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FISCAL NOTE

STATE OF ALASKA

BILL NO. CSHB 573 (FIN)

1992 LEGISLATIVE SESSION

Revision Date: April 17, 1992

Department Affected: Administration

Title: An Act relating to state and municipal programs

BRU: Pioneers' Benefits

Component: Longevity Bonus Program

Sponsor: House Finance Committee

COMPONENT 

0	0	2	7
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Requestor: House Finance Committee  
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	5.0	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	5.0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	5.0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE	0	0	0	0	0	0
TOTAL	5.0	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.)

Prepared by: Dennis L. DeWitt, Director *Dennis L. DeWitt* Phone: 465-4400

Division: Pioneers' Benefits Date: April 17, 1992

Approved by Commissioner: Nancy Bear Usara

Agency: Administration Date: 4/23/92

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

Administration

The computer software for the Longevity Bonus Program would be modified to provide the correct amounts to the recipients.

Contractual Expenses (in \$1,000s)

Software	5.0
Total	\$5.0

# Alaska State Legislature

Sen. Jay Kerttula, Co-Chairman  
Sen. Pat Pourchot, Co-Chairman

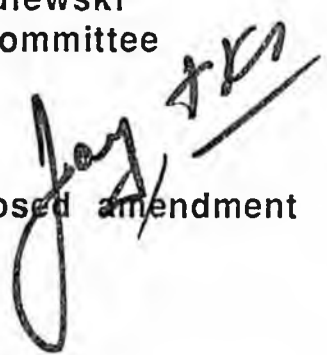
State Capitol  
Juneau, AK 99801-1182  
(907) 465-1200  
(907) 463-3066 Fax

Sen. Al Adams  
Sen. Jim Duncan  
Sen. Lyman F. Hoffman  
Sen. Dick Shultz  
Sen. Rick Uehling

## Senate Finance Committee

Box 1009  
Palmer, AK 99645  
(907) 376-2675  
(907) 376-0315 Fax

TO: Senator Arliss Sturgulewski  
Chair, Senate HESS Committee

FROM: Senator Jay Kerttula 

SUBJECT: House Bill 573 - proposed amendment

DATE: April 29, 1992

I would like to request the Senate HESS Committee's consideration of the attached proposed amendment to CSHB 573(Finance).

This amendment would delete the bill section authorizing the proration of the longevity bonus payment.

Thank you for your consideration of this request.

JK:pt  
enclosure

# Alaska State Legislature



Official Business

Senator Al Adams

WHILE IN SESSION  
State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-3707  
Fax 463-4867

OUT OF SESSION  
P.O. Box 333  
Korzebue, Alaska 99752  
(907) 442-3245

## MEMORANDUM

To: Senator Jalmar Kerttula  
Co-Chairman  
Senate Finance Committee

From: Senator Al Adams *AAA*  
Chairman  
Dept. of Health & Social Services  
Budget Subcommittee  
Senate Finance Committee

Date: April 27, 1992

Subj: Statutory Changes Necessary to Implement FY 93 Senate  
Budget--CS HB 573 (Fin)

Committee Substitute for House Bill 573 (Finance) as passed by the House includes three sections relating to the Department of Health & Social Service's FY 93 budget.

Section 8 of the bill includes language necessary to implement the provisions of the House and Senate budgets which would allow the state to be reimbursed by the federal government for interim assistance payments the state makes to individuals who are awaiting a federal disability determination. Once an individual is determined to be eligible for disability payments, the state would deduct from the individual's retroactive federal lump-sum settlement the amount the state had paid to that individual in interim assistance. A more detailed explanation of this change is attached.

Section 10 of the bill passed by the House provides for a three-year suspension of cost-of-living allowances for recipients of Aid to

Honorable Jalmar Kerttula  
Page 2

Families with Dependent Children and Adult Public Assistance. Both the House and Senate budgets assume the suspension of COLAs in FY 93. It is the desire of a majority of the Senate budget subcommittee to limit this suspension to only one year however.

Section 11 of the bill as passed by the House provides for a ratable reduction to AFDC and Adult Public Assistance for up to three years. The Senate budget does not recommend implementation of a ratable reduction in these programs.

CS HB 573 (FIN) is scheduled for a hearing in the Senate Health, Education and Social Services Committee on Wednesday, April 29. At that time it is my intention to offer an amendment on behalf of the Senate budget subcommittee which would change section 10 of the bill to provide for a one-year suspension of COLAs and to delete section 11 relating to ratable reductions. Section 8 of the bill would remain as passed by the House.

This amendment would conform to the FY 93 budget for the Department of Health & Social Services as adopted by the Senate Finance Committee.

If you have any questions or I can provide any additional information on this matter, please don't hesitate to contact my office.

cc: Senator Pat Pourchot  
Senator Arliss Sturgulewski

# Alaska State Legislature

**Mike Navarre**  
Co-Chair  
(907) 465-3706

INTERIM ADDRESS  
34824 Kalifornsky Beach Rd.  
Soldotna, Alaska 99669  
(907) 262-7842



**Eileen MacLean**  
Co-Chair  
(907) 465-3722

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P O Box 290  
Barrow, Alaska 99723  
(907) 852-7111

## House of Representatives

Committee on Finance  
P.O. Box V, Juneau, Alaska 99811

April 22, 1992

Senator Arliss Sturgulewski, Chairman  
Senate Health and Social Services Committee  
Alaska State Legislature

Dear Senator Sturgulewski:

HB 573 has been referred to the Senate Health and Social Services Committee for hearing. As you are probably aware, HB 573 was a House Finance Committee bill designed to make the necessary changes to state benefit programs to implement the budget recommendations of the House and developed in conjunction with the House Finance plan for the FY93 operating budget.

While many aspects of the bill are potentially controversial, there are many other provisions which are not. We respectfully request that you schedule this bill for immediate hearing so that all aspects may be considered and the bill may continue on its way to the Senate Finance Committee for consideration as the Senate completes its work on the FY93 spending plan.

Sincerely,

A handwritten signature in cursive script that reads "Mike".

Mike Navarre, Co-Chair  
House Finance Committee

4/18

~~Pat Jackson~~ ✓

Bill Beagles 789-7099  
Pres. Nat. Assoc. of Soc. Workers  
HB 573 - ask for HESS referral

---

~~Laura Flemming~~

Andrea Story 789-4292  
HB 573, would like HESS referral

---

Sharon Rebar  
Catholic Community Services  
HB 573, would like HESS

---

~~Richard  
Linda Snow~~

Sheri Goll would  
like HESS  
referral for  
HB HB573

Sec 11 - delete  
Sec 10 - 1 yr

↓  
Elmer  
with  
annual  
on 12/31  
by 1/15  
1/15/02

MEMORANDUM

30 April 1992

TO: Senate HESS Committee Members

FROM: Staff

Attached are the amendments so far offered to HB 573:

1. Amendment #1 by Senator Adams. Adoption of these amendments will bring this legislation into conformance with the Senate HSS budget subcommittee.
2. Amendment #2 by Senator Kerttula. Removes section allowing for pro-rata of longevity bonus payments.
3. Amendment #3 by Senator Hoffman. Removes eligibility for a death gratuity in the event of eligibility for federal benefits.

While no amendment was offered, it should be noted that the Older Alaskans Commission is opposed to section 5 of the bill.

AMENDMENT #1

OFFERED IN THE SENATE  
TO: CSHB 573 (FINANCE)

BY SENATOR ADAMS

Page 4, line 7 through page 5, line 21:

Delete all material and insert:

"\* Sec. 10. ONE-YEAR LIMITATION ON GRANTING COLA FOR AFDC AND ADULT PUBLIC ASSISTANCE. (a) Notwithstanding AS 47.25.320(d), the Department of Health and Social Services is not required to increase the monetary maximums in AS 47.25.320(a) on January 1, 1993, because of a cost-of-living increase in benefits under 42 U.S.C. 1381 - 1383d. On January 1, 1993, the department may increase the monetary maximums in AS 47.25.320(a) by a percentage that does not exceed the percentage increase in benefits under 42 U.S.C. 1381 - 1383d on January 1, 1993, but only if the department determines by November 15, 1992, that sufficient money has been appropriated to fund the increase in monetary maximums for the first six months of 1993.

(b) Notwithstanding AS 47.25.430(b), the Department of Health and Social Services is not required to increase the state's contribution to recipients under AS 47.25.430 on January 1, 1993, because of a cost-of-living increase in benefits under 42 U.S.C. 1381 - 1383d. On January 1, 1993, the department may increase the state's contribution to recipients under AS 47.25.430 by a percentage that does not exceed the percentage increase in benefits under 42 U.S.C. 1381 - 1383d on January 1, 1993, but only if the department determines by November 15, 1992, that sufficient money has been appropriated to fund the increase in the state's contribution for the first six months of 1993."

Renumber the following bill sections accordingly.

Page 5, line 24:

Delete "12"

Insert "11"

Page 5, line 25:

Delete "13"

Insert "12"

AMENDMENT #2

OFFERED IN THE SENATE

BY SENATOR KERTTULA

TO: CSHB 573 (FINANCE)

Page 3, line 25 through page 4, line 5:

Delete all material.

