

**НВ**

**540**

**HFIN**

**FILE**



WALTER J. HICKEL  
GOVERNOR



HB 540  
P. O. Box 110001  
Juneau, Alaska 99811-0001  
(907) 465-3500

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

March 23, 1994

The Honorable Ramona L. Barnes  
Speaker of the House  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

Dear Speaker Barnes:

*Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the improvement of state finances and fiscal accountability by increasing fees, collecting additional revenues, reducing certain program expenditures, and changing state agency functions or procedures to achieve certain savings or efficiencies. A section-by-section description of this bill is forthcoming.*

*In this time of great financial concern, we must look for ways of streamlining state government and find ways for agencies to defray a greater portion of their costs through the imposition or increase of fees. If there are ways to access other kinds of funds for the services the state provides, then we must be willing to seek those funds. If there are ways to cut the expenses of the state administration, we must be open to the changes necessary to achieve them.*

*This bill is only one example of this administration's continued efforts to keep the costs of state government in check. It, along with the bills I have introduced that change required reports of state agencies (HB 530 - SB 357) and eliminate some state multimember bodies (HB 531 - SB 358), can go a long way to improving the operation and expense of the state.*

*I urge your favorable consideration of the bill.*

Sincerely,

A handwritten signature in cursive script that reads "Walter J. Hickel".

Walter J. Hickel  
Governor

# DIVISION OF LEGAL SERVICES

## LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450  
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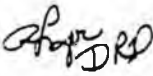
130 Seward Street, Suite 409  
Juneau, Alaska 99801-2105

### MEMORANDUM

April 9, 1994

**SUBJECT:** Enclosed Bills (CSHB 56(FIN), CSHB 135(FIN), and CSHB 540(FIN))

**TO:** Representative Ron Larson  
Co-chair, House Finance Committee  
Attn: Jay Hogan

**FROM:** David R. Dierdorff   
Revisor of Statutes

Enclosed are the three draft committee substitutes you requested. I have some comments and a caution or two.

Content of drafts. Each draft contains the provisions from HB 540, as introduced by the governor, that were requested by Nancy Slagle in her April 8 letter to you. However, I believe she made two mistakes in her request and I took the liberty of correcting them.

First, she requested that the CS for HB 540 include only the repeals of AS 28.10-108(b) and AS 44.42.050(d). However, she requested that sec. 24 of HB 540 be included. Section 24 does not make any sense unless AS 28.22.041(h) is also repealed, so I included that repealer in CSHB 540(FIN).

Second, she requested that sec. 35 of HB 540 be included in the CS for HB 540, but the related repeal of AS 39.20.250(b) was to be included in CSHB 56. I included both provisions in CSHB 56(FIN), because they both relate to fiscal procedures.

Lingering single subject issues. I am not sure that the division of HB 540 into these three parts solved all of the single subject issues I discussed in my earlier memo. Draft CSHB 56(FIN) clearly meets the single subject test; draft CSHB 135(FIN) comes close to meeting the test, but I am concerned that medical care reimbursement by a prisoner or from sources reached through the prisoner is sufficiently different from fee charging that the "umbrella" of "enhancing revenues" runs into the problems identified in my earlier memo. It is, however, a close question.

Representative Ron Larson  
April 9, 1994  
Page 2

With respect to draft CSHB 540(FIN), the question still remains whether one can modify state services in a smorgasbord of service delivery areas under the subject "reducing the cost of state government." I believe that CSHB 540(FIN) is still subject to challenge. I drafted the title to ensure that the expression requirement of the constitution was met, and stated the single subject as phrased by OMB, but I would urge you to consider breaking it down further.

New constitutional issues. The use of HB 56 and HB 135 as vehicles invokes the three reading requirement of art. II, sec. 14 of the state constitution. The two bills were read the first time as appropriation bills. They now have become substantive bills. I believe that this triggers the three reading requirement in that the committee substitutes for each are so different from the original that they are, in effect, new bills that must be read three times. See Van Brunt v. State, 653 P.2d 343, 345-346 (Alaska App. 1982). Given the importance of the legislation, please ensure that the bills are read three times, not including their original first readings, before being transmitted to the Senate (assuming they are approved by the House).

Editorial change. In addition to minor technical drafting changes we made in the governor's language, I wanted to call your attention to the deletion of the last two sentences of Sec. 46.03.026(c) as proposed in sec. 41 of HB 540. They were not necessary. AS 37.05.142 and 37.05.144 already provide what the two sentences set out to accomplish.

If I may be of further assistance, please advise.

DRD:pl  
94-297.plm

Enclosure

8-GH2049E  
Dierdorff  
4/9/94

**CS FOR HOUSE BILL NO. 540(FIN)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**EIGHTEENTH LEGISLATURE - SECOND SESSION**

**BY THE HOUSE FINANCE COMMITTEE**

**Offered:**  
**Referred:**

**Sponsor (s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act amending and repealing laws providing for state agency functions and  
2 services related to transportation and capital improvement planning, motor vehicles  
3 and motor vehicle insurance, medical care for prisoners, state building leases, and  
4 review and approval of water and sewer systems, for the purpose of reducing  
5 state government expenditures; and providing for an effective date."

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

7 \* Section 1. AS 19.10.140 is amended to read:

8           Sec. 19.10.140. LONG-RANGE PROGRAM FOR HIGHWAY  
9 CONSTRUCTION [AND MAINTENANCE]. The [GOVERNOR SHALL REQUIRE  
10 THE] department shall [TO] establish a continuing, long-range program for highway  
11 construction [AND MAINTENANCE]. The program must annually project proposed  
12 construction [AND MAINTENANCE] of highways in a priority format for not less  
13 than the next succeeding five years. A statement of the program shall be submitted

1 by the governor to the legislature annually [, AND THE LONG-RANGE PROGRAM  
2 SHALL INCLUDE IN DETAIL THE PROGRAM PREPARED UNDER  
3 AS 19.10.150].

4 \* Sec. 2. AS 19.10.150 is amended to read:

5 Sec. 19.10.150. CONSTRUCTION PROGRAM. Before February 2 of each  
6 year, the department shall prepare a statement showing what construction work has  
7 been requested and proposed and may be undertaken by the department during the  
8 following construction season. The statement must set forth a general itemization of  
9 the estimated cost for each project and the total estimates of all projects. [THE  
10 DEPARTMENT SHALL ADOPT A CONSTRUCTION PROGRAM WHICH MUST  
11 INCLUDE THE PROJECTS TO BE UNDERTAKEN BY IT DURING THE  
12 FOLLOWING CONSTRUCTION SEASON AND MUST ESTABLISH PROJECT  
13 PRIORITIES.] The department may increase, decrease, amend, or revise the  
14 construction program from time to time as circumstances warrant.

15 \* Sec. 3. AS 19.10.160 is amended to read:

16 Sec. 19.10.160. STANDARD PLANS AND SPECIFICATIONS. The  
17 department may [SHALL] prepare and adopt uniform standard plans and specifications  
18 for the establishment and [,] construction [, AND MAINTENANCE] of highways in  
19 the state. The department may amend the plans and specifications as it considers  
20 advisable. [THE STANDARDS MUST CONFORM AS CLOSELY  
21 AS PRACTICABLE TO THOSE ADOPTED BY THE AMERICAN ASSOCIATION  
22 OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS.]

23 \* Sec. 4. AS 28.05.061(c) is amended to read:

24 (c) The commissioner and officers and employees of the department designated  
25 by the commissioner shall, upon request, prepare under the seal of the department and  
26 deliver, unless otherwise prohibited by law, a certified copy of any record of the  
27 department maintained under this title or regulations adopted under this title, charging  
28 a fee for each certified copy. A certified copy, or an electronic record certified by  
29 the department, is admissible in a proceeding in a court in the same manner as the  
30 original document.

31 \* Sec. 5. AS 28.05.121 is amended to read:

1           Sec. 28.05.121. GIVING OF NOTICE. When the department is authorized or  
2 required to give notice under this title or regulations adopted under this title, unless a  
3 different method of giving notice is otherwise expressly provided, notice shall be given  
4 by a qualified person, either by personal delivery to the person to be notified or by  
5 first class [REGISTERED OR CERTIFIED] mail, [RETURN RECEIPT  
6 REQUESTED,] addressed to the person at the address of the person as shown in the  
7 electronic records of the department. The giving of notice by mail is considered  
8 complete upon placing the notice in a United States Post Office receptacle, with  
9 appropriate postage [THE RETURN OF THE RECEIPT OR UPON RETURN OF  
10 THE NOTICE AS UNDELIVERABLE, REFUSED, OR UNCLAIMED]. Proof of the  
11 giving of notice in either manner may be made by the affidavit of the person giving  
12 the notice by personal delivery or by mail, naming the person to whom the notice was  
13 given and specifying the time, place, and manner of giving the notice.

14 \* Sec. 6. AS 28.05.141(b) is amended to read:

15           (b) A hearing ordered under (a) of this section shall be held telephonically at  
16 a time and date set by [AT THE OFFICE OF] the department, except that if the  
17 department determines that an in-person hearing is necessary to determine factual  
18 issues, the department may order that the hearing be conducted in person at a  
19 place, time, and date set by the department [NEAREST TO THE RESIDENCE OF  
20 THE PERSON REQUESTING THE HEARING UNLESS THE DEPARTMENT AND  
21 THE PERSON AGREE THAT THE HEARING IS TO BE HELD ELSEWHERE].  
22 The department may [SHALL] grant a hearing delay only if the person shows, to the  
23 satisfaction of the department, [PRESENTS] good cause for the delay that is beyond  
24 the control of the person. If a person fails to appear for the hearing at the time and  
25 place stated by the department and if a hearing delay has not been granted, the  
26 person's failure to appear is considered a waiver of the hearing and the department  
27 may take appropriate action with respect to the person.

28 \* Sec. 7. AS 28.10.031(b) is amended to read:

29           (b) A licensed vehicle dealer may issue to the purchaser of a vehicle sold by  
30 the dealer a temporary permit to drive the vehicle. A permit is effective for a period  
31 not to exceed 60 [30] days. The commissioner shall adopt regulations governing the

1 issuance of permits under this section.

2 \* Sec. 8. AS 28.10.108(c) is amended to read:

3 (c) A vehicle subject to registration [AND NOT DESCRIBED IN (b) OF THIS  
4 SECTION] shall have its initial registration, and may have its annual registration,  
5 renewed in the month of initial registration in the state, subject to the provisions of (f)  
6 of this section.

7 \* Sec. 9. AS 28.15.166(e) is amended to read:

8 (e) The [NOTWITHSTANDING AS 28.05.141(b), THE] hearing under this  
9 section shall be held telephonically at a time and date set by [AT THE OFFICE OF]  
10 the department, except that if the department determines that an in-person hearing  
11 is necessary to determine factua. issues, the department may order that the  
12 hearing be conducted in person at a place, time, and date set by the department  
13 [NEAREST TO THE RESIDENCE OF THE PERSON REQUESTING THE  
14 HEARING UNLESS

15 (1) A DISTRICT COURT JUDGE OR A MAGISTRATE HAS BEEN  
16 DESIGNATED AS A HEARING OFFICER IN THE MATTER BY THE  
17 COMMISSIONER; OR

18 (2) THE DEPARTMENT AND THE PERSON AGREE THAT THE  
19 HEARING IS TO BE HELD ELSEWHERE].

20 \* Sec. 10. AS 28.15.166(f) is amended to read:

21 (f) A review under this section shall be held before a hearing officer  
22 designated by the commissioner. [UPON THE CONSENT OF THE  
23 ADMINISTRATIVE DIRECTOR OF THE STATE COURT SYSTEM, THE  
24 COMMISSIONER MAY DESIGNATE A DISTRICT COURT JUDGE OR A  
25 MAGISTRATE TO SERVE AS THE HEARING OFFICER.] The hearing officer shall  
26 have authority to

27 (1) administer oaths and affirmations;

28 (2) examine witnesses and take testimony;

29 (3) receive relevant evidence;

30 (4) issue subpoenas, take depositions, or cause depositions or  
31 interrogatories to be taken;

1 (5) regulate the course and conduct of the hearing;

2 (6) make a final ruling on the issue.

3 \* Sec. 11. AS 28.20.050(a) is amended to read:

4 (a) The provisions of ~~the~~ chapter requiring deposit of security and suspension  
5 for failure to deposit security apply to the driver and owner of a vehicle subject to  
6 registration under the laws of this state that is involved in any manner in an accident  
7 in this state resulting in bodily injury to or death of a person or damage to the property  
8 of any one person exceeding \$1,500 [\$500].

9 \* Sec. 12. AS 28.20.050(e) is amended to read:

10 (e) A peace officer investigating an accident that results in bodily injury to or  
11 the death of a person or damage to the property of a person exceeding \$1,500 [\$500]  
12 shall inform persons involved in the accident in writing of the requirements of this  
13 chapter as they apply to suspension of an operator's license or driving privileges.

14 \* Sec. 13. AS 28.20.100(c) is amended to read:

15 (c) If the department evaluates the injuries or damage to a minor in an amount  
16 not more than \$1,500 [\$500], the department may accept, for the purposes of this  
17 chapter only, evidence of a release from liability executed by a natural or legal  
18 guardian on behalf of the minor without court approval.

