

SCOMM

127:17

Special Committee on Military & Veteran Affairs
Representative Mike Chenault, Chair



Representative Bev Masek
Representative Lisa Murkowski
Representative Joe Green
Representative Pete Kott
Representative Sharon Cissna
Representative Joe Hayes

Representative Mike Chenault
Alaska State Capitol, Room 432
Juneau, Alaska 99801-1182
Phone 907-465-3779
Fax 907-465-2833
Email Representative_
Mike.Chenault@legis.state.ak.us

Special Committee on Military & Veteran Affairs
Representative Mike Chenault, Chair

MEMORANDUM

Date: February 28, 2002

To: Suzi Lowell, Chief Clerk

From: Representative Mike Chenault, Chair

Subject: Schedule for the Special Committee on Military & Veteran's Affairs Meetings

The Special Committee on Military & Veteran's Affairs will meet on Tuesdays and Thursdays in Capitol Room 124 from 3:00 – 5:00 p.m.
+ All meetings will be teleconferenced.

DATE: Tuesday, March 5, 2002

AGENDA

HB 371- "An Act establishing the Alaska Veterans' memorial endowment fund and providing for credits against certain taxes for contributions to that fund; relating to other tax credits for certain contributions; and providing for an effective date."

Bills previously heard and held

HB 324 – "An Act making supplement and other appropriations for homeland security; and providing for an effective date."

There will be no meetings scheduled for Thursday, March 7th & Tuesday, March 12th.
7th

If you have any questions, please contact Leona Oberts, Military & Veteran's Affairs committee aide at #2811.

**Special Committee on Military & Veterans' Affairs
Representative Mike Chenault, Chair**

Committee Members

Representative Bev Masek
Representative Lisa Murkowski
Representative Joe Green
Representative Pete Kott
Representative Sharon Cissna
Representative Joe Hayes

Alaska State Capitol, Room 432
Juneau, Alaska 99801-1182
Phone 907-465-3779
Fax 907-465-2833

AGENDA



March 5, 2002

Capitol Room 124 3:00-5:00 p.m.

- I. Call to order
- II. Roll call
- III. Introductions
- IV. **HB 371** – “An Act establishing the Alaska Veterans’ endowment fund and providing for credits against certain taxes for contributions to that fund; relating to other tax credits for certain contributions; and providing for an effective date.”
- V. Committee Comments
- VI. Public Testimony
- VII. **HB 324** – “An Act making supplemental and other appropriations for homeland security; and providing for an effective date.”
Department of Environmental Conservation Items #23-#28
- VIII. Next meeting scheduled for March 14, 2002.
- IX. Adjournment

Sectional Analysis

HB 371 Establishing Alaska Veterans memorial endowment fund

Sections 1-3 and 5-16 add language to existing statutes to allow a taxpayer a credit against certain state taxes for donations to the Veterans memorial endowment fund. The credit is limited to 50% of the first \$100,000 and 100% of the second \$100,000. The tax credit mirrors the structure of the existing education tax credit, and a taxpayer's total education tax credits and Veterans memorial endowment fund tax credits against all taxes are capped at \$150,000.

Sections 1, 3, 5, 7, 9, 11, 13, and 15 are parallel sections amending existing tax credit statutes to provide that the aggregate credit against any of the eligible taxes for contributions under the existing education tax credit provisions and under the proposed Veterans memorial endowment fund tax credit provisions continues to be limited to \$150,000.

Sections 2, 6, 8, 10, 12, 14, and 16 are parallel sections amending certain Alaska tax statutes to allow the tax credit for donations to the Veterans memorial endowment fund. Eligible taxes include: Insurance premium tax (AS 21.09.210); Title insurance premium tax (AS 21.66.110); Alaska net income tax (AS 43.20); Oil and Gas Production Taxes (AS 43.55); Oil and Gas Exploration, Production and Pipeline Transportation Property Taxes (AS 43.56); Mining License Tax (AS 43.65); Fisheries Business Taxes (AS 43.75); Fishery Resource Landing Tax (43.77).

Section 4 establishes the Veterans' Memorial Endowment Fund as an endowment trust fund of the state; assigns management of the fund to the Commissioner of Revenue; delineates the Commissioner's responsibilities and how the amount available for appropriation will be determined.

The section also stipulates the appropriate uses of the fund and how the Department of Military and Veterans Affairs will administer and award grants from the money appropriated from the fund.