AMENDMENT #3

OFFERED IN THE SENATE

BY SENATOR HOFFMAN

TO: CSHB 573 (FINANCE)

Page 1, line 8 through page 2, line 1:

Delete all material and insert:

"\* Sec. 2. AS 26.10.080(c) is amended to read:

(c) The Department of Military and Veterans' Affairs may not pay a death gratuity unless the veteran for whom payment is made

(1) received an honorable discharge or a general discharge under honorable conditions; and

(2) is ineligible for a federal funeral or burial benefit under 38 U.S.C. 901 - 907."

State & Municipal Programs that Benefit Entities or Individuals

Sec	Description	Necessary for Senate Budget
<del>1</del>	Allows property exempted under optional Sr. Citizen's Property Tax Exemption to be exempt from full and true valuation	No
<del>2</del>	Amends death gratuity benefits from \$750.00 to \$350.00	No
<del>3,4,5</del>	Establishes the Sr. Citizen Property Tax Exemption as an optional exemption on the part of municipalities	No
6,7	Excludes state and federal buildings for purposes of power cost equalization	Yes
8	Requires repayment of Adult Public Assistance (APA) payments made prior to eligibility for SSI	Yes
<del>9</del>	Provides for proration of Longevity Bonus Payments	No
10	Provides for a three year suspension of COLA for AFDC and Adult Public Assistance	Yes (with amendment to 1 year)
<del>11</del>	Allows ratable reductions to AFDC and Adult Public Assistance for three years	No
<del>12</del>	Repeals existing Sr. Citizen Property Tax Exemption	No
<del>13</del>	Makes effective date for Sr. Citizen Property Tax Exemption effective with the calendar year to conform to previous cycle	No

**CSHB 573 (Finance)**

**Section 1:** Allows property exempted under optional Sr. Citizen's Property Tax Exemption to be exempt from full and true valuation.  
*(see analysis of Sec. 3 for savings)*

**Section 2:** Amends the death gratuity from \$750.00 to \$350.00  
**Savings: \$126.0**  
*(Future year savings will be significant due to increasing number of elderly veterans)*

**Sections 3,4,5:** Establishes the Sr. Citizen Property Tax Exemption as an optional exemption on the part of municipalities.  
**Savings: \$3,658.8**  
*(Savings reflects both the Sr. Citizen's Property Tax Exemption and no longer funding the renter's rebate)*

**Section 6,7:** Excludes state and federal buildings for purposes of power cost equalization.  
**Savings: \$2,000.0**  
*(Savings reflects the increase in the base rate done by regulation and the elimination of state and federal buildings from the subsidy)*

**Section 8:** Requires repayment of APA payments made prior to eligibility for SSI.  
**Savings: \$434.0**

**Section 9:** Provides for proration of Longevity Bonus Payments.  
**Savings: \$7,154.5**

**Section 10,11:** Provides for a three year suspension of LA and allows ratable reductions during the same period for and Adult Public Assistance.  
**Savings: \$6,962.6**  
*(FY93 savings reflects only 1/2 year COLA costs. Savings in future years would increase by \$1,367.8)*

**Section 12:** Repeals existing Sr. Citizen Property Tax Exemption.

**Section 13:** Makes effective date for Sr. Citizen Property Tax Exemption effective with the calendar year to conform to previous cycle.

*OK*  
*Opposes*

*OK*

*OK*

*OK*

*OK*

*Kaplan*

*Allans*

*for 87095k*

*LA and Adult*

**Section 14:** Provides for effective date for remainder of bill.

**Total General Fund impact:** \$20,335.6

SENATE CS FOR CS FOR HOUSE BILL NO. 573 (HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered:

Referred:

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to state and municipal programs that provide a financial benefit to  
2 entities and individuals, including an exemption from municipal property taxation for  
3 certain primary residences; and providing for an effective date."

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

5 \* Section 1. AS 14.17.140 is amended by adding a new subsection to read:

6 (c) The Department of Community and Regional Affairs may not include property  
7 exempted under AS 29.45.052 when making the full value determination under (a) of this section.

8 \* Sec. 2. AS 26.10.080(c) is amended to read:

9 (c) The Department of Military and Veterans' Affairs may not pay a death gratuity unless  
10 the veteran for whom payment is made

11 (1) received an honorable discharge or a general discharge under honorable  
12 conditions; and

13 (2) is ineligible for a federal funeral or burial benefit under 38 U.S.C. 901 -

14 907.

1 \* Sec. 3. AS 29.45.030(k) is amended to read:

2 (k) The department shall adopt regulations to implement the provisions of [(g) AND] (j)  
3 of this section.

4 \* Sec. 4. AS 29.45.040(f) is amended to read:

5 (f) In this section "disabled veteran" has the meaning given in AS 29.45.052(b)  
6 [AS 29.45.030(i)].

7 \* Sec. 5. AS 29.45 is amended by adding a new section to read:

8 Sec. 29.45.052. OPTIONAL EXEMPTION FOR CERTAIN PRIMARY RESIDENCES.

9 (a) The real property owned and occupied as the primary residence and permanent place of  
10 abode by a resident of the state who is (1) 65 years of age or older; (2) disabled veteran; or (3)  
11 at least 60 years old who is the widow or widower of a person who qualified for an exemption  
12 under (1) or (2) of this subsection, may by ordinance be exempted from taxation on all or part  
13 of the assessed value of the real property. The ordinance may base the exemption on hardship.  
14 Only one exemption may be granted for the same property, and, if two or more persons are  
15 eligible for an exemption for the same property, the exemption may not be granted unless the  
16 parties decide between or among themselves who is to receive the benefit of the exemption. Real  
17 property may not be exempted under this subsection if the local assessor determines, after notice  
18 and hearing to the parties, that the property was conveyed to the applicant primarily for the  
19 purpose of obtaining the exemption. The determination of the assessor may be appealed to the  
20 superior court under procedures set out in AS 44.62.560 - 44.62.570.

21 (b) In this section,

22 (1) "disabled veteran" means a disabled person separated from the military service  
23 of the United States under a condition that is not dishonorable, whose disability was incurred or  
24 aggravated in the line of duty in the military service of the United States, and whose disability  
25 has been rated as 50 percent or more by the branch of service in which that person served or by  
26 the Veterans' Administration;

27 (2) "real property" includes mobile homes, whether classified as real or personal  
28 property for municipal tax purposes.

29 \* Sec. 6. AS 44.83.162(c) is amended to read:

30 (c) An eligible electric utility is entitled to receive power cost equalization for

31 (1) sales of power to local community facilities, calculated in the aggregate for

1 each community served by the electric utility, for actual consumption of not more than 70  
2 kilowatt-hours per month for each resident of the community; and

3 (2) actual consumption of not more than 750 kilowatt-hours per month sold to  
4 each customer in all classes served by the electric utility except to customers of the utility under  
5 (1) of this subsection and customers that are state or federal offices or state or federal  
6 facilities.

7 \* Sec. 7. AS 44.83.162(e) is amended to read:

8 (e) An electric utility whose customers receive power cost equalization under this section  
9 shall set out in its tariff the rates without the power cost equalization and the amount of power  
10 cost equalization per kilowatt-hour sold. The rate charged to the customer shall be the difference  
11 between the two amounts. Power cost equalization paid under this section shall be used to reduce  
12 the cost of all power sold to local community facilities, in the aggregate, to the extent of 70  
13 kilowatt-hours per month per resident of the community, and to reduce the cost of the first 750  
14 kilowatt-hours per customer per month for all other classes served by the electric utility except  
15 state or federal offices and state or federal facilities.

16 \* Sec. 8. AS 47.25.455 is amended by adding new subsections to read:

17 (c) As a condition of applying for assistance under this section, an applicant must agree  
18 to repay the state for assistance granted under this section upon receiving a benefit under 42  
19 U.S.C. 1381 - 1383d for a month in which assistance was granted under this section. However,  
20 a repayment required for a month under this subsection may not exceed the amount of assistance  
21 received under 42 U.S.C. 1381 - 1383d for that month.

22 (d) Beginning the month following the month in which a person is determined to be  
23 eligible for benefits under 42 U.S.C. 1381 - 1383d, the department shall terminate benefits to that  
24 person under this section and begin payments to the person under AS 47.25.430.

25 \* Sec. 9. ONE-YEAR LIMITATION ON GRANTING COLA FOR AFDC AND ADULT PUBLIC  
26 ASSISTANCE. (a) Notwithstanding AS 47.25.320(d), the Department of Health and Social Services  
27 is not required to increase the monetary maximums in AS 47.25.320(a) on January 1, 1993, because of  
28 a cost-of-living increase in benefits under 42 U.S.C. 1381 - 1383d. On January 1, 1993, the department  
29 may increase the monetary maximums in AS 47.25.320(a) by a percentage that does not exceed the  
30 percentage increase in benefits under 42 U.S.C. 1381 - 1383d on January 1, 1993, but only if the  
31 department determines by November 15, 1992, that sufficient money has been appropriated to fund the

1 increase in monetary maximums for the first six months of 1993.

2 (b) Notwithstanding AS 47.25.430(b), the Department of Health and Social Services is not  
3 required to increase the state's contribution to recipients under AS 47.25.430 on January 1, 1993, because  
4 of a cost-of-living increase in benefits under 42 U.S.C. 1381 - 1383d. On January 1, 1993, the  
5 department may increase the state's contribution to recipients under AS 47.25.430 by a percentage that  
6 does not exceed the percentage increase in benefits under 42 U.S.C. 1381 - 1383d on January 1, 1993,  
7 but only if the department determines by November 15, 1992, that sufficient money has been  
8 appropriated to fund the increase in the state's contribution for the first six months of 1993.