19 \* Sec. 14. AS 28.20.230(a) is amended to read:

20 (a) The provisions of this chapter requiring the deposit of proof of financial  
21 responsibility for the future apply to persons who are convicted of or forfeit bail for  
22 certain offenses under motor vehicle laws or who, by ownership or operation of a  
23 vehicle of a type subject to registration under AS 28.10, are involved in an accident  
24 in this state that results in bodily injury or death of a person or damage to the property  
25 of any one person exceeding \$1,500 [\$500].

26 \* Sec. 15. AS 28.20.260(a) is amended to read:

27 (a) Upon receipt by the department of the report of an accident resulting in  
28 bodily injury or death, or property damage to any one person exceeding \$1,500 [\$500],  
29 the department shall suspend the license of the driver of a motor vehicle involved in  
30 the accident unless the driver or owner

31 (1) has previously furnished or immediately furnishes security required

1 by this chapter, or is excepted from furnishing security under AS 28.20.060; [,] and  
2 (2) maintains proof of financial responsibility for three years following  
3 the accident.

4 \* Sec. 16. AS 28.22.021 is amended to read:

5 Sec. 28.22.021. REQUIREMENT OF PROOF OF MOTOR VEHICLE  
6 LIABILITY INSURANCE. The owner or operator of a motor vehicle required to have  
7 motor vehicle liability insurance that complies with this chapter or a certificate of  
8 self-insurance that complies with AS 28.20.400, shall show proof of this insurance  
9 when that person is involved in an accident that results in bodily injury to or death of  
10 a person, or damage to the property of a person exceeding \$1,500 [\$500].

11 \* Sec. 17. AS 28.22.041(a) is amended to read:

12 (a) If [EXCEPT AS PROVIDED IN (h) OF THIS SECTION, IF] a person  
13 fails to provide proof required under AS 28.22.021 and 28.22.031, the department shall  
14 suspend the driver's license of that person for the following periods:

15 (1) not less than 90 days if, within the preceding 10 years, the person  
16 has not had a driver's license suspended for violation of AS 28.22.011 or former  
17 AS 28.22.200;

18 (2) not less than one year if, within the preceding 10 years, the person  
19 has had a driver's license suspended one or more times for violation of AS 28.22.011  
20 or former AS 28.22.200.

21 \* Sec. 18. AS 28.35.080(a) is amended to read:

22 (a) The driver of a vehicle involved in an accident resulting in bodily injury  
23 to or death of a person or total property damage to an apparent extent of \$1,500 [\$500]  
24 or more shall immediately by the quickest means of communication give notice of the  
25 accident to the local police department if the accident occurs within a municipality,  
26 otherwise to the Department of Public Safety.

27 \* Sec. 19. AS 28.35.080(b) is amended to read:

28 (b) The driver of a vehicle involved in an accident resulting in bodily injury  
29 to or death of a person or total property damage to an apparent extent of \$1,500 [\$500]  
30 or more shall, within 10 days after the accident, forward a written report of the  
31 accident to the Department of Public Safety and to the local police department if the

1 accident occurs within a municipality. A report is not required under this subsection  
2 if the accident is investigated by a peace officer.

3 \* Sec. 20. AS 33.30.011 is amended to read:

4 Sec. 33.30.011. DUTIES OF COMMISSIONER. The commissioner shall

5 (1) establish, maintain, operate, and control correctional facilities  
6 suitable for the custody, care, and discipline of persons charged or convicted of  
7 offenses against the state or held under authority of state law;

8 (2) classify prisoners;

9 (3) for persons committed to the custody of the commissioner, establish  
10 programs, including furlough programs that are reasonably calculated to

11 (A) protect the public;

12 (B) maintain health;

13 (C) create or improve occupational skills;

14 (D) enhance educational qualifications;

15 (E) support court-ordered restitution; and

16 (F) otherwise provide for the rehabilitation and reformation of  
17 prisoners, facilitating their reintegration into society;

18 (4) provide necessary medical services for prisoners in state  
19 correctional facilities or to fulfill duties under AS 33.30.071(c) [WHO ARE  
20 COMMITTED BY A COURT TO THE CUSTODY OF THE COMMISSIONER],  
21 including examinations for communicable and infectious diseases, if a physician or  
22 other health care provider, exercising ordinary skill and care at the time of  
23 observation, concludes that

24 (A) a prisoner exhibits symptoms of a serious disease or  
25 injury that is curable or may be substantially alleviated; and

26 (B) the potential for harm to the prisoner by reason of delay  
27 or denial of care is substantial;

28 (5) provide necessary psychological or psychiatric treatment if a  
29 physician or other health care provider, exercising ordinary skill and care at the time  
30 of observation, concludes that

31 (A) a prisoner exhibits symptoms of a serious disease or injury

1 that is curable or may be substantially alleviated; and

2 (B) the potential for harm to the prisoner by reason of delay or  
3 denial of care is substantial; and

4 (6) establish minimum standards for sex offender treatment programs  
5 offered to persons who are committed to the custody of the commissioner.

6 \* Sec. 21. AS 36.30 is amended by adding a new section to read:

7 Sec. 36.30.085. LEASE EXTENSIONS AUTHORIZED. (a) Notwithstanding  
8 AS 36.30.080, the department may extend for up to a maximum of 10 years a real  
9 property lease that is entered into under this chapter or was entered into under former  
10 AS 37.05.220 - 37.05.280 and that is in existence as of June 30, 1994 if a minimum  
11 cost savings of

12 (1) 10 percent can be achieved on the rent due under the lease; or

13 (2) five percent can be achieved on the rent due under the lease and the  
14 lessor agrees to make modifications to the leased real property to bring the real  
15 property into compliance with the requirements of 42 U.S.C. 12101 - 12213  
16 (Americans with Disabilities Act of 1990).

17 (b) The cost savings under (a) of this section shall be calculated on the  
18 remaining term of the lease and any renewals, including extensions allowed under (a)  
19 of this section.

20 (c) In accordance with AS 36.30.005, the Board of Regents may extend leases  
21 for the University of Alaska to the same extent as the department under this section.

22 (d) In accordance with AS 36.30.030, the court system may extend leases for  
23 the court system to the same extent as the department under this section.

24 \* Sec. 22. AS 36.30.320(a) is amended to read:

25 (a) A procurement for (1) supplies, services, or construction that does not  
26 exceed an aggregate dollar amount of \$25,000, or (2) lease of space that does not  
27 exceed 2,500 square feet with a monthly lease amount that does not exceed \$5,000,  
28 may be made in accordance with regulations adopted by the commissioner for small  
29 procurements.

30 \* Sec. 23. AS 37.07.040 is amended to read:

31 Sec. 37.07.040. OFFICE OF MANAGEMENT AND BUDGET. The Alaska

1 office of management and budget shall

2 (1) assist the governor in the preparation and explanation of the  
3 proposed comprehensive program and financial plan, including the coordination and  
4 analysis of state agency goals and objectives, plans, and budget requests;

5 (2) prepare for submission to the governor an annually updated multi-  
6 year [SIX-YEAR] capital improvements program in either a fiscal year or priority  
7 format and the proposed capital improvements budget for the coming fiscal year [,  
8 THE LATTER TO INCLUDE INDIVIDUAL PROJECT JUSTIFICATION WITH  
9 DOCUMENTATION OF ESTIMATED PROJECT COST];

10 (3) develop procedures to produce the information needed for effective  
11 policy decision making, including procedures to provide for the dissemination of  
12 information about plans, programs and budget requests to be included in the annual  
13 budget and opportunity for public review and comment during the period of budget  
14 preparation;

15 (4) assist state agencies in their statement of goals and objectives,  
16 preparation of plans, budget requests, and reporting of program performance; all  
17 documents forwarded by the office to a state agency containing instructions for the  
18 preparation of program plans and budget requests and the reporting of program  
19 performance are public information after the date they are forwarded;

20 (5) administer its responsibilities under the program execution  
21 provisions of this chapter so that the policy decisions and budget determinations of the  
22 governor and the legislature are implemented;

23 (6) provide the legislative finance division with the budget information  
24 it may request;

25 (7) provide the legislative finance division with an advance copy of the  
26 governor's budget workbooks by the first Monday in January of each year, except that  
27 following a gubernatorial election year the advance copy shall be provided by the  
28 second Monday in January;

29 (8) prepare the proposed capital improvements budget for the coming  
30 fiscal year evaluating both state and local requests from the standpoint of need, equity,  
31 and priorities of the jurisdiction; other factors such as project amounts, population,

1 local financial match. federal funds being used for local match, municipality or  
2 unincorporated community acceptance of the facility, and all associated costs of the  
3 facility may be considered.

4 \* Sec. 24. AS 37.07.060 is amended by adding a new subsection to read:

5 (c) Notwithstanding (b) of this section, the reporting requirements of (b)(3)(A)  
6 of this section, with respect to the Department of Transportation and Public Facilities,  
7 apply only to the governor's capital improvements construction program for the  
8 succeeding construction season, budget recommendations for the succeeding fiscal  
9 year, and capital improvements construction program for the succeeding six fiscal  
10 years. Notwithstanding (b)(3)(A) of this section, with respect to the Department of  
11 Transportation and Public Facilities the required report must contain a general  
12 description of each project and the source of financing for the project. The  
13 requirements of (b)(3)(B) - (H) of this section, with respect to the Department of  
14 Transportation and Public Facilities, apply to that department.

15 \* Sec. 25. AS 44.42.050(a) is amended to read:

16 (a) The commissioner may [SHALL] develop [ANNUALLY] a  
17 comprehensive, intermodal, long-range transportation priority list and plan for the  
18 state consistent with applicable federal laws. [IN DEVELOPING AND REVISING  
19 THE STATE PLAN, THE COMMISSIONER SHALL CONSIDER MEANS AND  
20 COSTS OF IMPROVING EXISTING MODES AND FACILITIES, STATE AND  
21 FEDERAL SUBSIDIES, AND THE COSTS AND BENEFITS OF NEW  
22 TRANSPORTATION MODES AND FACILITIES. THE COMMISSIONER SHALL  
23 ALSO CONSIDER THE RECOMMENDATION OF THE ALASKA  
24 TRANSPORTATION PLANNING COUNCIL.] The plan shall be submitted to the  
25 governor for review and approval and submitted by the governor to the legislature.

26 \* Sec. 26. AS 44.42.050(b) is amended to read:

27 (b) In developing and revising the plan, the commissioner shall seek public  
28 review and evaluation consistent with applicable federal statutes and regulations  
29 [BY ANY REASONABLE MEANS AND MAY  
30 (1) CONSULT AND COOPERATE WITH OFFICIALS AND  
31 REPRESENTATIVES OF THE FEDERAL GOVERNMENT, OTHER

1 GOVERNMENTS, INTERSTATE COMMISSIONS AND AUTHORITIES, LOCAL  
2 AGENCIES AND AUTHORITIES, INTERESTED CORPORATIONS AND OTHER  
3 ORGANIZATIONS CONCERNING PROBLEMS AFFECTING TRANSPORTATION  
4 IN THE STATE; AND

5 (2) REQUEST FROM AN AGENCY OR OTHER UNIT OF THE  
6 STATE GOVERNMENT OR OF A POLITICAL SUBDIVISION OF IT, OR FROM  
7 A PUBLIC AUTHORITY, THE ASSISTANCE AND DATA THAT MAY BE  
8 NECESSARY TO ENABLE THE COMMISSIONER TO CARRY OUT  
9 RESPONSIBILITIES UNDER THIS SECTION; EVERY SUCH ENTITY SHALL  
10 PROVIDE THE ASSISTANCE AND DATA REQUESTED].

11 \* Sec. 27. AS 46.03 is amended by adding a new section to read:

12 Sec. 46.03.026. ON-SITE WATER AND SEWER SYSTEM CERTIFICATION  
13 AND AUDIT PROGRAM. (a) Notwithstanding any provision of this chapter to the  
14 contrary, for bank loans for homes in this state, the department may establish, by  
15 regulation, a program to delegate the review and certification of on-site drinking water  
16 and sewer systems. Under standards adopted by the department by regulation, the  
17 department may delegate the review and certification to engineers who are registered  
18 under AS 08.48.

19 (b) If the department establishes a program under (a) of this section, the  
20 department shall establish an audit system for the department to monitor and review  
21 a statistically significant number of systems certified under that program. An audit  
22 must determine compliance with departmental standards for design, installation, and  
23 operation in effect at the time of the certification.

24 (c) If the department establishes a program under (a) of this section, the  
25 department shall, by regulation, establish fees for services sufficient to make the  
26 program self-supporting.

27 \* Sec. 28. AS 46.03.720 is amended by adding a new subsection to read:

28 (d) Notwithstanding (a) of this section, department review and approval of  
29 plans is not required for the functions specified in (a) of this section if

30 (1) the sewerage system or treatment works, or a part of either, is  
31 located in a community or major military facility that has the power or legal authority

1 to review and approve sewerage system or treatment works plans;

2 (2) the community or major military facility has established ordinances  
3 or other law to regulate domestic wastewater collections and sewerage that the  
4 department has determined are substantially equivalent to department standards in  
5 effect at the time of the determination;

6 (3) the community or major military facility has employed an engineer  
7 registered under AS 08.48 who will review and approve domestic wastewater  
8 collection and sewerage plans under those ordinances or other law;

9 (4) the community or major military facility commits adequate funding  
10 or other resources to administer plan review and approvals under this subsection; and

11 (5) the department and the community or major military facility have  
12 entered into an agreement under this subsection for delegation of the review and  
13 approval of plans under the standards described in this subsection.

14 \* Sec. 29. AS 28.10.108(b); AS 28.22.041(h); and AS 44.42.050(d) are repealed.

