

**LIST  
OF  
FILES**

2011-2012  
HOUSE RULES COMMITTEE  
LIST OF FILES (PAGE 1)

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HB 104

HB 121

HB 146

HCR 4

HCR 12

HJR 4

SB 1

SB 23

SB 74

SB 104

**HB**

**104**

<TARGET><BILL>HB 104</BILL><SUBJECT>HB  
104</SUBJECT><COMM>HRLS27</COMM></TARGET>

# FISCAL NOTE

**STATE OF ALASKA**  
**2011 LEGISLATIVE SESSION**

Fiscal Note Number 1  
 Bill Version HB 104  
 (H) Publish Date 1/18/11

Identifier (file name) LL1893-DOR-TRS-1-14-11 Dept. Affected Revenue  
 Title The Alaska Performance Scholarship Fund Appropriation Treasury and Taxation  
 Allocation Treasury  
 Sponsor Rules Committee  
 Requester By Request of the Governor OMB Component Number 121

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

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

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>OPERATING EXPENDITURES</b>								
Personal Services	60.0		60.0	60.0	60.0	60.0	60.0	60.0
Travel								
Contractual	55.0		55.0	55.0	55.0	55.0	55.0	55.0
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
<b>TOTAL OPERATING</b>	<b>115.0</b>	<b>0.0</b>	<b>115.0</b>	<b>115.0</b>	<b>115.0</b>	<b>115.0</b>	<b>115.0</b>	<b>115.0</b>

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

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts	115.0		115.0	115.0	115.0	115.0	115.0	115.0
<b>TOTAL</b>	<b>115.0</b>	<b>0.0</b>	<b>115.0</b>	<b>115.0</b>	<b>115.0</b>	<b>115.0</b>	<b>115.0</b>	<b>115.0</b>

Estimate of any current year (FY2011) cost \_\_\_\_\_

**POSITIONS**

Full-time								
Part-time								
Temporary								

**Why this fiscal note differs from previous version**

first version of fiscal note

Prepared by Scott Jones, Asst. Comptroller  
 Division Treasury  
 Approved by Ginger Blaisdell, Director Administrative Services Division  
Department of Revenue

Phone (907) 465-2350  
 Date/Time 1/14/11; 10:40am  
 Date 1/14/11; 10:40am

FISCAL NOTE #1

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

BILL NO. HB 104

**Analysis**

The bill provides for a separate fund designated for performance scholarships. In order to generate enough revenue to fund the performance scholarships, the Department anticipates the need for a \$400 million capitalization.

It is anticipated the fund will be managed with asset allocation of 60% fixed income and 40% domestic equity in order to yield a real annual rate of return of 5%. These costs include investment management fees, audit, accounting and custody fees and are projected based on the assumptions provided by the division's investment advisor and the division's cost allocation plan.

# FISCAL NOTE

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

Fiscal Note Number 2  
Bill Version HB 104  
(H) Publish Date 1/18/11

Identifier (file name) LL1893-DOR-TAX-1-14-11 Dept. Affected Revenue  
Title The Alaska Performance Scholarship Fund Appropriation Treasury and Taxation  
Allocation Tax Division  
Sponsor Rules Committee  
Requester By Request of the Governor OMB Component Number 2476

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

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

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>OPERATING EXPENDITURES</b>								
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>0.0</b>	<b>0.0</b>

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

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
<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>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2011) cost \_\_\_\_\_

**POSITIONS**

Full-time								
Part-time								
Temporary								

**Why this fiscal note differs from previous version**

first version of fiscal note

Prepared by Johanna Bales, Deputy Director  
Division Tax Division  
Approved by Ginger Blaisdell, Director Administrative Services Division  
Department of Revenue

Phone (907) 269-6628  
Date/Time 1/14/11; 1:22pm  
Date 1/14/11; 1:22pm

FISCAL NOTE #2

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

BILL NO. HB 104

**Analysis**

**Bill Language:**

This bill expands the existing education credit allowed against the corporate income tax to include contributions made to the newly created Alaska Performance Scholarship Fund under AS 37.14.750.

**Revenues:**

This bill does not increase or decrease the amount of total education credits allowed against corporate income tax. Therefore, this bill has no affect on state revenues.

**Expenditures:**

The department can implement the provisions of the bill with existing resources.

# FISCAL NOTE

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

Fiscal Note Number 3  
 Bill Version CSHB 104(EDC)  
 (H) Publish Date 3/23/11

Identifier HB104-EED-ESS-2-3-11 Dept. Affected Education & Early Development  
 Title An Act renaming the Alaska performance Scholarship and Appropriation Education Support Services  
relating to the scholarship and tax credits applicable to... Allocation Executive Administration  
 Sponsor House Rules by Request of the Governor  
 Requester House Education OMB Component Number 2736

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

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

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants								
Miscellaneous								
<b>TOTAL OPERATING</b>		*	*	*	*	*	*	*

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

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other (please identify)								
<b>TOTAL</b>		*	*	*	*	*	*	*

Estimate of any current year (FY2011) cost \_\_\_\_\_

**POSITIONS**

Full-time								
Part-time								
Temporary								

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial version

Prepared by Eddy Jeans  
 Division Executive Administration  
 Approved by Mike Hanley  
Commissioner

Phone 465-2825  
 Date/Time 2/3/11 1:15 PM  
 Date 2/3/2011

FISCAL NOTE #3

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

BILL NO. CSHB 104(EDC)

**Analysis**

This fiscal note is indeterminate to allow the discussion of the Funding and Finance section of the Scholarship Funding Task Force Report. Page four of the report list the recommendation that the legislature creates, in statute, a Scholarship Fund as a sub-account within the General Fund. The Task Force recommended that the Scholarship Fund have an account balance amount sufficient to sustain award distribution and inflation proofing replenishment. The Task Force report suggested the immediate capitalization of the Scholarship Fund and also offered other alternatives if that was not possible.

The administration looks forward to discussing the Task Force Funding recommendations and identifying a long term sustainable funding mechanism for the Alaska Performance Scholarship.

# FISCAL NOTE

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

Fiscal Note Number 4  
Bill Version CSHB 104(FIN)  
(H) Publish Date 4/12/11

Identifier (file name): CSHB104-DOR-TRS-3-21-11 Dept. Affected Revenue  
Title AlaskAdvantage educ grant / AK Performance Scholarship Fund Appropriation Treasury and Taxation  
Allocation Treasury and Taxation  
Sponsor Rules by Request of the Governor  
Requester House Finance Committee OMB Component Number 121

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

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

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants								
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>0.0</b>	<b>0.0</b>

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

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other (please identify)								
<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>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2011) cost \_\_\_\_\_

**POSITIONS**

Full-time	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Part-time	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Temporary	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**Why this fiscal note differs from previous version (if initial version, please note as such)**

Given the limitations on the fund, the investments will be comingled with GEFONSI rather than incurring separate costs. Since the bill limits the amount in the Fund to \$160 million we will be required to keep the investments in fixed income to avoid the possibility of loss in value rather than managing the Fund separately to achieve a 5% return as we would have under the original bill.

Prepared by Pamela Leary, Comptroller  
Division Treasury Division  
Approved by Ginger Blaisdell, Director Administrative Services Division  
Department of Revenue

Phone 465-2350  
Date/Time 3/21/11 3:00 PM  
Date 3/21/2011

FISCAL NOTE #4

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

BILL NO. CSHB 104(FIN)

**Analysis**

The bill provides for the AlaskaAdvantage education grant and Alaska Performance Scholarship fund to be managed by the Commissioner of Revenue. As the fund will maintain a balance of \$160 million or less with a three year horizon, this fund is best invested in the GeFonsi and therefore no additional costs will be associated with managing the fund.

# FISCAL NOTE

**STATE OF ALASKA**  
**2011 LEGISLATIVE SESSION**

Fiscal Note Number 5  
 Bill Version CSHB 104(FIN)  
 (H) Publish Date 4/12/11

Identifier (file name) CSHB104(EDC)-DOR-TAX-03-29-11 Dept. Affected Revenue  
 Title AlaskAdvantage Educ Grant - AK Performance Scholarship Appropriation Taxation and Treasury  
 Allocation Tax Division  
 Sponsor Rules by Request of the Governor  
 Requester House Finance OMB Component Number 2476

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

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

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants								
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>0.0</b>

<b>CAPITAL EXPENDITURES</b>								
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<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>	<b>0.0</b>
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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 identify)								
<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>	<b>0.0</b>

Estimate of any current year (FY2011) cost \_\_\_\_\_

**POSITIONS**

Full-time								
Part-time								
Temporary								

Why this fiscal note differs from previous version (if initial version, please note as such)

Prepared by Johanna Bales, Deputy Director  
 Division Tax Division  
 Approved by Ginger Blaisdell, Director Administrative Services Division  
Department of Revenue

Phone 907-269-6628  
 Date/Time 3/29/11; 12:50pm  
 Date 3/29/11; 1:06pm

FISCAL NOTE #5

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

BILL NO. CSHB 104(FIN)

**Analysis**

Bill Language:

This bill expands the existing education credit allowed against the corporate income tax to include contributions made to the newly created AlaskAdvantage Education Grant and Alaska Performance Scholarship Fund under AS 37.14.750.

Revenues:

This bill does not increase or decrease the amount of total education credits allowed against corporate income tax. It merely identifies an additional class of contributions that can qualify for the credit. Therefore, this bill has no affect on state revenues.

Expenditures:

The department can implement the provisions of this bill with existing resources.

# FISCAL NOTE

**STATE OF ALASKA**  
**2011 LEGISLATIVE SESSION**

Fiscal Note Number 6  
 Bill Version CSHB 104(FIN)  
 (H) Publish Date 4/12/11

Identifier (file name) HB104CS(EDC)-EED-ACPE-03-23-11 Dept. Affected Education  
 Title An Act renaming the Alaska performance scholarship and... Appropriation ACPE  
 Allocation Program Administration & Operations  
 Sponsor House Rules Committee  
 Requester (H)FIN OMB Component Number 2990

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

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

	Appropriation Required	Information					
		FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>OPERATING EXPENDITURES</b>							
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants	*	*	*	*	*	*	*
Miscellaneous							
<b>TOTAL OPERATING</b>	*	*	*	*	*	*	*

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

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other (please identify)							
<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>	<b>0.0</b>

Estimate of any current year (FY2011) cost \_\_\_\_\_

**POSITIONS**

Full-time							
Part-time							
Temporary							

**Why this fiscal note differs from previous version (if initial version, please note as such)**

This committee substitute amends the original bill by, among other changes : 1) creating a potential fund source, award income account, and investment fund for the Alaska Advantage education grant (AEG) and Alaska performance scholarship (APS) programs; and, 2) creating a forward funding structure to provide for a phase out of funding for APS recipients who have already commenced their postsecondary education training prior to APS program wind-down. Following are estimates of the costs related to full funding of the AEG awards. Due to the uncertainty around the level of expenditure intended for these aid programs, full program cost estimates are included in the analysis but not shown in the expenditure and revenue tables above. The APS-related cost estimates are taken from the fiscal note adopted in 2010 to establish the statewide scholarship program.