9 \* Sec. 10. AS 29.45.030(a)(6), 29.45.030(e), 29.45.030(f), 29.45.030(g), 29.45.030(h), and  
10 29.45.030(i), are repealed.

11 \* Sec. 11. Sections 1, 3 - 5, and 10 of this Act take effect January 1, 1993.

12 \* Sec. 12. Except as provided in sec. 11 of this Act, this Act takes effect July 1, 1992.

# DIVISION OF LEGAL SERVICES

## LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101


240 Main Street, Suite 500  
Juneau, Alaska 99801-2101

### MEMORANDUM

May 4, 1992

**SUBJECT:** State Benefit Programs; Over-inclusive Title  
(SCS CSHB 573(HES))

**TO:** Senator Arliss Sturgulewski

**FROM:** Terri Lauterbach   
Legislative Counsel

Enclosed is a work draft of SCS CSHB 573(HES) that retains the sections relating to the municipal property tax exemption for senior citizens and disabled veterans.

You have asked my opinion as to whether the bill would be fatally flawed if the committee decided, instead, to remove the sections relating to the municipal property tax exemption while leaving the bill's title as it appeared in CSHB 573(FIN). That is, you have asked for an explanation of the effect of an over-inclusive title where the title would refer to the property tax exemption but no part of the bill would affect the exemption.

In my opinion, this particular over-inclusive title would have a high probability of invalidating the entire Act, if the Act were challenged on that basis, because a court could easily find the title to be misleading or deceptive.

While there have been a number of instances in which various courts have upheld over-inclusive titles (see attached memo from Pamela Finley), the rule applied by the courts has been one involving whether the title was misleading or deceptive. I agree with the conclusion of the Finley memo that "the more specific the description of the 'missing' item, the more likely it is that a court will find the title deceptive or misleading." (Page 3 of enclosed Finley memo.)

In the case of SCS CSHB 573(FIN), the title that came from the House very specifically refers to the bill as "relating to state and municipal programs... **including an exemption from municipal property taxation for certain primary residences.**" Given this very specific wording, I think it very likely that a court would find the title deceptive if the bill did not in some way relate to the exemption. As the Finley memo points out, an Alaska court may be even more likely to reach this conclusion

Senator Arliss Sturgulewski

May 4, 1992

Page 2

than the court of another state because this legislature's Uniform Rules against title changes in the second house have encouraged legislators in the first house to rely on the title when deciding whether to concur in the amendments by the second house. If language about the exemption was still in the bill's title when it was returned for concurrence, an Alaska court may very well find that the first house probably relied on the bill containing at least one provision relating to the exemption. If the bill does not contain such a provision, the court could find the title misleading or deceptive and invalidate the entire Act.

It would be very simple to amend this bill in a way that would not lead to an over-inclusive bill title and still achieve the primary aim of retaining the mandatory municipal property tax exemption in current law. The committee could simply change a minor aspect of the exemption, such as the amount of the residence's value that could be exempted (the first \$149,000 instead of the first \$150,000, for instance) or the date by which a claimant must file (January 30 instead of January 15, for instance).

I hope you find this discussion of the issue helpful as you consider your options. Please let me know if I can be of further assistance.

TML:lmb  
92-100.lmb

Enclosure

COPY

STATE OF ALASKA  
THE LEGISLATURE

POUCH v STATE CAPITOL  
JUNEAU ALASKA 99811  
207 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 13, 1990

SUBJECT: Effect of Overinclusive Title

TO:

FROM: Pamela Finley  
Assistant Revisor of Statutes

You asked whether an overinclusive title (e.g., one that specifically mentions A and B when the body of the act deals only with A) will invalidate the entire act under article II, sec. 13 of Alaska's constitution. The short answer is that the act will be valid unless the omission makes the title misleading or deceptive. E.g., Lowery v. Red Cab Co., 262 S.W. 147, 149 (Tex. Ct. Civ. App. 1924). Whether a particular title will be misleading or deceptive because it mentions something that is not included in the body of the act will depend on the particular facts of the case, and therefore it will always be risky to have an overinclusive title. However, the courts have been rather tolerant of overinclusive titles, even when the title specifically mentioned something that was not in the body.

Many courts have upheld acts where the title indicated a general subject, but the body of the bill addressed only a subset of that general subject. Suber v. Alaska State Bond Committee, 414 P.2d 546, 556-557 (Alaska 1966) (Grants to homeowners whose property was destroyed or severely damaged by the Good Friday Earthquake); State v. Hertzog, 146 So.2d 149 (La. 1962); Seaboard Air Line Ry. v. Simon, 47 So. 1001 (Fla. 1908) (Title referred to "any common carrier" but body covered only railroads); State v. Dolan, 92 P. 995 (Idaho 1907) (Title listed making Sunday a day of rest; act need not prohibit all secular labor on Sunday.)

In addition, courts have upheld acts in which the title specifically mentioned something that was not found in the body of the act. In Watts v. Oliphant, 143 S.E.2d 813 (S.C.

1965), the court upheld an act authorizing bonds not exceeding 12% of the property value even though the title specified bonds not exceeding 20% of the property value. The court reasoned that 20% included 12%. In Doyle v. King, 44 S.E.2d 608 (S.C. 1947) the title of the act in question authorized remodeling of buildings that might be purchased or were already owned, as well as the construction of new buildings. The body of the act authorized only new construction. The court held that the new construction authorized by the body of the act was valid. In Markendorf v. Friedman, 133 S.W.2d 516 (Ky. Ct. App. 1939), app. dismissed, 309 U.S. 627, 84 L.Ed. 987(1940), the court ruled that the body of an act dealing only with "appliances" for the prevention of venereal diseases was valid, despite the fact that the title also included drugs and medicinal preparations. In Commonwealth v. Florence, 232 S.W. 369 (Ky. 1921), the court upheld an act despite the fact that the title inaccurately listed the statutes that were being repealed. Finally, in Lowery v. Red Cab. Co., 262 S.W. 147 (Tex. Ct. Civ. App. 1924), the court upheld an extra registration fee imposed on all motor vehicles for hire. The title of the act had mentioned registration generally and had specifically mentioned an extra fee for vehicles with more than seven seats. The body of the act did not impose an extra fee on vehicles having more than seven seats, but did impose an extra fee on motor vehicles for hire. The court reasoned that the general reference to registration fees was sufficient to describe the extra fee on vehicles for hire and that the surplusage in the title was not deceptive because one could not reasonably assume that the provision relating to more than seven seats applied only to vehicles for hire.

Reeves v. Adam Hat Stores, 198 S.W. 2d 789 (Ky. Ct. App. 1946) is the only case I have found in which the court held that an arguably overbroad title was misleading. In this case the title stated that the act regulated chain stores, but the body contained nothing but taxes on chain stores. The court mentioned the rule that the title can be broader than the act, but held that the title was misleading because the body of the act did not contain any regulatory measures. However, it appears that the basis for the court's decision was its belief that taxes were not included within the term "regulation." Accordingly, this case may provide an example of a title that fails to include the subject covered by the body of the bill, rather than an example of an overbroad title that was misleading.

Despite the fact that case law indicates judicial tolerance of titles that include things the body of the act does not include, I suspect that the more specific the description of the "missing" item, the more likely it is that a court will find the title deceptive or misleading. The provisions of Uniform Rules 24, 35, 41, and 42 (that prohibit amendments in the second house if the amendment requires a title change) may also affect the decision of Alaska's courts, not because the court would take it upon itself to enforce the Uniform Rules, but because those rules encourage legislators to rely on the title when deciding whether to concur in amendments by the second house.

To summarize, the general rule is that an act will be valid, despite the fact that the title lists material not included in the body of the act, unless the title is misleading or deceptive.

PF:lmb  
L10/012

RY91/FY 92 Property Tax Equivalency Program (Renter Rebate) Statewide Breakdown

BOROUGHES	SENIORS	DISABLED VETERAN	TOTAL NO. APPLICANT	REBATE \$	AVG. \$ PYMNT PER APPL.
ANCHORAGE	481	61	542	502,182.75	927
FAIRBANKS NSB	108	13	121	104,619.14	865
HAINES	5	0	5	1,780.04	356
JUNEAU	112	5	117	90,274.33	772
KENAI PENINSULA	84	3	87	36,905.55	424
KETCHIKAN GATEWAY	32	1	33	22,050.38	668
KODIAK ISLAND	34	1	35	9,096.32	260
MAT-SU	38	7	45	32,460.55	721
SITKA	18	0	18	5,661.20	315
<b>BOROUGH SUBTOTAL</b>	<b>912</b>	<b>91</b>	<b>1,003</b>	<b>805,030.26</b>	<b>803</b>
<b>CITIES</b>					
CORDOVA	1	0	1	261.45	261
CRAIG	2	0	2	136.56	68
NENANA	1	0	1	501.04	501
PELICAN	2	0	2	242.82	121
PETERSBURG	5	1	6	2,776.79	463
SKAGWAY	1	0	1	294.29	294
VALDEZ	1	0	1	346.69	347
WRANGELL	7	0	7	2,901.16	414
<b>CITIES SUBTOTAL:</b>	<b>20</b>	<b>1</b>	<b>21</b>	<b>7,460.80</b>	<b>355</b>
<b>STATEWIDE TOTAL:</b>	<b>932</b>	<b>92</b>	<b>1,024</b>	<b>\$812,491.06</b>	<b>\$793</b>
SENIORS	932				
DISABLED VETERANS	92				
<b>COMB. APPL. TOTAL:</b>	<b>1,024</b>				

<b>ORIGINAL BUDGET:</b>	<b>820,000.00</b>
Less FY91 Late Appl. Payment:	798.00
Final FY92 Budget Balance:	819,202.00
<b>COMB. TAX EXEMPT. TOTAL:</b>	<b>812,491.06</b>
Reserve for LF:	6,710.94

No. of Rebates	Rebate \$ Amount
Highest rebate:	3,045
18	over 2,000
50	over 1,500
Stwd. Rebate Avg.	793

## Senior Citizen/Disabled Veteran Property Tax Exemption (AS 29.45.030 (e) (i))

Program mandates that municipalities may not tax the first \$150,000 of assessed value of an eligible person's "primary residence and permanent place of abode."