15 \* Sec. 30. TRANSITION. Notwithstanding sec. 32 of this Act, an agency of the state that  
16 has regulation adoption authority or that is authorized by this Act to adopt regulations, may  
17 proceed to adopt regulations necessary to implement that agency's respective provisions in this  
18 Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not  
19 before July 1, 1994.

20 \* Sec. 31. Section 30 of this Act takes effect immediately under AS 01.10.070(c).

21 \* Sec. 32. Except as provided in sec. 31 of this Act, this Act takes effect July 1, 1994.

8-GH1063K  
Dierdorff  
4/9/94

**CS FOR HOUSE BILL NO. 135(FIN)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
EIGHTEENTH LEGISLATURE - SECOND SESSION**

**BY THE HOUSE FINANCE COMMITTEE**

**Offered:  
Referred:**

**Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to fees charged by state agencies for certain services and to**  
2 **reimbursement for expenses incurred by the state in providing certain services;**  
3 **and providing for an effective date."**

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

5 **\* Section 1. AS 04.06.100(b) is amended to read:**

6 (b) The subjects covered by regulations adopted under (a) of this section may  
7 include [, BUT ARE NOT LIMITED TO,] the following matters:

8 (1) employment, conduct, and duties of the director and of regular and  
9 contractual employees of the board;

10 (2) procedures for the issuance, denial, renewal, transfer, revocation,  
11 and suspension of licenses and permits;

12 (3) terms and conditions of licenses and permits issued;

13 (4) fees for licenses and permits issued for which no fees are prescribed  
14 by statute;

- 1 (5) conduct of regular and special meetings of the board;
- 2 (6) delegation to the director of routine administrative functions and
- 3 powers;
- 4 (7) the temporary granting or denial of issuance, transfer, and renewal
- 5 of licenses;
- 6 (8) manner of giving any notice required by law or regulation when not
- 7 provided for by statute;
- 8 (9) requirements relating to the qualifications of licensees, the
- 9 conditions upon which a license may be issued, the accommodations of licensed
- 10 premises, and board inspection of those premises;
- 11 (10) making of reports by wholesalers;
- 12 (11) purchase of fidelity bonds by the state for the director and the
- 13 employees of the board;
- 14 (12) prohibition of possession of alcoholic beverages by drunken
- 15 persons and by minors;
- 16 (13) required reports from corporations licensed under this title,
- 17 including reports of stock ownership and transfers and changes of officers and
- 18 directors;
- 19 (14) creation of classifications of licenses or permits not provided for
- 20 in this title;
- 21 (15) establishment and collection of fees to be paid on application for
- 22 a license, a [OR] permit, or an approval of an alcohol server education course;
- 23 (16) required reports from partnerships and limited partnerships licensed
- 24 under this title, including reports of transferred interests of 10 percent or more.

25 \* Sec. 2. AS 18.70.080(b) is amended to read:

26 (b) The commissioner of public safety may establish by regulation and the

27 department may charge reasonable fees for

28 (1) fire and life safety plan checks made to determine compliance with

29 regulations adopted under (a)(2) of this section; and

30 (2) permits issued under regulations adopted under this chapter.

31 \* Sec. 3. AS 18.72.010(b) is amended to read:

1 (b) A person desiring to use dangerous fireworks for industrial, agricultural,  
2 wildlife control, or public display purposes shall first comply with the permit  
3 requirements of the fire safety code. The department may charge fees established  
4 in regulations for a permit issued under this subsection.

5 \* Sec. 4. AS 18.72.020(a) is amended to read:

6 (a) A person holding a permit required by the fire safety code may sell or offer  
7 for sale salable fireworks [,] if

8 (1) the person has submitted to the state fire marshal a policy, or a  
9 certified true copy of a policy, of public liability and products liability insurance,  
10 including both accident and occurrence coverage, provided by the wholesale company  
11 selling fireworks to the person, in the amount of at least \$200,000 for bodily injury or  
12 death and at least \$50,000 property damage and the person is named as an insured  
13 party upon the policy and the policy is continuously in force while the person is  
14 engaged in the retail sale of fireworks; and

15 (2) an endorsement fee in an amount established in regulations  
16 adopted by the department [OF \$10] is paid to the state fire marshal for an  
17 endorsement that is valid for two years or portions of two years during which the  
18 permit holder is engaged in the retail sale of fireworks.

19 \* Sec. 5. AS 18.72.030(a) is amended to read:

20 (a) A person who desires to sell fireworks at wholesale in the state shall first  
21 make verified application for a license to the state fire marshal on forms provided by  
22 the state fire marshal. The application shall be accompanied by an annual license fee  
23 established in regulations adopted by the department [OF \$50].

24 \* Sec. 6. AS 33.30.011 is amended by adding a new subsection to read:

25 (b) The commissioner is authorized to seek payment for a medical,  
26 psychological, or psychiatric service provided under (a) of this section from any  
27 source, including the prisoner, the prisoner's health insurance carrier, or any other  
28 third-party insurer or payor to cover the services provided by the commissioner on  
29 behalf of the prisoner. The duty established under (a) of this section does not relieve  
30 the prisoner or any other person from a duty established by law, contract, or other  
31 agreement to pay for or provide the services. The department shall adopt regulations

1 to interpret and implement this subsection.

2 \* Sec. 7. AS 44.46.025(a) is amended to read:

3 (a) The Department of Environmental Conservation may adopt regulations that  
4 prescribe reasonable fees, and establish procedures for the collection of the fees, to  
5 cover the applicable direct and indirect costs, not including travel, of inspections,  
6 permit preparation and administration, plan review and approval, and other services  
7 provided by the department relating to

8 (1) agriculture and animals under AS 03.05; food, drugs, and cosmetics  
9 under AS 17.20; and public accommodations and facilities under AS 18.35;

10 (2) certificates of inspection for motor vehicles under AS 46.14.400 or  
11 46.14.510;

12 (3) sewerage system and treatment works and wastewater disposal  
13 systems, and drinking water systems, under AS 46.03.720;

14 (4) oil discharge financial responsibility under AS 46.04.040;

15 (5) oil discharge contingency plans under AS 46.04.030;

16 (6) water and wastewater operator training under AS 46.30;

17 (7) control of solid waste facilities under AS 46.03.020(10) and  
18 46.03.100;

19 (8) certification of laboratories conducting environmental analyses of  
20 public drinking water systems or of oil or hazardous substances, or conducting other  
21 analyses required by the department;

22 (9) certification of federal permits or authorizations under 33 U.S.C.  
23 1341, sec. 401 (Clean Water Act);

24 (10) regulating pesticides and broadcast chemicals under  
25 AS 46.03.320;

26 (11) the on-site water and sewer system certification and audit  
27 program under AS 46.03.026;

28 (12) plans for sewage and industrial waste disposal or treatment  
29 under AS 46.03.090;

30 (13) analysis of public water system samples authorized for  
31 submission to the department for analysis;



8-GH1040E  
Dierdorff  
4/9/94

**CS FOR HOUSE BILL NO. 56(FIN)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**EIGHTEENTH LEGISLATURE - SECOND SESSION**

**BY THE HOUSE FINANCE COMMITTEE**

**Offered:**  
**Referred:**

**Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to state agency fiscal procedures; and providing for an effective  
2 date."

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

4 \* Section 1. AS 37.05.180 is repealed and reenacted to read:

5           Sec. 37.05.180. TIME LIMITATION ON PAYMENT OF WARRANTS. A  
6           warrant upon the state treasury must be presented for payment to the Department of  
7           Revenue within one year after the date of its issuance.

8 \* Sec. 2. AS 37.25.010(b) is amended to read:

9           (b) An indebtedness arising from a prior year for which the appropriation has  
10           lapsed shall be paid from the current year's appropriations, if  
11                           (1) this expenditure does not exceed the balance lapsed; and  
12                           (2) the original obligation date is not more than four [TWO] years  
13           from the requested date of disbursement.

14 \* Sec. 3. AS 39.20.250(a) is amended to read:

1 (a) Terminal leave for unused personal leave shall be allowed upon separation  
2 from service. The payment equals the personal leave balance at the date of  
3 separation multiplied by the officer's or employee's rate of pay at the date of  
4 separation expressed on an hourly basis [COMPENSATION THAT THE OFFICER  
5 OR EMPLOYEE WOULD HAVE RECEIVED IF THE OFFICER OR EMPLOYEE  
6 HAD REMAINED IN THE SERVICE UNTIL THE EXPIRATION OF THE PERIOD  
7 OF UNUSED PERSONAL LEAVE]. A payment of terminal leave to an employee  
8 shall be made as a lump sum payment [OR IN INSTALLMENTS OVER A PERIOD  
9 OF TIME, AS THE EMPLOYEE ELECTS].

10 \* Sec. 4. AS 39.20.250(b) is repealed.

11 \* Sec. 5. This Act takes effect July 1, 1994.

**CS HOUSE BILL 540 (FIN)**

**- REDUCING STATE GOVERNMENT EXPENDITURES - SECTIONAL**

<b>Section</b>	<b>Department</b>	<b>Brief Description</b>
1	Transportation & Public Facilities	Amends long-range program consistent with the Federal Highway Act of 1991
2	Transportation & Public Facilities	Clarifies the construction season report
3	Transportation & Public Facilities	Eliminates the requirement to conform closely with standards adopted by the American Association of State Highway and Transportation Officials to provide increased flexibility to meet Alaska's unique circumstances
4	Public Safety	Allows the department to use a certified computer printed record in court in the same manner as the original document
5	Public Safety	Changes the method of notice for license actions from certified to first class mail
6	Public Safety	Allows hearings to be conducted by telephone in areas where no departmental hearing officers are located and allows the department discretion of determining where and when a hearing is needed in person
7	Public Safety	Extends the time period for dealer temporary permits from 30 to 60 days
8	Public Safety	Repeals the requirement to have all commercial and special registrations expire in a certain month - This was only required for initial implementation of staggered registration
9-10	Public Safety	Allows hearings to be conducted by telephone and allows the department the discretion of determining where and when a hearing is needed in person

**CS HOUSE BILL 540 (FIN)****- REDUCING STATE GOVERNMENT EXPENDITURES - SECTIONAL**

<b>Section</b>	<b>Department</b>	<b>Brief Description</b>
11-19	Public Safety	Increases the dollar amount from \$500 to \$1,500 of damages for reporting and proof of financial responsibility
20	Corrections	Clarifies the department's legal obligation to provide access to medical treatment
21	Administration	Allows the extension of existing leases up to 10 years if a certain cost savings can be realized as specified in this section
22	Administration	Allows leases of \$5,000 or less per month to be bid under small procurement regulations
23	Governor's Office	Eliminate 6-year plan and replaces it with a multi-year program in either fiscal year or priority format
24	Transportation & Public Facilities	Amends the capital project description requirements for the department to include a general description and source of financing for proposed projects
25-26	Transportation & Public Facilities	Allows the department to develop the long-range plan consistent with applicable federal laws
27	Environmental Conservation	Establishes in statute the on-site water and sewer system certification and audit program
28	Environmental Conservation	Restricts the department review of sewerage system plans in areas where local codes are established

**CS HOUSE BILL 540 (FIN)**

**- REDUCING STATE GOVERNMENT EXPENDITURES - SECTIONAL**

<b>Section</b>	<b>Department</b>	<b>Brief Description</b>
29	Public Safety	Repeals AS 28.10.108(b) that requires commercial and special registrations to expire in a certain month - see section 8
29	Public Safety	Repeals AS 28.22.041(h) relating to exceptions to providing proof of motor vehicle liability insurance in the case of an accident - see section 17
29	Transportation & Public Facilities	Repeals AS 44.42.050(d) requiring itemization of estimated costs for proposed capital budget projects and allocations for transportation construction projects and necessary contingencies within the general appropriations act
30		Allows departments to proceed to adopt necessary regulations to implement their respective sections in this bill
31		Provides an immediate effective date for section 30
32		Provides for a July 1, 1994 effective date for all other sections

**CS HB 135 (FIN) - RELATING TO FEES CHARGED BY STATE AGENCIES - SECTIONAL**

<b>Section</b>	<b>Department</b>	<b>Brief Description</b>	<b>Revenues</b>
1	Revenue	Allows the department to charge fees for approving alcoholic server education courses	0.4
2	Public Safety	Allows the department to set and charge fees for permits issued to persons who service portable fire extinguishers and persons who design, install, or service fire alarm and fire	
3	Public Safety	Allows the department to set and charge fees for permits issued to persons who use dangerous fireworks displays	
4	Public Safety	Allows the department to set in regulations the fee charged for retail fireworks permits	Revenues expected in FY96
5	Public Safety	Allows the department to set in regulations the fee charged for wholesale fireworks permits	Revenues expected in FY96
6	Corrections	Allows the department to seek payment for medical care from third party payers	
7	Environmental Conservation	Allows the department to charge for both indirect and direct costs on fees and adopt regulations to charge for pesticide registration, collect a fee for subdivision plan reviews, charge fees for bank loan audits, charge fees for analyses of water systems, and for regulation motor vehicle fuels	670.2
8		Allows departments to proceed to adopt necessary regulations to implement their respective sections in this bill	

**CS HB 135 (FIN) - RELATING TO FEES CHARGED BY STATE AGENCIES - SECTIONAL**

<b>Section</b>	<b>Department</b>	<b>Brief Description</b>	<b>Revenues</b>
9		Provides an immediate effective date for section 8	
10		Provides for a July 1, 1994 effective date for all other sections	