Section 17 describes the transitional method to be used to determine the amount available for appropriation for the next three years.

Section 18 is the effective date.

STATE OF ALASKA

DEPARTMENT OF MILITARY & VETERANS AFFAIRS
OFFICE OF THE COMMISSIONER

TONY KNOWLES, GOVERNOR

P.O. BOX 5800

FT. RICHARDSON, AK 99505-5800

PH: (907) 428-6003

February 5, 2002

The Honorable Mike Chenault, Chair
House Special Committee on Military and Veterans Affairs
State Capitol, Room 121
Juneau, AK 99801

Dear Representative Chenault:

The Department of Military and Veterans Affairs respectfully requests a hearing on HB 371 "An Act establishing the Alaska veterans' memorial endowment fund and providing for credits against certain taxes for contributions to that fund; relating to other tax credits for certain contributions; and providing for an effective date."

The bill sets up a fund to provide maintenance or construction of Veterans' memorials or monuments. It also allows a credit against state taxes to businesses who contribute to the fund.

On Monday, February, 11, the Alaska Veterans' community will be in Juneau for the annual veteran fly-in. Some members will extend their visit to Tuesday, February 12th. If you decide to grant a hearing on this bill, I request you consider these days for a hearing so the veterans may attend and provide testimony for your committee.

If I can provide further information please call me, Laddie Shaw, 428-6068 or Carol Carroll, 465-4730. I look forward to working with you on this bill.

Sincerely,



MG Phillip Oates
Commissioner

TONY KNOWLES
GOVERNOR
governor@gov.state.ak.us



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

HB 371
P.O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500
Fax (907) 465-3532
www.gov.state.ak.us

January 29, 2002

The Honorable Brian Porter
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

Dear Speaker Porter:

There are scores of memorials to veterans and monuments to the military throughout the state, owned by various entities. These memorials and monuments should be in excellent condition at all times to convey proper respect and to honor our former and present members of the military who served our nation and state and yet, these tributes to our military are in varying stages of upkeep.

This bill I am transmitting establishes the Alaska Veterans' Memorial Endowment Fund to help fund efforts to maintain our current memorials and provide a possible source of funding for new memorials. It is part of a package of legislation I am introducing this year, and introduced last year, to offer proper acknowledgment and appreciation of our veterans.

The bill proposes to finance the fund partly through contributions that will be eligible for certain state corporate tax credits. Primary use of the funds will be for maintaining veterans' memorials. Once this purpose is substantially satisfied in a fiscal year, the fund may be used to establish new memorials and to finance similar projects to recognize efforts of the military.

The Veterans Memorial Endowment Fund would be administered by the commissioner of revenue with a portion of the fund earnings available for appropriation for maintenance and establishment of memorials. A contributing taxpayer would receive a credit that could be applied against certain Alaska taxes, such as insurance premium taxes, income taxes, oil and gas exploration and production taxes, pipeline transportation property taxes, mining license taxes, and fisheries taxes. Tax credits would be limited in the same manner as they are for existing tax credit programs.

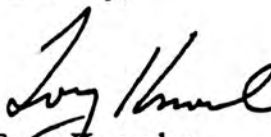
The Honorable Brian Porter

Page 2

Many Alaskans agree the state and its citizens should exhibit due respect to our veterans and military by maintaining these memorials and monuments. Dozens of Alaska corporations, businesses, and individuals have readily pledged contributions to this worthwhile endeavor, with the expectation of a matching state appropriation. The state is not obliged to maintain all memorials and monuments, yet it is appropriate for the state to share in the cost by providing modest matching grants. Therefore, I am proposing with this bill a one-time state contribution to the fund of \$125,000.

I urge you to take favorable action on this measure and my entire package of veterans' legislation.

Sincerely,



Tony Knowles
Governor

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 3
 Bill Version: HB 371
 (H) Publish Date: 2/1/02

Revision Date/Time (Note if correction): _____ Dept. Affected: DMVA
 Title Veterans Memorial Endowment BRU Veterans Services
 Component Veterans Services
 Sponsor Rules
 Requester Governor Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous	125.0					
TOTAL OPERATING	125.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	125.0					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	125.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal: ☐

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The proposed bill sets up an endowment fund to maintain and develop veterans or military memorials. It also provides an opportunity for private entities to contribute to the fund and receive a tax credit against their state taxes. The amount in the fiscal note is the initial contribution to the fund. Earnings from the fund will be available to expend, contingent on appropriations, for projects approved by the department in consultation with veteran groups.

