

**SB**

**215**

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: An Act streamlining the functions BRU: Revenue Operations  
of state government, etc. Component: Treasury  
 Sponsor: Rules Committee  
 Requester: (S) RES COMPONENT SERIAL NO. 121

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
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>						
<b>CHANGE IN REVENUES ( )</b>	<b>7,065.0</b>	<b>685.5</b>	<b>685.5</b>	<b>685.5</b>	<b>685.5</b>	<b>685.5</b>

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
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 (FY96) cost \$ \_\_\_\_\_

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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

This fiscal note is based on our understanding and assumption that the bill will allow for insurance premium tax payments to be paid quarterly (versus current annual payment) and paid by an electronic method. The electronic method of payment allows for machine capture of the remittance data, which will be posted directly to their database by the Division of Insurance which will streamline and make more current the status of the remitter's account. This will result in approximately \$7.0 million of previously anticipated fiscal year 1998 revenue being received in FY97. This will not reduce FY98 or subsequent year revenue, it is simply accelerating the receipt of revenues. In addition, the earlier and more frequent receipt of these funds will result in an estimated increase in interest earnings to the general fund of \$65.0 in FY97 and \$685.5 in years thereafter.

Prepared by: *[Signature]* Vern Volk, Capital Manager and Investment Officer Phone: 465-3700  
 Division: Treasury Date: March 13, 1996  
 Approved by Commissioner: Ross Kinney, Deputy Commissioner *[Signature]* Date: March 13, 1996  
 Agency: Department of Revenue

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Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Streamlining State Government BRU: Audit Operations  
 Component: Income and Excise Audit  
 Sponsor: Rules Committee  
 Requestor: Governor COMPONENT SERIAL NO. 113

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
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>						
<b>CHANGE IN REVENUES ( )</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>

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
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 (FY96) cost \$ 0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Section 9 of this bill repeals the Non-Resident Affidavit Tax Bond program. This will eliminate staff time spent on processing non-essential sworn affidavits and tax bonds required to be filed by non-resident corporations. Staff time freed up will be used to enhance our tax compliance programs (i.e. corporation, motor fuel and fisheries). The state will no longer receive interest earned on the cash bonds paid to the state. This loss of approximately \$100,000 will be more than offset by increased revenues from our compliance unit.

Prepared by: Robert N. Bartholomew *Robert Bartholomew*  
 Division: Income & Excise/Audit  
 Approved by Commissioner: [Signature]  
 Agency: Department of Revenue

Phone: 465-2320  
 Date: 1/9/96  
 Date: 1/9/96

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STATE OF ALASKA  
LEGISLATIVE SESSION

Bill Version: SB 215 No. 2  
(S) Publish Date: 1/12/96

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
Title: Streamlining Bill BRU: State Health Services  
Sponsor: Rules Committee Component: Epidemiology  
Requestor: Tony Knowles, Governor COMPONENT SERIAL NO. 296  
See also (SN#): \_\_\_\_\_

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
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 EXPENDITURES						
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CHANGES IN REVENUES ( )						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
<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 (FY96) cost: 10.0

POSITIONS:

FULL-TIME					
PART-TIME					
TEMPORARY					

ANALYSIS: (Attach a separate page if necessary)

No Fiscal Impact.

Prepared by: Peter M. Nakamura, MD, MPH *Peter Nakamura*  
Division: Public Health

Phone: 465-3090  
Date: 01/09/96

Approved by Com: *Karen Perdue*  
Karen Perdue, Commissioner  
Agency: Department of Health & Social Services

Date: 1/9/96

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STATE OF ALASKA  
1996 LEGISLATIVE SESSION

No. 3  
Bill Version: SB 215  
(S) Publish Date: 1/12/96

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
Title: Streamlining Bill BRU: State Health Services  
Component: Maternal, Child, & Family Hlth  
Sponsor: Rules Committee COMPONENT SERIAL NO. 290  
Requestor: Tony Knowles, Governor See also (SN#): \_\_\_\_\_

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
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 EXPENDITURES						
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CHANGES IN REVENUES						
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FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY97	FY98	FY99	FY00	FY01	FY02
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
<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 (FY96) cost: 10.0

POSITIONS:

POSITION TYPE	FY97	FY98	FY99	FY00	FY01	FY02
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

There will be zero fiscal impact with these changes. Without the changes the department will need to develop a contracting mechanism which would involve extensive amounts of time and effort by program staff and providers.