Prepared by Diane Barrans, Executive Director  
 Division Alaska Commission on Postsecondary Education  
 Approved by Diane Barrans, Executive Director  
Alaska Commission on Postsecondary Education

Phone 465-6740  
 Date/Time 3/23/11 2:30 PM  
 Date 3/23/2011

FISCAL NOTE #6

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

BILL NO. CSHB 104(FIN)

**Analysis**

**AEG funding estimate:**

The following estimates are based upon the data for 2010-11 AEG applicants who were certified by a participating Alaska school as in an eligible enrollment status. Assuming an annual average grant award of \$1,452 for an applicant pool of 4,800 (pool size, 2009--2011), the annual cost for full (the amount that would be sufficient to fund otherwise eligible applicants in a year) AEG program funding would be \$6.9 million. This number is based upon the increased annual grant maximum passed into law by the Alaska Legislature in 2010; the annual maximum grant amount was increased from \$2,000 to \$3,000.

**Total combined costs of APS/AEG student aid components**

	APS merit	AEG	Total
FY12	\$8,221.9	\$6,969.6	\$15,191.5
FY13	\$14,389.3	\$6,969.6	\$21,358.9
FY14	\$18,502.0	\$6,969.6	\$25,471.6
FY15	\$20,556.6	\$6,969.6	\$27,526.2

Est. Annual AEG/APS

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wo 111

104

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Mischel  
4/14/11

AMENDMENT

# 1  
adopted

OFFERED IN THE HOUSE  
TO: CSHB 104(FIN)

- 1 Page 3, lines 9 - 23:
- 2 Delete all material.
- 3
- 4 Renumber the following bill sections accordingly.
- 5
- 6 Page 4, lines 9 - 13:
- 7 Delete all material.
- 8
- 9 Renumber the following bill sections accordingly.
- 10
- 11 Page 9, line 10:
- 12 Delete "Section 17"
- 13 Insert "Section 15"
- 14
- 15 Page 9, line 11:
- 16 Delete "sec. 8"
- 17 Insert "sec. 6"
- 18
- 19 Page 9, line 12:
- 20 Delete "sec. 8"
- 21 Insert "sec. 6"
- 22
- 23 Page 9, line 13:

1 Delete "Section 14"

2 Insert "Section 12"

3

4 Page 9, line 14:

5 Delete "secs. 19 - 21"

6 Insert "secs. 17 - 19"

**CS FOR HOUSE BILL NO. 104(RLS)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

**BY THE HOUSE RULES COMMITTEE**

**Offered:**

**Referred:**

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

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act renaming the Alaska performance scholarship and relating to the scholarship**  
 2 **and tax credits applicable to contributions to the scholarship; relating to**  
 3 **AlaskAdvantage education grant funding and to Alaska performance scholarship**  
 4 **funding; establishing an account and fund for those purposes; making conforming**  
 5 **amendments; and providing for an effective date."**

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

7 **\* Section 1.** AS 14.03.113, as enacted by sec. 1, ch. 14, SLA 2010, is amended to read:

8 **Sec. 14.03.113. District determination of scholarship eligibility.** A school  
 9 district shall determine whether a student who graduates from a high school in the  
 10 district is eligible for an award of an Alaska performance [MERIT SCHOLARSHIP  
 11 PROGRAM] scholarship under AS 14.43.810 - 14.43.849. If a student is eligible, the  
 12 district shall state in the student's permanent record the highest level of funding for  
 13 which the student is eligible. A district shall provide a student with an opportunity to

1 request that the district correct an error in the eligibility determination.

2 \* **Sec. 2.** AS 14.43.810, as enacted by sec. 5, ch. 14, SLA 2010, is amended to read:

3 **Sec. 14.43.810. Alaska performance [MERIT] scholarship program**  
 4 **established; regulations.** (a) The Alaska performance [MERIT] scholarship program  
 5 is established to provide scholarships for high school graduates who are Alaska  
 6 residents to attend a qualified postsecondary institution in the state.

7 (b) The department shall, in consultation with the commission, adopt  
 8 regulations necessary to implement the Alaska performance scholarship program.  
 9 The commission shall administer the daily operations of the Alaska performance  
 10 scholarship program and financing of the Alaska performance scholarship program,  
 11 including the procedures for applying for the scholarships, establishing standards for  
 12 and ensuring continuing compliance with programmatic standards, and requiring  
 13 students to apply for other nonloan financial aid, consistent with federal law.

14 \* **Sec. 3.** AS 14.43.820(a), as enacted by sec. 5, ch. 14, SLA 2010, is amended to read:

15 (a) Subject to appropriation, the commission shall award an Alaska  
 16 performance [MERIT SCHOLARSHIP PROGRAM] scholarship to an applicant who

17 (1) is a resident of the state as defined in AS 01.10.055;

18 (2) graduated or will graduate within six months from a high school in  
 19 the state;

20 (3) has completed a core academic curriculum in high school that  
 21 includes

22 (A) four years of mathematics, four years of language arts, four  
 23 years of science, and four years of social studies, one year of which may  
 24 include a foreign language, an Alaska Native language, fine arts, or cultural  
 25 heritage; or

26 (B) three years of mathematics, four years of language arts,  
 27 three years of science, four years of social studies, and two years of a foreign  
 28 language or an Alaska Native language;

29 (4) has a minimum grade-point average in high school of 2.5 or higher;  
 30 the department shall set by regulation minimum requirements based on a substantially  
 31 similar standard for districts that do not assign grades;

- 1 (5) has achieved a minimum score on a  
 2 (A) college entrance examination; or  
 3 (B) standardized examination designed to measure a student's  
 4 level of preparedness to make the transition to work, as selected by the  
 5 department; and  
 6 (6) is enrolled in good standing in a course of study at a qualified  
 7 postsecondary institution in this state that is intended to result in the award of a  
 8 certificate or degree.

9 \* **Sec. 4.** AS 14.43.825(a), as enacted by sec. 5, ch. 14, SLA 2010, is amended to read:

10 (a) The maximum annual awards for the Alaska performance [MERIT  
 11 SCHOLARSHIP PROGRAM] scholarships are as follows:

- 12 (1) the first award level is \$4,755 and requires a 3.5 grade-point  
 13 average or above and a very high minimum score on a college entrance examination;  
 14 (2) the second award level is \$3,566 and requires a 3.0 grade-point  
 15 average or above and a high minimum score on a college entrance examination;  
 16 (3) the third award level is \$2,378 and requires a 2.5 grade-point  
 17 average or above and a moderately high minimum score on a college entrance  
 18 examination.

19 \* **Sec. 5.** AS 14.43.825(f) is repealed and reenacted to read:

20 (f) Payment of a scholarship is subject to appropriation and the availability of  
 21 funds for expenditure under AS 37.14.750. If insufficient funds are appropriated or  
 22 available in a fiscal year to pay all eligible scholarships, the commission may not  
 23 award a scholarship to a new applicant, and the commission shall pay existing awards  
 24 on a pro rata basis for that fiscal year.

25 \* **Sec. 6.** AS 14.43.830, as enacted by sec. 5, ch. 14, SLA 2010, is amended to read:

26 **Sec. 14.43.830. Qualified postsecondary institutions.** (a) The following  
 27 institutions are qualified postsecondary institutions for purposes of awarding an  
 28 Alaska performance [MERIT SCHOLARSHIP PROGRAM] scholarship:

- 29 (1) a university or college physically located in the state that [IS]  
 30 (A) is authorized to operate in the state under AS 14.48.020 or  
 31 is exempt from authorization under AS 14.48.030(b)(1); [AND]

1 (B) is accredited by a regional accreditation association;

2 (C) has an advisory program established for incoming  
 3 students that provides counseling related to course selection, career  
 4 choice, and personal challenges; and

5 (D) provides courses and credits that can result in the  
 6 issuance of a degree or certificate available at the institution within a time  
 7 frame expected for that degree or certificate;

8 (2) a career and technical school program physically located in the  
 9 state that meets the standards established in (a)(1)(C) and (D) of this section and  
 10 that has been included on a list of certified career and technical school programs  
 11 received from the Department of Labor and Workforce Development; the commission  
 12 shall publish the list on or before June 30 of the year preceding enrollment.

13 (b) The Department of Labor and Workforce Development shall, in  
 14 consultation with the Department of Education and Early Development, adopt  
 15 regulations under AS 44.62 (Administrative Procedure Act) establishing criteria under  
 16 which the Department of Labor and Workforce Development shall certify career and  
 17 technical school programs in the state as eligible to participate in the Alaska  
 18 performance [MERIT] scholarship program.

19 \* **Sec. 7.** AS 14.43.849, as enacted by sec. 2, ch. 14, SLA 2010, is amended to read:

20 **Sec. 14.43.849. Definitions.** In AS 14.43.810 - 14.43.849, unless the context  
 21 requires otherwise,

22 (1) "department" means the Department of Education and Early  
 23 Development;

24 (2) "grade-point average" means the average of all grades on a four-  
 25 point scale, or five-point scale for advanced placement classes, obtained by the student  
 26 in high school;

27 (3) "high school" means a public or accredited secondary school in the  
 28 state and a home school program that is approved by the department;

29 (4) "program" means the Alaska performance [MERIT] scholarship  
 30 program established under AS 14.43.810 - 14.43.849;

31 (5) "school district" means a borough school district, a city school

1 district, a regional educational attendance area, and a state boarding school.

