

**HB**

**109**



# ALASKA STATE LEGISLATURE

REPRESENTATIVE BRUCE WEYHRAUCH



ALASKA  
STATE CAPITOL  
JUNEAU, ALASKA  
99801-1182

(907) 465-3744  
FAX (907) 465-2273

STATE AFFAIRS COMMITTEE

## Fax

To: Legislative Legal

From: Ginny Austerman

Fax: 2029

Date: March 25, 2003

Phone: 2450

Pages: 1

Re: CSHB 109

CC:

Urgent  For Review  Please Comment  Please Reply

•Comments:

**TO: Katherine Kurtz**

**Today the House State Affairs Committee adopted and passed out of Committee with no further changes CS HB109 (23-LS058\D).**

**Please delete the "Work Draft" notations and send the completed bill back to me in the State Affairs Committee.**

**Thank you,**

**Ginny**



# FISCAL NOTE

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB109  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Revenue  
 Title Treasury Warrants BRU Revenue Operations  
 Component Treasury  
 Sponsor House State Affairs  
 Requester House State Affairs Component No. 121

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

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
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>						
-------------------------------	--	--	--	--	--	--

**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)						
<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 (FY2003) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This legislation is not expected to have any effect on the operating expenses of the Unclaimed Property Section at the Treasury Division.

This legislation would amend statute to treat state-dated state warrants the same as other unclaimed property, with payment made under the unclaimed property authorization instead of needing to seek legislative approval each year as is currently done for state-dated warrants.

Prepared by: Rachel Lewis, Unclaimed Property Section Phone 465-5885  
 Division Treasury Division Date/Time 3/17/03 1:19 PM  
 Approved by: Larry Persily, Deputy Commissioner Date 3/17/2003  
 Agency Department of Revenue

23-LS0581\D  
Kurtz  
3/24/03

CS FOR HOUSE BILL NO. 109( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY

Offered:  
Referred:

Sponsor(s): HOUSE STATE AFFAIRS COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the limitation on payment of state treasury warrants; and providing  
2 for an effective date."

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

4 \* Section 1. AS 37.05.180 is amended to read:

5           Sec. 37.05.180. Limitation [TWO-YEAR LIMITATION] on payment of  
6 warrants. A warrant upon the state treasury may not be paid unless presented at the  
7 office of the commissioner of revenue within six months [TWO YEARS] of the date  
8 of its issuance. A warrant not presented within that time is presumed abandoned  
9 [CONSIDERED PAID, AND MONEY HELD AT THE EXPIRATION OF THAT  
10 TIME IN A SPECIAL FUND OR ACCOUNT FOR THE PAYMENT OF THE  
11 WARRANT SHALL BE TRANSFERRED TO THE GENERAL FUND], except  
12 where the warrant is for the payment of a permanent fund dividend or [,] a benefit  
13 payment or refund under AS 14.25, AS 22.25, AS 26.05, AS 39.30, AS 39.35,  
14 AS 39.37, or AS 39.45. Money held for an abandoned warrant shall be delivered

1           to the custody of the Department of Revenue to be administered as unclaimed  
2           property under AS 34.45 [, OR WHERE TRANSFER IS PROHIBITED BY THE  
3           FEDERAL GOVERNMENT FOR STATE PARTICIPATION IN A FEDERAL  
4           PROGRAM].

5           \* Sec. 2. This Act takes effect July 1, 2003.

*Change requested w/ Catherine Keating Leg. Legal 9530.11*

HOUSE BILL NO. 1092

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Introduced:  
Referred:

A BILL  
FOR AN ACT ENTITLED

1 "An Act relating to the limitation on payment of state treasury warrants; and providing  
2 for an effective date."

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

4 \* Section 1. AS 37.05.180 is amended to read:

5           Sec. 37.05.180. Limitation [TWO-YEAR LIMITATION] on payment of  
6 warrants. A warrant upon the state treasury may not be paid unless presented at the  
7 office of the commissioner of revenue within one year [TWO YEARS] of the date of  
8 its issuance. A warrant not presented within that time is presumed abandoned  
9 [CONSIDERED PAID, AND MONEY HELD AT THE EXPIRATION OF THAT  
10 TIME IN A SPECIAL FUND OR ACCOUNT FOR THE PAYMENT OF THE  
11 WARRANT SHALL BE TRANSFERRED TO THE GENERAL FUND], except  
12 where the warrant is for the payment of a permanent fund dividend or [,] a benefit  
13 payment or refund under AS 14.25, AS 22.25, AS 26.05, AS 39.30, AS 39.35,  
14 AS 39.37, or AS 39.45. Money held for an abandoned warrant shall be delivered

1  
2  
3  
4  
5

to the custody of the Department of Revenue to be administered as unclaimed property under AS 34.45 [, OR WHERE TRANSFER IS PROHIBITED BY THE FEDERAL GOVERNMENT FOR STATE PARTICIPATION IN A FEDERAL PROGRAM].

\* Sec. 2. This Act takes effect July 1, 2003.