Prepared by: Peter M. Nakamura, MD, MPH  
Division: Public Health

Phone: 465-3090  
Date: 01/09/96

Approved by Com: Nash Perdue, Commissioner  
Agency: Department of Health & Social Services

Date: 1/9/96

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FISCAL NOTE

No. 4

Bill Version: SB 215

(S) Publish Date: 1/12/96

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
Title: Streamlining Bill

Department Affected: Environmental Conservation

Sponsor: Rules Committee  
Requestor: Governor

BRU: Environmental Health  
Component: Seafood and Sanitation Inspections

COMPONENT SERIAL NO. 1936

Expenditures/Revenues:

(Thousands of Dollars)

	FY 97	FY 98	FY 99	FY 00	FY 01	FY 01
OPERATING EXPENDITURES						
PERSONNEL 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
OPERATIONAL	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	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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FINANCIAL REVENUES ( )	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE

General Receipts	0.0	0.0	0.0	0.0	0.0	0.0
Special Match	0.0	0.0	0.0	0.0	0.0	0.0
Trusts	0.0	0.0	0.0	0.0	0.0	0.0
Intergovernmental/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
UNDESIGNATED	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
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 96) 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: (Attach a separate page if necessary.)

No fiscal impact.

Bill repeals statutory requirement that department regulate rabies reporting and animal constraint with no threat to the public health and safety. The Department of Health and Social Services and local governments will continue rabies control efforts.

Bill also repeals the department's authority to administer flour and bread standards. The federal government sets standards for flour and bread which makes state standards unnecessary.

Prepared by: Larry Jones Lawrence Jones  
Division: Director, Division of Administrative Services

Phone: 465-5010  
Date: 1/9/96

Approved by Commissioner: Lawrence Jones  
Agency: Department of Environmental Conservation

Date: 1/9/96

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# FISCAL NOTE

No. 5

Bill Version: SB 215

(S) Publish Date: 1/12/96

**STATE OF ALASKA  
1996 LEGISLATIVE SESSION**

Revision Date: \_\_\_\_\_ Dept. Affected: Fish and Game  
 Title: An Act streamlining the functions of state government. BRU: Administration and Support  
 Sponsor: Rules Committee Component: Administrative Services  
 Requester: Governor COMPONENT SERIAL NO. 479

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

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	(720.0)	(720.0)	(720.0)	(720.0)	(720.0)	(720.0)
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>(720.0)</b>	<b>(720.0)</b>	<b>(720.0)</b>	<b>(720.0)</b>	<b>(720.0)</b>	<b>(720.0)</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>	(720.0)	(720.0)	(720.0)	(720.0)	(720.0)	(720.0)
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**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
1024 Fish and Game Fund	(720.0)	(720.0)	(720.0)	(720.0)	(720.0)	(720.0)
<b>TOTAL</b>	<b>(720.0)</b>	<b>(720.0)</b>	<b>(720.0)</b>	<b>(720.0)</b>	<b>(720.0)</b>	<b>(720.0)</b>

Estimate of any current year (FY96) cost: \$ 0.0

**POSITIONS**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

This bill will alter the way in which fish and game license vendor compensation is paid. Currently, the vendor withholds 5% of revenue generated from the sale of sport licenses as commission. The department also pays each vendor an additional \$1 per item sold on a quarterly basis. The amount of additional vendor compensation has been increasing for several years, requiring the department to request increases to its budget. This bill will allow vendors to withhold their additional vendor compensation along with their 5% commission. This will result in a reduction of revenue to the fish and game fund and an equal reduction in expenditures to be charged against the fund. This change will streamline the process for paying vendor compensation while having a net zero affect on the fish and game fund. This bill will affect approximately 1000 of the department's 1400 license vendors. It will still be necessary to make manual payments of up to \$50 to approximately 400 vendors that sell less than 50 licenses per year. The department will continue to report all compensation in the state accounting system and to vendors and the Internal Revenue Service on a form 1099.