2 \* **Sec. 8.** AS 14.43 is amended by adding a new section to read:

3 **Sec. 14.43.915. AlaskAdvantage education grant and Alaska performance**  
 4 **scholarship award income account.** The AlaskAdvantage education grant and  
 5 Alaska performance scholarship award income account is created as an account in the  
 6 general fund. Money may be appropriated to the account from the AlaskAdvantage  
 7 education grant and Alaska performance scholarship fund under AS 37.14.750 and  
 8 from other sources. The commission may use the money in the account to pay grants  
 9 awarded under AS 14.43.400 - 14.43.420 and scholarships awarded to students under  
 10 AS 14.43.810 - 14.43.849. The amount determined under AS 37.14.750(c) each year  
 11 and deposited into the account is the maximum amount that may be used to pay grants  
 12 and scholarships for the immediately succeeding fiscal year.

13 \* **Sec. 9.** AS 14.45.130(a), as amended by sec. 7, ch. 14, SLA 2010, is amended to read:

14 (a) A religious or other private school that elects to comply with AS 14.45.100  
 15 - 14.45.130 shall maintain permanent student records reflecting immunizations,  
 16 physical examinations, standardized testing, academic achievement, courses taken at  
 17 the school, and level of eligibility for an Alaska **performance** [MERIT  
 18 SCHOLARSHIP PROGRAM] scholarship under AS 14.43.810 - 14.43.849.

19 \* **Sec. 10.** AS 37.14 is amended by adding a new section to read:

20 **Article 8A. AlaskAdvantage Education Grant and Alaska Performance Scholarship**  
 21 **Fund.**

22 **Sec. 37.14.750. AlaskAdvantage education grant and Alaska performance**  
 23 **scholarship fund established.** (a) The AlaskAdvantage education grant and Alaska  
 24 performance scholarship fund is established in the general fund for the purpose of  
 25 making grant payments under AS 14.43.400 - 14.43.420 and scholarship payments to  
 26 qualified postsecondary institutions for students under AS 14.43.810 - 14.43.849 by  
 27 appropriation to the income account established under AS 14.43.915. Money in the  
 28 fund does not lapse. The fund consists of

- 29 (1) money appropriated to the fund;  
 30 (2) income earned on investment of fund assets; and  
 31 (3) donations to the fund.

1 (b) The amount annually appropriated and deposited to the fund may not  
2 exceed the greater of

3 (1) \$40,000,000; or

4 (2) the amount that, when added to the fund balance on June 30 of the  
5 previous fiscal year, equals \$160,000,000.

6 (c) The balance in the AlaskAdvantage education grant and Alaska  
7 performance scholarship fund shall be determined on June 30 of each year. The  
8 department shall distribute one-third of that amount or \$40,000,000, whichever is less,  
9 for deposit into the account established in AS 14.43.915.

10 (d) Notwithstanding the limitation in (c) of this section, the legislature may  
11 appropriate any amount to the AlaskAdvantage education grant and Alaska  
12 performance scholarship fund. Nothing in this section creates a dedicated fund.

13 (e) In this section, unless the context requires otherwise, "fund" means the  
14 AlaskAdvantage education grant and Alaska performance scholarship fund established  
15 in (a) of this section.

16 \* **Sec. 11.** AS 43.20.014(a) is amended to read:

17 (a) A taxpayer is allowed a credit against the tax due under this chapter for  
18 cash contributions accepted **for**

19 (1) [FOR] direct instruction, research, and educational support  
20 purposes, including library and museum acquisitions, and contributions to endowment,  
21 by an Alaska university foundation or by a nonprofit, public or private, Alaska two-  
22 year or four-year college accredited by a regional accreditation association;

23 (2) [FOR] secondary school level vocational education courses,  
24 programs, and facilities by a school district in the state;

25 (3) [FOR] vocational education courses, programs, and facilities by a  
26 state-operated vocational technical education and training school; [AND]

27 (4) [FOR] a facility by a nonprofit, public or private, Alaska two-year  
28 or four-year college accredited by a regional accreditation association; **and**

29 **(5) the AlaskAdvantage grant and Alaska performance**  
30 **scholarship fund under AS 37.14.750(a).**

31 \* **Sec. 12.** AS 43.20.014(a), as amended by sec. 14, ch. 92, SLA 2010, is amended to read:

1 (a) A taxpayer is allowed a credit against the tax due under this chapter for  
2 cash contributions accepted

3 (1) for direct instruction, research, and educational support purposes,  
4 including library and museum acquisitions, and contributions to endowment, by an  
5 Alaska university foundation or by a nonprofit, public or private, Alaska two-year or  
6 four-year college accredited by a regional accreditation association;

7 (2) for secondary school level vocational education courses and  
8 programs by a school district in the state; [AND]

9 (3) by a state-operated vocational technical education and training  
10 school; and

11 (4) for the AlaskAdvantage grant and Alaska performance  
12 scholarship fund under AS 37.14.750(a).

13 \* **Sec. 13.** Section 8, ch. 14, SLA 2010, is amended to read:

14 TRANSITION: PERFORMANCE SCHOLARSHIP PROGRAM  
15 STANDARDS AND IMPLEMENTATION FOR INITIAL SCHOOL YEARS.  
16 Notwithstanding any contrary provision of this Act, the Department of Education and  
17 Early Development and the Department of Labor and Workforce Development, after  
18 consultation with the Alaska Commission on Postsecondary Education, may adopt  
19 regulations under AS 44.62 (Administrative Procedure Act) to implement their  
20 respective duties under the Alaska performance [MERIT] scholarship program  
21 established in AS 14.43.810, enacted by sec. 5 of this Act, so that a student

22 (1) may be eligible for the Alaska performance scholarship  
23 [PROGRAM] even though the student did not fully meet the required core academic  
24 curriculum for the school years beginning July 1, 2010, through June 30, 2014; and

25 (2) who graduated from high school in this state after January 1, 2011,  
26 and before July 1, 2011, and meets eligibility requirements for the Alaska  
27 performance scholarship program may apply for a scholarship on or after January 1,  
28 2011, for enrollment in a program of study beginning on or after July 1, 2011.

29 \* **Sec. 14.** The uncodified law of the State of Alaska is amended by adding a new section to  
30 read:

31 TRANSITION: ALASKADVANTAGE EDUCATION GRANT AND ALASKA

1 PERFORMANCE SCHOLARSHIP FUND BALANCE. Notwithstanding the \$40,000,000  
2 limit in AS 37.14.750(c), the following amounts may be substituted for that amount as  
3 follows for

4 (1) fiscal year 2012, \$20,000,000;

5 (2) fiscal year 2013, \$30,000,000.

6 \* **Sec. 15.** The uncodified law of the State of Alaska is amended by adding a new section to  
7 read:

8 TRANSITION: REGULATIONS. The Department of Education and Early  
9 Development, the Department of Labor and Workforce Development, the Department of  
10 Revenue, and the Alaska Commission on Postsecondary Education may adopt regulations  
11 necessary to implement changes made to their respective authorities by this Act. The  
12 regulations take effect under AS 44.62 (Administrative Procedure Act), but not before July 1,  
13 2011.

14 \* **Sec. 16.** The uncodified law of the State of Alaska is amended by adding a new section to  
15 read:

16 REVISOR'S INSTRUCTION. The revisor of statutes is instructed to change the

17 (1) heading of article 12 of AS 14.43 from "Alaska Merit Scholarship  
18 Program" to "Alaska Performance Scholarship Program";

19 (2) catch line for AS 14.43.820 from "Alaska merit scholarship program;  
20 eligibility" to "Alaska performance scholarship program; eligibility."

21 \* **Sec. 17.** Section 15 of this Act takes effect immediately under AS 01.10.070(c).

22 \* **Sec. 18.** AS 14.43.830(a)(1)(C) and (D), added by sec. 6 of this Act, and the amendment  
23 to AS 14.43.830(a)(2) made by sec. 6 of this Act take effect July 1, 2012.

24 \* **Sec. 19.** Section 12 of this Act takes effect January 1, 2014.

25 \* **Sec. 20.** Except as provided in secs. 17 - 19 of this Act, this Act takes effect July 1, 2011.

**HB**

**1 2 1**

<TARGET><BILL>HB 121</BILL><SUBJECT>HB  
121</SUBJECT><COMM>HRLS27</COMM></TARGET>

# FISCAL NOTE

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

Fiscal Note Number 1  
Bill Version HB 121  
(H) Publish Date 1/24/11

Identifier (file name) 1728-CCED-DED-01-13-11 Dept. Affected DCCED  
Title Economic Development Loans Appropriation Division of Economic Development  
Allocation Division of Economic Development  
Sponsor Rules Committee  
Requester Request of the Governor OMB Component Number 801

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

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

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>OPERATING EXPENDITURES</b>								
Personal Services	124.8		124.8	124.8	124.8	124.8	124.8	124.8
Travel	10.0		10.0	10.0	10.0	10.0	10.0	10.0
Contractual	28.4		28.4	28.4	28.4	28.4	28.4	28.4
Supplies	1.0		1.0	1.0	1.0	1.0	1.0	1.0
Equipment	4.8		0.5	0.5	0.5	0.5	0.5	0.5
Land & Structures								
Grants & Claims								
Miscellaneous								
<b>TOTAL OPERATING</b>	<b>169.0</b>	<b>0.0</b>	<b>164.7</b>	<b>164.7</b>	<b>164.7</b>	<b>164.7</b>	<b>164.7</b>	<b>164.7</b>

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

1002 Federal Receipts								
1003 GF Match								
1004 GF	11,669.0							
Micro-Loan Fund (RLF) (New)	(3,500.0)							
Com Charter Fisheries Fund RLF (New)	(5,000.0)							
Shellfish Mariculture RLF (New)	(3,000.0)							
<b>TOTAL</b>	<b>169.0</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>0.0</b>

Estimate of any current year (FY2011) cost \_\_\_\_\_

**POSITIONS**

Full-time	2.0		2	2	2	2	2
Part-time							
Temporary							

Why this fiscal note differs from previous version

Prepared by Wanetta Ayers, Division Director  
Division Economic Development  
Approved by Susan K. Bell, Commissioner  
Commerce, Community & Economic Development

Phone 269-4048  
Date/Time 1/21/11 12:20 PM  
Date 1/21/2011

FISCAL NOTE #1

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

BILL NO. HB 121

**Analysis**

Commercial Charter Fisheries Revolving Loan Fund - Administered by the Division of Economic Development, this loan fund and program would be substantially similar to the Commercial Fishing Loan Fund. Initial capitalization would be \$5 million. Operating expenses would be paid by the earnings of the fund, as is the case with other existing division loan funds. The cost projections that are provided include personal services for an Accounting Technician I position, located in Juneau, with initial first year set-up expenses (supplies and equipment, a projected "per employee" annual contractual services cost with all of these costs projected through 2017. In addition to these expenses, existing division staff would conduct several outreach trips to promote the program and prepare the necessary regulations.