Prepared by: Carol Carroll Phone 465-4730
 Division Administrative Services Date/Time 12/7/01 3:15 PM
 Approved by: Carol Carroll Date 12/07/2001
 Agency Department of Military and Veterans Affairs

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: HB 371
(H) Publish Date: 2/1/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
Title Veterans Memorial Endowment BRU Revenue Operations
and Tax Credit Component Tax Division
Sponsor Rules Committee
Requester Governor Component No. 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE 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 (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal: ☐

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

** Although we do not believe there are a sufficient facts for estimating the potential revenue loss under this bill, the best source for revenue loss information is the Education Tax Credit data. The reason why Education Tax Credit data is useful is that the structure of the proposed Alaska Veterans Memorial Endowment Tax Credit mirrors the structure of the existing Education Tax Credit. Additionally, because taxpayers are limited to a maximum of \$150,000 in credit, they may choose to substitute Alaska Veterans Memorial Tax Credits for Education Tax Credits. The revenue loss would then only be any additional credits beyond those that would have been used as education credits. In FY 2001, 37 taxpayers used approximately \$2.1 million in Education Tax Credits. About 97 percent of those credits were used by 16 of the 37 taxpayers.

Prepared by: Brett Fried Phone 465-3682
Division Tax Division Date/Time 11/10/01 2:18 PM
Approved by: Larry Persily, Deputy Commissioner Date 11/10/2001
Agency Department of Revenue

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 371
(H) Publish Date: 2/1/02

Revision Date/Time (Note if correction):	Dept. Affected: <u>DCED</u>
Title: <u>Alaska Veterans Memorial</u>	BRU: <u>Community Assistance&Econ Dev</u>
<u>Endowment Fund</u>	Component: <u>Community & Business</u>
Sponsor: <u>Rules By Request</u>	<u>Development</u>
Requester: <u>Governor</u>	Component No. <u>2486</u>

Expenditures/Revenues

(Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES						
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CHANGE 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 (Specify Type--Do not abbreviate)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal: ☐

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The impact of this bill on revenues and expenditures is indeterminate due to the difficulty in anticipating the extent to which tax credits will be appropriated to the endowment funds.

Prepared by: Ginny Fay, Deputy Director
Division: Community & Business Development
Approved by: Deborah B. Sedwick, Commissioner
Agency: Department of Community & Economic Development

Phone 907-465-5472
Date/Time 10/3/01 4:21 PM
Date 10/3/2001

$4.5 \cdot 0.2$

FURTHER REFERRALS: State Affairs
Finance

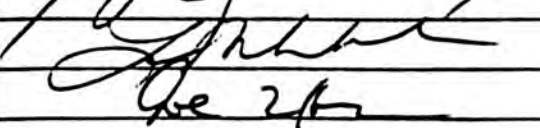
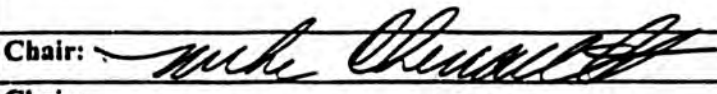
The HOUSE SPECIAL COMMITTEE ON MILITARY AND VETERANS' AFFAIRS Committee considered:

ALASKA VETERANS' MEM.ENDOWMENT FUND

Recommends it be replaced with _____ CS _____ (_____) [] Same Title [] New Title
For Senate Bills with new title: [] Technical Title [] New Title: HCR

- List of
Abbrev.
for
Depts.:**
ADM
CED
COR
CRT
EED
DEC
DFG
GOV
IISS
LAA
LAW
LWF
MVA
DNR
DPS
REV
DOT
UA

[illegible][illegible]

Signing with recommendations	Printed Last Name	DP 3	DNP	NR 2	AM
	Robert GREEN	✓		✓	
	John MURKOWSKI			✓	
	Mike CHENAULT	✓			
Chair: _____					

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 371
(H) Publish Date: 2/1/02

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
Title Alaska Veterans Memorial BRU Community Assistance&Econ Dev
Endowment Fund Component Community & Business
Sponsor Rules By Request Development
Requester Governor Component No. 2486

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES						
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CHANGE 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 (Specify Type—Do not abbreviate)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal: ☐

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The impact of this bill on revenues and expenditures is indeterminate due to the difficulty in anticipating the extent to which tax credits will be appropriated to the endowment funds.

