysis of the report from the Office of Management and Budget may require expertise from both the audit and finance divisions, I would like to suggest the following language change to page 6, lines 21 through 24:

New →
Language

Each year by January 1, the office of management and budget shall submit a report to the Legislative Budget and Audit Committee summarizing the reports and recommendations. The committee shall report to the legislature the status of fee regulations and make recommendations for statutory changes, within 30 days after convening of each regular session.

AMENDMENT #4

OFFERED IN THE SENATE

BY SENATOR POURCHOT

TO: SB 474

Page 7, after line 19:

Insert a new bill section to read:

"* **Sec. 31.** AS 44.83.080 is amended by adding a new paragraph to read:

(17) to adopt regulations establishing fees under which the authority may be reimbursed for services or recover equity investments or capital costs for projects and activities described in (5), (6), and (8) of this section under agreements described in (7) - (10) of this section, or under other agreements that relate to the projects or covenants or representations made in bond documents that relate to the projects or loan programs."

Renumber the following bill sections accordingly.

AMENDMENT # 5

OFFERED IN THE SENATE

BY SENATOR DUNCAN

TO: SB 474

Page 3, after line 16:

Insert a new bill section to read:

"* Sec. 12. AS 15.13.030 is amended to read:

Sec. 15.13.030. DUTIES OF THE COMMISSION. The commission shall

(1) develop and provide all forms for the reports and statements required to be made under this chapter, AS 24.45, and AS 39.50;

(2) prepare and publish a manual setting out uniform methods of bookkeeping and reporting for use by persons required to make reports and statements under this chapter and otherwise assist candidates, groups, and individuals in complying with the requirements of this chapter;

(3) receive and hold open for public inspection reports and statements required to be made under this chapter and, upon request, furnish copies at cost to interested persons;

(4) compile and maintain a current list of all filed reports and statements;

(5) prepare a summary of each report filed under AS 15.13.110 and make copies of this summary available to interested persons at their actual cost;

(6) notify, by registered or certified mail, all persons who are delinquent in filing reports and statements required to be made under this chapter;

(7) report within 60 days after the election the names of all persons and groups who have failed to comply with any of the provisions of this chapter to the office of the attorney general;

(8) examine, investigate, and compare all reports, statements, and actions required by this chapter, AS 24.45, and AS 39.50 and report to the attorney general the names of all persons or groups that [WHICH] the commission has substantial reason to believe have violated this chapter, AS 24.45, or AS 39.50;

(9) prepare and publish a biennial report to the legislature concerning the activities

of the commission, the effectiveness of this chapter, its enforcement by the attorney general's office, and recommendations and proposals for change;

(10) adopt regulations necessary to implement and clarify the provisions of AS 24.45, AS 39.50, and this chapter, subject to the provisions of the Administrative Procedure Act (AS 44.62);

(11) establish by regulation a schedule of fees for reports, statements, and filings and for services performed by the commission.

Renumber the following bill sections accordingly.

Page 7, after line 15:

Insert a new bill section to read:

"* Sec. 31. AS 44.21.310(b) is amended to read:

(b) The department may

(1) coordinate its functions with local, regional, state, and federal officials, private groups and individuals, and with officials of other countries, provinces, and states;

(2) enter into contracts and subcontracts on behalf of the state to carry out the provisions of AS 44.21.305 - AS 44.21.330;

(3) act for the state in the initiation, investigation, and evaluation of, or participation in, programs related to the purposes of the department that [WHICH] involve more than one government or governmental unit;

(4) on behalf of the state, apply for, accept, and expend gifts or grants made to the state if the gifts or grants are for the purposes of furthering the objectives of the department; and

(5) hold public hearings to obtain information for the purpose of carrying out the provisions of AS 44.21.305 - 44.21.330; and

(6) provide telecommunication services to commercial entities for television broadcast and charge for those services.

Renumber the following bill sections accordingly.

#6

SENATOR KERTULA'S STATEMENT FOR AMENDMENT
TO SENATE BILL 474(HESS)

The only statutory changes necessary to implement the Senate *DNR* budget are a change to authorize fees in the state land exchange program and for Parks day use fees. There will also be some proposed legislative intent language for the operating budget bill.