**CS HB 56 (FIN) - STATE AGENCY FISCAL PROCEDURES - SECTIONAL**

Section	Department	Brief Description	Revenues (or savings)
1	Administration	Limits the life of a warrant to one year	
2	Administration	Allows payment of obligations from current year's appropriation if the obligation date is not more than 4 years rather than 2 years old. This would reduce the annual request for miscellaneous claims supplemental appropriation	
3	Administration	Terminating non-covered employees would be paid based on hours of annual/personal leave accumulated at separation date. Currently, these employees are paid for hours accumulated and state holidays that would have occurred had the employee been on leave	147.7
4	Administration	Repeals AS 39.20.250(b) that provides for recovery of terminal leave payments and restoration of equivalent leave credit if an employee is reemployed during the period covered by terminal leave - see section 3	
5		Provides for a July 1, 1994 effective date	

**FISCAL NOTE**

Revision Date:  
Title: Governor's Omnibus Bill

Department Affected: LOT&PF  
BRU:

Sponsor: Governor  
Requestor:

Component:  
Component Serial Number:

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
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
<b>TOTAL OPERATING:</b>	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)**

1002 FEDERAL RECEIPTS	0	0	0	0	0	0
1003 GF MATCH	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/PROGRAM RECEIPTS	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>TOTAL FUNDING:</b>	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 (FY94) impact: \$0

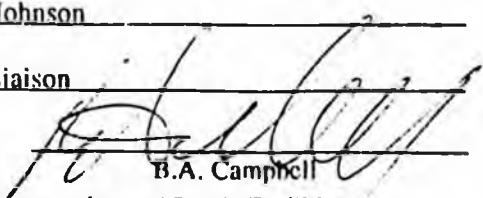
**ANALYSIS: (Attach a separate page if necessary)**

Prepared by: L.K. Ginger Johnson

Phone: 465-3904

Division: Legislative Liaison

Date: April 13, 1994

Approved by Commissioner:   
B.A. Campbell

Phone: 465-3901

Agency: Department of Transportation and Public Facilities

Date: April 13, 1994

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STATE OF ALASKA  
1994 LEGISLATIVE SESSION

FISCAL NOTE

BILL NO.: CSHB 135(FIN)

Revision Date:	_____	Dept. Affected:	_____
Title:	<u>Re. fees by state agencies</u>	BRU:	<u>All</u>
Sponsor:	<u>H. Rules</u>	Component:	<u>All</u>
Requestor:	<u>H. FIN</u>	Component Serial #:	<u>694-1884</u>

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXP.	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXP	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGES IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1006 GF/MIITIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY94) cost \$ 0.0

POSITIONS

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

ANALYSIS:

Prepared by: Diane Schenker, Special Assistant  
 Division: Office of the Commissioner  
 Approved by: J. Frank Prewitt, Jr., Commissioner  
 Agency: Department of Corrections

Phone: 465-4643/786-2147  
 Date: 4/14/94  
 Date: 4/14/94  
 Page 1 of 1

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

FISCAL NOTE

BILL NO.: CSHB 540(FIN)

Revision Date:	April 14, 1994	Dept. Affected:	Corrections
Title:	Re. state agency functions (medical care for prisoners)	BRU:	Statewide Operations
Sponsor:	HL Rules	Component:	Inmate Health Care
Requestor:	IL Fr.	Component Serial #:	705

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXP.	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXP	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGES IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY94) cost \$ 0.0

POSITIONS

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

ANALYSIS:

Prepared by: Diane Schenker, Special Assistant  
 Division: Office of the Commissioner  
 Approved by: J. Frank Prewitt, Jr., Commissioner  
 Agency: Department of Corrections

Phone: 465-4643/786-2147  
 Date: 4/14/94  
 Date: 4/14/94  
 Page 1 of 1

# FISCAL NOTE

**STATE OF ALASKA**  
**1994 LEGISLATIVE SESSION**

**BILL NO: CSHB 135(FIN)**

Revision Date: \_\_\_\_\_ Dept. Affected: Public Safety  
 Title: State Agency Fees & Collections BRU: Fire Prevention  
 Component: Fire Prevention Operations  
 Sponsor: RLS by Request  
 Requestor: (H) Finance COMPONENT SERIAL NO. 494

**EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)**

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0	0	0	0	0	0
<b>CAPITAL EXPENDITURES</b>						
<b>CHANGE IN REVENUES ( )</b> <small>Revenue Code</small>	0	35.6	74.2	74.2	74.2	74.2

**FUNDING: (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	0	0	0	0	0	0

Estimate of current year (FY 94) impact: \$ \_\_\_\_\_

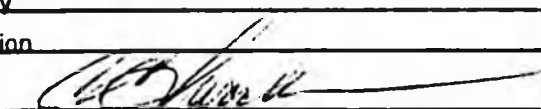
**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS:**

\* This change would allow the Division of Fire Prevention to charge a fee for the permits the Division issues. The fees proposed are based on the average charged by other states with similar permit programs. The increased revenue would go into the general fund in the form of program receipts that could be used to support the Division's programs.

There will be little or no change in FY 95 because regulations will have to be changed to implement the fees.

Prepared By: Jack McGary Phone: 269-5491  
 Division: Fire Prevention Date: 04/14/94  
 Approved by Commissioner:  Date: 04/14/94  
 Agency: Richard L. Burton, Dept. of Public Safety

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FY 1996

**Fire Extinguishers**

Class I	150 @	\$ 75	\$11,250
Class II	70 @	150	10,500
Class III	33 @	225	7,425
			<u>\$29,175</u>

**Fire Works**

Pyrotechnic Operator Permit	10 @	350	3,500
Fire Works Display Permit	30 @	100	3,000
			<u>\$ 6,500</u>

**TOTAL \$35,675**

FY 97, FY 98, FY 99, FY 00

**Fire Extinguishers**

Class I	150 @	\$ 75	\$11,250
Class II	70 @	150	10,500
Class III	33 @	225	7,425
			<u>\$29,175</u>

**Fire Works**

Pyrotechnic Operator Permit	10 @	350	3,500
Fire Works Display Permit	30 @	100	3,000
			<u>\$ 6,500</u>

**Fire Systems**

Class IA	20 @	\$100	\$ 2,000
Class IB	50 @	150	7,500
Class IC	25 @	200	5,000
Class IIA	40 @	200	8,000
Class IIB	15 @	400	6,000
Class IIIA	20 @	200	4,000
Class IIIB	15 @	400	6,000
			<u>\$38,500</u>

**TOTAL \$74,175**

# FISCAL NOTE

**STATE OF ALASKA**  
**1994 LEGISLATIVE SESSION**

**BILL NO: CSHB 540(FIN)**

Revision Date: \_\_\_\_\_ Dept. Affected: Public Safety  
 Title: Governor's Omnibus Bill BRU: Motor Vehicles  
 \_\_\_\_\_ Component: Driver Services  
 Sponsor: RLS by Request  
 Requestor: (H) Finance COMPONENT SERIAL NO. 500

**EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)**

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>CAPITAL EXPENDITURES</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>CHANGE IN REVENUES ( )</b>	-0-	-0-	-0-	-0-	-0-	-0-
<small>Revenue Code</small>						

**FUNDING: (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-

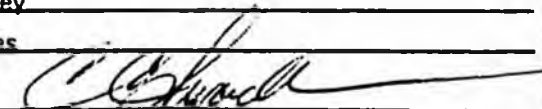
Estimate of current year (FY 94) impact: \$ \_\_\_\_\_

**POSITIONS:**

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

**ANALYSIS:**

Changes to the Motor Vehicle statutes contained in this bill will streamline procedures for functions currently being performed to produce greater efficiencies within the Division.

Prepared By: Juanita Hensley Phone: 465-4361  
 Division: Motor Vehicles Date: 04/14/94  
 Approved by Commissioner:  Date: 04/14/94  
 Agency: Richard L. Burton, Dept. of Public Safety

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# FISCAL NOTE

**STATE OF ALASKA**  
**1994 LEGISLATIVE SESSION**

**BILL NO.** CSHB 135(FIN)

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Fees charged by state agencies... BRU: Alcoholic Beverage Control Board  
 Component: \_\_\_\_\_  
 Sponsor: House Rules Committee  
 Requestor: House Finance Committee **COMPONENT SERIAL NO.** 0100

**Expenditures/Revenues:** (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
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<b>REVENUE FUND SOURCE: 1005</b>	<b>0.4</b>	<b>0.4</b>	<b>0.6</b>	<b>0.0</b>	<b>0.2</b>	<b>0.0</b>
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**FUNDING:** (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS:**

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME	0.0	0.0	0.0	0.0	0.0	0.0
TEMPORARY	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year (FY94) impact: \$ 0.0

**ANALYSIS:** (Attach a separate page if necessary.)  
 The Board estimates that a single alcohol servers course will seek certification in FY 95. It is anticipated that a second course will seek certification in FY 96. Certifications are valid for three years. The fee for intial certification is \$400 and the renewal fee is \$200.

Prepared by: Patrick L. Sharrock, Director *Patrick L. Sharrock* Phone: (907) 277-8638  
 Division: Alcoholic Beverage Control Board  
 Approved by Commissioner: Darrel J. Rexwinkel *Darrel J. Rexwinkel* Date: April 13, 1994  
 Agency: Department of Revenue Date: April 13, 1994

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STATE OF ALASKA  
1994 LEGISLATIVE SESSION

FISCAL NOTE

BILL NO.: HB 540

Revision Date: _____	Dept. Affected: <u>Corrections</u>
Title: <u>Improvement of State Finances</u>	BRU: <u>Statewide Operations</u>
Sponsor: <u>Rules</u>	Component: <u>Inmate Health Care</u>
Requestor: <u>Governor</u>	Component Serial #: <u>705</u>

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXP.	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXP	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGES IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1006 GF/MITIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY94) cost \$ 0.0

POSITIONS

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

ANALYSIS: Section 27 clarifies the standard for mandatory medical services for inmates, which will enable the department to better screen out unnecessary expenses. Section 28 will enhance the department's efforts to collect (from inmates or third parties) payments for medical or other services, which may generate revenue as well as minimizing frivolous requests for services.

Prepared by: Diane Schenker, Special Assistant *D. Schenker*  
 Division: Office of the Commissioner  
 Approved by: J. Frank Prewitt, Jr., Commissioner *JFP*

Phone: 465-4643/786-2147  
 Date: 3/24/94  
 Date: 3/24/94

FISCAL NOTE

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

BILL NO. HB 540

Revision Date: March 22, 1994  
Title: "...relating to the improvement of state finances..."  
Sponsor: Rules/Request of Governor  
Requestor: Governor's Office

Department Affected: Department of Law  
BRU: All  
Component: All

COMPONENT SERIAL NO. 0086-0090,1823,0093,0097,1421,1410

EXPENDITURES/REVENUES:

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND &						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING:

1002 Federal						
1003 GF Match						
1004 GF						
1005 GF/Program						
1006 GF/MHTIA						
OTHER						
TOTAL	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX

POSITIONS:

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

Estimate of current year (FY94) impact: XXXX

ANALYSIS: (Attach a separate page if necessary.)  
Please see the attached analysis.

*Richard I. Peques*

Prepared by: Richard I. Peques, Director

Division: Administrative Services/Division

Phone: 465-3672

Date: March 22, 1994

Approved by Commissioner: Bruce M. Botelho, Attorney General

Agency: Department of Law

Date: March 22, 1994

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FISCAL NOTE

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

BILL NO. \_\_\_\_\_

ANALYSIS CONTINUATION:

Section 3 of this bill amends AS 09.50 to provide that the doctrine of non-mutual collateral estoppel is abolished in state courts as it is applied against the state relating to trial court decisions. The section would therefore have the effect of reversing the Alaska Supreme Court's decision of February 18, 1994, in State v. United Cook Inlet Drift Association.

The decision concerns the application of the principle of non-mutual collateral estoppel to preclude relitigation of questions of law. Since this sounds complex, an example may be helpful.

For example, a superior court in Barrow decides that a state law or regulation is unconstitutional (i.e., local hire) in a particular case. The state decides not to appeal because the facts were not the best or because the amount in question was small (i.e., \$1,000). If the state did not appeal, the doctrine of non-mutual collateral estoppel means that the state could never relitigate the legal issue if it arose under a different factual situation in Anchorage (i.e., major state construction project) or sizable amount in controversy (i.e., multimillions of dollars). In other words, the state would be bound to the Barrow superior court decision, unless it could convince a court that one of the exceptions to the doctrine applies.

If State v. United Cook Inlet Drift Association is allowed to stand and is broadly interpreted, it would force the state to appeal virtually every court decision in which the state did not prevail. State appeals of child support cases or permanent fund dividend cases alone might produce hundreds of additional new appeals a year. We would certainly need additional assistant attorneys general to adequately represent these appeals. Also, the court would likely incur additional costs to resolve these appeals.

Consequently, the burden on the public should be considered. Presently, the state only appeals a very limited number of cases with "big ticket" legal principles. We carefully screen cases to make sure that the court is presented with the clearest fact situation and that we do not abuse the public finances by appealing minor cases. Adoption of this bill will avoid the considerable expense to the state of appealing each and every trial court decision in the state, where application of the decision elsewhere would have an adverse impact on the civil and criminal activities of state government. The cost for bringing these appeals could easily approach several hundred thousand dollars annually. Moreover, there would also be a considerable cost to state programs and private individuals and businesses, if state regulatory or grants-in-aid activity is disrupted as a result of a "minor" adverse court decision.