Program was initiated in 1973--lost tax impact on municipalities was \$197,050 which was fully reimbursed by the state.

- FY 92:
- ✓ lost tax revenue to municipalities \$11,200,000;
  - ✓ state reimbursed \$2,838,800 or 25.3%;
  - ✓ tax revenue shortfall to municipalities \$8,361,200;
  - ✓ 33 municipalities potentially affected
- FY 93:
- ✓ estimated tax revenue lost to municipalities \$12.6 million
  - ✓ state reimbursement (proposed budget same as FY 92) ?????
- Issues:
- ✓ Should the state continue to mandate the property tax exemption?
  - ✓ Should the state allow this to be a local option?
  - ✓ If the mandate continues, should it be fully funded by the state?
  - ✓ If the mandate is repealed, should the state provide some property tax relief to senior citizens and disabled veterans through a rebate on taxes paid?
  - ✓ Should state provided property tax relief be a needs based (e.g. "circuit breaker") program?
  - ✓ What other options are possible? (see chart)
  - ✓ AML favors repeal of the exemption with any state support as a rebate.

NOTE: If the senior citizen/disabled veteran tax exemption program is amended or repealed, the companion program for renters (AS 29.45.040) should also be amended or repealed accordingly.

# Senior Citizen and Disabled Veteran Property Tax Exemption Program Options

## PROS

## CONS

### A. DO NOTHING

1. SC's/DV's retain benefit

1. Cost to State \$3 million
2. Cost to Munis \$8 million

### B. REPEAL

1. State saves \$3 million
2. Munis save \$8 million
3. SC'S/DV'S get IRS deduction

1. Some SC's/DV's lose benefits
2. Only state in the U.S. without benefit
3. Added to Full Value Determination

### C. DEFERMENT/LIEN

1. State saves \$3 million
2. Munis save \$8 million in long run
3. SC's/Dv's retain benefit

1. Heirs pay property tax
2. Added to Full Value Determination
3. Potential enforcement problem

### D. FULLY FUND

1. Munis save \$8 million
2. SC's/DV's retain benefit

1. Cost to State \$11 million

### E. REBATE IN LIEU OF EXEMPTION

1. Easy to administer
2. Munis save \$8 million

1. SC's/DV's may lose some benefit
2. Cost to the State variable
3. Added to Full Value Determination
4. Taxed by the IRS

### F. OPTIONAL

1. Eliminate State's cost
2. Possible IRS deduction

1. Only State w/o statewide policy
2. Added to Full Value Determination
3. Non-uniform tax treatment (muni to muni, homeowner to renter)
4. Some SC's/DV's lose benefit

### G. CIRCUIT BREAKER

1. Some SC's/DV's retain benefit
2. State savings variable
3. Munis savings variable
4. Partial or total IRS deduction

1. SC's/DV's must provide IRS return
2. Partial addition to Full Value Determination

### H. REDUCE \$150,000 CAP

1. Partial IRS deduction
2. Some savings to State and Munis

1. SC's/DV's lose some benefit
2. Savings depends on level of cap
3. Partial addition to Full Value Determination

### I. EXEMPTION BASED ON REIMBURSEMENT BY STATE

1. Munis save \$8 million
2. SC's/DV's save amount reimbursed by the State
3. Partial IRS deduction

1. Cost to state \$3 million
2. Partial addition to Full Value Determination
3. SC's/DV's pay \$8 million

### J. EXEMPTION BASED ON REIMBURSEMENT

1. Munis save \$5 million
2. Partial IRS deduction

1. Cost to state \$3 million
2. Cost to munis \$3 million
3. SC's/DV's pay \$5 million

TABLE 14

**SENIOR CITIZEN AND DISABLED VETERAN  
PROPERTY TAX EXEMPTION PROGRAM HISTORY  
AS 29.45.030(e) - (i)**

State law exempts real property owned and occupied as a permanent home by a resident 65 years of age or over or by a disabled veteran. The exemption applies to the first \$150,000 of assessed valuation.

**Ten-year Performance Summary**

FISCAL YEAR	NO. OF APP.'S APPROVED	TOTAL EXEMPT ASSESSED VALUE (\$)	TOTAL MUNICIPAL REIMBURSEMENT (\$)	AVERAGE EXEMPT VALUE (\$) PER APP.	AVERAGE EXEMPT TAX (\$) PER APP.
1982	4,147	277,154,113	1,757,887	66,832	424
1983	4,893	324,220,034	2,092,317	66,262	428
1984	5,156	392,215,073	3,146,618	76,070	610
1985	5,418	478,983,142	4,005,075	88,406	739
1986	6,061	609,947,921	3,958,567 *	100,635	821
1987	6,569	737,706,208	2,770,300 *	112,301	963
1988	7,118	760,355,699	2,622,969 *	106,822	949
1989	7,900	598,877,461	2,519,344 *	75,807	945
1990	8,557	606,951,397	2,543,469 *	70,930	1,008
1991	9,246	665,058,233	2,557,900 *	71,929	1,037

\* Represents available funds; actual reimbursement requests exceeded funding level.

DEPARTMENT OF ADMINISTRATION

POSITION PAPER

HB 573

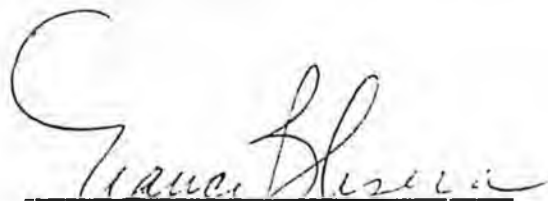
The Department of Administration wishes to state its position on certain sections of HB 573 and to go on record as supporting the bill.

Sections 1, 3, 4, 5, 12, and 13 provide for changes in the property tax exemption of all seniors and disabled veterans and allow for local option. A taxing entity could elect to continue, discontinue, or place restrictions on the payment of local property taxes by these groups.

Under current law, the State requires local governments to exempt all seniors and disabled veterans (disability must be at least 50%) from the local property tax on their primary residence up to an assessed value of \$150,000. For several years the State has funded about 26% of the tax resources which placed the burden of 74% on other tax payers in the municipality. There is currently no criteria other than age of the senior and physical disability of the veteran exemptions. The burden of paying a higher millage rate is shifted to other property owners regardless of their circumstances or ability to pay.

HB 573 allows the local government control over their property taxation authority. Local option could allow for the differences in the communities. Exemptions could be made considering the total population rather than a segment. Local, as well as State revenue is declining; the State is reducing its municipal grants in all areas. The local governments must have the authority to generate revenue through taxation without placing undue hardships on any group.

The sections referenced in HB 573 provide the taxing governments the opportunity to have local option on a vital tax issue which generates revenue for necessary services to the entire community. The Department of Administration supports the passage of this bill.



Nancy Bear Usera  
Commissioner  
Department of Administration

Date: 4-29-92

DEPARTMENT of HEALTH and SOCIAL SERVICES  
Division of Public Assistance  
April 23, 1992

**Adult Public Assistance/Interim Assistance Program Change**

Alaska is among a number of states that pay state-funded Interim Assistance to Supplemental Security Income (SSI) applicants while the Social Security Administration is processing their applications. SSI regulations allow for such states to be reimbursed for their Interim Assistance costs out of the retroactive SSI entitlements of applicants who are ultimately found eligible for federal SSI benefits.

Under existing state law, Alaska applicants for Adult Public Assistance receive Interim Assistance for an average of 8.8 months before a decision is made on their eligibility for SSI benefits. The Interim Assistance case is converted retroactively to Adult Public Assistance, effective with the date of APA application, after the SSI decision is made. Interim Assistance recipients receive \$280 per month.

When an Interim Assistance recipient is determined retroactively eligible for SSI and APA, he is entitled to retroactive SSI benefits of \$422 per month and retroactive APA benefits of \$362 per month. The retroactive APA payment is reduced to \$82 per month because the individual has already received \$280 in Interim Assistance.

The changes in AS 47.25.455 proposed in CS HB 573 (Finance) would enable DHSS to effectively recover Interim Assistance benefits from the retroactive SSI benefits of APA applicants who are found eligible for SSI. APA applicants would be required to agree to have their retroactive SSI benefits paid to DHSS to reimburse the state for the Interim Assistance they would receive. There would be no retroactive entitlement to regular APA benefits.