Shellfish Mariculture Revolving Loan Fund - This loan program will assist shellfish mariculture businesses in purchasing equipment and seed necessary to develop and grow. Initial capitalization would be \$3 million. There are no anticipated additional operating costs for this loan fund.

Alaska Micro-loan Revolving Loan Fund - This loan program would provide short term, low interest loans to Alaska small businesses to be used for typical business purposes such as working capital, purchasing machinery, equipment and inventory and leasehold improvements. The initial capitalization would be \$3.5 million. All operating expenses would be paid from earnings of the fund. Projected operating expenses are: personal services for one flexed Loan Closer I/II, located in Juneau, with initial first year set-up expenses (supplies and equipment), a projected "per employee" annual contractual services cost, with all of these costs projected through 2017. In addition to these expenses, existing division staff would conduct several outreach trips to promote the program and prepare the necessary regulations.

# FISCAL NOTE

**STATE OF ALASKA**  
**2011 LEGISLATIVE SESSION**

Fiscal Note Number 2  
 Bill Version CSHB 121(FSH)  
 (H) Publish Date 2/25/11

Identifier (file name) HB121-CCED-DED-02-03-11 Dept. Affected DCCED  
 Title Economic Development Loans Appropriation Economic Development  
 Allocation Economic Development  
 Sponsor Rules Committee  
 Requester House Fisheries OMB Component Number 801

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

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

	Appropriation	Information					
	Required	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>OPERATING EXPENDITURES</b>							
Personal Services	124.8	124.8	124.8	124.8	124.8	124.8	124.8
Travel	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Services	28.4	28.4	28.4	28.4	28.4	28.4	28.4
Commodities	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Capital Outlay	4.8	0.5	0.5	0.5	0.5	0.5	0.5
Grants							
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>169.0</b>	<b>0.0</b>	<b>164.7</b>	<b>164.7</b>	<b>164.7</b>	<b>164.7</b>	<b>164.7</b>

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

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1178 Micro-Loan Fund (RLF) (New)	84.5						
1178 Com Charter Fisheries Fund RLF (N	84.5						
Other (please identify)							
<b>TOTAL</b>	<b>169.0</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 (FY2011) cost \_\_\_\_\_

**POSITIONS**

Full-time	2.0		2	2	2	2	2
Part-time							
Temporary							

Why this fiscal note differs from previous version (if initial version, please note as such)

Prepared by Wanetta Ayers, Division Director  
 Division Economic Development  
 Approved by Susan K. Bell, Commissioner  
Commerce, Community and Economic Development

Phone 269-4048  
 Date/Time 2/8/11 8:30 AM  
 Date 2/8/2011

FISCAL NOTE #2

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

BILL NO. CSHB 121(FSH)

**Analysis**

Commercial Charter Fisheries Revolving Loan Fund - Operating expenses would be paid by the earnings of the fund, as is the case with other existing division loan funds. The cost projections that are provided include personal services for an Accounting Technician I position, with initial first year set-up expenses (supplies and equipment, a projected "per employee" annual contractual services cost with all of these costs projected through 2017. In addition to these expenses, existing division staff would conduct several outreach trips to promote the loan fund and prepare the necessary regulations.

Alaska Micro-loan Revolving Loan Fund - All operating expenses would be paid from earnings of the fund. Projected operating expenses are: personal services for one flexed Loan Closer I/II, with initial first year set-up expenses (supplies and equipment), a projected "per employee" annual contractual services cost, with all of these costs projected through 2017. In addition to these expenses, existing division staff would conduct several outreach trips to promote the loan fund and prepare the necessary regulations.

# FISCAL NOTE

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

Fiscal Note Number 3  
 Bill Version CSHB 121(FSH)  
 (H) Publish Date 2/25/11

Identifier (file name) HB121-CCED-DED-02-03-11 Dept. Affected Fund Transfer  
 Title Economic Development Loans Appropriation Op Sys DGF Transfers  
 Sponsor Rules Committee Allocation Micro-Loan Fund (RLF)  
 Requester House Fisheries OMB Component Number \_\_\_\_\_

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

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

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants								
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>0.0</b>	<b>0.0</b>

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

1002 Federal Receipts								
1003 GF Match								
1004 GF	3,500.0							
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other (please identify)								
<b>TOTAL</b>	<b>3,500.0</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>0.0</b>

Estimate of any current year (FY2011) cost \_\_\_\_\_

**POSITIONS**

Full-time								
Part-time								
Temporary								

Why this fiscal note differs from previous version (if initial version, please note as such)

Prepared by Wanetta Ayers, Division Director  
 Division Economic Development  
 Approved by Susan K. Bell, Commissioner  
Commerce, Community and Economic Development

Phone 269-4048  
 Date/Time 2/3/11 1:45 PM  
 Date 2/4/2011

FISCAL NOTE #3

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

BILL NO. CSHB 121(FSH)

**Analysis**

Alaska Micro-loan Revolving Loan Fund - This loan program would provide short term, low interest loans to Alaska small businesses to be used for typical business purposes such as working capital, purchasing machinery, equipment and inventory and leasehold improvements. The initial capitalization would be \$3.5 million.

# FISCAL NOTE

**STATE OF ALASKA**  
**2011 LEGISLATIVE SESSION**

Fiscal Note Number 4  
 Bill Version CSHB 121(FSH)  
 (H) Publish Date 2/25/11

Identifier (file name) HB121-CCED-DED-02-03-11 Dept. Affected Fund Transfer  
 Title Economic Development Loans Appropriation Op Sys DGF Transfers  
 Allocation Com Charter Fisheries (RLF)  
 Sponsor Rules Committee  
 Requester House Fisheries OMB Component Number \_\_\_\_\_

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

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

	Appropriation	Information					
	Required	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>OPERATING EXPENDITURES</b>	<b>FY 2012</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants							
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>0.0</b>

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

1002 Federal Receipts							
1003 GF Match							
1004 GF	5,000.0						
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other (please identify)							
<b>TOTAL</b>	<b>5,000.0</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 (FY2011) cost \_\_\_\_\_

**POSITIONS**

Full-time							
Part-time							
Temporary							

Why this fiscal note differs from previous version (if initial version, please note as such)

Prepared by Wanetta Ayers, Division Director  
 Division Economic Development  
 Approved by Susan K. Bell, Commissioner  
Commerce, Community and Economic Development

Phone 269-4048  
 Date/Time 2/8/11 8:35 AM  
 Date 2/8/2011

FISCAL NOTE #4

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

BILL NO. CSHB 121(FSH)

**Analysis**

Commercial Charter Fisheries Revolving Loan Fund - Administered by the Division of Economic Development, this loan fund would be substantially similar to the Commercial Fishing Loan Fund. Initial capitalization would be \$5 million.

# FISCAL NOTE

**STATE OF ALASKA**  
**2011 LEGISLATIVE SESSION**

Fiscal Note Number 5  
 Bill Version CSHB 121(FSH)  
 (H) Publish Date 2/25/11

Identifier (file name) HB121-CCED-DED-02-03-11 Dept. Affected Fund Transfer  
 Title Economic Development Loans Appropriation Op Sys DGF Transfers  
 Allocation Shellfish Mariculture (RLF)  
 Sponsor Rules Committee  
 Requester House Fisheries OMB Component Number \_\_\_\_\_

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

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

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants								
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>0.0</b>	<b>0.0</b>

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

1002 Federal Receipts								
1003 GF Match								
1004 GF	3,000.0							
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other (please identify)								
<b>TOTAL</b>	<b>3,000.0</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>0.0</b>

Estimate of any current year (FY2011) cost \_\_\_\_\_

**POSITIONS**

Full-time								
Part-time								
Temporary								

Why this fiscal note differs from previous version (if initial version, please note as such)

Prepared by Wanetta Ayers, Division Director  
 Division Economic Development  
 Approved by Susan K. Bell, Commissioner  
Commerce, Community and Economic Development

Phone 269-4048  
 Date/Time 2/8/11 8:30 AM  
 Date 2/8/2011

FISCAL NOTE #5

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

BILL NO. CSHB 121(FSH)

**Analysis**

Shellfish Mariculture Revolving Loan Fund - This loan fund will assist shellfish mariculture businesses in purchasing equipment and seed necessary to develop and grow. Initial capitalization would be \$3 million. There are no anticipated additional operating costs for this loan fund.

# FISCAL NOTE

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

Fiscal Note Number 6  
Bill Version CSHB 121(FIN)  
(H) Publish Date 4/5/11

Identifier (file name) HB121-CCED-DED-03-29-11 Dept. Affected DCCED  
Title Economic Development Loans Appropriation Economic Development  
Allocation Financing  
Sponsor Rules Committee  
Requester House Finance OMB Component Number 2743

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

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

	Appropriation Required	Information					
		FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>OPERATING EXPENDITURES</b>							
Personal Services	55.0		55.0	55.0	55.0	55.0	55.0
Travel	7.0		7.0	7.0	7.0	7.0	7.0
Services	13.1		9.4	9.4	9.4	9.4	9.4
Commodities	0.5		0.5	0.5	0.5	0.5	0.5
Capital Outlay	2.4		0.0	0.0	0.0	0.0	0.0
Grants							
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>78.0</b>	<b>0.0</b>	<b>71.9</b>	<b>71.9</b>	<b>71.9</b>	<b>71.9</b>	<b>71.9</b>

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

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1178 Micro-Loan Fund (RLF) (New)	5.3		3.5	3.5	3.5	3.5	3.5
1178 Com Charter Fisheries Fund RLF (New)	72.7		68.4	68.4	68.4	68.4	68.4
Other (please identify)							
<b>TOTAL</b>	<b>78.0</b>	<b>0.0</b>	<b>71.9</b>	<b>71.9</b>	<b>71.9</b>	<b>71.9</b>	<b>71.9</b>

Estimate of any current year (FY2011) cost \_\_\_\_\_

**POSITIONS**

Full-time	1	0	1	1	1	1	1
Part-time							
Temporary							

**Why this fiscal note differs from previous version (if initial version, please note as such)**

This fiscal note reduces operating expenditures and removes language in the Analysis Section to reflect the changes made by the House Finance CS.