# FISCAL NOTE

No. 6  
 Bill Version: HB 540  
 (H) Publish Date: 3/23/94

**STATE OF ALASKA**  
**1994 LEGISLATIVE SESSION**

**BILL**

Revision Date: \_\_\_\_\_ Dept. Affected: Office of the Governor  
 Title: "An Act relating to the improvement of state finances ... BRU: Management and Budget  
making changes to state agency functions or procedures ...." Component: Budget Review  
 Sponsor: Rules Committee  
 Requestor: Governor COMPONENT SERIAL NO. 16

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY94) cost: \$ \_\_\_\_\_

**POSITIONS**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS:** (Attach a separate page if necessary)

This bill has no fiscal impact on the Office of Management and Budget.

Prepared by: Nancy Slagle, Director *Nancy Slagle* Phone: 465-4681  
 Division: Office of Management and Budget, Division of Budget Review Date: 3/22/94  
 Approved by Commissioner: [Signature] Date: 3/22/94  
 Agency: Office of the Governor

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# FISCAL NOTE

**STATE OF ALASKA**  
**1994 LEGISLATIVE SESSION**

No. 7  
 BILL | Version: HB 540  
 (H) Publish Date: 3/23/94

Revision Date: \_\_\_\_\_ Dept. Affected: Public Safety  
 Title: Improvement of State Finances BRU: Motor Vehicles  
 Component: Driver Services  
 Sponsor: RIS by Request  
 Requestor: Governor COMPONENT SERIAL NO. 500

**EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)**

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>CAPITAL EXPENDITURES</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>CHANGE IN REVENUES ( )</b>	-0-	-0-	-0-	-0-	-0-	-0-
<small>Revenue Code</small>						

**FUNDING: (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-

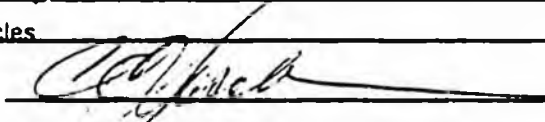
Estimate of current year (FY 94) impact: \$ \_\_\_\_\_

**POSITIONS:**

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

**ANALYSIS:**

Changes to the Motor Vehicle statutes contained in this bill will streamline procedures for functions currently being performed to produce greater efficiencies within the Division.

Prepared By: Juanita Hensley Phone: 465-4361  
 Division: Motor Vehicles Date: 03/08/94  
 Approved by Commissioner:  Date: 03/08/94  
 Agency: Richard V. Burton, Dept. of Public Safety

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## FISCAL NOTE

Revision Date:  
Title: Improvement of State Finances

Department Affected: DOT&PF  
BRU:

Sponsor: Rules Committee  
Requestor: Governor

Component:  
Component Serial Number:

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
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
<b>TOTAL OPERATING:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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)**

1002 FEDERAL RECEIPTS	0	0	0	0	0	0
1003 GF MATCH	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/PROGRAM RECEIPTS	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>TOTAL FUNDING:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**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 (FY94) impact: \$0

**ANALYSIS: (Attach a separate page if necessary)**

Prepared by: Roger Allington

Phone: 465-4070

Division: Statewide Planning

Date: March 22, 1994

Approved by Commissioner: B.A. Campbell

Phone: 465-3901

Agency: Department of Transportation and Public Facilities

Date: March 22, 1994

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No. 9

Bill Version: HB 540

(H) Publish Date: 3/23/94

**FISCAL NOTE**

**STATE OF ALASKA  
1994 LEGISLATIVE SESSION**

**BILL**

Revision Date:

Title: Omnibus Fee Bill

Sponsor: Governor

Requestor: Governor

Dept. Affected:

BRU:

Component:

Revenue

Alcoholic Beverage Control Board

COMPONENT SERIAL NO. 0100

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
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<b>REVENUE FUND SOURCE: 1005</b>	<b>0.4</b>	<b>0.4</b>	<b>0.8</b>	<b>0.0</b>	<b>0.2</b>	<b>0.0</b>
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**FUNDING:**

(Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/MHTA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS:**

<b>FULL-TIME</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>PART-TIME</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>TEMPORARY</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of current year (FY94) impact: 0

ANALYSIS: (Attach a separate page if necessary.)

Prepared by:

Director, Patrick L. Shearock

Phone: (907) 277-8858

Division:

Alcoholic Beverage Control Board

Date: March 22, 1994

Approved by Commissioner:

Daniel J. Rexwinkel

Date: 3/23/94

Agency:

Department of Revenue

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STATE OF ALASKA  
1994 LEGISLATIVE SESSION

FISCAL NOTE

No. 5  
Bill Version: HB 540  
(H) Publish Date: 3/23/94

Revision Date: \_\_\_\_\_ Dept. Affected: Community & Regional Affairs  
Title: An Act relating to improvement of state BRU: Child Assistance  
finances . . . and providing for an effective date. Component: Day Care Assistance, Head Start  
Sponsor: RULES  
Requestor: Rules Committee by request of the Governor COMPONENT SERIAL NO. 1414, 659

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

POSITIONS:

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

Estimate of current (F'94) impact \$ none

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Remond Henderson *Remond Henderson* Director Phone: 465-4708  
Division: Administrative Services Date: 3/7/94  
Approved by Commissioner: *Edgar Blatchford* Date: 3/7/94  
Agency: Community & Regional Affairs

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**FISCAL NOTE**

No. 2  
 Bill Version: HB 540  
 (H) Publish Date: 3/23/94

**STATE OF ALASKA  
 1994 LEGISLATIVE SESSION**

**BILL NO.**

Revision Date: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Sponsor: Rules Committee  
 Requestor: Governor

Department Affected: Environmental Conservation  
 BRU: Various  
 Component: Various(see attached)  
 COMPONENT SERIAL NO. Various(see attached)

Expenditures/Revenues: (Thousands of Dollars)

	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
<b>OPERATING EXPENDITURES</b>						
PERSONAL SERVICES	67.5	133.4	133.4	133.4	133.4	133.4
TRAVEL						
CONTRACTUAL	49.3	27.0	27.0	27.0	27.0	27.0
SUPPLIES	1.2	1.8	1.8	1.8	1.8	1.8
EQUIPMENT	10.0	5.0				
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>128.0</b>	<b>167.2</b>	<b>162.2</b>	<b>162.2</b>	<b>162.2</b>	<b>162.2</b>
<b>CAPITAL EXPENDITURES</b>						
<b>CHANGE IN REVENUES ( 1005)</b>	<b>670.2</b>	<b>820.2</b>	<b>820.2</b>	<b>820.2</b>	<b>820.2</b>	<b>820.2</b>

**FUND SOURCE**

1002 Federal Receipts						
1003 GF Match						
1004 GF	128.0					
1005 GF/Program Receipt		167.2	162.2	162.2	162.2	162.2
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>128.0</b>	<b>167.2</b>	<b>162.2</b>	<b>162.2</b>	<b>162.2</b>	<b>162.2</b>

Estimate of any current year (FY94) cost: \$ \_\_\_\_\_

**POSITIONS:**

FULL-TIME	2.0	3.0	3.0	3.0	3.0	3.0
PART-TIME						
TEMPORARY						

**ANALYSIS:** (Attach a separate page if necessary.)  
 See attached.

Prepared by: *[Signature]*  
 Division: Director of Admin Services  
 Approved by Commissioner: *[Signature]* See 1A5  
 Agency: Department of Environmental Conservation

Phone: 465-5010  
 Date: 3/9/94  
 Date: 3/9/94

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**COMMITTEE COPY**

Position Title Accounting Clerk III		No. of Positions 1	Range / Step 10B	Barg. Unit GGU
Time Status 1 PFT	Staff Months 9	Location Juneau		Election District
<b>TYPE OF EXPENDITURE</b>		<b>Amount</b>	<b>Justification</b> An additional staff person is essential for receiving, recording, and depositing fees collected under the expanded user fee program. This position would also issue invoices, track receipts and reports on collections to program staff. During FY95, staff would aid in planning document flow procedures and record keeping system/database expansion.  First year costs are for 9 months and are general funds.  Future years' costs are for 12 months and will be funded by program receipts.	
Salary	19.1			
Benefits	8.9			
Premium Pay				
Other				
Total Personal Services	28.0	28.0		
Travel				
Contractual		1.0		
Commodities		0.6		
Equipment		5.0		
Other				
Total Cost				
<b>FUNDING SOURCE FOR TOTAL COST</b>		<b>34.6</b>		
Federal Receipts	1002			
GF Match	1003			
General Fund	1004	34.6		
IA Receipts	1007			
CIP Receipts	1061			
Other	Program Receipts			

**REQUEST FOR  
NEW POSITION**

AGENCY ENVIRONMENTAL CONSERVATION

BRU ADMINISTRATION

COMPONENT INFORMATION & ADMINISTRATIVE SERVICES

**FY 94**

Page 2 of 4  
Revised Date

Position Title Regulations Specialist II		No. of Positions 1	Range / Step 16B	Barg. Unit GGU
Time Status PFT	Staff Months 9	Location Juneau		Election District
<b>TYPE OF EXPENDITURE</b>		<b>Amount</b>	<b>Justification</b> This position would assist all divisions in developing their needed regulations. The position will be working under the auspices of the Department's paralegal in the Commissioner's Office.  Unless regulations are developed and adopted, the Department cannot exercise its program receipt authority and collect user fees.  First year costs are for 9 months and are general funds.  Future years' costs are for 12 months and will be funded by program receipts.	
Salary	28.4			
Benefits	11.2			
Premium Pay				
Other				
Total Personal Services	39.5	39.5		
Travel				
Contractual		1.0		
Commodities		0.6		
Equipment		5.0		
Other				
Total Cost				
<b>FUNDING SOURCE FOR TOTAL COST</b>		<b>46.1</b>		
Federal Receipts	1002			
GF Match	1003			
General Fund	1004	46.1		
IA Receipts	1007			
CIP Receipts	1061			
Other	Program Receipts			

**REQUEST FOR  
NEW POSITION**

AGENCY ENVIRONMENTAL CONSERVATION

**FY 94**

BRU ADMINISTRATION

Page 3 of 4  
Revised Date

COMPONENT COMMISSIONER'S OFFICE

3/10/94

**Section 29. AS 44.46.025 is amended to read:**

**(10) regulating pesticides and broadcast chemicals under AS 46.03.320**

Environmental Health BRU Palmer Lab Component (#651)

Anticipated Revenues (Begin collections FY96 = \$150.0)

Anticipated Costs

DLaw Reg Development

Forms/Printing

(FY96 = Add 1 PFT Enviro Specialist I = \$50.0PS, \$2.0 Contractual, \$.6 Supplies, \$5.0 Equip)

**(11) the on-site water and sewer system certification and audit program under AS 46.03.026**

Environmental Quality BRU, Wasterwater & Water Treatment Component (#1426)

Anticipated Revenues

Anticipated Costs

DLaw Reg Development

Forms/Printing

**(12) plans for sewage and industrial waste disposal or treatment under AS 46.03.090**

Environmental Quality BRU, Wasterwater & Water Treatment Component (#1426)

Anticipated Revenues

Anticipated Costs

DLaw Reg Development

Forms/Printing

**(13) analysis of public water system samples authorized for submission to the department for analysis**

Environmental Quality BRU, Monitoring & Lab Component (#643)

Anticipated Revenues

Anticipated Costs

**(14) regulating motor vehicle fuels to control emissions under AS46.14.510**

Environmental Quality BRU, Air Quality Component (#1428)

Anticipated Revenues

Anticipated Costs

**General Regulation Support**

Administration BRU, Commissioner's Office Component

1 PFT Regulations Specialist Position + related costs

Administration BRU, Information & Administrative Services Component

1 PFT Accounting Clerk III Position + related costs

FY95 Request	
Anticipated Revenues	Gen Fund Costs
0.0	
	12.0
	3.0
250.0	
	20.0
	6.0
75.0	
	5.0
	1.3
20.2	
	0.0
325.0	
	46.1
	34.6
<b>670.2</b>	<b>128.0</b>

**STATE OF ALASKA  
1994 LEGISLATIVE SESSION**

No. 4  
 Bill Version: HB 540  
 (H) Publish Date: 3/23/94

Revision Date: \_\_\_\_\_ Dept. Affected: Administration  
 Title: Omnibus Bill BRU: Leasing & Facilities  
 Component: Leasing  
 Sponsor: Rules  
 Requestor: Governor COMPONENT SERIAL NO. 81

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
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
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>CAPITAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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<b>REVENUE FUND SOURCE:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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**FUNDING:**

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
Other	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**POSITIONS**

<b>FULL-TIME</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PART-TIME</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TEMPORARY</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimate of current year (FY94) impact: \$ 0

**ANALYSIS:** (attach a separate page if necessary.)

See attachment.

Prepared By: Dugan Petty, Director *Dugan Petty*  
 Division: General Services

Phone: 465-2250  
 Date: \_\_\_\_\_

Approved by Commissioner: Nancy Bear Usura  
 Agency: Department of Administration

Date: 3/24/94

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**ANALYSIS**

Section 29 increases the length allowed for lease extensions authorized under SB 129 during the last legislative session from 5 years to 10 years. We anticipate that some lessors who are not willing to negotiate lease rate reductions and ADA modifications in exchange for a 5 year lease extension will be willing to extend leases for 10 years because of more favorable financing opportunities and longer amortization periods. There are up to 24 leases that offer the potential for savings in exchange for a 10 year extension. The actual amount of savings is dependent upon negotiations, lessor's ability to refinance existing obligations and costs for ADA improvements. A rough review of leases suggests a potential in the range of \$165.0 - \$325.0. Since the leasing budget is historically under funded, any savings achieved through negotiations would reduce the amount requested in a supplemental appropriation.