Therefore, I have drafted an amendment to:

- 1) include the statutory change for state land exchange program;
and
- 2) include certain sections of CSHB574(FINANCE)am dealing with Parks fees should the Finance Committee wish to include these fees in CSHB572(FINANCE) am. Note that section 18 of this House bill permits Parks to accept ~~cash~~ and other donations. This section, while not necessary for the Senate DNR budget, could be beneficial to Parks

Adopted for incorporation into Rev CS for HB572.

AMENDMENT

OFFERED IN THE SENATE BY SENATOR KERTTULA
TO: SB 474 (HEALTH, EDUCATION AND SOCIAL SERVICES)

Insert a new bill section to read:

" Sec. AS 38.50 is amended by adding a new section to read:

** Sec. AS 38.50 is amended by adding a new section to read:

Sec. 38.50.025. COSTS OF EXCHANGE; FEES. (a) The director shall charge a party proposing an exchange of land under this chapter a nonrefundable application fee.

(b) In addition to the fee under (a) of this section, the costs of an exchange of land under this chapter, including survey, appraisal, advertising, and public hearing expenses that are incurred by the department, shall be charged to the party proposing the exchange as a processing fee.

(c) The commissioner shall adopt regulations to implement this section.

Renumber the following bill sections accordingly.

ALSO ATTACHED ARE SECTIONS 18, 19, 20, 30, AND 31 OF CSHB574(FINANCE)am CONCERNING PARKS FEES FOR THE COMMITTEE'S DECISION AS TO WHETHER THEY SHOULD BE INCLUDED IN SB474 AT THIS TIME. COMMITTEE SHOULD BE AWARE THAT IF SECTION 18 CONCERNING PARK DONATIONS IS ADOPTED, THE TITLE OF SB 474 WOULD HAVE TO BE CHANGED TO ADD " AND RECEIPTS BY STATE AGENCIES OF DONATIONS OF CASH AND OTHER PROPEORTY."

* Sec. 18. AS 41.21.020(a) is amended to read:

(a) The department shall

(1) develop a continuing plan for the conservation and maximum use in the public interest of the scenic, historic, archaeologic, scientific, biological, and recreational resources of the state;

(2) plan for and develop a system of state parks and recreational facilities, to be established as the legislature authorizes and directs;

(3) acquire by gift, purchase, or transfer from state or federal agencies, or from individuals, corporations, partnerships or associations, land necessary, suitable and proper for roadside, picnic, recreational, or park purposes;

(4) control, develop, and maintain state parks and recreational areas;

(5) provide for the acquisition, care, control, supervision, improvement, development, extension, and maintenance of public recreational land, and make necessary arrangements, contracts, or commitments for the improvement and development of land acquired under AS 41.21.010 - 41.21.040; contracting for improvement and development under this paragraph is governed by AS 36.30 (State Procurement Code);

(6) adopt, in accordance with this section and the Administrative Procedure Act (AS 44.62), regulations governing the use and designating incompatible uses within the boundaries of state park and recreational areas to protect the property and to preserve the peace;

(7) cooperate with the United States and its agencies and local subdivisions of the state to secure the effective supervision, improvement, development, extension, and maintenance of state parks, state monuments, state historical areas, and state recreational areas, and secure agreements or contracts for the purpose of AS 41.21.010 - 41.21.040;

(8) encourage the organization of state public park and recreational activities in the local political subdivisions of the state;

(9) provide for consulting service designed to develop local park and recreation facilities and programs;

(10) provide clearinghouse services for other state agencies concerned with park and recreation matters;

(11) perform other duties as are prescribed by executive order or by law;

(12) maintain memorials to Alaska veterans located in state parks; [AND]

(13) adopt, in accordance with the Administrative Procedure Act (AS 44.62), regulations governing the use of the Chena River State Recreation Area and designating incompatible uses within the boundaries of the Chena River State Recreation Area in accordance with AS 41.21.490; and

(14) accept cash and other donations from public or private sources to assist and support the department in carrying out the purposes of this chapter.