\$280 of the monthly retroactive SSI benefit would be collected by DHSS, and the remaining \$142 in retroactive SSI would be paid to the client. The resultant net savings of \$362 per client month for APA applicants who are found eligible for SSI would reduce APA expenditures by 434.0 in FY 93.

# STATE OF ALASKA

## DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

WALTER J. HICKEL, GOVERNOR

P.O. BOX L  
JUNEAU, ALASKA 99811-0900

April 28, 1992

Senator Lyman Hoffman  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Senator Hoffman,

As part of the effort to reduce state government expenses, while providing improved service to Alaska's veterans, I would appreciate your consideration of a suggestion concerning the veterans death gratuity program and the veterans service officer program. Briefly stated, the idea is to increase the funding for the veterans service officer program, and pay for it with a reduction in persons eligible for the death gratuity program. There would also be a net savings to reduce the overall state budget as well.

The veterans service officer program is one of the highest payback programs in state government. For every dollar of state expenses, we recover at least \$35 of medical benefits which directly help Alaska's veterans. Most of these dollars are paid to Alaska health care professionals. State veterans organizations have long been lobbying for increased funds for this program. With the aging of Alaska's veterans population, and the addition of many new veterans due to the downsizing of the military, the need for these services will increase significantly.

I believe the present House Bill 573 that is currently in Senate HESS is unattractive to most veterans and veterans organizations. It reduces all veterans death gratuity payments from \$750 to \$350. Granted, this reduces the budget temporarily. But the effect of it is that no one is happy. I believe the bill could be changed and everyone would be mostly happy, and we would trim dollars from the budget as well.

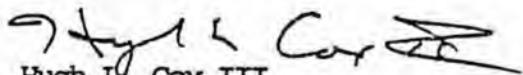
I am suggesting that the presently authorized death gratuity of \$750 be paid in full to Alaska veterans (veterans of the Territorial Guard and National Guard), that the federally entitled veterans eligibility for a death gratuity be eliminated completely, but that more money be provided to hire veterans service officers. The federally entitled veteran is provided burial fees, burial plot, and headstone by the federal government, along with other federal benefits. Alaska Territorial Guard and National Guard veterans do not get anything from the federal government.

Attached to this letter is a suggested amendment to HB573. The amendment would accomplish the elimination of federal veterans from the state death gratuity program. Also attached is supporting documentation from my legal staff which validates the language suggested, and lists the other federal benefits that "state" veterans are not entitled to receive.

An additional attachment to this letter is a suggested amendment to the budget for veterans affairs as it currently stands in Senate Finance. The amendment reduces the death gratuity program from \$270,000 to \$37,500. The amendment puts \$115,000 of the savings back into the service officer grant program, and eliminates the balance, \$117,500, from the state budget.

Thank you for your consideration of this suggestion. Please feel free to contact me for any additional information or discussion on this issue.

Sincerely,



Hugh L. Cox III  
Commissioner

cc: Senator Jay Kerttula  
Senator Curt Menard

[JM/HOFFLIRI]

*50% of savings into service  
officer grant program  
take approp steps*

### Federal Veterans Benefits

To be eligible for most federal veteran's benefits, one must have served at least 181 consecutive days of active military service. For veterans who joined after 1980, the service requirement is at least two years. State veterans are those who have served only in the Alaska National Guard, or Alaska Territorial Guard, but have not served the minimum number of consecutive days federal service. The following are entitlements that federal veterans are eligible to receive, but which state veterans are not eligible for. Federal veterans with service-connected disabilities are eligible for additional benefits above those listed below:

1. Federal burial in a National cemetery, a headstone (regardless of burial location), a burial flag, and a burial allowance of \$300.
2. Medical and VA hospitalization benefits, depending on income level
3. Job counseling and employment assistance
4. VA home loan guarantees.
5. Educational assistance for up to 10 years after discharge.
6. Pension program for disabled veterans with limited income, whose disability was not service related.

Branch Office:  
3601 C St., Ste. 260  
Froner Bldg.  
Anchorage, AK 99503  
(907) 563-5654  
FAX: 562-3040



Main Office:  
P.O. Box 110209  
Juneau, AK 99811-0209  
(907) 465-3250  
FAX: 465-4716

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## Older Alaskans Commission

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### POSITION PAPER ON COMMITTEE SUBSTITUTE FOR HOUSE BILL 573 (FINANCE)

"An Act relating to state and municipal programs...including an exemption from municipal property taxation for certain primary residences;..."

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The Older Alaskans Commission (OAC) wishes to state its opposition to section 5 of this bill. This section sets up an option for taxing municipalities to exempt from local property taxes the primary residence of a senior or disabled veteran. This section would allow each separate taxing government in Alaska to exempt all--or none--of the seniors and disabled veterans, or to set up some sort of locally defined "hardship exemption."

Section 5 of this bill replaces current state law which exempts all seniors and disabled veterans from local property taxes on the first \$150,000 of assessed value of the person's primary residence. Under the current law the State is to reimburse the local governments for the tax revenue lost by exemptions, but for the last several years, the municipalities have received reimbursement for as little as 26 % of the exemptions. This has created a significant burden on the local governments.

On the other hand, because property taxes are based on a constantly changing "valuation" of the home, and local political decisions to raise millage rates, these taxes are a very significant and unpredictable burden on the majority of seniors or disabled veterans who live on a fixed income.

Lower income seniors and veterans who can not meet their local tax bill may actually lose their homes or be left destitute after paying the taxes. If this happens, all Alaskans will pay a higher price for the medical, long term care and residential needs of these persons. One in 7 or 14% of Alaska seniors is now receiving welfare benefits, and this change would surely increase the seniors who need to ask for welfare.

Seniors and disabled veterans of moderate incomes will also be hurt by the proposal in CS for House Bill 573 (Finance). The great majority of Alaska's seniors are not wealthy, and most are stretching their limited pensions and social security checks to

the maximum to keep up with the constant increases in Alaska's high cost of living. These seniors may decide to take their assets and pension incomes and leave Alaska for a more hospitable state where the cost of living and the tax burdens on a senior are lower. Alaska will lose not only the economic assets of these seniors, but also their social contributions as the elders in families, as the caregivers of children and other seniors, and as the tireless volunteers to innumerable local churches, charities, schools and other health and social service organizations.

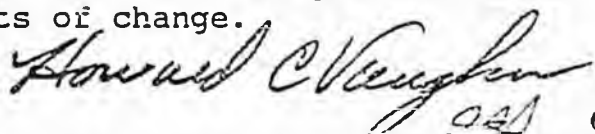
Therefore, the Older Alaskans Commission, through its legislative subcommittee, has voted to oppose CSHB 573 (Finance), specifically the sections dealing with the property tax exemptions. The Commission urges the Legislature to:

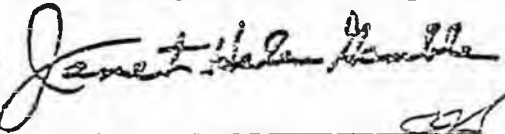
1. Leave the current property tax exemption and renters' rebate laws in place;
2. Appropriate sufficient funds to fully fund the tax exemption reimbursement to the municipalities;
3. Refrain from shifting the political or fiscal burden of this worthwhile program to the local governments.
4. Make reductions elsewhere in the cost and size of government, rather than reducing services.

In the future, should the Older Alaskans Commission be convinced that declining state revenues are inadequate to support a statewide property tax exemption program for seniors and disabled veterans, then the Commission may consider supporting a reduction in the assessed valuation to be exempted, or a "circuit-breaker" program which can alleviate the tax burden on seniors of both low and moderate incomes who are subject to a tax which is an unreasonable percentage of their available income.

House Bill 573's property tax changes are too hasty. This program is of major importance to the well-being and independence of seniors and should be given more careful thought and study of the impacts of change.

Approved:

  
Howard Vaughn, Chairman  
Legislative Subcommittee

  
Janet Helen Gamble, Chairman  
Older Alaskans Commission


Dated: April 24, 1992



217 Second Street, Suite 200 ■ Juneau, Alaska 99801 ■ Tel (907) 586-1325, Fax (907) 463-5480

May 4, 1992

TO: Senator Arliss Sturgulewski

FROM: Scott Burgess, Executive Director 

RE: Proposal for Senior Citizens/Disabled Veterans Property Tax Exemption Issue

The Alaska Municipal League still supports passage of an amendment to make the senior citizens/disabled veterans homeowners' property tax exemption a state rebate (draft legislation attached) or repeal of the program as embodied in HB 573. However, you asked me to look at a needs-based amendment. I have done some quick research in an attempt to do whatever possible to reduce the burden on other municipal taxpayers.

Based on a conversation with Steve Van Sant of the Municipality of Anchorage, I want to suggest the following concept for discussion as a way to lessen the burden on municipalities of the state-mandated property tax exemption for seniors and disabled veterans. This is basically the proposal that Steve prepared for the Mayor.

First \$30,000 -- full exemption mandated. Van Sant suggested this level to include mobile homes, which are not worth the municipality foreclosing on in case of default. Additionally, based on rough calculations, it appears that this amount would be nearly covered by the state's current appropriation level of \$2.8 million.

\$30,000 - \$120,000 -- Van Sant's proposal called for seniors/DVs to be allowed to apply for a deferment of taxes due on this property value. Taxes would be due when the property was sold.