Prepared by: Ginny Fay, Deputy Director
Division: Community & Business Development
Approved by: Deborah B. Sedwick, Commissioner
Agency: Department of Community & Economic Development

Phone 907-465-5472
Date/Time 10/3/01 4:21 PM
Date 10/3/2001

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: HB 371
 (H) Publish Date: 2/1/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title: Veterans Memorial Endowment BRU: Revenue Operations
and Tax Credit Component: Tax Division
 Sponsor: Rules Committee
 Requester: Governor Component No. 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	**	**	**	**	**	**
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
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1004 GF						
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1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
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Temporary						

ANALYSIS: (Attach a separate page if necessary)

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Prepared by: Brett Fried Phone 465-3682
 Division: Tax Division Date/Time 11/10/01 2:18 PM
 Approved by: Larry Persily, Deputy Commissioner Date 11/10/2001
 Agency: Department of Revenue

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 3
 Bill Version: HB 371
 (H) Publish Date: 2/1/02

Revision Date/Time (Note if correction): _____ Dept. Affected: DMVA
 Title Veterans Memorial Endowment BRU Veterans Services
 Component Veterans Services
 Sponsor Rules
 Requester Governor Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

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Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous	125.0					
TOTAL OPERATING	125.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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ANALYSIS: (Attach a separate page if necessary)

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Prepared by: Carol Carroll Phone 465-4730
 Division Administrative Services Date/Time 12/7/01 3:15 PM
 Approved by: Carol Carroll Date 12/07/2001
 Agency Department of Military and Veterans Affairs

TONY KNOWLES
GOVERNOR
governor@gov.state.ak.us



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

HB 371
P.O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500
Fax (907) 465-3532
www.gov.state.ak.us

January 29, 2002

The Honorable Brian Porter
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

Dear Speaker Porter:

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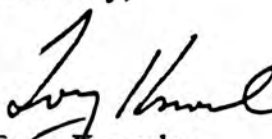
The Honorable Brian Porter

Page 2

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I urge you to take favorable action on this measure and my entire package of veterans' legislation.

Sincerely,



Tony Knowles
Governor

Sectional Analysis

HB 371 Establishing Alaska Veterans memorial endowment fund

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Sections 2, 6, 8, 10, 12, 14, and 16 are parallel sections amending certain Alaska tax statutes to allow the tax credit for donations to the Veterans memorial endowment fund. Eligible taxes include: Insurance premium tax (AS 21.09.210); Title insurance premium tax (AS 21.66.110); Alaska net income tax (AS 43.20); Oil and Gas Production Taxes (AS 43.55); Oil and Gas Exploration, Production and Pipeline Transportation Property Taxes (AS 43.56); Mining License Tax (AS 43.65); Fisheries Business Taxes (AS 43.75); Fishery Resource Landing Tax (43.77).

Section 4 establishes the Veterans' Memorial Endowment Fund as an endowment trust fund of the state; assigns management of the fund to the Commissioner of Revenue; delineates the Commissioner's responsibilities and how the amount available for appropriation will be determined.

The section also stipulates the appropriate uses of the fund and how the Department of Military and Veterans Affairs will administer and award grants from the money appropriated from the fund.

Section 17 describes the transitional method to be used to determine the amount available for appropriation for the next three years.

Section 18 is the effective date.

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 3
 Bill Version: HB 371
 (H) Publish Date: 2/1/02

Revision Date/Time (Note if correction): _____ Dept. Affected: DMVA
 Title Veterans Memorial Endowment BRU Veterans Services
 Component Veterans Services
 Sponsor Rules
 Requester Governor Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous	125.0					
TOTAL OPERATING	125.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	125.0					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	125.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal: ☐

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The proposed bill sets up an endowment fund to maintain and develop veterans or military memorials. It also provides an opportunity for private entities to contribute to the fund and receive a tax credit against their state taxes. The amount in the fiscal note is the initial contribution to the fund. Earnings from the fund will be available to expend, contingent on appropriations, for projects approved by the department in consultation with veteran groups.