* Sec. 19. AS 41.21.026(a) is amended to read:

(a) Notwithstanding (b) of this section, the [THE] department may charge or collect a fee in a park unit for

- (1) rental of public use cabins or other overnight lodgings;
- (2) [OVERNIGHT] use of a developed or en route campsite;
- (3) special park use permits;
- (4) competitive and exclusive commercial use permits;
- (5) noncompetitive and nonexclusive commercial use permits;
- (6) use of a sewage holding tank dump station;
- (7) admission to or guided tours of visitor centers or historic sites; [AND]
- (8) use of an improved boat ramp in a park facility developed principally for boat

launching;

(9) sale of

(A) firewood;

(B) merchandise related to public use, enjoyment, and understanding of parks, including maps, plans, and other graphic materials;

(10) use of a developed trailhead, access site, or picnic site, that has parking, rest rooms, and refuse collection; and

(11) the presentation or attendance at programs related to natural or cultural history, outdoor skills or education, or other topics concerned with public use, enjoyment, or understanding of parks.

* Sec. 20. AS 41.21.026(e) is amended to read:

(e) In this section,

(1) "developed campsite" means a campsite having access to the following public facilities:

(A) [(1)] rest rooms;

(B) [(2)] a picnic table;

(C) [(3)] an outdoor cooking facility; and

(D) [(4)] an approved water source;

(2) "en route campsite" means a campsite intended principally for short-term occupation while in transit between destinations, and not necessarily having any of the public facilities required for a developed campsite under (1) of this subsection.

* Sec. 30. TEMPORARY FEES IN STATE PARKS. (a) The following fees apply for the following activities in units of the state park system until the Department of Natural Resources adopts a regulation under AS 41.21.026(c) that establishes a fee for that activity:

- (1) sale of firewood \$4 per bundle;
- (2) use of a developed trailhead, access site, or picnic site, that has parking, rest rooms, and refuse collection \$2 per vehicle, or \$25 for an annual pass;
- (3) admission to visitor centers or historic sites \$1 per person;
- (4) use of an en route campsite \$3 per vehicle.

(b) The commissioner of natural resources shall notify the revisor of statutes when a regulation is adopted that establishes a fee for an activity described under (a) of this section.

* Sec. 31. Section 30 of this Act is repealed on a date that is two years after the effective date of this section.

Alaska State Legislature

SENATOR ARLISS STURGULEWSKI, Chairman
SENATOR PAUL FISCHER, Vice Chairman
SENATOR SAM COTTEN
SENATOR LYMAN HOFFMAN
SENATOR CURT MENARD




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Senate Committee on Health, Education and Social Services

SPONSOR STATEMENT - SB 474

To: Senator Pat Pourchot
Senator Jay Kerttula
Co-Chairs, Senate Finance Committee

From: Senator Arliss Sturgulewski 
Chair, Health, Education, and Social Services Committee

Date: May 1, 1992

The legislature is considering several bills which address a variety of user fees charged for state services and activities as it reviews the state's fiscal structure. SB 474 takes a comprehensive approach to reforming user fees, ensuring that fees are sufficient to cover costs through regular fee review and adjustment. In too many cases, fees set both in regulation and statute have been unexamined and unchanged for years. In addition, over the years, many minor fees have been unnecessarily embedded in statute, complicating routine review. The substance of SB 474 is as follows:

- It requires that agencies annually review all fees and charges. If collections for a fee set in regulation do not pay an agency's associated costs, the agency is directed to adjust the fee to that level. Fee collections may not exceed agency program costs. Fees set in statute must also be reviewed and recommendations made for increases necessary to cover costs. A substantial fee increase may be phased in over time.
- It requires all agencies collecting fees and charges to submit an annual report to OMB by October 1 on fee levels and adjustments for the preceding fiscal year and recommended statutory changes. OMB is

Senator Pourchot
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required to submit a report summarizing agency reports to the legislative auditor by January 1, who in turn reports to the full legislature on the status of fees and recommended statutory revisions by January 15.

- It repeals a variety of statutes setting user fee amounts and gives agencies the power to set these fees by regulation. It does not repeal the major statutory user fee revenue sources, some of which collect revenues well in excess of agency costs. These are business license fees, hunting and fishing license, tag, and permit fees, commercial fishing vessel license fees, gaming fees, automobile registration and license fees, and alcoholic beverage control license fees. All other fees set in statute are repealed.