Section 30 amends the small procurement section of the Procurement Code to include leases that do not exceed 2,500 square feet or \$5,000 per month. This will allow for informal and therefore less cumbersome procurements for certain leases. DGS believes that this change will allow for greater efficiencies in lease acquisition which will permit DGS Contracting Officers to concentrate their efforts on the backlog of lease renewals and bids - thereby reducing the risk of premium payments for unplanned lease extensions and evictions. The current inventory of leases shows 144 leases that fit in this category.

FISCAL NOTE

No. 1

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

Bill Version: HB 540

(H) Publish Date: 3/23/94

Revision Date: \_\_\_\_\_

Department Affected: Statewide

Title: An Act relating to the improvement of state finances...

BRU: Statewide

Sponsor: Rules

Component: Statewide

Requestor: Governor

COMPONENT SERIAL NO. \_\_\_\_\_

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	(147.7)	(147.7)	(147.7)	(147.7)	(147.7)	(147.7)
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	(147.7)	(147.7)	(147.7)	(147.7)	(147.7)	(147.7)

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
----------------------	-----	-----	-----	-----	-----	-----

CHANGE IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0
--------------------	-----	-----	-----	-----	-----	-----

FUNDING SOURCE:

(Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
OTHER	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 94) cost: \$ 0.0

POSITIONS:

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.) See attached.

Prepared by: Don Wanie *DW*  
Division: Finance

Phone: 465-2240

Date: \_\_\_\_\_

Approved by Commissioner: Nancy Bear Usher  
Agency: Department of Administration

Date: 3/14/94

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FISCAL NOTE

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

BILL NO. \_\_\_\_\_

**ANALYSIS:**

Section 31 of this bill has no fiscal impact on the Division of Finance.

Section 35 - Under the current statute (AS 39.20.250), terminating employees receive pay for their accumulated leave as though they had remained in pay status until the leave is exhausted. This means holidays that occur in the pay period become state paid holidays.

With the proposed change, terminating employees will be paid only for the hours of annual/personal leave on the books at the time of termination. No state paid holidays would be included.

Approximately 20% of state employees are affected by the proposed change. They represent approximately 600 terminations per year with an average leave payoff of six weeks pay. An average leave payoff would include 1.5 state paid holidays per person. This translates to 900 state paid holidays for this group annually. The statewide value of these holidays for this group of employees is \$147.7 annually.

# FISCAL NOTE

**STATE OF ALASKA**  
**1994 LEGISLATIVE SESSION**

**BILL**

No. 3  
Bill Version HB 540  
(H) Publish Date: 3/23/94

Revision Date: \_\_\_\_\_ Dept. Affected: Public Safety  
Title: Improvement of State Finances BRU: Fire Prevention  
Component: Fire Prevention Operations  
Sponsor: RLS by Request  
Requestor: Governor COMPONENT SERIAL NO. 494

**EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)**

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CAPITAL EXPENDITURES</b>						
<b>CHANGE IN REVENUES ( )</b>	<b>0</b>	<b>35.6</b>	<b>74.2</b>	<b>74.2</b>	<b>74.2</b>	<b>74.2</b>
<small>Revenue Code</small>						

**FUNDING: (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimate of current year (FY 94) impact: \$ \_\_\_\_\_

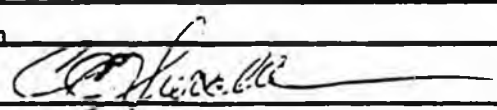
**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS:**

\* This change would allow the Division of Fire Prevention to charge a fee for the permits the Division issues. The fees proposed are based on the average charged by other states with similar permit programs. The increased revenue would go into the general fund in the form of program receipts that could be used to support the Division's programs.

There will be little or no change in FY 95 because regulations will have to be changed to implement the fees.

Prepared By: Jack McGary Phone: 269-5491  
Division: Fire Prevention Date: 03/08/94  
Approved by Commissioner:  Date: 03/08/94  
Agency: Richard L. Burgen, Dept. of Public Safety

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**COMMITTEE COPY**

*Mike*  
*3/8/94*

FY 1996

**Fire Extinguishers**

Class I	150 @	\$ 75	\$11,250
Class II	70 @	150	10,500
Class III	33 @	225	7,425
			<u>\$29,175</u>

**Fire Works**

Pyrotechnic Operator Permit	10 @	350	3,500
Fire Works Display Permit	30 @	100	3,000
			<u>\$ 6,500</u>

**TOTAL \$35,675**

FY 97, FY 98, FY 99, FY 00

**Fire Extinguishers**

Class I	150 @	\$ 75	\$11,250
Class II	70 @	150	10,500
Class III	33 @	225	7,425
			<u>\$29,175</u>

**Fire Works**

Pyrotechnic Operator Permit	10 @	350	3,500
Fire Works Display Permit	30 @	100	3,000
			<u>\$ 6,500</u>

**Fire Systems**

Class IA	20 @	\$100	\$ 2,000
Class IB	50 @	150	7,500
Class IC	25 @	200	5,000
Class IIA	40 @	200	8,000
Class IIB	15 @	400	6,000
Class IIIA	20 @	200	4,000
Class IIIB	15 @	400	6,000
			<u>\$38,500</u>

**TOTAL \$74,175**

Place in HB 540 File

Amendment from Gov. For  
Sec. 33 HB 540

HB 540

Page 13, lines 8 - 18:

Delete all material.

Insert a new bill section to read:

"\* Sec. 33. AS 37.07.060 is amended by adding a new subsection to read:

(c) The reporting requirements of (b)(3) of this section are modified with respect to the program of the Department of Transportation and Public Facilities. The governor's report must contain, for that department, the governor's capital improvements construction program for the succeeding construction season, budget recommendations for the succeeding fiscal year, and capital improvements construction program for the succeeding six fiscal years which must include

(1) a general description of each project and the source of financing for the project; and

(2) the information required by (b)(3)(B) - (H) of this section."

# STATE OF ALASKA

## DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

April 1, 1994

**HAND DELIVERED**

The Honorable Ron Larson  
Co-Chairman of State House  
Finance Committee  
State Capitol, Room 502  
Juneau, Alaska 99801-1182

The Honorable Eileen MacLean  
Co-Chairman of State House  
Finance Committee  
State Capitol, Room 507  
Juneau, Alaska 99801-1182

Re: Amendment to HB 540

Dear Co-Chairman Larson and MacLean:

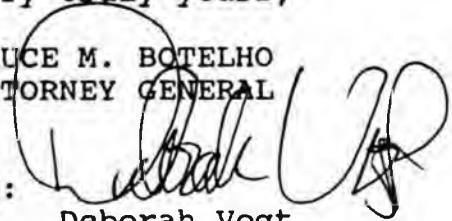
In reviewing \* Section 33 of the Governor's omnibus legislation relating to the improvement of state finances and fiscal accountability, it has become apparent that the section was not clearly drafted. We have had several questions regarding its meaning. As a result, we have redrafted the section in a way that more clearly accomplishes what the Governor wanted.

Enclosed is a proposed amendment to the legislation. We would appreciate it if you would submit the proposal to the House Finance Committee, when it takes up this legislation.

Thank you very much for your consideration.

Very truly yours,

BRUCE M. BOTELHO  
ATTORNEY GENERAL

By:   
Deborah Vogt  
Assistant Attorney General

/DV:ae  
Enclosure

cc: Bruce Campbell, Commissioner, DOT & PF  
Deborah Behr, Assistant Attorney General  
John Gaguine, Assistant Attorney General

WALTER J. HICKEL, GOVERNOR

PLEASE REPLY TO:

1031 WEST 4TH AVENUE, SUITE 200  
ANCHORAGE, ALASKA 99501-1994  
PHONE: (907) 269-5100  
FAX: (907) 276-3697

KEY BANK BUILDING  
100 CUSHMAN ST., SUITE 400  
FAIRBANKS, ALASKA 99701-4679  
PHONE: (907) 451-2811  
FAX: (907) 451-2846

P.O. BOX 110300 - STATE CAPITOL  
JUNEAU, ALASKA 99811-0300  
PHONE: (907) 465-3600  
FAX: (907) 465-6735

(907) 465-3603

(FAX) 465-2539

# HOUSE BILL 540/SENATE BILL 365 - IMPROVING STATE FINANCES - SECTIONAL

Section	Department	Brief Description	Revenues (including savings)
1		States the purpose of Section 3 of this bill related to non-mutual collateral estoppel	
2	Revenue	Allows the department to charge fees for approving alcohol server education courses	
3	Law	Abolishes non-mutual collateral estoppel against the state - This will result in avoiding costs related to the pursuit of extensive appeals	
4	Public Safety	Allows the department to set and charge fees for permits issued to persons who service portable fire extinguishers and persons who design, install, or service fire alarm and fire suppression systems	
5	Public Safety	Allows the department to set and charge fees for permits issued to persons who use dangerous fireworks displays	
6	Public Safety	Allows the department to set in regulations the fee charged for retail fireworks permits	Revenues expected in FY96
7	Public Safety	Allows the department to set in regulations the fee charged for wholesale fireworks permits	Revenues expected in FY96
8	Transportation & Public Facilities	Amends long-range program consistent with the Federal Highway Act of 1991	
9	Transportation & Public Facilities	Clarifies the construction season report	

## HOUSE BILL 540/SENATE BILL 365 - IMPROVING STATE FINANCES - SECTIONAL

Section	Department	Brief Description	Revenues (including savings)
10	Transportation & Public Facilities	Eliminates the requirement to conform closely with standards adopted by the American Association of State Highway and Transportation Officials to provide increased flexibility to meet Alaska's unique circumstances	
11	Public Safety	Allows the department to use a certified computer printed record in court in the same manner as the original document	
12	Public Safety	Changes the method of notice for license actions from certified to first class mail	
13	Public Safety	Allows hearings to be conducted by telephone in areas where no departmental hearing officers are located and allows the department discretion of determining where and when a hearing is needed in person	
14	Public Safety	Extends the time period for dealer temporary permits from 30 to 60 days	
15	Public Safety	Repeals the requirement to have all commercial and special registrations expire in a certain month - This was only required for initial implementation of staggered registration	
16-17	Public Safety	Allows hearings to be conducted by telephone and allows the department the discretion of determining where and when a hearing is needed in person	
18-26	Public Safety	Increases the dollar amount from \$500 to \$1,500 of damages for reporting and proof of financial responsibility	

# HOUSE BILL 540/SENATE BILL 365 - IMPROVING STATE FINANCES - SECTIONAL

Section	Department	Brief Description	Revenues (including savings)
27-28	Corrections	Clarifies the department's legal obligation to provide access to medical treatment and allows the department to seek payment for medical care from third party payers	
29	Administration	Allows the extension of existing leases up to 10 years if a certain cost savings can be realized as specified in this section	
30	Administration	Allows leases of \$5,000 or less per month to be bid under small procurement regulations	
31	Administration	Limits the life of a warrant to one year and brings this statute in line with AS 34.45.250 that considers unrepresented payroll warrants as unclaimed property after one year	
32	Governor's Office	Eliminate 6-year plan and replaces it with a multi-year program in either fiscal year or priority format	
33	Transportation & Public Facilities	Amends the capital project description requirements for the department to include a general description and source of financing for proposed projects	
34	Administration	Allows payment of obligations from current year's appropriation if the obligation date is not more than 4 years rather than 2 years old. This would reduce the annual request for miscellaneous claims supplemental appropriation	
35	Administration	Terminating non-covered employees would be paid based on hours of annual/personal leave accumulated at separation date. Currently, these employees are paid for hours accumulated and state holidays that would have occurred had the employee been on leave	147.7

## HOUSE BILL 540/SENATE BILL 365 - IMPROVING STATE FINANCES - SECTIONAL

Section	Department	Brief Description	Revenues (including savings)
36-37	Transportation & Public Facilities	Allows the department to develop the long-range plan consistent with applicable federal laws	
38	Environmental Conservation	Allows the department to charge for both indirect and direct costs on fees and adopt regulations to charge for pesticide registration, collect a fee for subdivision plan reviews, charge fees for bank loan audits, charge fees for analyses of water systems, and for regulation motor vehicle fuels	420.2
39	Community & Regional Affairs	Allows adoption of regulations to maximize the administration and enforcement of the Head Start Program for fiscal accountability	
40	Community & Regional Affairs	Converts income guidelines for the Day Care Assistance Program to allow use of gross income versus net income to determine eligibility	
41	Environmental Conservation	Establishes in statute the on-site water and sewer system certification and audit program - see section 38	250.0
42	Environmental Conservation	Restricts the department review of sewerage system plans in areas where local codes are established	
43	Public Safety	Repeals AS 28.10.108(b) that requires commercial and special registrations to expire in a certain month - see section 15	
43	Public Safety	Repeals AS 28.22.041(h) relating to proof of motor vehicle liability insurance in the case of an accident - see section 24	