Prepared by Wanetta Ayers, Division Director  
Division Economic Development  
Approved by Susan K. Bell, Commissioner  
Commerce, Community and Economic Development

Phone 269-4048  
Date/Time 3/29/11 3:30 PM  
Date 3/29/2011

FISCAL NOTE #6

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

BILL NO. CSHB 121(FIN)

**Analysis**

Commercial Charter Fisheries Revolving Loan Fund - The cost projections that are provided include existing division staff to conduct outreach trips to promote the loan fund and to prepare the necessary regulations. These operating expenses would be paid by the earnings of the fund, as is the case with other existing division loan funds.

Alaska Micro-loan Revolving Loan Fund - All operating expenses would be paid from earnings of the fund. Projected operating expenses are for personal services for one flexed Loan Closer I/II. The new position would be responsible for intake and set up of initial application, upfront due diligence verifications, data entry to the LOANS.net proprietary tracking and accounting system, production and finalization of security documents, lien recordation and perfection, and disbursement of loan proceeds. There would also be an initial first year set-up for expenses (supplies and equipment) and a projected "per employee" annual contractual services cost, with all of these costs projected through 2017.

# FISCAL NOTE

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

Fiscal Note Number 7  
Bill Version CSHB 121(FIN)  
(H) Publish Date 4/5/11

Identifier (file name) HB121-CCED-DED-03-25-11 Dept. Affected Fund Transfer  
Title Economic Development Loans Appropriation Op Sys DGF Transfers  
Sponsor Rules Committee Allocation Micro-Loan Fund (RLF)  
Requester House Finance OMB Component Number 255

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

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

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants								
Miscellaneous	2,500.0							
<b>TOTAL OPERATING</b>	<b>2,500.0</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>0.0</b>

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

1002 Federal Receipts								
1003 GF Match								
1004 GF	2,500.0							
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other (please identify)								
<b>TOTAL</b>	<b>2,500.0</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>0.0</b>

Estimate of any current year (FY2011) cost \_\_\_\_\_

**POSITIONS**

Full-time								
Part-time								
Temporary								

**Why this fiscal note differs from previous version (if initial version, please note as such)**

This fiscal note reduces capitalization to \$2.5 million.

Prepared by Wanetta Ayers, Division Director  
Division Economic Development  
Approved by Susan K. Bell, Commissioner  
Commerce, Community and Economic Development

Phone 269-4048  
Date/Time 3/25/11 6:30 PM  
Date 3/26/2011

FISCAL NOTE #7

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

BILL NO. CSHB 121(FIN)

**Analysis**

Alaska Micro-loan Revolving Loan Fund - This loan program would provide short term, low interest loans to Alaska small businesses to be used for typical business purposes such as working capital, purchasing machinery, equipment and inventory and leasehold improvements. The initial capitalization would be \$2.5 million.

The initial recommended capitalization of \$3.5 million anticipated the possibility of federal funds from the State Small Business Credit Initiative (SSBCI) created by the Small Business Jobs Act of 2010. It has been determined that the Alaska Micro-loan Revolving Loan Fund would not conform to the requirements of the SSBCI.

# FISCAL NOTE

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

Fiscal Note Number 8  
Bill Version CSHB 121(FIN)  
(H) Publish Date 4/5/11

Identifier (file name) HB121-CCED-DED-02-15-11 Dept. Affected Fund Transfer  
Title Economic Development Loans Appropriation Op Sys DGF Transfers  
Allocation Shellfish Mariculture (RLF)  
Sponsor Rules Committee  
Requester House Fisheries OMB Component Number 255

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

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

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants								
Miscellaneous	3,000.0							
<b>TOTAL OPERATING</b>	<b>3,000.0</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>0.0</b>

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

1002 Federal Receipts								
1003 GF Match								
1004 GF	3,000.0							
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other (please identify)								
<b>TOTAL</b>	<b>3,000.0</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>0.0</b>

Estimate of any current year (FY2011) cost \_\_\_\_\_

**POSITIONS**

Full-time								
Part-time								
Temporary								

**Why this fiscal note differs from previous version (if initial version, please note as such)**

This fiscal note fixes a technical error in the operating expenditures column so it can be entered into the new system correctly.

Prepared by Wanetta Ayers, Division Director  
Division Economic Development  
Approved by Susan K. Bell, Commissioner  
Commerce, Community and Economic Development

Phone 269-4048  
Date/Time 2/15/11 9:00 AM  
Date 2/15/2011

FISCAL NOTE #8

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

BILL NO. CSHB 121(FIN)

**Analysis**

Shellfish Mariculture Revolving Loan Fund - This loan fund will assist shellfish mariculture businesses in purchasing equipment and seed necessary to develop and grow. Initial capitalization would be \$3 million. There are no anticipated additional operating costs for this loan fund.

# FISCAL NOTE

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

Fiscal Note Number 9  
Bill Version CSHB 121(FIN)  
(H) Publish Date 4/5/11

Identifier (file name) HB121-CCED-DED-04-04-11 Dept. Affected Fund Transfer  
Title Economic Development Loans Appropriation Op Sys DGF Transfers  
Allocation Com Charter Fisheries (RLF)  
Sponsor Representative Kurt Olson  
Requester House Finance Committee OMB Component Number 255

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

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

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous	9,000.0							
<b>TOTAL OPERATING</b>	<b>9,000.0</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>0.0</b>

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

1002 Federal Receipts								
1003 GF Match								
1004 GF	9,000.0							
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
<b>TOTAL</b>	<b>9,000.0</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>0.0</b>

Estimate of any current year (FY2011) cost \_\_\_\_\_

**POSITIONS**

Full-time								
Part-time								
Temporary								

**Why this fiscal note differs from previous version**

This fiscal note increases capitalization from \$3MM to \$9MM based on anticipated size and number of loans.

Prepared by Joe Michel  
Division House Finance Committee  
Approved by Rep. Bill Stoltze  
House Finance Committee Co-Chair

Phone 907-465-4958  
Date/Time 4/4/2011 4:00PM  
Date 4/4/2011

FISCAL NOTE #9

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

BILL NO. CSHB 121(FIN) \_\_\_\_\_

**Analysis**

Commercial Charter Fisheries Revolving Loan Fund -  
Administered by the Division of Economic Development, this loan fund would be substantially similar to the Commercial Fishing Loan Fund. Initial capitalization would be \$9 million.

OFFERED IN THE HOUSE

TO: HB 121 (FIN), 27-GH1728\X

A handwritten signature, possibly "D. J. ...", is enclosed within a hand-drawn oval shape in the upper right corner of the page.

CONCEPTUAL AMENDMENT 2:

Page 4, line 8, following "commissioner":

Insert "which may include collateral other than a charter halibut permit."

**HB**

**146**

<TARGET><BILL>HB 146</BILL><SUBJECT>HB  
146</SUBJECT><COMM>HRLS27</COMM></TARGET>

# Alaska State Legislature House of Representatives

*Interim*

North Pole Plaza Mall  
301 Santa Clause Lane Suite 3-B  
North Pole, AK 99705  
(907) 488.0847 - Phone  
(907) 488.4271 - Fax



*Session*

State Capitol  
Juneau, AK 99801  
Phone - (907) 465.4797  
Fax - (907) 465.3884

Rep.Tammie.Wilson@legis.state.ak.us

Representative Tammie Wilson

---

Date: 4-6-2011

To: Rep. Craig Johnson, Chairman, Rules Committee

Attn: Debra Higgins

From: Rep. Tammie Wilson

Re: CSHB 146 Amendment and Calendaring Request

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Please consider replacing CSHB 146(FIN) with CSHB 146(RES); CSHB 146(RES) is the vetted version that is approved by all affected parties and resolves a longstanding constituent concern.

Upon substitution, I would appreciate calendaring at the Chair's earliest convenience.

Thank you for your consideration.

# FISCAL NOTE

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

Fiscal Note Number 1  
Bill Version CSHB 146(RES)  
(H) Publish Date 3/29/11

Identifier (file name) HB146-CCED-ARRC-2-25-11 Dept. Affected DCCED  
Title Land Transfer from State and Alaska Railroad Appropriation Alaska Railroad Corporation  
Allocation Alaska Railroad Corporation  
Sponsor Rep. Tammie Wilson  
Requester House Resources Committee OMB Component Number \_\_\_\_\_

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

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

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants								
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>0.0</b>

<b>CAPITAL EXPENDITURES</b>								
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<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>	<b>0.0</b>
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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 identify)								
<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>	<b>0.0</b>

Estimate of any current year (FY2011) cost 0.0

**POSITIONS**

Full-time								
Part-time								
Temporary								

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial Version

Prepared by Wendy Lindskoog  
Division Alaska Railroad Corporation  
Approved by Susan K. Bell, Commissioner  
Commerce, Community, and Regional Affairs

Phone 907-265-2498  
Date/Time 2/25/11 2:00 PM  
Date 3/18/2011

FISCAL NOTE #1

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

BILL NO. CSHB 146(RES)

**Analysis**

Congress repealed a Right-of-Way reversion provision in the Alaska Railroad Transfer Act Section 1209 in 2003. HB 146 reinstates the reversionary right in State law for the Eielson Branch of the Alaska Railroad system and will not have a foreseeable cost to the Alaska Railroad.