SB 474 has some minor conflicts with the package of user fee bills passed by the House in conjunction with the budget (the ID card fee and some other minor fees are retained in or added to statute). A sectional analysis of SB 474 is attached. The Department of Public Safety has suggested that sections 4, 18, and 21 be dropped from the bill since these are revenue positive. We do not oppose this.

We do not have information on expenditures and revenues to be expected under this bill because of the massive variety of fees in question (see the Legislative Research Agency memorandum). The bill would be revenue neutral, if all fees now levied covered agency costs. It is more likely that many fees do not support agency program costs and that revenues will be enhanced. According to the Legislative Research Agency, FY 1991 fee collections were \$97.6 million.

SB 474 initiates routine review and adjustment of fees, which is long overdue. It provides the legislature with the information necessary to revise statutory fees, as well as to monitor the status of fees set in regulation. The bill clears from statute a variety of fees which could be more simply and efficiently administered by regulation. This overhaul of state fiscal mechanisms and will make the fee setting process more efficient and responsive.

I believe that the time has come for these changes in the state's regulatory and fiscal systems. I ask that you give SB 474 your careful consideration. Thank you.

April 21, 1992

SB 474 Sectional Analysis

- **Section 1** - Gives the Athletic Commission the authority to set a license application fee for organizations, clubs, etc. by regulation and repeals the fee now in statute.
- **Section 2** - Gives the Athletic Commission the authority to set license fees for managers, referees, physicians, boxers, wrestlers, seconds and trainers by regulation.
- **Section 3** - Establishes Athletic Commission authority to set fees by regulation.
- **Section 4** - Deletes the statutory fee for snow vehicle registration and gives the Department of Public Safety authority to establish a fee by regulation.
- **Section 5** - Adds a new subsection to statute which gives the Department of Commerce and Economic Development (DCED) the authority to establish fees for license filings and other applications by banks and financial institutions. The fees will be in addition to expenses that may otherwise be charged to an applicant.
- **Section 6** - Deletes the statutory application fee for an institution making small loans (under \$25,000) and gives the commissioner of DCED the authority to set the fee by regulation.
- **Section 7** - Deletes from statute the fee for filing of a federal savings loan charter or certificate and gives the commissioner of DCED the authority to set the fee by regulation.
- **Section 8** - Deletes from statute the fee for filing an application for approval under the banks and financial institutions chapter and gives the commissioner of DCED the authority to set the fee by regulation.
- **Section 9** - Deletes from statute the license fee for premium finance institutions and gives the commissioner of DCED the authority to set the fee by regulation.

- **Section 10** - Gives DCED general authority to establish fees for banks and financial institutions by regulation and cleans up existing language specifying exceptions to this authority.
- **Section 11** - Repeals and reenacts the statute setting Alaska Postsecondary Education Commission authorization fees for postsecondary education institutions and permit fees for agents employed by or representing institutions. The commission is given authority to set fees by regulation.
- **Section 12** - Amends election statutes to delete filing fees for statewide and legislative candidates and gives director regulatory power to set fees.
- **Section 13** - Amends election statutes to delete filing fees for supreme court retention elections and gives the director regulatory power to set fees.
- **Section 14** - Amends election statutes to delete filing fees for court of appeals retention elections and gives the director regulatory power to set fees.
- **Section 15** - Amends election statutes to delete filing fees for superior court retention elections and gives the director regulatory power to set fees.
- **Section 16** - Amends election statutes to delete filing fees for general election candidates and gives the lieutenant governor regulatory authority to set fees.
- **Section 17** - Deletes statutory fee for purchase of space in State election pamphlet by political parties and gives the lieutenant governor regulatory authority to set fees.
- **Section 18** - Deletes the fee in statute for the issuance of an identification card and establishes regulatory authority for the Department of Public Safety (DPS) to set the fee.
- **Section 19** - Deletes statutory application fees for security guards and security guard agencies and gives DPS the authority to set fees by regulation.