# HOUSE BILL 540/SENATE BILL 365 - IMPROVING STATE FINANCES - SECTIONAL

Section	Department	Brief Description	Revenues (including savings)
43	Administration	Repeals AS 39.20.250(b) that provides for recovery of terminal leave payments and restoration of equivalent leave credit if an employee is reemployed during the period covered by terminal leave - see section 35.	
43	Transportation & Public Facilities	Repeals AS 44.42.050(d) requiring itemization of estimated costs for proposed capital budget projects and allocations for transportation construction projects and necessary contingencies within the general appropriations act	
44		Allows departments to proceed to adopt necessary regulations to implement their respective sections in this bill	
45	Law	Makes sections 1 and 3 retroactive to February 18, 1994	
46		Provides an immediate effective date for sections 1, 3, 44 and 45	
47		Provides for a July 1, 1994 effective date for all sections not noted in section 46	

# STATE OF ALASKA

## OFFICE OF THE GOVERNOR

### OFFICE OF MANAGEMENT AND BUDGET DIVISION OF BUDGET REVIEW

WALTER J. HICKEL, GOVERNOR

P.O. BOX 110020  
JUNEAU, ALASKA 99811-0020  
PHONE: (907) 465-3568

April 8, 1994

The Honorable Eileen MacLean  
The Honorable Ron Larson  
Co-Chair, House Finance Committee  
State Capitol  
Juneau, AK 99801-1182

Dear Representatives MacLean and Larson:

This is in response to items contained in David Dierdorff's memorandum to you regarding HB 540. Based on consultation with the Department of Law, I am requesting the House Finance Committee to prepare a committee substitute for HB 540 to eliminate violations of the single subject rule. The following are the necessary changes that we are requesting for this bill:

- 1) a new title to read "An act relating to reducing costs of state government by modifying agency procedures or functions and by providing for delegation of certain agency functions;"
- 2) all sections deleted from the bill except the following: 8-10, 11-26, 27, 29, 30, 32, 33, 35-36, 37, 41, 42, repeals of AS 28.10.108(b) and AS 44.42.050(d) from section 43;
- 3) your consideration of the language change to section 33 included in the attached letter to Senator Loren Leman from the Department of Law; and
- 4) the addition of three new sections included in Commissioner Mahlen's memo dated April 6, 1994, relating to changes in the Alaska Workers Compensation Act. These new sections will help reduce the need for administrative hearings.

We also recommend that a committee substitute be prepared for HB 135. This is a Governor's requested bill from last year that is in House Finance. The following reflects needed action to this bill:

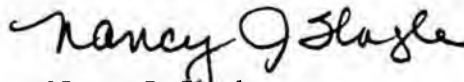
- 1) a new title to read "An act relating to enhancing state revenue through agency fees or by seeking payment for the state;"
- 2) the inclusion of the following sections extracted from the original HB 540: 2, 4-7, 28 and 38; and
- 3) the addition of a new section that increases fees for issuance of licenses related to driver training schools and instructors (see attached language and explanation).

Finally, we ask that a committee substitute be prepared for HB 56. Again, this is a Governor's requested bill that is in House Finance. The following action is requested:

- 1) a new title to read "An act relating to state agency fiscal procedures;"
- 2) the inclusion of the following sections extracted from the original HB 540: 31, 34, and repeal of AS 39.20.250(b) from section 43;
- 3) your consideration of a new section that brings the statute on permanent fund dividend warrants in line with that requested in section 31 of HB 540 (see attached language);and
- 4) the inclusion of the attached replacement language for section 31 that would preserve exceptions to the statutory limitation on payment of warrants.

We are continuing to seek appropriate vehicles that will accommodate the remaining sections of HB 540. We look forward to further discussions with you on this matter.

Sincerely,



Nancy J. Stagle  
Director

cc: Raga Elim, Legislative Liaison  
Deborah Behr, Assistant Attorney General

WALTER J. HICKEL, GOVERNOR

PLEASE REPLY TO:

- 1031 WEST 4TH AVENUE, SUITE 200  
ANCHORAGE, ALASKA 99501-1994  
PHONE: (907) 269-5100  
FAX: (907) 276-3697
- KEY BANK BUILDING  
100 CUSHMAN ST., SUITE 400  
FAIRBANKS, ALASKA 99701-4679  
PHONE: (907) 451-2811  
FAX: (907) 451-2846
- P.O. BOX 110300 - STATE CAPITOL  
JUNEAU, ALASKA 99811-0300  
PHONE: (907) 465-3600  
FAX: (907) 465-6735

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

April 1, 1994

HAND DELIVERED

The Honorable Loren Leman  
Chairman of State Senate  
Affairs Committee  
State Capitol, Room 113  
Juneau, Alaska 99801-1182

APR 5 1994

(907) 465-3603  
(FAX) 465-2539

Re: Amendment to SB 365

Dear Chairman Leman:

In reviewing \* Section 33 of the Governor's omnibus legislation relating to the improvement of state finances and fiscal accountability, it has become apparent that the section was not clearly drafted. We have had several questions regarding its meaning. As a result, we have redrafted the section in a way that more clearly accomplishes what the Governor wanted.

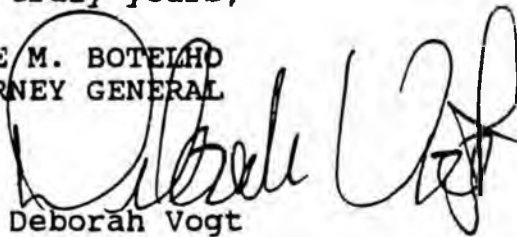
Enclosed is a proposed amendment to the legislation. We would appreciate it if you would submit the proposal to the Senate State Affairs Committee, when it takes up this legislation.

Thank you very much for your consideration.

Very truly yours,

BRUCE M. BOTELHO  
ATTORNEY GENERAL

By:

  
Deborah Vogt  
Assistant Attorney General

/DV:ae

Enclosure

cc: Bruce Campbell, Commissioner, DOT & PF  
Deborah Behr, Assistant Attorney General  
John Gaguine, Assistant Attorney General

Page 13, lines 8 - 18:

Delete all material.

Insert a new bill section to read:

"\* Sec. 33. AS 37.07.060 is amended by adding a new subsection to read:

(c) The reporting requirements of (b)(3) of this section are modified with respect to the program of the Department of Transportation and Public Facilities. The governor's report must contain, for that department, the governor's capital improvements construction program for the succeeding construction season, budget recommendations for the succeeding fiscal year, and capital improvements construction program for the succeeding six fiscal years which must include

(1) a general description of each project and the source of financing for the project; and

(2) the information required by (b)(3)(B) - (H) of this section."

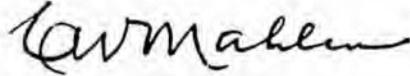
# MEMORANDUM

# STATE OF ALASKA DEPARTMENT OF LABOR Office of the Commissioner

TO: Nancy Slagle, Director  
Division of Budget Review  
Office of Management & Budget  
Office of the Governor

DATE: April 6, 1994

FILE:



PHONE: 465-2700

FROM: Charles W. Mahlen  
Commissioner

SUBJECT: Amendments to  
HB 540

Attached is a proposed amendment to House Bill No. 540 which incorporates three changes to the Alaska Workers Compensation Act. We believe that these amendments are related to the improvement of state finances and fiscal accountability by increasing the efficiency and effectiveness of program operations. The amendments are also part of the solution to what we see as a critical problem in meeting the time frame for processing Decisions & Orders that are mandated in statute. The amendments have been reviewed by Raga Elim of the Governor's Legislative Liaison Office.

Amendment #1 proposes to amend AS 23.30.041(e) to adopt the latest federal publication of "Selected Characteristics of Occupations Defined in the Dictionary of Occupational Titles" (SCODDOT). This publication reflects current training and physical requirements of jobs and is the basis for determining eligibility for reemployment benefits under standards established in the 1988 amendments to the Alaska Workers' Compensation Act. Adopting the revised publication will reduce the need for administrative hearings and insure that those applicants who meet current requirements of jobs will qualify for benefits.

Amendment #2 proposes to amend AS 23.30.095(k) to clarify the authority of the Alaska Workers' Compensation Board to delegate its authority to division staff to arrange necessary independent medical evaluations. Clarifying the Board's authority will reduce the need for administrative hearings so that the board can concentrate their effort on the adjudication of claims, rather than on administrative procedures.

Amendment #3 proposes to amend AS 23.30.190(b) to allow the use of the edition of the American Medical Association Guides to the Evaluation of Permanent Impairment in effect at the time of the impairment rating. This publication is the basis for determining eligibility for permanent partial impairment compensation and reemployment benefits adopted in the 1988 amendments to the Alaska Workers' Compensation Act. Allowing the use of the current edition of the publication in effect at the time of the impairment rating will reduce the need for administrative hearings and insure that those applicants who meet current requirements will qualify for benefits.

Attachment

HOUSE AMENDMENT

BY: \_\_\_\_\_

TO: \_\_\_\_\_ SENATE BILL NO. \_\_\_\_\_

TO: Page 5, Line 14 HOUSE BILL NO. HB 540

**Insert a new Section 11 to read as follows:**

AS 23.30.041(e) is amended to read:

(e) An employee shall be eligible for benefits under this section upon the employee's written request and by having a physician predict that the employee will have permanent physical capacities that are less than the physical demands of the employee's job as described in the United States Department of Labor's "Selected Characteristics of Occupations Defined in the Revised Dictionary of Occupational Titles" for

- (1) the employee's job at the time of injury; or
- (2) other jobs that exist in the labor market that the employee has held or received training for within 10 years before the injury or that the employee has held following the injury for a period long enough to obtain the skills to compete in the labor market, according to specific vocational preparation codes as described in the United States Department of Labor's "Selected Characteristics of Occupations Defined in the Revised Dictionary of Occupational Titles."

**Insert a new Section 12 to read as follows:**

AS 23.30.095(k) is amended to read:

(k) In the event of a medical dispute regarding determinations of causation, medical stability, ability to enter a reemployment plan, degree of impairment, functional capacity, the amount and efficacy of the continuance of or necessity of treatment, or compensability between the employee's attending physician and the employer's independent medical evaluation, a second independent medical evaluation shall be conducted by a

physician or physicians selected by the board or its designees from a list established and maintained by the board and its designees. The cost of the examination and medical report shall be paid by the employer. The report of the independent medical examiner shall be furnished to the board and to the parties within 14 days after the examination is concluded. A person may not seek damages from an independent medical examiner caused by the rendering of an opinion or providing testimony under this subsection, except in the event of fraud or gross incompetence.

**Insert a new Section 13 to read as follows:**

AS 23.30.190(b) is amended to read:

(b) All determinations of the existence and degree of permanent impairment shall be made strictly and solely under the whole person determination as set out in the current edition of the American Medical Association Guides to the Evaluation of Permanent Impairment at the time of the impairment rating, except that an impairment rating may not be rounded to the next five percent. The board shall adopt a supplementary recognized schedule for injuries that cannot be rated by use of the American Medical Association Guides.

and renumber accordingly.

**AS 28.17.031 (b)** is amended to read:

(b) Every application for an original or renewed school license must be accompanied by a fee of [~~\$25~~] **\$100**, and each application for an original or renewed instructor license must be accompanied by a fee of [~~\$5~~] **\$25**. No fee specified in this section may be refunded if a license is refused, suspended, or revoked.

The fees were established in 1976 by statute and have not been changed since that time. The fees collected do not cover the cost of running the program. Personnel costs to issue the school license and instructor permits, travel expenses to conduct inspections exceeds the amount of money being collected. Monitoring the school records and periodic inspections of the school locations are not being done with any consistency due to the lack of funds for the program.

Regulations adopted regarding these schools are being amended this summer and it would be good to have the statute regarding the fees changed so the program can run more effectively. The fee proposed, are in line with the licensing fees charged for other occupations.

The Division of Motor Vehicles currently issue licenses for 13 commercial driving schools, and 25 instructors permits. Setting the school license fee at \$100, and the instructor permits at \$25 would bring in approximately 1.5 in new general fund program receipts. The fiscal note would reflect 1.5 for travel and per-diem to conduct annual inspections of these schools and vehicles.

ALASKA DEPARTMENT OF REVENUE  
PERMANENT FUND DIVIDEND DIVISION  
**RECOMMENDED AMENDMENTS TO HB 540**  
As of March 25, 1994

***Amend AS 43.23.055 (8) to read:***

(8) adopt regulations that establish procedures for an individual to apply to have a dividend warrant reissued if it is returned to the department as undeliverable or it is not paid within one year [TWO YEARS] of the date of its issuance; however, the department may not establish a time limit within which an application to have a warrant reissued must be filed; and

AMENDED SECTION 31 of SB 365

\* Sec. 31. AS 37.05.180 is amended to read:

Sec. 37.05.180. TIME [TWO YEAR] LIMITATION ON PAYMENT OF WARRANTS. A warrant upon the state treasury may not be paid unless presented at the office of the commissioner of revenue within one year [TWO YEARS] of the date of its issuance. A warrant not presented within that time is considered paid and money held at the expiration of that time in a special fund or account for the payment of the warrant shall be transferred to the general fund, except where the warrant is for the payment of a permanent fund dividend or where the transfer is prohibited by the federal government for state participation in a federal program.

**DIVISION OF LEGAL SERVICES**  
**LEGISLATIVE AFFAIRS AGENCY**  
**STATE OF ALASKA**

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


130 Seward Street, Suite 409  
Juneau, Alaska 99801-2105

**MEMORANDUM**

March 31, 1994

**SUBJECT:** Single Subject Problems in Governor's Omnibus State Finance Improvement Bill (HB 540)

**TO:** Representative Ron Larson, Co-chair  
House Finance Committee  
Attn: Jay Hogan

**FROM:** David R. Dierdorff   
Revisor of Statutes

Your staff has asked for a review of potential single subject issues related to the governor's "state finance improvement" bill, HB 540.