Prepared by: Carol Carroll Phone 465-4730
 Division Administrative Services Date/Time 12/7/01 3:15 PM
 Approved by: Carol Carroll Date 12/07/2001
 Agency Department of Military and Veterans Affairs

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: HB 371
 (H) Publish Date: 2/1/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title Veterans Memorial Endowment BRU Revenue Operations
and Tax Credit Component Tax Division
 Sponsor Rules Committee
 Requester Governor Component No. 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE 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 (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal: ☐

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

** Although we do not believe there are a sufficient facts for estimating the potential revenue loss under this bill, the best source for revenue loss information is the Education Tax Credit data. The reason why Education Tax Credit data is useful is that the structure of the proposed Alaska Veterans Memorial Endowment Tax Credit mirrors the structure of the existing Education Tax Credit. Additionally, because taxpayers are limited to a maximum of \$150,000 in credit, they may choose to substitute Alaska Veterans Memorial Tax Credits for Education Tax Credits. The revenue loss would then only be any additional credits beyond those that would have been used as education credits. In FY 2001, 37 taxpayers used approximately \$2.1 million in Education Tax Credits. About 97 percent of those credits were used by 16 of the 37 taxpayers.

Prepared by: Brett Fried Phone 465-3682
 Division Tax Division Date/Time 11/10/01 2:18 PM
 Approved by: Larry Persily, Deputy Commissioner Date 11/10/2001
 Agency Department of Revenue

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 371
(H) Publish Date: 2/1/02

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
Title Alaska Veterans Memorial BRU Community Assistance&Econ Dev
Endowment Fund Component Community & Business
Sponsor Rules By Request Development
Requester Governor Component No. 2486

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES						
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CHANGE 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 (Specify Type--Do not abbreviate)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal: ☐

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The impact of this bill on revenues and expenditures is indeterminate due to the difficulty in anticipating the extent to which tax credits will be appropriated to the endowment funds.

Prepared by: Ginny Fay, Deputy Director
Division: Community & Business Development
Approved by: Deborah B. Sedwick, Commissioner
Agency: Department of Community & Economic Development

Phone 907-465-5472
Date/Time 10/3/01 4:21 PM
Date 10/3/2001

TONY KNOWLES
GOVERNOR
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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

HB 371
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January 29, 2002

The Honorable Brian Porter
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

Dear Speaker Porter:

There are scores of memorials to veterans and monuments to the military throughout the state, owned by various entities. These memorials and monuments should be in excellent condition at all times to convey proper respect and to honor our former and present members of the military who served our nation and state and yet, these tributes to our military are in varying stages of upkeep.

This bill I am transmitting establishes the Alaska Veterans' Memorial Endowment Fund to help fund efforts to maintain our current memorials and provide a possible source of funding for new memorials. It is part of a package of legislation I am introducing this year, and introduced last year, to offer proper acknowledgment and appreciation of our veterans.

The bill proposes to finance the fund partly through contributions that will be eligible for certain state corporate tax credits. Primary use of the funds will be for maintaining veterans' memorials. Once this purpose is substantially satisfied in a fiscal year, the fund may be used to establish new memorials and to finance similar projects to recognize efforts of the military.

The Veterans Memorial Endowment Fund would be administered by the commissioner of revenue with a portion of the fund earnings available for appropriation for maintenance and establishment of memorials. A contributing taxpayer would receive a credit that could be applied against certain Alaska taxes, such as insurance premium tax, income taxes, oil and gas exploration and production taxes, pipeline transportation property taxes, mining license taxes, and fisheries taxes. Tax credits would be limited in the same manner as they are for existing tax credit programs.

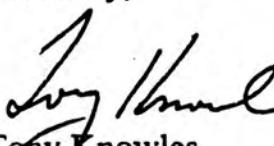
The Honorable Brian Porter

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Many Alaskans agree the state and its citizens should exhibit due respect to our veterans and military by maintaining these memorials and monuments. Dozens of Alaska corporations, businesses, and individuals have readily pledged contributions to this worthwhile endeavor, with the expectation of a matching state appropriation. The state is not obliged to maintain all memorials and monuments, yet it is appropriate for the state to share in the cost by providing modest matching grants. Therefore, I am proposing with this bill a one-time state contribution to the fund of \$125,000.

I urge you to take favorable action on this measure and my entire package of veterans' legislation.

Sincerely,



Tony Knowles
Governor