- **Section 20** - Gives DPS commissioner the authority to set security guard application fees by regulation.
- **Section 21** - Gives the state fire marshall authority to set in regulation fireworks wholesale license fee, replacing the fee set in statute.
- **Section 22** - Gives the Department of Labor regulatory authority to set an employment agency application fee and deletes the fee set in law.
- **Section 23** - Provides the Alaska Public Offices Commission with the authority to set lobbyist registration fees by regulation and repeals the current fee.
- **Section 24** - Amends the statute providing general authority to state agencies to charge for services, activities, materials, etc by expanding the range of items which may be charged for.
- **Section 25** - Adds a new section which requires that all state agencies annually review all fees and charges. It requires that fees in regulation which do not pay agency costs shall be adjusted to that level. In cases in which a board or commission regulates an activity, service, or material, an agency setting fees must consider the recommendations of the board or commission. If adjusting a fee to pay agency costs requires a substantial increase in costs, fee increases may be phased in over an unspecified period of time.

All fee levels and adjustments, as well as recommendations for increases to statutorily set fees, during the preceding fiscal year must be reported to OMB by October 1. OMB in turn must submit a summary report to the legislative auditor by January 1. By January 15, the legislative auditor shall report on the status of fees and make recommendations for statutory changes to the legislature.

Agencies are defined to include boards and commissions and agencies of the judicial, legislative, and executive branch and to exclude the University of Alaska and public corporations of the state.

- **Section 26** - Gives the Commissioner of the Department of Natural Resources (DNR) the authority to set land sale lottery application fees by regulation and repeals the existing fee.

- **Section 27** - Gives the Commissioner of DNR the authority to set homesite entry application fees by regulation and repeals the existing fee.
- **Section 28** - Gives the Alaska Public Utilities Commission the authority to set by regulation the application fee for a certificate of convenience and necessity and repeals the existing fee.
- **Section 29** - Gives the lieutenant governor the authority to establish by regulation a fee for certificates with the seal of the state of Alaska and repeals the existing fee.
- **Section 30** - Gives the lieutenant governor the authority to establish by regulation a fee for notary commissions and repeals the existing fee.
- **Section 31** - Repeals the power of the commissioner of DCED to set fees for annual examinations for securities brokers, dealers, agents, investment advisors, etc. by order, leaving in place current regulatory powers.
- **Section 32** - Gives the commissioner of the Department of Environmental Conservation the authority to set registration fees for the owners and operators of underground storage tanks by regulation and repeals existing fees.
- **Section 33** - Repeals the schedule of fees for boxers, wrestlers, physicians, seconds, and referees.
- **Section 34** - Provides that fees set in statute and amended or repealed by this act remain in effect until regulations setting new fees are adopted.

DEPARTMENT COMMENTS

There are three sections the Department of Public Safety would like to see removed from this bill. These are sections, 4, 18 and 21.

The Division of Motor Vehicles collects numerous fees and taxes in the regular course of business and the majority of these are set by statute. Two of these fees which represent an extremely small part of the division's business are addressed in sections 4 and 18 of the bill. Section 4 addresses the registration fee for snowmachines which is currently set at \$5 for a two year period. The annual revenue collected for this program is approximately \$10,000. Section 18 addresses the fee for ID cards which is set at \$5 for a card that is valid for a five year period. The annual revenue collected for this program is approximately \$150,000. For all fees and taxes the Division collected over \$28,000,000 in FY91 and therefore the fees for the two items in this bill represent one half of one percent of the total revenue collected by the Division.

Both the snow machine registrations and the ID cards are issued at all DMV field offices which also offer the full range of driver and vehicle services. There is no practical way to separate these services from all the others offered in the full service offices since the these two services probably occupy only 1% of the employee's time or less. Even if both these services were eliminated we have more than enough work to keep the employees productively occupied. For maximum efficiency we have all employees do all services and there is no separate unit associated with just ID cards or Just snowmachine registrations. This is what makes it difficult to separate all costs out.

While the intent of this bill is good in that programs should be cost justified, it works a hardship on DMV which has a multitude of fees and programs in a single efficient integrated operation. Even in the computer databases the ID cards are integrated as part of the driver record and snowmachines are part of the vehicle record. This bill may have the effect of reducing fees rather than increasing them.

Since DMV is traditionally regarded as a revenue producing agency, the present fees are not out of line with the other fees collected by the agency. We urge you to remove sections 4 and 18 from this bill. Trying to cost justify these on an annual basis, when they are combined in a total DMV licensing operation, may decrease DMV'S efficiency rather than increase it.

The Division of Fire Prevention presently collects an annual license fee of \$50. to license a person to sell fireworks. Section 21 may have the effect of reducing fees rather than increasing them.

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