# FISCAL NOTE

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

Fiscal Note Number 2  
Bill Version CSHB 146(RES)  
(H) Publish Date 3/29/11

Identifier (file name) HB146-DNR-LATD-03-20-11 Dept. Affected Natural Resources  
Title LAND TRANSFER FROM STATE AND ALASKA RR Appropriation Resource Development  
Allocation Land Acquisition & Title Defense  
Sponsor Rep. Wilson  
Requester House RES OMB Component Number 2459

## Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
		FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>OPERATING EXPENDITURES</b>							
Personal Services	0.0	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	0.0
Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commodities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants	0.0	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	0.0
<b>TOTAL OPERATING</b>				<b>*** INDETERMINATE ***</b>			

<b>CAPITAL EXPENDITURES</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>0.0</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>	<b>0.0</b>
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## FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other (please identify)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<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>	<b>0.0</b>

Estimate of any current year (FY2011) cost \_\_\_\_\_

## POSITIONS

Full-time	0	0	0	0	0	0	0
Part-time	0	0	0	0	0	0	0
Temporary	0	0	0	0	0	0	0

Why this fiscal note differs from previous version (if initial version, please note as such)

Not applicable, initial version

Prepared by Wyn Menefee, Acting Director  
Division Mining, Land & Water  
Approved by Daniel S. Sullivan  
Department of Natural Resources

Phone 269-8501  
Date/Time 3/20/11 1:00 PM  
Date 3/20/2011

**Analysis**

HB 146 creates a mechanism whereby, if the State of Alaska (SOA) and the Alaska Railroad Corporation (ARRC) discontinue use of the right-of-way (ROW) along the Alaska Railroad Corporation's Eielson Spur Line, the interest of the State of Alaska and the Alaska Railroad Corporation in the land within the ROW would revert to the abutting landowners. Under Section 2 of the bill, the reversion would only occur if (1) the governor issues a notice of discontinuance or (2) the SOA and the ARRC have made no use of the ROW for transportation, communication, or transmission purposes for 18 years.

Assuming neither condition is met, there would be no fiscal impact to the Department of Natural Resources. However, if either condition were met, determining (1) how the 98 property owners along the Eielson Spur line would be affected and (2) processing any resulting land disposals would require a significant effort by the state, possibly including surveys, title reports, appraisals, conveyances, hazardous materials reviews, and public notice, comment, and best-interest findings processes.

At a minimum, one new position (Natural Resource Specialist II (range 16) for 9 months at \$83,300/year = \$62,470) would be required to determine identities and contact addresses for the owners of the 98 properties along the ROW, review title history and conveyance documents for these properties, determine whether there exists a reversionary interest in each of the properties and whether surveys are sufficient to describe the properties affected, and prepare title reports. Depending upon the outcome of this initial work, there could be additional surveys, title reports, appraisals, conveyances, hazardous materials reviews, and public notice, comment, and best-interest findings processes. Estimating costs associated with this additional work is difficult, but could range from \$100,000 to \$150,000.

Because the fiscal impact to the Department is contingent upon the conditions outlined in Section 2 of the bill being met or not met, and because the total amount of work required if one of those conditions were met would be contingent upon what was discovered in initial assessment work, the fiscal impact to the Department is indeterminate.

**Alaska State Legislature**  
**House of Representatives**  
Representative Tammie Wilson

*Interim*  
301 Santa Clause Lane  
North Pole, AK 99705  
(907) 488.0857 - Phone  
(907) 488.4271 - Fax



*Session*  
State Capitol  
Juneau, AK 99801  
Phone - (907) 465.4797  
Fax - (907) 465.3884

Rep.Tammie.Wilson@legis.state.ak.us

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**Sponsor Statement**

**House Bill 146 –27<sup>th</sup> Legislature**

In 2003, Alaska Railroad Corporation asked Congress to repeal reversionary sections (1208 & 1209) of the Alaska Railroad Transfer Act (ARTA).

**CSHB(Res) 146** reinstates the mechanism (per ARTA) for landowners along the Eielson spur to receive ownership of their property after the easement is no longer used.

The affected parties, ARRC and property owner, support this measure.

I appreciate the committee's consideration for this bill and request your support.



**ALASKA RAILROAD CORPORATION**  
**CHAIRMAN, BOARD OF DIRECTORS**  
**TELEPHONE: (907) 265-2403**  
**FACSIMILE: (907) 265-2312**

December 17, 2010

Bonne' Woldstad  
P.O. Box 56702  
North Pole, Alaska 99705

Dear Ms. Woldstad:

You have asked the Alaska Railroad Corporation (ARRC) Board of Directors to support your efforts to obtain legislation that would direct disposal of certain railroad right-of-way on the railroad's Eielson Branch. It is your desire to see railroad right-of-way conveyed to adjoining landowners if and when the ARRC relocates its rail operations to a different location. While relocation is not imminent, ARRC has for many years conducted studies and other activities preliminary to such an effort and recently received \$1 million in federal funds through FMATS to complete the required environmental assessment. This is a very positive step, but the schedule for moving the railroad remains uncertain due to lack of construction funding (more than \$50 million is needed).

In the past, you have provided considerable testimony to the Board regarding your family's property at approximate Milepost 15 of the Eielson Branch. You believe the repeal of the reversion provisions of the Alaska Railroad Transfer Act had an adverse effect on your land interest. This section provided for reversion of railroad right-of-way to adjacent landowners in the event the land ceased being used for transportation, communication, or transmission purposes. In 2000, ARRC had asked the Alaska Congressional delegation for help in light of title questions arising from our first rail realignments near Anchorage and Seward, as well as a couple of spur line locations that had been unused since transfer in 1985. The simplest solution was to repeal that language, and the repeal became effective on February 20, 2003.

We understand that you and your family were not aware of the repeal until 2006 when ARRC proposed to close the Ruby Crossing at MP 15.17 and you were researching all the pertinent legal and historical arguments related to a closure. Since then, you and other family members have met or talked with ARRC staff numerous times about your concerns.

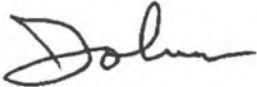
Both you and the Board have heard many times from railroad staff that the Eielson Branch was not a focus when the reversion repeal was sought. I can assure you it was not a factor for the Board during that effort. ARRC's General Counsel has taken the position that the legal effect, if any, of the repeal on the underlying title claims of

Ms. Bonne' Woldstad  
December 17, 2010  
Page 2 of 2

landowners along the Eielson Branch is not ripe for decision. Unless and until the right-of-way ceases to be used by the State for transportation, communication, or transmission purposes (which is broader than railroad purposes), the ARRC believes no vested claims would have been affected. However, we are not opposed to waiving a statute of limitations defense, so as to preserve any claim you currently have from this point forward if your legislative efforts are not successful. Our attorneys are still researching how this might be accomplished.

Equally important, I'd like to assure you that ARRC has no interest in retaining portions of the Eielson Branch right-of-way if rail operations are relocated elsewhere. ARRC is not the final decision-maker on use of this corridor because it is a State asset, not just a railroad one, under both the current law and the now-repealed reversion. Without other directions being given, we would turn jurisdiction of any vacated right-of-way over to the State. However, we will be happy to participate in any discussions with state officials on the subject. Further, we will not oppose your efforts to obtain a simple legislative direction regarding any future Eielson Branch relocation. Given that relocation is still many years down the road, there should be ample time for legislative and administration officials to fashion a fair and reasonable outcome.

Very truly yours,



John Binkley, Chairman

## Basic Chronology

- March 12, 1914, Congress reserved to the United States a 200' right of way (ROW) for the construction of railroads, telegraph and telephone lines across all federally owned lands in Alaska.
- 1946: Carl Finell filed for his Alaskan homestead in the North Pole area.
- 1947: Utilizing the ROW granted by the 1914 Act, the United States constructed a railroad spur from Fairbanks to Satellite Field (Eielson Air Force Base) bisecting Carl Finell's homestead.
- 1949: Carl Finell received the federal patent to his homestead—the reservation for the railroad ROW was included in the patent.
- 1969: The remainder of the Finell homestead was purchased, including the property that the railroad crosses.
- 1980: The State of Alaska and federal government begin negotiating for the transfer of the Alaska Railroad to State ownership.
- 1983: Congress passed the Alaska Railroad Transfer Act (ARTA) authorizing the sale of the Alaska Railroad and its properties to the State. Section 1209 of ARTA provided that the railroad ROW transferred to the State would "revert" back to U.S. ownership if the State made no use of the ROW for transportation, communication, or transmission purposes for a continuous period of 18 years. Upon such reversion, the U.S. was then obligated to convey the unused ROW to adjacent landowners.
- 1985: The Alaska Railroad is transferred from federal ownership to State ownership.
- 2003: Congress repealed the ROW reversion provision in ARTA Section 1209.
- 2005/2006: While researching crossing closing issues, it was discovered that the ARTA ROW reversion provision had been repealed.

While the railroad has the right to cross their property along the Eielson spur, property owners contend they lost a contingent future property interest when Congress repealed the ARTA ROW reversion provision in 2003, and that it is only fair and equitable for the State to restore this reversionary right. HB 146 accomplishes this goal.

\* Chronology compiled by sponsor from corroborating notes between ARRC and constituent (Ms. Woldstad); final approved by both parties.

02/18/11

# HCR

# 4

<TARGET><BILL>HCR 4</BILL><SUBJECT>HCR  
4</SUBJECT><COMM>HRLS27</COMM></TARGET>

# FISCAL NOTE

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

Fiscal Note Number 1  
Bill Version HCR 4  
(H) Publish Date 2/9/2011

Identifier (file name) \_\_\_\_\_ Dept. Affected \_\_\_\_\_  
Title Uniform Rules; Mason's Manual Appropriation \_\_\_\_\_  
Allocation \_\_\_\_\_  
Sponsor House Rules Committee  
Requester House Rules Committee OMB Component Number \_\_\_\_\_

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

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

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants								
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>0.0</b>

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

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other (please identify)								
<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>	<b>0.0</b>

Estimate of any current year (FY2011) cost \_\_\_\_\_

**POSITIONS**

Full-time								
Part-time								
Temporary								

Why this fiscal note differs from previous version (if initial version, please note as such)

Not applicable - initial version

Prepared by Debra Higgins  
Division House Rules Committee  
Approved by Representative Craig Johnson  
Chair

Phone 465-3764  
Date/Time \_\_\_\_\_  
Date 2/8/2011

FISCAL NOTE #1

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

BILL NO. HCR 4

**Analysis**

No fiscal impact.

# 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

State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

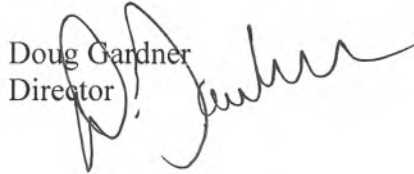
## MEMORANDUM

March 15, 2011

**SUBJECT:** Correction to February 23, 2011 Memorandum

**TO:** Representative Craig Johnson  
Chair of the House Rules Committee

**FROM:** Doug Gardner  
Director



In my memorandum of February 23, 2011, regarding adoption of *Mason's Manual of Legislative Procedures*, 2010 Edition, page 3, at the conclusion of the second paragraph, I wrote, "In addition I note that the 2010 *Mason's* does not include the citation to *Stanford* in Section 504, or in any remaining sections." I note that this is incorrect. The 2010 *Mason's* editors retained the quotation to *Stanford* in other sections. However, the 2010 *Mason's* editors limited reliance on *Stanford* by eliminating Section 504(2) from the 2000 *Mason's*, where the citation to *Stanford* was the only case supporting 2000 *Mason's* Section 504(2). Please attach this memorandum to my prior memorandum of February 23, 2011, to clarify this error.