Prepared by: Kevin Brooks *Kevin Brooks* Phone: 485-5999  
 Division: Administrative Services Date: 1/9/96  
 Approved by Commission: Frank Rue *Frank Rue* Date: 1/9/96  
 Agency: Fish and Game

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# FISCAL NOTE

No. 6

Bill Version: SB 215

(S) Publish Date: 1/12/96

**STATE OF ALASKA**  
**1996 LEGISLATIVE SESSION**

Revision Date: \_\_\_\_\_ Department: Commerce and Economic Development  
 Title: An Act streamlining the functions of state BRU: Occupational Licensing  
 government..... Component: Operations  
 Sponsor: Rules Committee  
 Requestor: Governor COMPONENT SERIAL NO. 1844

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	(4.4)	(4.4)	(4.4)	(4.4)	(4.4)	(4.4)
TRAVEL	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
CONTRACTUAL	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>(5.3)</b>	<b>(5.3)</b>	<b>(5.3)</b>	<b>(5.3)</b>	<b>(5.3)</b>	<b>(5.3)</b>
<b>CAPITAL EXPENDITURES</b>						
<b>CHANGE IN REVENUES</b>	<b>(3.9)</b>	<b>(3.9)</b>	<b>(3.9)</b>	<b>(3.9)</b>	<b>(3.9)</b>	<b>(3.9)</b>

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other: 1091 Designated PR	(5.3)	(5.3)	(5.3)	(5.3)	(5.3)	(5.3)
<b>TOTAL</b>	<b>(5.3)</b>	<b>(5.3)</b>	<b>(5.3)</b>	<b>(5.3)</b>	<b>(5.3)</b>	<b>(5.3)</b>

Estimate of any current year (FY 96) cost: \$ 5.3

POSITIONS						
FULL-TIME						
PART-TIME						
TEMPORARY						

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

Section 8 repeals regulatory oversight statutes and statutory references under centralized licensing for the Athletic Commission (AS 05.05 and AS 05.10), and the certification of professional geologists (AS 08.02.011). The reduction identified in this fiscal note represent direct costs associated with these programs: Athletic Commission at \$3.6, and Professional Geologists at \$1.7. The reduction of revenue is based on fees generated in FY 95. Revenue of the Athletic Commission totalled \$1.4 and licenses are renewed annually. Revenue generated by certification of professional geologists totalled \$2.5 and are based on a one time charge with no expiration.

Prepared by: Jennifer Strickler, Administrative Officer Phone: 465-2144  
 Division: Occupational Licensing Date: January 9, 1996  
 Approved by Commissioner: William L. Hensley Date: 1-9-96  
 Agency: Commerce and Economic Development

# FISCAL NOTE

No. 7

Bill Version: SB 215

**STATE OF ALASKA  
1996 LEGISLATIVE SESSION**

BILL (S) Publish Date: 1/12/96

Revision Date: Original Dept Affected: Natural Resources  
 Title: Streamlining State Government BRU: Resource Development  
 Component: Water Development

Sponsor: Rules Committee  
 Requestor: Governor Knowles Component Serial No. 916

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>CAPITAL EXPENDITURES</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>CHANGE IN REVENUES ( )</b>	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE	(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	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ none

POSITIONS	FY97	FY98	FY99	FY00	FY01	FY02
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

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

The Alaska Water Resources Board (Board) was established by Article 3 of Alaska Statute 46.15, the Water Use Act, which was enacted in 1966. The seven-member board was created to advise the Governor on all matters relating to the use, appropriation, and protection of water. The Board is appointed by the Governor and confirmed by the Legislature. Over the past 15 years the Board has tackled a broad range of water management issues including federal reserve water rights, basin wide adjudications, critical management areas, instream flow for fish and wildlife, and water quality concerns. Funding had always been provided to the Board through the Department of Natural Resources. Three years ago, it was decided to eliminate this funding for higher priority projects within the Department. The Board has not been funded over the past three years and has not met since October 1993. It is not anticipated that this Board will be funded in the future and without the funding there is no need to preserve Article 3 of AS 46.15, that requires tasks that are not being accomplished.