An alternate suggestion, one that might be more palatable to the seniors, would be to require municipalities to provide either 1) a deferment program or 2) an exemption program for taxes due on property value in this range. Seniors would be able to lobby the assembly/council to establish an exemption program rather than a deferment program.

It would also be possible, and preferred by municipalities, to make exemption/deferment on the value of property from \$30,000 to \$120,000 based on hardship (see below for general discussion of hardship criteria). However, I do not think that this would be acceptable to those who don't like the current provisions of HB 573.

Senator Arliss Sturgulewski  
May 4, 1992  
page 2

Using either of these approaches, the legislation would need to be clear that the value of property either exempted or on which taxes were deferred would not be included in the full value determination.

Provision would have to be made so that interest could be charged on the deferred tax bill, but not penalties, in that the taxpayer would not be in default, but rather just "borrowing" the money from the municipality.

Above \$120,000 -- allow municipalities to exempt, or defer, taxes on values above this amount in cases of hardship, as they can now for values above \$150,000.

This approach is not "needs-based" in that it does not use income-based criteria. The view of Van Sant, though not necessarily officially of Anchorage nor of other municipalities, is that using income-based criteria would make the administration of a deferment or exemption program too cumbersome. Basing the exemption or deferral solely on property value criteria means that the municipality would have access to all the information needed to calculate taxes due.

Income-based criteria could require seniors requesting an exemption, or deferral, to submit a copy of their income tax form along with their application. There is some concern about those who practice "creative" tax planning and accounting and the ways in which these factors could affect their property taxes due. Van Sant feels he would have to have an accountant reviewing applications if this type of criterion were used. This could be solved by using the "Gross Income" line of the IRS form, prior to adjustments, as a base.

I am expecting some data early this afternoon from Van Sant about how this proposal would work in Anchorage, how much it would save for the municipality, etc. In addition, Judi Slajer of the Fairbanks North Star Borough has consulted with the borough's assessment and collections office and the Mayor to get their reactions to the proposal. Mayor Sampson supports the alternative proposed by Van Sant above in an effort to reduce the cost of the mandate.



217 Second Street, Suite 200 ■ Juneau, Alaska 99801 ■ Tel (907) 586-1325. Fax (907) 463-5480

April 30, 1992

TO: Senator Arliss Sturgulewski, Chair  
and Members, Senate HESS Committee

FROM: Scott A. Burgess, Executive Director

RE: CS HB 573 (FINANCE)

AML supports CS HB 573 (FINANCE) to the extent it incorporates a solution to the Senior Citizens/Disabled Veterans Homeowners Property Tax Exemption Program, an under-funded state mandate on local government. Finding a solution to this issue has been an AML priority for several years.

This is state-mandated program, created in 1973, which reduces the local tax base without a local vote.

While the seniors and disabled veterans get their exemptions regardless of state or local action, the state has failed to return the amount of local revenue lost locally under this state program for the last EIGHT years!

For FY 93:

- The Governor's budget includes \$2.8 million for the homeowners' program, which is estimated to return only 22.5 cents for every local dollar lost, and \$820,000 for the renters' rebate program, or 80 percent of the cost. Since the renters' program is state administered, this proposed shortfall to seniors/ disabled veterans who rent does not directly affect the municipalities.
- The House budget "zeroes out" funding for the homeowners' and renters' programs.
- Senate Finance budget reduces homeowners' by 5 percent (to \$2.69 million) and zeroes out the renters' program.

We need a reality check:

- AML is not against seniors or disabled veterans or the program; this is a local control and funding issue. Either the state should make this state-granted benefit relate to the amount of state funding support, or, if it is to be a local cost, it should be a local decision.
- In the past, AML has supported full funding or repeal and, most recently, amending the homeowners' program to make it a rebate program similar to

- The beneficiary population is growing, the funding is shrinking, the cost to local governments and local taxpayers is increasing, and there is no legislative or administrative support for fully funding the program. Governor Hickel vetoed \$2.2 million from the program as recently as last year.
- State aid to municipalities overall has decreased significantly and disproportionately since FY 86. At the same time, the costs of services and taxes have increased locally.
- While seniors and disabled veterans make valuable contributions to our state and our communities, they also receive other special benefits at the state and local level and they use and benefit from many municipal services financed by property tax.
- Under the bill, local officials will be able to evaluate the program in light of local fiscal conditions, value and need as expressed locally by the beneficiaries, and other important municipal services and continue the exemption, wholly or partially, if warranted.

In summary:

- AML supports Sections 1, 3, 4, 5, 12, and 13 of CS HB 573 (FINANCE) and urges the passage of the bill to at least incorporate these sections to repeal the senior citizens/disabled veterans property tax exemption program and make it a local option, as a legislative priority.
- Because the fiscal impact of repealing the bill under HB 573 will not be effective until FY 94, the program must be funded in the FY 93 budget or the FY 92 supplemental to reimburse municipalities for the mandated exemptions granted locally in FY 92

And, finally, I want to clarify that the legislative intent is that the lack of funding proposed in the House budget, and as proposed by Senate Finance, for the renters' program will not be compensated for, administratively, from funds made available for the homeowners' program.

Thank you.

Angela Salerno, MSW  
NASW Alaska Chapter  
1727 Wickersham Drive  
Anchorage, AK 99507

Senate HESS Committee

May 1, 1992

The National Association of Social Workers, Alaska Chapter opposes cuts to AFDC and Public Assistance benefits and urges amendments to HB 573 removing provisions for enabling statutory changes.

The legislature's proposal to make significant reductions in the level of AFDC and Public Assistance benefits for Alaska's children, families, poor and disabled is a misguided and mean-spirited attempt to unsnarl the state's budget predicament by striking at the most vulnerable segments of the state's population. Beyond the very practical hardships the cuts would impose, this proposal perpetuates persistent myths and stereotypes about low income individuals and families and is based on misleading information.

I understand that some figures are being circulated in the Senate which show that a family of four receiving AFDC, Foodstamps and Medicaid "makes" \$10.33/hr. This is fallacious in that first, you cannot include Medicaid as a cash benefit. Medicaid is a voucher system offering the recipient medical care as needed. The figure of \$400/month received in Medicaid is an estimate of the amount of service received, not a regular benefit.

The proposal also gives the impression that AFDC recipients are living too well, are somehow unworthy, and soaking the rest of us. These are women who are home raising their young children, who are trying to hold their families together with the help of their state and community. Try paying for childcare for three kids on \$10.00/hr. AFDC, 50% of which is reimbursed by the federal government, is a real bargain.

What is reflected here is a punitive attitude towards those Alaskans least able to bear responsibility for the state's budget problems. And what is missing is compassion and rational analysis at the heart of the state's policymaking process.

Social workers are in a unique position to see the effects of economic insecurity and poverty on families. Scientific evidence shows that adults who grew up in families that were poor are less productive and more likely to become dependent on public aid than adults who grew up without deprivation. Please, stop picking on children! Stop the attack on welfare. The assault hurts children and undermines the future of our state. NASW urges you to amend HB 573 and remove reductions to AFDC and PA.



# Alaska State Legislature

Copies to Senators  
Cotton, Manard,  
Sturge/ausi

Please enter into the record my testimony to the Senate Hess  
committee name  
committee on CSHB 573 (Finance), dated 5-1-92  
bill/subject

I urge you to delete Sections 10 & 11 (RE: AFDC cuts)

Please do not balance the budget on the backs of the over 20,000 CHILDREN this will affect.

~~If~~ If these provisions are enacted, you will be responsible for additional burdens on those who can least afford it — and the accompanying sense of despair and hopelessness that is the kindling for the fires now raging in Los Angeles and elsewhere. Taking care of those who can't provide basic for themselves is not only the right thing to do — it's ~~also~~ also in our own self-interest. Please delete Sections 10 & 11 from this bill.

Signed: Terrie Gottstein (TERRIE GOTSTEIN)  
Testifier

All those mothers who can't be here today themselves  
Representing (Optional)

5870 Alpine Woods Drive Anch 99576  
Address

345-4400  
Phone No.