# ALASKA STATE LEGISLATURE

**Representative Bruce Weyhrauch**

HOUSE DISTRICT 4



ALASKA  
STATE CAPITOL  
JUNEAU, ALASKA  
99801-1182

HB 109

(907) 465-3744  
FAX (907) 465-2273

## New Funding Procedures for Stale-Dated State Warrants

### Sponsor Statement

This bill changes the period after which a state warrant may no longer be presented for payment. The changes made by the bill reconcile the existing inconsistency between the payment of warrants statute (AS 37.05.180) and the unclaimed property statute (AS 34.45.230).

Unless excepted under existing AS 37.05.180, a state warrant currently must be presented for payment within two years after the date of issuance. After two years, money held for the payee is released to the state treasury. If the payee subsequently presents the stale-dated warrant for payment, the issuing agency must obtain a new appropriation in order to pay for it.

Under the bill, a state warrant would be presumed abandoned after one year from the date it was issued. The money held to cover presentment of the warrant would be transmitted to the custody of the administrator of unclaimed property, in the Department of Revenue. A payee who subsequently presents a warrant after the one-year period could claim payment under the unclaimed property procedures in AS 34.45. The advantage of this change is that the stale-dated warrant could be paid immediately from the standing appropriation for unclaimed property rather than awaiting enactment of another appropriation expressly made to validate the stale warrant. Pending a valid claim to recover the abandoned money, money held to pay the warrant would be available in the general fund for appropriation by the legislature for other public purposes.

Passage of HB not only benefits the payees of stale-dated warrants, but also would streamline the state's account reconciliation and appropriations processes.

The Department of Administration enthusiastically supports passage of HB

Contact: Linda Sylvester  
465-3744

Last updated: February 14, 2003

# ALASKA STATE LEGISLATURE

REPRESENTATIVE BRUCE WEYHRAUCH  
HOUSE DISTRICT 4



ALASKA  
STATE CAPITOL  
JUNEAU, ALASKA  
99801-1182

(907) 465-3744  
FAX (907) 465-2273

CS for HB 109

## Stale-Dated State Warrants

### Sectional Analysis

**Section 1.** Amends 37.05.180 by limiting the period of time in which a state warrant may be presented to the treasury for payment to six months. A warrant not presented within six months is presumed abandoned and funds shall be turned over to the Department of Revenue's unclaimed property program (administered under AS 34.45).

**Section 2.** The Act takes effect July 1, 2003.

### RATIONALE

HB 109 eliminates inefficiency associated with "staledating" state warrants under AS 37.05.180. Under current law, warrants that are not cashed within two years revert to the general fund unless specifically exempted. When valid claims are made on these warrants, agencies must submit new appropriation language to pay them. The resulting wait for vendors, grantees, or employees with such claims can be up to a year or more, as such items must be specially appropriated by the Legislature in the Supplemental Budget.

The Unclaimed Property Section within the Department of Revenue was established under AS 34.45.230 to match rightful owners with unclaimed property. Adding uncashed state warrants to this mix is an efficient use of existing state resources. The cash will still reside in the general fund until a valid claim is made, but at that time, it could be paid immediately.

# FISCAL NOTE

STATE OF ALASKA  
2003 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: HB 109  
( ) Publish Date: 2/19/2003

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: All  
Title Act relating to limitation on payment BRU All  
of warrants upon the state treasury Component All  
Sponsor Rep. Weyhrauch  
Requester House State Affairs Committee Component No. All

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

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
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>						
-------------------------------	--	--	--	--	--	--

**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)						
<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 (FY2003) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This proposed legislation costs nothing, but would eliminate inefficiency associated with "staledating" state warrants under AS 37.05.180. Under current law, warrants that are not cashed within two years revert to the general fund unless specifically exempted. When valid claims are made on these warrants, agencies must submit new appropriation language to pay them. The resulting wait for vendors, grantees, or employees with such claims can be up to a year depending upon the timing.

The Unclaimed Property Section within the Department of Revenue was established under AS 34.45.230 to match rightful owners with unclaimed property. Adding uncashed state warrants to this mix is an efficient use of existing state resources. The cash will still reside in the general fund until a valid claim is made, but at that time it could be paid immediately.

Prepared by: Kim J. Garner Phone 465-3435  
Division: Finance Date/Time 2/24/03 12:00 PM  
Approved by: Mike Miller, Commissioner Date 2/24/2003  
Agency: Department of Administration