Prepared by: Jules Tileston, Director Phone: 269-8625  
 Division: Mining & Water Date: 5-Jan-96  
 Approved by Commissioner: [Signature] Date: 5-Jan-96  
 Agency: Natural Resources

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**ENATE COMMITTEE REI RT  
First Committee of Referral**

DATE: 1/12/96

FURTHER: HESS  
L&C, Finance

Date of 5-Day Notice: 3-12-96  
(in accordance with Uniform Rule 23)

DATE TURNED  
INTO OFFICE: 3-20-96

The Resources Committee considered SB 215

Omnibus state fees and cost assessments.

and recommends:

- be replaced with CS SB 215 (RES)
- adopt previous CS \_\_\_\_\_
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

- Senate Bill:
- same title
  - new title
- House Bill:
- same title
  - technical title
  - new: SCR \_\_\_\_\_

SIGNING <u>DO PASS</u>	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
		<i>Pass to floor</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
		<i>Recess</i>		<input checked="" type="checkbox"/>	
		<i>Rich Halford</i>	<input checked="" type="checkbox"/>		
CHAIR:		<i>Arnon J. Lerman</i>	<input checked="" type="checkbox"/>		

**NEW FISCAL NOTE(S):**

Department	Date	Zero	Fiscal
<i>Revenue</i>	<i>3/13</i>		

**PREVIOUS FISCAL NOTE(S):\***

Department	Date	Zero	Fiscal
<i>Revenue</i>	<i>7/96</i>	<input checked="" type="checkbox"/>	
<i>HSS / CPI</i>	<i>7/96</i>	<input checked="" type="checkbox"/>	
<i>HSS / M&amp;FM</i>	<i>7/96</i>	<input checked="" type="checkbox"/>	
<i>DEC - CNO Health</i>	<i>7/96</i>	<input checked="" type="checkbox"/>	
<i>F+G - Admin</i>	<i>7/96</i>	<input checked="" type="checkbox"/>	
<i>COMMERCE - Dec Licensing</i>	<i>7/96</i>	<input checked="" type="checkbox"/>	
<i>ONE - WATER RES</i>	<i>7/96</i>	<input checked="" type="checkbox"/>	

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

*SB and CS*




# Alaska State Legislature

Official Business

State Capitol  
Juneau AK 99801

## MEMO

**TO:** Legal Services  
via fax: X2029 this page only

**FROM:** Annette Kreitzer, Aide to  
Senate Resources Committee 

**DATE:** March 18, 1996

**RE:** CS SB 215: Gov's Omnibus bill

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Please create a FINAL Resources committee substitute for SB 215 that deletes Section 1 of the bill and any reference to it in the title. This would mean deleting Page 2, lines 1-8; and any reference to the commissioner of fish and game awarding grants.

There were no other changes to the bill. Please deliver the FINAL to Senator Leman's office, Room 115 of the Capitol.

**SENATE BILL NO. 215**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**NINETEENTH LEGISLATURE - SECOND SESSION**

**BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR**

Introduced: 1/12/96

Referred: RES, HES, L&C, FIN

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act streamlining the functions of state government, including authorizing the  
2 commissioner of fish and game to award grants for certain resource activities;  
3 allowing agents selling fish and game licenses and tags to retain certain  
4 compensation; authorizing the Department of Health and Social Services to  
5 award grants for certain services for developmentally delayed or disabled  
6 children; relating to rabies control and administration of flour and bread  
7 standards by the Department of Environmental Conservation; repealing the  
8 Athletic Commission, the regulation of boxing and wrestling, the certification of  
9 professional geologists, and the Water Resources Board; repealing certain filing  
10 statements and bonds for enforcement and collection of certain taxes; and  
11 providing for an effective date."

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

1 \* Section 1. AS 16.05 is amended by adding a new section to read:

2           Sec. 16.05.085. GRANT AUTHORITY. The commissioner may award grants  
3 for protecting, maintaining, improving, or extending fish, game, or aquatic plant  
4 resources of the state, including making those resources available to the public. The  
5 commissioner may adopt regulations to interpret or implement this section. In order  
6 to recover all or part of the department's costs of administering the grants, the  
7 commissioner may charge a fee to grant applicants and may retain up to 10 percent  
8 of a grant award.

9 \* Sec. 2. AS 16.05.390 (a) is amended to read:

10           (a) Except as provided in (e) of this section, an agent appointed by the  
11 commissioner under AS 16.05.380 to sell licenses and tags is entitled to retain

12                       (1) [RETAIN] five percent of the fee that is charged for a license or  
13 tag or 25 cents for each license or tag sold, whichever is greater; and

14                       (2) compensation of \$50 per year or \$1 for each license or tag sold  
15 during the year, whichever is greater.

16 \* Sec. 3. AS 16.05.390(b) is amended to read:

17           (b) Each agent appointed to sell licenses or tags under AS 16.05.380 shall, as  
18 directed by the commissioner, transmit the proceeds from the sales of licenses and  
19 tags, except the amount authorized to be retained under (a) [(a)(1)] of this section,  
20 together with a report of the sales, to the commissioner for deposit in the fish and  
21 game fund or the general fund.