To understand my review, it is helpful to set out the state of the law with respect to the single subject rule. The law in Alaska flows from article II, section 13, of the state constitution, which provides, in part:

Every bill shall be confined to one subject \* \* \*. The subject of each bill shall be expressed in the title. \* \* \*

With respect to the single subject rule, the courts have given the requirement a liberal interpretation, adopting, in Gellert v. State, 522 P.2d 1120 (Alaska 1974), the position stated by the Minnesota Supreme Court in 1891:

All that is necessary is that [the] act should embrace some one general subject; and by this is meant, merely, that all matters treated of should fall under some one general idea, be so connected with or related to each other, either logically or in popular understanding, as to be parts of, or germane to, one general subject.

Id., at 1123, quoting Johnson v. Harrison, 50 N.W. 923, 924 (Minn. 1891). Five years after Gellert, the court stated that the test

. . . requires no more than that the various provisions of [a] single legislative enactment fairly relate to the same subject, or have a natural

connection therewith. Quoted in Short v. State, 600 P.2d 20, 24 (Alaska 1979).

In construing the single subject rule, the court will "disregard mere verbal inaccuracies" and "resolve doubts in favor of validity"; "in order to warrant the setting aside of enactments for failure to comply, the violation must be substantial and plain." Suber v. Alaska State Bond Committee, 414 P.2d 546, 557 (Alaska 1966). The rule should be "construed with considerable breadth. Otherwise statutes might be restricted unduly in scope and permissible subject matter, thereby multiplying and complicating the number of necessary enactment(s) and their interrelationships." Gellert, at 1122.

Using this broad construction of the rule, the court has approved such single subjects as "water resources" in Gellert; "state taxation" in North Slope Borough v. Sohio Petroleum Corp., 585 P.2d 534 (Alaska 1978); "land" in State v. First Nat'l. Bank of Anchorage, 660 P.2d 406 (Alaska 1982); and "transportation" in Yute Air Alaska, Inc. v. McAlpine, 698 P.2d 1173 (Alaska 1985). The Alaska Court of Appeals has approved the single subjects "liquor regulation" in Van Brunt v. State, 646 P.2d 872 (Ak. App. 1982); and "criminal law" in Galbraith v. State, 693 P.2d 880 (Ak. App. 1985). In fact, the Alaska Supreme Court and the Alaska Court of Appeals have never found that an Alaska statute violated the single subject rule. This is consistent with the record of other states that have substantially the same rule. Generally, only clear violations of the single subject requirement have been found unconstitutional. (cf. State ex rel Hinkle v. Franklin County Board of Elections, 580 N.E.2d 767 (Ohio 1991) finding a violation of the single subject requirement where a bill on a local option for allowing the sale of alcoholic beverages was added to a bill concerning elected judicial offices)

In recent years, however, the Alaska Supreme Court has begun to reevaluate its broad interpretation of the single subject rule. In First Nat'l. Bank of Anchorage, the court expressed reservations about prior cases, but was unwilling in that case to overturn past precedents. In Yute Air Alaska, Inc., the court again expressed concern with the broad interpretation of the rule, but gave three reasons why it was not ready to reject its past approach: (1) "it is not at all clear that there are workable stricter standards"; (2) the legislation in that case was the result of a voter initiative and the sponsors of the initiative had relied on the court's precedents in preparing it; and (3) because the sponsors were not experts at drafting the court was reluctant to invalidate a worthy or popular cause merely because of doubtful legality.

In his dissent in Yute Air Alaska, Inc., Justice Moore blasted the majority's "test" as meaningless. "This court has mistakenly continued to give the rule such an extremely liberal interpretation that the rule has become a farce," he said. Id. at 1182. Moore suggested a new test: "An act or initiative should embrace one subject. By this we mean that all matters treated should be logically connected." This, he said, means

that various provisions of legislation will pass muster if they are inextricably intertwined, if they have an effect on one another, or if they are reasonably interdependent. Moore urged that "[e]nactments should be presented clearly and candidly," and that the court should "use a plainer standard and be more willing to look closely at the logic of an asserted connection and the reasonable interdependence of separate provisions. . . . to discourage logrolling and . . . duplicity." Id. at 1186.

The Moore dissent in Yute Air takes on increased importance in light of the California Supreme Court's decision two years later in Harbor v. Deukmejian, 742 P.2d 1290 (Cal. 1987). Prior to Harbor, the law in California was substantially similar to Alaska. Both states prohibit multiple subjects in the same bill.<sup>1/</sup> California's courts had interpreted the single subject rule primarily in the context of the expression rule, but when focusing on single subject their pronouncements were remarkably similar to the Alaska cases cited above.<sup>2/</sup> Justice Mosk's opinion in Harbor summed up the California cases as holding that

. . . a measure complies with the [single subject] rule if its provisions are either functionally related to one another or are reasonably germane to one another or the objects of the enactment. Id. at 1303.

The Harbor case involved a measure relating to "fiscal affairs" and was essentially a budget reconciliation bill, making the "necessary statutory adjustments to implement" the budget enactment. Id. at 1291, quoting from the bill's title and from sec. 71, which set out the justification for the bill's immediate effective date. As the court described the bill, it sounds remarkably similar to HB 540 and its predecessors (e.g. last year's SB 99). The bill contained "71 sections enacting, amending, and repealing numerous provisions in numerous codes." Id. at 1291. The court went on to state, at 1303, that "fiscal affairs" as the subject, and "statutory adjustments" to effect savings consistent with the budget as its object, suffer from "excessive generality" that "violates the purpose and intent of the single subject rule."<sup>3/</sup> In the heart of its holding, the court said:

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<sup>1/</sup> California's constitution, in art. IV, § 9, provides that "...a statute shall embrace but one subject, which shall be expressed in its title." In context, "statute" is equivalent to "bill," so it can be seen that the constitutional provision under consideration in Harbor is almost identical to Alaska's.

<sup>2/</sup> See the discussion of the history of California's rule in Harbor, 742 P.2d 1290, at 1298-1303.

<sup>3/</sup> The "primary and universally recognized purpose" of the single subject rule is to prevent logrolling, the combining of several proposals in a single bill so that legislators can obtain a majority for a measure that might not have been approved as separate measures. See Harbor at 1300.

Representative Ron Larson

March 31, 1994

Page 4

[Fiscal affairs and statutory adjustments] are too broad in scope if, as petitioners appear to claim, they encompass any substantive measure which has an effect on the budget. The number and scope of topics germane to "fiscal affairs" in this sense is virtually unlimited. If petitioners' position were accepted, a substantial portion of the many thousand statutes adopted during each legislative session could be included in a single measure even though their provisions had no relationship to one another or to any single object except that they would have some effect on the state's expenditures as reflected in the budget bill. This would effectively read the single subject rule out of the Constitution. We hold, therefore, that Bill 1379 is invalid as a violation of article IV, section 9 of the California Constitution. Id. at 1303-1304.

See also a prior concurring and dissenting opinion by Justice Mosk in Brosnahan v. Eu, 641 P.2d 200 (Cal. 1982), a case in which an initiative was challenged as violating the single subject rule,<sup>4/</sup> in which he said:

The constitutional requirement is not satisfied by attaching a broad label to a measure and then claiming that its provisions are encompassed under that wide umbrella. Otherwise, initiatives which refer to "property" or "women" or "public welfare" or "the pursuit of happiness" could also be held to constitute one subject, no matter how diverse their terms.

It is my belief that our supreme court, when presented with the issue in the context of a bill like HB 540 or last year's SB 99 (ch. 63, SLA 1993), will follow the path scouted by Justice Moore in his dissent in Yute Air and more thoroughly explored by Justice Mosk in Harbor (an exploration that was joined, by the way, without dissent by the other justices of California's supreme court). The fact that several of these "omnibus" bills have now been enacted in Alaska provides scant comfort. The practice had gone on for over six years in California before an affected entity brought a challenge.

In HB 540, the stated subject, as expressed in the title, is "the improvement of state finances and fiscal accountability", accomplished through several stated methods (adding fees, collecting more revenue, changing service or eligibility requirements for programs, changing limitation periods, changing functions and procedures of state agencies, allowing certain leases to be extended, etc.). I can see nothing that distinguishes HB 540 from the California measure that was challenged in Harbor. They both attempt to encompass an excessively broad subject matter.

---

<sup>4/</sup> In California, as in Alaska, initiatives are subject to the single subject rule.

A quick review of HB 540's substantive provisions illustrates why it violates the single subject rule as interpreted by Harbor. In each case I suggest appropriate subjects, ranging from fairly broad to fairly narrow, that describe the contents of the section or sections discussed.

Section 2 allows the Alcoholic Beverage Control Board to establish by regulation a fee for approval of alcohol server education courses. Proper subjects might include "state agency fees" or "regulations" or "alcoholic beverages".

Section 3 abolishes the doctrine of non-mutual collateral estoppel in civil and criminal cases as applied against the state at the trial court level. Proper subjects might include "civil and criminal procedure" or "collateral estoppel" or "court proceedings".

Sections 4 - 7 all relate to fees charged for activities dealing with fire prevention and safety. Proper subjects might include "state agency fees" or "fire safety" or "public safety".

Sections 8 - 10 and 36 - 37 amend laws relating to transportation planning. Proper subjects might include "transportation planning" or "duties of the Department of Transportation and Public Facilities".

Sections 11 - 26 all deal with various aspects of the regulation of motor vehicles (records, notices, hearings, permits, registration, security deposits, accident reports, and insurance). Proper subjects might include "motor vehicles".

Sections 27 and 28 relate to medical care for prisoners. Proper subjects might include "corrections" or "medical care for prisoners".

Sections 29 and 30 authorize the extension of certain state leases and categorize certain other lease procurements as small procurements. Proper subjects might include "state leases" or "procurement procedures".

Section 31 amends the time within which state warrants must be presented for payment and deletes a provision relating to transfer of funds underlying unrepresented warrants. Proper subjects might include "fiscal procedures" or "payment of state warrants".

Sections 32 and 33 relate to planning for capital improvement programs. Proper subjects might include "capital improvement construction programs" or "capital improvement planning".

Section 34 revises a provision relating to payment of certain prior year obligations. Proper subjects might include "fiscal procedures".

Section 35 eliminates the payment of terminal leave in installments. Proper subjects might include "compensation for state employees" or "payment of terminal leave" or "salaries and allowances" or "public employees".

Section 38 authorizes the establishment of certain fees by the Department of Environmental Conservation. Proper subjects might include "state agency fees".

Sections 39 and 40 relate to the regulation of head start and day care programs. Proper subjects might include "day care" or "fiscal accountability of and eligibility for certain day care programs".

Sections 41 and 42 relate to review and approval of water and sewer systems. Proper subjects might include "water and sewer systems" or "sanitation".

Section 43 repeals statutes relating to motor vehicles, terminal leave for state employees, and transportation planning. There is no proper single subject unless the repeals stood alone and were, for example, repealing obsolete state programs.

There are two other legal questions I need to mention before moving on. First, the content of section 3 is not described in the title. The effect of the section is not included in one of the subordinate clauses that begins with "by", and, as drafted, the introductory clause of the title ("relating to the improvement of state finances and fiscal accountability") does not stand alone. Second, I question whether the retroactive effect given section 3 (see sec. 45) is constitutional. That needs to be carefully researched.

What is the solution to the single subject problems I have described? It might be suggested that a severability provision (or simply the existence of AS 01.10.030) would avoid any damage that a single subject violation would cause. That approach was taken in SB 99. I submit that severability is of no avail to bills that violate the single subject rule. Which provisions should the court sever? How is the court going to choose a subject to be the single subject? I believe that a court would be acting properly if it invalidated the entire enactment. (A court would be more likely to "save" a bill through a prospective decision than by severing any one provision.)

The best solution is to do what the House did last year with HB 65 (its version of SB 99) when it first considered it. The bill was split into three parts, each of which could be defended against any single subject challenge. In the case of HB 540, I suggest the following substitute bills:

- (A) Secs. 1 and 3: Non-mutual collateral estoppel
- (B) Secs. 2, 4-7, and 38: State agency fees

Representative Ron Larson

March 31, 1994

Page 7

(C) Secs. 8-10, 36-37, and part of 43: Transportation and capital project planning

(D) Secs. 11-26 and part of 43: Motor vehicles

(E) Secs. 27 and 28: Corrections (or medical care for prisoners)

(F) Secs. 29 and 30: State leases

(G) Secs. 31 and 34: Fiscal procedures

(H) Secs. 35 and part of 43: Payment of terminal leave (this might be combined with "G" but I think that more than fiscal procedures are implicated in these changes)

(I) Secs. 39 and 40: Day care programs

(J) Secs. 41 and 42: Sanitation (water and sewer)

The above represents a conservative approach, but it does reflect the wide range of subjects (other than "helping the state's fiscal status") encompassed by HB 540. It is possible that some of the separate bills could be combined under a subject like "financial administration of state government", but past bills with that title have been generally limited to the establishment of fees and similar provisions, and even in those cases we expressed our concern that we were treading on thin ice with respect to single subjects.

If the substance of HB 540 is vitally important to FY 95 and future budgets, then the additional effort involved in moving a package of bills instead of just one is worth it. The risk of losing everything if the governor's approach is followed is great.

DRD:gc:pl

94-231.glc