DDG:plm  
11-150.plm




# ALASKA STATE LEGISLATURE HOUSE RULES COMMITTEE

**REPRESENTATIVE CRAIG JOHNSON, CHAIRMAN**

State Capitol Room 216, Juneau, AK 99801-1182 (907) 465-4993, (907) 465-3872 Fax  
716 W. 4<sup>th</sup> Ave., Ste. 640, Anchorage, AK 99501 (907) 269-0200, (907) 269-0204 Fax

## MEMORANDUM

TO: All House Members

FROM: Representative Craig Johnson  
Chair, House Rules Committee 

DATE: March 9, 2011

RE: Response to Rep. Gruenberg Regarding HCR 4 - Uniform Rules; 2010 Mason's Manual

---

Attached please find a legal opinion from Doug Gardner, Director of Legislative Legal Services responding to the Masons' Manual issues that Representative Gruenberg raised in his February 9th memo, which is also attached.

Mr. Gardner's opinion and conclusions are consistent with advice I had previously been given by staff regarding the issues that were raised. Given the importance of the issue, however, I wanted to make sure we had an opinion from Legislative Legal before proceeding with adoption of the 2010 edition.

I believe the issues Representative Gruenberg raised have been adequately addressed in Mr. Gardner's memo and I intend to schedule HCR 4 for the floor again in the near future.

Attachments



## ALASKA STATE LEGISLATURE HOUSE RULES COMMITTEE

**REPRESENTATIVE CRAIG JOHNSON, CHAIRMAN**

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716 W. 4<sup>th</sup> Ave., Ste. 640, Anchorage, AK 99501 (907) 269-0200, (907) 269-0204 Fax

### MEMORANDUM

TO: Representative Max Gruenberg

CC: Mike Chenault,  
Speaker of the House

Senator Johnny Ellis  
Chairman, Senate Rules Committee

FROM: Representative Craig Johnson  
Chairman, House Rules Committee *CJ*

DATE: February 23, 2011

RE: HCR 4 - Uniform Rules; 2010 Mason's Manual

---

Attached please find a legal opinion from Doug Gardner, Director of Legislative Legal Services regarding the Masons' Manual issues you raised in your 2/09/11 memo. Mr. Gardner's opinion and conclusions are consistent with advice I had previously been given by staff regarding the issues you raised. Given the importance of the issue, however, I wanted to make sure we had an opinion from Leg. Legal before proceeding with adoption of the 2010 edition.

Please review the Gardner memo and contact me as soon as possible if you have additional concerns. I believe the issues you raised have been adequately addressed in Mr. Gardner's memo and I intend to schedule HCR 4 for the floor again in the near future.

Thank you for your input Max. As always, you bring a unique expertise and perspective to the legislative process that often contributes in a significant way.

Attachment

# 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

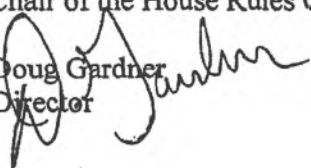
State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

February 23, 2011

**SUBJECT:** Legal opinion regarding proposed adoption of *Mason's Manual of Legislative Procedures*, 2010 Edition

**TO:** Representative Craig Johnson  
Chair of the House Rules Committee

**FROM:** Doug Gardner  
Director 

You asked for a review of a memorandum dated February 9, 2011, from Representative Gruenberg to the House Rules Committee. In his memorandum, Representative Gruenberg identified six sections of *Mason's Manual on Legislative Procedure* ("*Mason's*"). Two of the sections identified (Sec. 631 and Sec. 739(4)) by Representative Gruenberg were described as favorable additions or clarifications. However, four of the sections (Secs. 502(1), 504(2), 740(4), and 802(5)) were identified in Representative Gruenberg's memorandum as areas of concern, either due to their elimination from the 2010 *Mason's*, or due to amendment. This memorandum will focus on the four sections that Representative Gruenberg identified as sections of concern.

### Section 502

Section 502(1) was eliminated in the 2010 *Mason's*. Section 502(1) in the 2000 *Mason's* provided:

1. Ordinarily, a "quorum" means a majority of all entitled to vote.

While *Mason's* does not provide a discussion of why this section was eliminated, it appears some of the answer may come from reading 2010 *Mason's*, Section 500(2). 2010 *Mason's*, Section 500(2) provides:

500(2). The majority of the membership of a body constituted of a definite number of members constitutes a quorum for the purpose of transacting business.

It appears that an argument can be made that the 2000 *Mason's* Section 502(1) is redundant. The 2010 *Mason's* Section 500(1) is consistent with the requirements of article II, section 12 of the Alaska Constitution which provides in relevant part that "[a] majority of the membership of each house constitutes a quorum to do business . . . ." The point at which a member is no longer entitled to vote, would seem to be when a member

is no longer a member of either the house or senate. So, focusing on membership, rather than a voting right, suggests that the deleted Section 502(1) from the 2000 *Mason's* is a deletion that would have little, if any relevance, in determining a quorum based on article II, section 12 of the Alaska Constitution, and Section 500(1) of the 2010 *Mason's* which is consistent with the constitution.<sup>1</sup>

#### Section 504(2)

The deletion of the 2000 *Mason's* Section 504(2) from the 2010 *Mason's* appears to have been based on a review of the lone case from the 2000 *Mason's* that supported the following proposition:

Where a roll call shows that there was a quorum for the transaction of business, but the roll call on a particular proposition discloses that less than a quorum voted, it will not be presumed that a quorum was not present at the time the vote was taken. When it appears that a quorum is present, and it does not appear from the records that a recess has taken place, it will be presumed that a quorum continued to be present.

2000 *Mason's* cites to *State ex rel. Stanford v. Ellington*, 23 S.E. 250 (N.C. 1895), as support for the above quoted proposition. I pulled this case and read it. A fair reading of the case suggests that it stands for the principle that there is a presumption of a quorum until it appears there is no quorum. However, in *Stanford*, the court found that the presumption of a quorum for a prior vote in the favor of the plaintiff being elected by the North Carolina Legislature as state librarian was unsupported by the court's review of the voting record. *Id.* at 251. In short, the court concluded that when the vote was taken there may have been a quorum present with some members not voting, which could explain the lower number of votes than necessary to confirm the presence of a quorum. The *Stanford* court concluded that it was beyond the ability for the court to ascertain the

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<sup>1</sup> I also note that in the 2000 *Mason's*, there was only one case cited to support the proposition cited in Section 502(1), which is *Bedford County Hospital v. Bedford County*, 304 S.W.2d 697 (Tenn. App. 1957). The *Bedford County* case was not a case involving a legislative quorum, but rather a quorum for purposes of corporate law. I note that the *Bedford County* case, relying on the quorum discussion in 74 *Corpus Juris Secundum*, p. 171 (which I believe was a reference to the present version of 19 *Corpus Juris Secundum* Corporations §523 (Quorum), was probably an oversight by the 2000 *Mason's*. It may be that the 2010 *Mason's* editors thought that a reference to corporate law was inapposite, as 81A *Corpus Juris Secundum* States §82 (Quorum) may have been a more appropriate authority as applied to a legislative quorum. In addition, 81A *Corpus Juris Secundum* States §82 recites the authority that "generally, a majority of members of a legislative body will constitute a quorum, in the absence of a constitutional provision fixing the number." In short, the 2010 *Mason's* editors probably chose the opportunity to remove reference to the 2000 *Mason's* Section 502(1), because it was a corporate law reference, and as a consequence may not have been regarded by the editors as "on-point" for analyzing legislative quorum issues.

presence of a quorum based on the record. *Id.* The court was unwilling to speculate that there really may have been a quorum based on an abstention by a voting member, etc., which was not recorded. Accordingly, the court fell back on the proposition that a quorum is defined as "a majority of all members," and the court went on to invalidate the vote based on the votes recorded. *Id.* at 251-252.

The 2010 *Mason's* editors may have come to the conclusion, based on a review of *Stanford*, that a presumption of a quorum from a policy standpoint may create a risk, and lead to a result where legislative action is taken by less than a quorum, and found invalid. In addition, after reading *Stanford*, it appears that a court is unlikely, based on a challenge to a legislative action, to affirm that action based on a presumption of a quorum, without concrete facts to rely on. A court is more likely to look at voting records, and if the court cannot confirm a quorum from those records, the court will fail to find a quorum and invalidate the vote. In addition, I note that the 2010 *Mason's* does not include the citation to *Stanford* in Section 504 or in any of the remaining sections.

**Section 740(4)**

2010 *Mason's*, Section 740(4) currently reads as follows:

When a bill has passed [BOTH BRANCHES OF] the legislature and has been signed by the appropriate officers and sent to the governor for approval, it has passed beyond the control of either house[.] **However it may be recalled.** [AND CANNOT BE RECALLED EXCEPT BY THE JOINT ACTION OF BOTH HOUSES.]

The concern expressed by Representative Gruenberg is that the 2010 *Mason's* Section 740(4), as set out above, deletes reference to the mechanism for recalling a bill once it has been sent to the governor. This language was likely deleted by the 2010 *Mason's* revisors based on the holding in *King v. Cuomo*, 613 N.E.2d 950, 952-54 (New York Court of Appeals 1993) (unless a state constitution contains a provision allowing the legislature to recall a bill sent to the governor, such practice is unconstitutional), and dicta in *De Asis v. Department of Motor Vehicles*, 112 Cal. App. 4th 593, 601 (2003) (court stated that the Constitution of the State of California does not prohibit retrieval of bill by legislature from governor, and since both parties acquiesced in the procedure, court didn't need to reach this issue; bill invalidated on other grounds). In short, any authority for the legislature to "retrieve" a bill from the governor must be provided for in a state's constitution, and if that authority exists, the current 2010 *Mason's* appears to simply acknowledge that process. In Alaska, I could find no such authority in the state constitution, so deleting this reference in the 2010 *Mason's* Section 740(4) should not present an issue for the Alaska Legislature.