**State Date Warrant Re-Appropriation Request FY 2003-1**

Item	Warrant	Amount	Name	Distribution Address	ISSUED
1	15034565	\$1,426.14	Amos E Anderson	PO Box 157, Naknek, AK 99633-0157	8/26/98
2	33844222	\$250.00	Elma Peterson	PO Box 17, Levelock, AK 99625-0017	4/1/99
3	26345889	\$105.26	Ruth-Anne O'Gorman	PO Box 4261, Kodiak, AK 99615-4261	11/10/99
4	26490328	\$1,975.00	John E. Reid & Associates, Inc.	250 S Wacker Dr, Ste 1200, Chicago, IL 60606	3/24/00
5	25403874	\$35.00	Lane Inc.	600 E 48th Ave, Anchorage, AK 99503	9/18/97
6	26485338	\$26,345.99	USDA APHIS FSO Acctg Services	PO Box 3334, Minneapolis, MN 55403	3/21/00
7	26557624	\$12,900.00	Martha Dickerson	PO Box 196900, Anchorage, AK 99519	5/17/00
8	26173775	\$464.00	William Brent	PO Box 25535, Juneau, AK 99802-5535	6/29/99
9	25884982	\$115.49	Doug Alsip	PO Box 22161, Juneau, AK 99802	10/23/98
10	322112	\$300.00	William F. Jennings	16250 Old Glenn, Chugiak, AK 99567	9/2/83
11	33557322	\$100.00	Jessie V Eller	PO Box 145, Tanana, AK 99777	4/1/98
12	33730416	\$100.00	Jessie V Eller	PO Box 145, Tanana, AK 99777	11/1/98
13	33754294	\$100.00	Jessie V Eller	PO Box 145, Tanana, AK 99777	12/1/98
14	33778114	\$100.00	Jessie V Eller	PO Box 145, Tanana, AK 99777	1/1/99
15	33871395	\$100.00	Jessie V Eller	PO Box 145, Tanana, AK 99777	5/1/99
16	33894746	100	Jessie V Eller	PO Box 145, Tanana, AK 99777	6/1/99
17	34269246	\$100.00	Jessie V Eller	PO Box 145, Tanana, AK 99777	11/1/00
18	34119294	\$100.00	Jessie V Eller	PO Box 145, Tanana, AK 99777	4/1/00
19	33918218	\$100.00	Jessie V Eller	PO Box 145, Tanana, AK 99777	7/1/99
20	33941397	\$100.00	Jessie V Eller	PO Box 145, Tanana, AK 99777	8/1/99
	<b>TOTAL</b>	<b>\$44,916.88</b>	<b>SUBMITTAL # 1</b>		

HB 109

Rep Weyhrauch, members of the committee.

My name is Kim Garner and I work as the director of finance in the department of administration.

We in Division of Finance pay vendors, grantees, and employees for the state. When our warrants are not cashed within two years, the law currently requires that the amount revert to the general fund in a process called "staledating."

When those individuals whose checks were staledated later come forward and make their claim on uncashed warrants known, a new appropriation is required before we can pay them. Claimants can be required to wait up to a year before the appropriation is in place and payment can be made. This is frustrating for both the claimant and the state agency who must track this through the process. Our current staledate appropriation request was for 20 warrants totalling \$44,917. This amount was included in the fast track supplemental that the governor signed last week. I have already become aware of new claims for staledates that we'll have to get into legislation later this session or those folks will have to wait til next year.

This staledate law has been in place since the 1960s. In 1986 Alaska adopted the unclaimed property statutes in title 34. The legislative proposal before you today would shorten the timeframe and change the handling of uncashed warrants to treat them as unclaimed property. The unclaimed property program is administered by the Department of Revenue and actively seeks to match rightful owners with their property. Treating uncashed warrants as unclaimed property would expedite payments to valid property owners.

Rachel Lewis oversees the program and is here today to answer any questions you may have on its operation.

Thank you. I remain available for any questions you may have.

**Subject:** [Fwd: HB109\_ADMIN\_2\_24]

**Date:** Thu, 13 Mar 2003 08:48:14 -0900

**From:** Heather Brakes <Heather\_Brakes@gov.state.ak.us>

**Organization:** Alaska Office of the Governor

**To:** Ginny Austerman <ginny\_austerman@legis.state.ak.us>

----- Original Message -----

Subject: HB109\_ADMIN\_2\_24

Date: Mon, 24 Feb 2003 12:03:56 -0900

From: Nancy Norton <nancy\_norton@admin.state.ak.us>

To: Heather Brakes <Heather\_Brakes@gov.state.ak.us>

CC: Kevin M Jardell <kevin\_jardell@admin.state.ak.us>

References: <3E541CBE.E3B92B44@admin.state.ak.us>

<3E54584B.EDC31BF1@gov.state.ak.us>

Okay, the new version of LL03-0006 is attached.... Let me know if there's anything else. Nancy

Heather Brakes wrote:

> Yes - actually, Nancy if you could change the fiscal note to reflect the bill  
> that Rep. Weyhrauch introduced that would be great. Thanks so much. Linda  
> will have the info on bill number etc. Let me know if you have any problems.

>

> Nancy Norton wrote:

>

> > I'm not sure when this is up for hearing. Evidently Linda Sylvester  
> > from (H) STA called Kim Garner in the Division of Finance and requested  
> > this.... We had previously only sent the Governor's Office a Bill  
> > Analysis form.

> >


> >

> >

> >

> >

-----  
Name: 03-0006 FIN FN.pdf  
03-0006 FIN FN.pdf Type: Acrobat (application/pdf)  
Encoding: base64

 HB 109 Finance fn.pdf	Name: HB 109 Finance fn.pdf Type: Acrobat (application/pdf) Encoding: base64
---	--