22 \* Sec. 4. AS 16.05.390(g) is amended to read:

23           (g) The commissioner may assess a penalty against an agent who does not  
24 transmit proceeds within the time allowed under (f) of this section. The penalty is  
25 equal to one and one-half percent of the amount of proceeds due. The penalty may  
26 be assessed for each month or portion of a month that the proceeds are delinquent. [A  
27 PENALTY UNDER THIS SUBSECTION SHALL BE WITHHELD FROM THE  
28 AGENT'S COMPENSATION UNDER (a)(2) OF THIS SECTION.]

29 \* Sec. 5. AS 43.10.170(b) is amended to read:

30           (b) The service of process shall be made by leaving a copy with the  
31 commissioner of commerce and economic development. If legal action is instituted

1 against the nonresident taxpayer, the commissioner of commerce and economic  
2 development shall immediately notify the nonresident by sending a copy of the process  
3 by registered letter to the [POST OFFICE ADDRESS STATED IN THE AFFIDAVIT  
4 ON FILE WITH THE COMMISSIONER OF REVENUE, OR, IF NO ADDRESS IS  
5 STATED IN THE AFFIDAVIT, TO THE] last known address of the taxpayer.

6 \* Sec. 6. AS 47.20 is amended by adding a new section to read:

7 *11/1/02* Sec. 47.20.075. GRANT AUTHORITY. The department may award grants  
8 for covered services to children eligible under this chapter.

9 \* Sec. 7. AS 47.20.110(a) is amended to read:

10 (a) The department shall adopt regulations necessary to implement this chapter,  
11 including regulations

12 (1) for personnel development, including preservice and in-service  
13 training programs for providers of early intervention services;

14 (2) to govern resolution of intraagency and interagency disputes about  
15 the provision of services under this chapter and the financial responsibility of the  
16 respective parties for those services;

17 (3) that ensure that services are provided to children and their families  
18 in a timely manner pending the resolution of disputes among public agencies or service  
19 providers;

20 (4) providing for due process with respect to the rights of children and  
21 parents who are eligible for services under this chapter; the regulations must provide  
22 that during the pendency of a complaint about a change in services, the child and  
23 family shall continue to receive the prior services unless the state and the family  
24 otherwise agree, or, if the complaint relates to an application for initial services, the  
25 child and family shall receive the services that are not in dispute; and

26 (5) for the award of grants under this chapter.

27 \* Sec. 8. AS 03.05.070; AS 17.07.010, 17.07.020, 17.07.030, 17.07.040, 17.07.050,  
28 17.07.060, 17.07.070, 17.07.080, 17.07.090, 17.07.100, and 17.07.200 are repealed.

29 \* Sec. 9. AS 05.05.010, 05.05.020, 05.05.030, 05.05.040; AS 05.10.010, 05.10.020,  
30 05.10.030, 05.10.040, 05.10.050, 05.10.060, 05.10.070, 05.10.080, 05.10.090, 05.10.100,  
31 05.10.110, 05.10.120, 05.10.130, 05.10.140, 05.10.150, 05.10.160, 05.10.170; AS 08.01.010(3),

1 08.01.010(32); AS 08.02.011; AS 46.15.190, 46.15.200, 46.15.210, 46.15.220, 46.15.230, and  
2 46.15.240 are repealed.

3 \* Sec. 10. AS 16.05.390(c), 16.05.390(d); AS 43.10.160, 43.10.180, 43.10.190, and  
4 43.10.200 are repealed.

5 \* Sec. 11. TRANSITION: REGULATIONS. Notwithstanding secs. 13 and 14 of this Act,  
6 the state agencies affected by this Act may proceed to adopt regulations necessary to  
7 implement changes in law enacted by this Act. The regulations take effect under AS 44.62  
8 (Administrative Procedure Act), but not before the respective effective date of the change in  
9 law in this Act.

10 \* Sec. 12. Sections 8 and 11 of this Act take effect immediately under AS 01.10.070(c).

11 \* Sec. 13. Sections, 1, 6, 7, and 9 of this Act take effect July 1, 1996.

12 \* Sec. 14. Sections 2, 3, 4, 5, and 10 of this Act take effect January 1, 1997.