*Resume  
of  
Karla Jean Johnson*

*Mailing Address: 1717 Douglas Highway #11  
Douglas, Alaska 99824*

*Telephone: 364-3565 (Home)  
... 463-3682 (D. Craig, message)*

*Employment Goals*

*I would like the opportunity to work in a position of responsibility utilizing my abilities, with potential for growth and advancement.*

*Educational History*

*University of Alaska, Southeast - Office Administration  
Completed 1992*

*South East Regional Resource Center (SERRC) - Office Skills Program  
Completed 1984*

*Work History*

*File Clerk - Division of Higher Education, Central Council Tlingit & Haida Indian Tribes of Alaska  
Temporary Contract January 1992 to March 1992  
Responsibilities included, but were not limited to: Mailing out scholarship packages, checks, and letters; xeroxing all correspondences to be filed; filing confidential client information which required knowledge of the Privacy Act. Position required excellent public relation skills for client contact. Assisted clients both through telephone contact and "in-person".*

*Child Care Attendant - Juneau HeadStart, Central Council Tlingit & Haida Indian Tribes of Alaska  
Volunteered from 1984 to 1989  
At times responsible for office duties including answering telephone calls from parents; arranged duty schedules for children; conducted and supervised art activities and field trips; assured safe transportation for children to and from bus; responsible for teaching personal hygiene to children, such as brushing teeth before meals; prepared and cooked snack/lunch for 25-30 children and staff.*

*Manager/Bookkeeper - Exxon Gas Station (Odessa, Texas)  
Volunteered from September 1980 to December 1980  
Maintained all bookkeeping and managed cash flow, including verifying customer credit. Responsible for supervision of employees which included: assigning duties and arranging schedules for staff of four individuals, determining rate of pay and tracking payroll, responsible for hiring and termination of employees, responding to verbal customer complaints, and resolving any difficulties with employees. Responsibilities also included monitoring pump readings, determining shortages and arranging for replenishing of fuel. Also responsible for inventory and closing.*

*Resume of Karla Johnson*

*Page Two*

*Receptionist - United States Forest Service, Wildlife and Fisheries*

*June 1980 to August 1980*

*Answered and routed all incoming calls; monitored inventory of supplies; gathered, collated and distributed documents; volunteered to work in other departments; filled in for receptionist for the regional office; xeroxed and filed all documents; and responsible for distribution of mail.*

*Clerk - Office of the Governor, State of Alaska*

*December 1979 to May 80*

*Helped prepare information for Governor's meetings, filed and xeroxed documents, sorted and routed all mail, answered busy phone and took messages, organized file cabinets, met all deadlines.*

*Teacher's Aide - Children's Community Center, Juneau, Alaska 99801*

*June 1979 to September 1979*

*Organized art activities, supervised field trips, read stories to children at nap time, assisted in preparation of meals and snacks, changed diapers and cleaned up children, prepared children to return home at end of day, assisted with closing of Daycare.*

*Clerk - Cedar Park Office, Juneau, Alaska 99801*

*September 1978 to May 1979*

*Answered phone calls and responded to messages, xeroxed and filed applications for tenants, light typing of memos and labels, helped clean apartments that were vacant.*

References for Karla Johnson

*Cindy Pastorino  
2605 Douglas Highway  
Juneau, Alaska 99801*

*Work Telephone: (907) 586-5718*

*Sean O'Brien  
Department of Community and Regional Affairs  
Southeast Regional Office  
150 Third Street  
Juneau, Alaska 99801-1291*

*Work Telephone: (907) 465-4814*

*LouAnn Gagne  
503 Fifth Street  
Douglas, Alaska 99824*

*Home Telephone: (907) 364-2201*

*Brenda Mann-Coate  
P.O. Box 22913  
Juneau, Alaska 99802*

*Home Telephone: (907) 463-3157*

*Pauline Olson  
1108 "F" Street  
Juneau, Alaska 99801-8672*

*Work Telephone: (907) 789-4402*

*Deborah Craig  
University of Alaska, Southeast  
Bill Ray Center  
1108 "F" Street  
Juneau, Alaska 99801-8672*

*Work Telephone: (907) 463-3682*

*Written references are available upon request.*



TELECOPY COVER SHEET  
Anchorage Legislative Information Office  
Office - (907) 561-7007 Fax - (907) 562-4376

TO: Senate H.E.S.S. Committee

ATTN: Sen. Sturgulewski FAX: \_\_\_\_\_ PHONE: 465-3762


FROM: Harry Anc. K.I.O. PHONE: 561-1199

INSTRUCTIONS: pls deliver to committee. These  
two participants won't be able to testify  
Saturday May 2nd, 1992

SENT: Date 05/01/92 Time 11:45 Am

DISPOSAL OF ORIGINAL: Discard \_\_\_\_\_ Hold for Pickup \_\_\_\_\_

NUMBER OF PAGES: 3 (counting cover sheet)

TRANSMITTED BY: Harry 

Heather Flynn

28 April, 1992

FOR PUBLICATION IN THE TIMES 2 MAY, 1992

The state budget crunch has focused attention on the Longevity Bonus and the Senior Citizens Property Tax Exemption. Let's examine what they were intended to be and what they have become.

The property tax exemption and longevity bonus were intended to enable senior citizens to remain in their lifelong homes, to share the knowledge and experience gained during their many years on the Last Frontier with younger residents, to be present rather than absentee grandparents, and to be the goodwill ambassadors which they are to not only the visitors to our community, but to volunteer year round in a wealth of social, educational and economic efforts.

There is a full range of economic arguments surrounding seniors remaining in their homes and living independently. Well documented by the Older Person's Action Group and AARP, seniors provide neighborhood stability, remain healthier and less a burden on the expensive health care system, invest and spend their money in the local economy, vote regularly and are good citizens. On a personal note, my family includes five senior citizens, three in nursing homes, one requiring home health care and one still employed full time at age 76. My grandmother lived independently,

managing her home and finances, and baking bread for the neighborhood, until at age 90 she fell and broke a hip.

The programs to encourage senior citizens to remain in Alaska have become enormous and expensive magnets which attract seniors to relocate to Alaska. Alaska's most recent census numbers have made headlines. The fastest growing segment of our population is senior citizens. About a year ago when a sales tax was under discussion, a senior sought me out and explained what a terrible hardship a sales tax would be on seniors. He allowed as how he lived here because he didn't have to pay property taxes, income taxes or sales taxes. He also acknowledged that he had a generous retirement from the military and both he and his wife were retired teachers. They also enjoyed 100% medical benefits and social security. And of course, they receive permanent fund dividends and monthly longevity bonus checks. Throw in free hunting and fishing licenses, free tuition at the university, and free passage on the state ferries, not to mention the Pioneer Homes, and one can readily see how Alaska is so attractive for seniors.

At a recent work session, the Assembly was informed that there were 579 new applications for property tax exemptions this year, for a total of 4715 homes. This represents 4% of the total tax roll and 10% of the residential tax roll. This is an astonishing increase from \$330 million of valuation last year to \$404 million this year. Further, this represents \$7 million in taxable property. Under this state mandated program, the Municipality was reimbursed \$1.2 million last year. If this year's House budget hold, we will receive no reimbursement at all! I am sure most

readers understand that this \$7 million tax loss is made up by other property owners who are not eligible for the tax exemption.

Should the legislature decide to drop the program (doubtful), or give local governments some say, the Assembly is currently examining several options to the senior citizens property tax exemption, among them a deferral rather than an outright exemption. Several states defer taxes until the home is sold by the individual or the estate. At the time of sale, the taxes are due. Another proposal is to reduce the allowable exemption from \$150,000 to, say, \$100,000 or \$75,000. Still another method is to base the exemption on need. Though many seniors argue that having to prove need strips them of their dignity, many years ago, before we were so rich, the state had an exemption program based on need with a very low threshold, \$15,000 I believe. However, the state also had an income tax at that time and could simply send a list of eligible homeowners to the municipal assessor. With no state income tax, the municipal assessor would have to examine the federal income tax submittal of every applicant. Surely with a higher income threshold, one can only speculate how many seniors would display their taxes in order to save \$2000.

Let me hasten to add that far more women would meet a needs test, not just because they live longer, but because they have not had access to pensions and other means of sustaining themselves.

Thirty years ago, nearly half our senior citizens lived in poverty. Today, thanks to significant improvements in senior programs and Medicare, not to mention the voting power of seniors, fewer than 10% of the seniors are

below the poverty line. This a record to be proud of. Unfortunately, seniors have been replaced by children. Today nearly half the children in our major cities live below the poverty line. This is NOT a record to be proud of. These same children will, along with their parents who already are, pay into the social security and medicare funds which help support seniors.

I am particularly dismayed that, while AFCD is being rolled back to 1990 levels, child care subsidies are cut 20%, and education is fighting to maintain what they have, the legislature suggests that the longevity bonus would be funded by the permanent fund reserve. This is robbing future generations to pay the current recipients of the longevity bonus, a population which is growing rapidly every year. Most citizens will agree to allocate resources to seniors who have a need, but the cumulative effect of our many generous programs simply serves to encourage more and more seniors to move to Alaska to take advantage of our generosity.

For the last decade, Alaskans have lived nearly tax free. The state income tax was repealed (and rebated). Those of us in organized boroughs pay property taxes (unless you are a senior or disabled veteran), but we also get permanent fund dividends to offset property taxes. We pay no state sales tax and here in Anchorage, no local sales taxes. Basic public services have been subsidized by state municipal assistance and revenue sharing, but those subsidies are being reduced at about 10% a year. If we wish to maintain services and the community we have built, we will all be asked to give a little more, and that includes senior citizens.

April 27, 1992

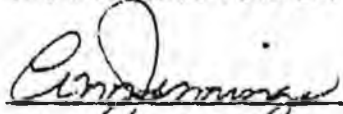
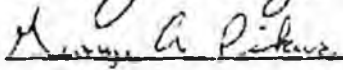
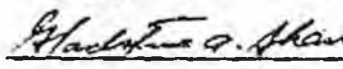
Senate  
Health, Education and Social Services Committee.  
Arless Sturgulewski, Chairman.  
Paul Fischer, Vice Chairman.  
Sam Cotten, Member  
Lyman Hoffman, Member  
Curt Menard, Member

Veterans Organizations listed below representing veterans, support CS HB -573 amending AS 26.10.080 (a), reducing the death gratuity benefits from \$750.00 to \$350.00. We support the HB -573, be further amended to show funds saved by this reduction be added to veterans services line item with the DMVA budget allocating additional funding of the Veteran Service Officers program.