## ALASKA DEPARTMENT OF REVENUE INCOME AND EXCISE AUDIT DIVISION

### MERITS FOR DISCONTINUING NONRESIDENT AFFIDAVIT(NRA) TAX BOND PROGRAM

#### SITUATION

Bond program began in 1955 because (1) the overwhelming majority of nonresident persons have no security or property physically located in the state against which the state can proceed to enforce the payment of state taxes and license fees; (2) these nonresidents leave the state for varying periods, making the recovery of state taxes and license fees difficult or impossible; (3) because of departures from the state it is impossible to obtain personal service upon nonresidents in a proceeding for the recovery of state taxes and license fees. AS 43.10.190 - 200.

- Alaska is the only state which imposes a tax bonding requirement on nonresident corporations. All 49 states were contacted, a few did have such a requirement, but abolished it because of discrimination issues.
- The requirement projects Alaska business environment as unfriendly to nonresident corporations. Many taxpayers have complained over the phone that the effort to meet our requirements are excessive considering the amount of business they do in the state. Eliminating this program helps achieve the governor's goal of showing that the State of Alaska is "open for business". The corporations subject to this program are providing jobs to Alaskans.
- If challenged, the bonding program may be deemed discriminatory under the Equal Protection Clause in the U. S. Constitution. Many taxpayers have told us this over the phone plus the volume of Supreme Court decisions are replete with cases challenging taxes that draw lines between in-state and out-of-state corporations.
- The program is unproductive for business and staff because it has no real benefit. Taxpayers go through the efforts of obtaining a bond, completing the forms and filing, and also make estimated tax payments. Staff must maintain a file of documents and provides telephone assistance when bonds are never used as a tax collection tool.
- Staff of IEAD does not remember a case where a bond was used to pay a delinquent tax lien.
- The program costs the state approximately \$33,250 to administer. The time currently spent administering the program would be refocused to other tax program, compliance work (ie corporate, fish, motor fuel) and increase revenue recovery.
- \$4,238,052 was prepaid by 815 corporations. Interest earned was approximately \$116,000. The state does get revenue from this program, but the cost and work imposed on nonresident corporations is not justified. Also revenues recovered from the increased compliance effort would offset any revenue loss.
- Approximately 3,500 affidavits were filed during FY95.

#### RECOMMENDATION

Discontinue the requirement for nonresident taxpayers to post a tax bond. Corporations tend to maintain permanent headquarters and honor their tax liabilities due to SEC regulations, and audit requirements. Things change over time, such as the Individual Income tax went out of existence, labor bonding is administered by the Department of Labor and has its own bonding requirements, and fish processors, the most volatile taxpayers, are required to provide a specific surety bond under AS 44.25.040.

**Facsimile Transmission Cover Sheet  
 State of Alaska, Department of Revenue  
 Income and Excise Audit Division  
 PO Box 110420  
 Juneau, AK 99811-0420  
 Telephone: (907) 465-2320  
 Facsimile: (907) 465-2375**

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DATE: 8/8/1996

FAX NUMBER: 907-465-3810

**PLEASE DELIVER THE FOLLOWING DOCUMENTS**

To: Annette Kreitzer

Firm: Senator Leman

City: Juneau

Phone Number: (907) 465-2095

From: Bob Bartholomew

<input checked="" type="checkbox"/>	Hard Copy will not follow
<input type="checkbox"/>	Hard Copy will follow by:
<input type="checkbox"/>	Express Mail
<input type="checkbox"/>	Regular Mail

Comments: Call if you have questions. Information for Revenue issue

included in SB 215.

Number of Pages (including cover sheet): 2

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH 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 19, 1996

**SUBJECT:** Single Subject Problems in CSSB 215(RES)

**TO:** Senator Loren Leman, Chair  
Senate Resources Committee

**FROM:** Tamara Brandt Cook  
Director *TBC*

Here is the committee substitute you requested for this bill. Because the bill has been reported from committee, I have tried not to make many changes to the language requested. However, I did add at the end of the title reference to service on nonresident taxpayers which did not seem to me to be included in the subject description. Please let me know if that is not acceptable. Also, be aware that this bill, both as originally introduced by the Governor and as amended in this committee substitute, may well violate article II, sec. 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 generally 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 SB 215. 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:

[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

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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 log-rolling, 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.

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. (emphasis added)

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 SB 215, 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 SB 215, the stated subject, as expressed in the title, is "streamlining the functions of state government." While this may be a statement of the goals of the bill, it is not a subject, let alone a single subject. Nor is it necessarily descriptive of the contents of the bill. I can see nothing that distinguishes SB 215 from the California measure that was challenged in Harbor. They both attempt to encompass an excessively broad subject matter.

TBC:gle:klb

96-171.glc

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

**STATE OF ALASKA**  
OFFICE OF THE GOVERNOR  
JUNEAU

January 12, 1996

The Honorable Drue Pearce  
President of the Senate  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

Dear President Pearce:

I am offering this bill as part of my administration's goal to streamline state government. This legislation deletes requirements to perform several duties that are not essential for the public health, safety, or welfare and modifies some programs to increase efficiency.

This bill involves several state agencies and a wide variety of programs. The following is a brief description of the legislation. Departments will offer more complete analyses during the committee hearings.

Section 1 of the bill would add a new provision authorizing the commissioner of Fish and Game to directly award grants that serve some of that department's core missions--protecting, maintaining, improving, and extending public access to fish, game, and aquatic plant resources of Alaska. Currently, the department does not have authority to award grants and must channel money through other agencies. This causes delay and adds administrative cost.

Sections 2 - 4, and part of sec. 10 of the bill, would simplify the procedures regarding compensation for vendors who sell sport fishing and hunting licenses and tags on behalf of the state. Currently vendors keep some of the fees they collect as partial payment for their services and pass the balance on to the state. The state then reimburses the vendors for the rest of the compensation due to them. This proposal eliminates that last step by letting vendors calculate total payment due them up front and passing only the balance of the fees to the state.

The Honorable Drue Pearce  
January 12, 1996  
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Sections 6 and 7 of the bill would allow the Department of Health and Social Services to award grants rather than contracts for its infant learning program which provides services for developmentally delayed or disabled children. The grant process should increase efficiencies within the department.

Section 8 of the bill repeals the Department of Environmental Conservation's requirement to regulate rabies reporting and animal constraint. This can be done with no threat to the public health and safety because of continued rabies control efforts by the Department of Health and Social Services coupled with local governments, which routinely exercise animal control powers. In the unorganized borough, the Indian Health Service and village public safety officers fill this local role.

Section 8 also repeals DEC's authority to administer flour and bread standards, which have not been substantially revised since 1949. The federal government sets standards for flour and bread, making state standards unnecessary. Moreover, DEC already has authority to establish certain standards for food.

Section 9 of the bill would repeal a number of statutes. It would first abolish the Athletic Commission and the Department of Commerce and Economic Development's regulatory oversight of professional boxing and wrestling. Professional boxing and wrestling matches are very infrequent in Alaska. Therefore, the license fees which are set in statute would have to be raised significantly in order to cover the cost of adequate oversight. Currently, the fees are much too low to allow the board and department to comply with their statutory responsibility.

Section 9 would also repeal a requirement that the commissioner of commerce and economic development certify an applicant as a professional geologist if the applicant is already certified by the American Institute of Professional Geologists. This state certification requirement merely places a duty on the commissioner without providing an additional benefit to the public safety or welfare.

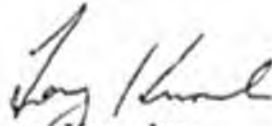
Finally, sec. 9 would abolish the Water Resources Board. The board has not convened or conducted any business in the last few years for lack of legislative financing. Although the Department of Natural Resources will not assume all of the board's functions, it can and will advise the governor on major water policy issues when the need arises. Thus, the elimination of the board will not unreasonably diminish the ability of the state to address matters relating to water appropriations and use.

The Honorable Drue Pearce  
January 12, 1996  
Page 3

A part of sec. 10 of the bill would repeal a requirement that nonresident businesses annually file information on sworn affidavits and tax bonds before conducting business in the state. This requirement was placed on nonresident businesses in 1955 when few of them had offices or property in the state. That made it difficult to enforce payment of taxes and license fees. But that is no longer the case. The bonding requirement, unique to Alaska, creates an unfriendly business environment in the state. The program provides no benefit, is unproductive for business, and burdensome for state staff. I recommend that it be repealed.

I urge your prompt consideration and passage of this bill that streamlines and improves the operations of state government.

Sincerely,



Handwritten signature of Tony Knowles in cursive script.

Tony Knowles  
Governor