Last year the funding was increased by \$40,000.00. This addition funding was allotted to the Disabled American Veterans. The Veterans of Foreign Wars and the American Legion, pioneers of this program in Alaska with over 70 years of service to the veterans of our state Alaska, have been provided no additional funding over the past seven years. This despite inflation and the effects on the ability to provide needed service to the Veterans of Alaska. Our state has a ever increasing veteran population, nearing 70,000. There is also a rapidly aging population of veterans requiring more and more assistance in procuring Federal and State Benefits, including health care, pension and increased disability benefits, to mention but a few of the programs available. The State Service officer, this last year, brought in over 15 million dollars of recovery into the state of Alaska. This was accomplished by direct assistance into benefits provided by The Department of Veterans Affairs (VA) and awarded to our State Veterans. That means that for every dollar requested for this next year, nearly \$50.00 will be returned.

These Service Organizations herin have a combined membership of over 17,000 veterans, plus families. There is a network of 80 Post or Chapters statewide. The Posts as well as all unaffiliated veterans need this help and assistance from a "Grateful State" for their contribution to the security and welfare of this State.

The Combined Veterans Service Organiztions of Alaska.

	The American Legion
	The Veterans Of Foreign Wars
	The Disabled American Veterans

Angela Salerno, MSW  
NASW Alaska Chapter  
1727 Wickersham Drive  
Anchorage, AK 99507

Senate HESS Committee

May 1, 1992

The National Association of Social Workers, Alaska Chapter opposes cuts to AFDC and Public Assistance benefits and urges amendments to HB 573 removing provisions for enabling statutory changes.

The legislature's proposal to make significant reductions in the level of AFDC and Public Assistance benefits for Alaska's children, families, poor and disabled is a misguided and mean-spirited attempt to unsnarl the state's budget predicament by striking at the most vulnerable segments of the state's population. Beyond the very practical hardships the cuts would impose, this proposal perpetuates persistent myths and stereotypes about low income individuals and families and is based on misleading information.

I understand that some figures are being circulated in the Senate which show that a family of four receiving AFDC, Foodstamps and Medicaid "makes" \$10.33/hr. This is fallacious in that first, you cannot include Medicaid as a cash benefit. Medicaid is a voucher system offering the recipient medical care as needed. The figure of \$400/month received in Medicaid is an estimate of the amount of service received, not a regular benefit.

The proposal also gives the impression that AFDC recipients are living too well, are somehow unworthy, and soaking the rest of us. These are women who are home raising their young children, who are trying to hold their families together with the help of their state and community. Try paying for childcare for three kids on \$10.00/hr. AFDC, 50% of which is reimbursed by the federal government, is a real bargain.

What is reflected here is a punitive attitude towards those Alaskans least able to bear responsibility for the state's budget problems. And what is missing is compassion and rational analysis at the heart of the state's policymaking process.

Social workers are in a unique position to see the effects of economic insecurity and poverty on families. Scientific evidence shows that adults who grew up in families that were poor are less productive and more likely to become dependent on public aid than adults who grew up without deprivation. Please, stop picking on children! Stop the attack on welfare. The assault hurts children and undermines the future of our state. NASW urges you to amend HB 573 and remove reductions to AFDC and PA.



Copies to Senators  
Cotten, Manard,  
Sturgeawski,

# Alaska State Legislature

Please enter into the record my testimony to the Senate Hess  
committee name  
committee on CSHB 573 (Finance), dated 5-1-92  
bill/subject

I urge you to delete Sections 10 & 11 (RE: AFDC cuts).  
Please do not balance the budget on the backs  
of the over 20,000 CHILDREN this will affect.  
~~Who~~ If these provisions are enacted, you will be  
responsible for additional burdens on those who  
can least afford it — and the accompanying sense  
of despair and hopelessness that is the kindling  
for the fires now raging in Los Angeles and  
elsewhere. Taking care of those who can't provide  
basics for themselves is not only the right thing to do —  
it's ~~also~~ also in our own self-interest. Please  
delete Sections 10 & 11 from this bill.

Signed: Terrie Gottstein (TERRIE GOTSTEIN)  
Testifier

At those mothers who can't be here today themselves  
Representing (Optional)

5870 Alpine Woods Drive Anch 99516  
Address

345-4900  
Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the Senate Health, Education & Social Services committee name

committee on HB573 <sup>Re</sup> , dated April 30, 1992  
bill/subject

Re: Sections 10 and 11 of HB573.

I do not approve of Cost of Living Allowance reductions for AFDC recipients.

If the state has not allotted the Department of Health and Social Services enough money, it should not come out of the hides of welfare mothers. This is not where we could cut the

budget. I have a friend who is now off AFDC, but is still getting assistance from other state-funded programs such as food stamps and low-income housing. still, I consider her a success story

Signed: Rebyne Martin  
Testifier

Representing (Optional)

4624 Stamford Drive Fairbanks  
Address

479-3990  
Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the Senate HESS  
committee name

committee on HB 573, dated April 30 1992  
bill/subject

I am going to speak only to the cuts to AFDC and APA. This is a bottom line issue for me. Many women are watching how legislators vote on this bill. For the past 16 years I have worked with women and children on AFDC. I have also, when my daughter was young, lived at this income level. With few exceptions women do not want to be on AFDC. They feel ashamed and degraded by a system that devalues them in the same way that society has devalued them. Often they feel trapped by regulations, lack of job training, lack of transportation, lack of even a telephone, and lack of self esteem. Many require ongoing medical care for themselves or a child. They are generally younger, bright and desperately want to change their lives, live in a safe neighborhood, help their children succeed and have a job with health care benefits. Let's support women and children in these circumstances not penalize them. I have talked to many many women whose families were out of food by the end of the month, hard as they tried to stretch their funds. Every dollar counts. This is absolutely not where we should cut the budget. I urge you to delete Sec 10+11 or to stop the bill entirely.

Signed: Ruth Lister (RUTH LISTER)  
Testifier

Member of AK Women's Lobby, AK Women's Political Caucus, Bd member of WIC-CA  
Representing (Optional)

1290 Jones Road Fairbanks AK 99709  
Address

455 6886  
Phone No.

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\* DELIVER TO: LIOCACB \*  
\* \*  
\* ORIGINAL \*  
\* SENT: 05/01/92 TIME: 10:32 \*  
\* FROM: LIOCHTM \*  
\* SUBJECT: VIRGINIA ALLEN'S TESTIMONY \*  
\* PRINT DATE: 05/01/92 TIME: 10:32 \*  
\* \*  
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TO: ADAM IN JUNEAO

FROM: HARRY IN ANCHORAGE

REG: TESTIMONY FROM VIRGINIA ALLEN

I WOULD LIKE TO ASK THE COMMITTEE TO PLEASE ELIMINATE SECTIONS 10  
AND 11 FROM CSHB 573 (FIN)

I FIND IT APPALLING THAT WE FEEL WE NEED TO BALANCE THE BUDGET  
WITH THE POOREST OF THE POOR

WE ALL KNOW THAT THE ONES THAT FALL THE HARDEST DURING ECONOMIC  
DOWNTURNS ARE THE CHILDREN

BETWEEN THE RATEABLE REDUCTION AND THE ELIMINATION OF THE COLA, A

MOTHER AND ONE CHILD WOULD HAVE THEIR BENEFITS REDUCED BY 55  
DOLLARS PER MONTH

THE PRICE OF A 2# CAN OF FORMULA AT COSTCO IS \$13.29

THAT WOULD LAST A BABY WHO IS STILL ON FORMULA ONLY 4-7 DAYS

THE ADDITION IS SIMPLE \$53.16 FOR ONE MONTH OF FORMULA

AND WE TRY TO TAKE \$55.00 PER MONTH FROM THE PEOPLE WHO NEED IT  
THE MOST, POOR CHILDREN

P.S. ALLEN ALSO SENT TO LSNCHES

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\* DELIVER TO: LIOCHTM \*  
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\* ORIGINAL \*  
\* SENT: 05/01/92 TIME: 10:32 \*  
\* SUBJECT: VIRGINIA ALLEN'S TESTIMONY \*  
\* PRINT DATE: 05/01/92 TIME: 10:34 \*  
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TO: ADAM IN JUNEAU

FROM: HARRY IN ANCHORAGE

REG: TESTIMONY FROM VIRGINIA ALLEN

I WOULD LIKE TO ASK THE COMMITTEE TO PLEASE ELIMINATE SECTIONS 10 AND 11 FROM CSHB 573 (FIN)

I FIND IT APPALLING THAT WE FEEL WE NEED TO BALANCE THE BUDGET WITH THE POOREST OF THE POOR

WE ALL KNOW THAT THE ONES THAT FALL THE HARDEST DURING ECONOMIC DOWNTURNS ARE THE CHILDREN

BETWEEN THE RATEABLE REDUCTION AND THE ELIMINATION OF THE COLA, A MOTHER AND ONE CHILD WOULD HAVE THEIR BENEFITS REDUCED BY 55 DOLLARS PER MONTH

THE PRICE OF A 2# CAN OF FORMULA AT COSTCO IS \$13.29

THAT WOULD LAST A BABY WHO IS STILL ON FORMULA ONLY 4-7 DAYS

THE ADDITION IS SIMPLE \$53.16 FOR ONE MONTH OF FORMULA

AND WE TRY TO TAKE \$55.00 PER MONTH FROM THE PEOPLE WHO NEED IT THE MOST, POOR CHILDREN

P.S. ALLEN ALSO SENT TO LUNCHES