Representative Craig Johnson  
February 23, 2011  
Page 4

**Section 802(5)**

The revisors of the 2010 *Mason's* chose to delete Section 802(5) which reads:

A subpoena for attendance of a witness is not vitiated as to the necessity of the attendance of a witness by the inclusion of illegal requirements for the production of documents.

A review of the 2010 *Mason's*, Section 802 suggests that the 2000 *Mason's* Section 802(5) may have been deleted due to the presence of remaining authority in the 2010 *Mason's* that: (1) allows the law of a jurisdiction to provide a criminal penalty for failure to obey a subpoena (Section 802(2)); (2) provides that a witness lawfully subpoenaed may be compelled to attendance (Section 802(5)); and (3) a witness disobeying a subpoena may be arrested and brought before the legislative body issuing the subpoena (Section 802(6) and 802(7)). The authority in the 2010 *Mason's* Section 802 is consistent with the powers that the Alaska Legislature has to compel attendance of a witness through subpoena power, and if necessary by arrest and detention. AS 24.25.010 - 24.25.080. A review of AS 24.25.010(c) suggests that a subpoena is valid if it states before whom the proceeding is held, is addressed to the witness, requires the attendance of the witness at a time and place certain, and is signed by the president or speaker as provided in AS 24.25.010(a), or by the committee chair with the concurrence of the president or the speaker, and the other provisions of AS 24.25.010 are satisfied.

Once a subpoena described above is personally served on the witness is achieved by AS 24.25.020, I do not see an argument that a witness is not required to appear based on the inclusion in a subpoena of a requirement that the witness bring books, papers or documents with them to the hearing, even if the subpoenaed documents are not subject to disclosure, etc. In fact, AS 24.25.030 makes clear that a witness who fails to appear in response to a lawfully issued and served subpoena, or fails to bring the requested documents, may be arrested and held in contempt. Reading the provisions of AS 24.25, in conjunction with the strong language of the 2010 *Mason's*, it would seem extremely unlikely that a witness seeking to avoid appearing in response to a subpoena duces tecum issued by the legislature would do so based on the inclusion of a request for documents in a subpoena that might otherwise be unenforceable.

DDG:med:plm  
11-018.med

# Alaska State Legislature

## House of Representatives



**Representative Max F. Gruenberg, Jr.**

**House District 20**

**Anchorage (Mountain View, Russian Jack, East Anchorage)**

**House Minority Floor Leader**

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716 W 4<sup>th</sup> Avenue, Rm 350  
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*Email:*  
Rep.Max.Gruenberg@legis.state.ak.us

*Member*

*Standing Committees:*

Judiciary

Rules

State Affairs

Transportation

TO: Members of the House

FROM: Rep. Max Gruenberg

DATE: February 9, 2011

RE: Changes in *Mason's Manual-2010 Edition*

\*\*\*\*\*

Having reviewed Suzi Lowell's February 3, 2011 memorandum to Tom Wright and the attached side by side comparison of the 2000 edition and the 2010 edition of *Mason's*, and having looked at the 2000 edition (I don't have a copy of the 2010 edition, so I am assuming that Suzi's recitation of its provisions is accurate), I'd offer the following comments.

Sec. 502-1, which is eliminated, I believe should be retained. It is important that the underlying core principle of a quorum means "a majority of all entitled to vote." I don't understand the reason for eliminating it.

Sec. 504-2, I believe, should be retained. It is important that, once a quorum has been established for the conduct of business that legislative day, and that the roll call for a particular proposition discloses that less than a quorum voted, it should not be presumed that a quorum was not present when the vote was taken. Similarly, when it appears that a quorum was present and it does not appear from the records that a recess had taken place, it should be presumed that a quorum continued to be present. Both of these presumptions are, of course, rebuttable. These principles would be important to a reviewing court, should the legality of the measure's passage ever be litigated subsequently.

Sec. 631 (new) is extremely important and might well be cited by a court. When *Mason's* states that a witness is not limited in the scope of the testimony offered in a legislative hearing then presumably unless the presiding officer limits the testimony the witness' is free to testify freely and, more importantly, that testimony "is privileged." *Mason's* is an extremely important authoritative source, should the witness ever be sued or other legal action taken. Witnesses should be entitled to very broad constitutionally and procedurally protected free speech in the course of legislative proceedings. This was a good addition to the 2010 edition.

Sec. 739-4, new language in the 2010 edition, provides that a court can order a presiding officer to sign legislation duly passed by the body, contrary to the 2000 edition. This is important if a presiding officer refuses to do so. A presiding officer has no right to “pocket veto” legislation duly passed by the body. The 2010 edition makes this important principle clear.

Sec. 740-4. The 2000 edition provides that, when a bill has passed both houses, it is beyond the control of either house “and cannot be recalled except by the joint action of both houses.” The 2010 edition provides simply that it “may be recalled.” It does not say how—does the recall require joint action of both houses, or just one? I think it is important to state exactly how the matter can be “recalled.” If we adopt the 2010 version we should amend the uniform rules to specify whether the recall should be by one house or by joint action of both houses.

Sec. 802-5. The 2000 edition provides that a subpoena for the attendance of a witness is not vitiated (nullified) as to the witness’ attendance simply by the inclusion in the subpoena of illegal requirements for the production of documents. In other words, if a court determines that it is beyond the scope of the authority of the legislature to compel the production of certain documents, the subpoena is still valid to compel the attendance of the witness herself. The 2010 edition strikes this provision entirely. It is important that the statute governing legislative subpoenas be amended to include this requirement, if we adopt the 2010 edition. (See AS 24.25.010-.040)



# ALASKA STATE LEGISLATURE HOUSE RULES COMMITTEE

**REPRESENTATIVE CRAIG JOHNSON, CHAIRMAN**

State Capitol Room 216, Juneau, AK 99801-1182 (907) 465-4993, (907) 465-3872 Fax  
716 W. 4<sup>th</sup> Ave., Ste. 640, Anchorage, AK 99501 (907) 269-0200, (907) 269-0204 Fax

## MEMORANDUM

TO: House Members

FROM: Representative Craig Johnson  
Chairman, House Rules Committee

DATE: February 4, 2011

RE: HCR 4 - Uniform Rules; 2010 Mason's Manual

---

HCR 4 proposes amending the Uniform Rules of the Alaska State Legislature to adopt the 2010 edition of "Mason's Manual of Legislative Procedure." Under HCR 4, the changes would take effect July 1, 2011.

It is my expectation that HCR 4 will be scheduled on the calendar in the near future. In preparation for that, attached for your reference is a side by side comparison of the changes between the 2000 and 2010 editions prepared by the Chief Clerk's office.

If you have any questions, please contact Debbie Higgins in my office at 465-3764.

**HOUSE CONCURRENT RESOLUTION NO. 4**  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE RULES COMMITTEE

Introduced: 2/4/11  
Referred:

**A RESOLUTION**

1 **Proposing amendments to the Uniform Rules of the Alaska State Legislature providing**  
2 **that the 2010 edition of "Mason's Manual of Legislative Procedure" shall implement the**  
3 **rules; and providing for an effective date for the amendments.**

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

5 \* **Section 1.** Rule 4, Uniform Rules of the Alaska State Legislature, is amended to read:

6 **Rule 4. Duties of the Presiding Officer.** The presiding officer of each house  
7 has the duties set forth in Section 575, MASON'S MANUAL OF LEGISLATIVE  
8 PROCEDURE, **2010** [2000] edition, when not inconsistent with these Uniform Rules.  
9 In the absence of the regular presiding officer, the majority leader of the house serving  
10 ex officio as presiding officer pro tempore shall preside; except that the regular  
11 presiding officer may temporarily relinquish the chair to any member.

12 \* **Sec. 2.** Rule 26, Uniform Rules of the Alaska State Legislature, is amended to read:

13 **Rule 26. Decorum in Debate.** Decorum in debate is governed by the  
14 provisions of Sections 120 through 126, MASON'S MANUAL OF LEGISLATIVE  
15 PROCEDURE, **2010** [2000] edition, when not inconsistent with these Uniform Rules.

1 \* **Sec. 3.** Rule 55(a), Uniform Rules of the Alaska State Legislature, is amended to read:

2 (a) The rules of parliamentary practice comprised in MASON'S MANUAL  
3 OF LEGISLATIVE PROCEDURE, 2010 [2000] edition, implement and govern the  
4 Uniform Rules of the Legislature in all cases not covered by these Uniform Rules.

5 \* **Sec. 4.** This amendments proposed by this resolution take effect July 1, 2011.



Official Business

# Alaska State Legislature

House of Representatives

Office of the Chief Clerk

Thomas B. Stewart Legislative  
Office Building, Room 202  
Juneau, AK 99801-1182  
Phone: (907) 465-3725  
Fax: (907) 465-5334

## MEMORANDUM

TO: Tom Wright, Senior Staff to House Majority

FROM: Suzi Lowell, Chief Clerk *SL*

DATE: February 3, 2011

SUBJECT: *Mason's Manual of Legislative Procedure*

Last year NCSL and ASLCS published the 2010 edition of *Mason's Manual of Legislative Procedure* based on review from the Mason's Manual Commission. Butch Speer, Chair of the Mason's Manual Commission from 2006 - 2010, advised that the Commission examined all of the legal citations, correcting and updating them to insure accuracy. The Commission reviewed the major parliamentary authorities - Cushings, Reeds, Hughes, Jeffersons - to discover if there were issues discussed that were absent from Mason's; additions were made based on their findings. Inconsistencies within the Manual were corrected. The 2010 *Mason's Manual of Legislative Procedure* contains more extensive cross-referencing and an updated index.

My staff and I have done a side by side comparison between the 2000 version and the 2010 version of *Mason's Manual of Legislative Procedure*. The comparison may not include all of the grammatical cleanup.

Attached is a copy of the comparison.

Attachment as noted.

## Mason's Manual Comparison

### Changes between 2000 and 2010 Editions

	2000 Edition	2010 Edition
Section 3 Paragraph 3  Phrase change	If not <del>expressly or impliedly withheld</del> ,	If not <u>withheld expressly or by implication</u> ,
Section 6 Paragraph 1  Phrase change	<del>The constitutional rules of procedure are principally contained in the state constitutions.</del> These rules usually provide, among other things, that each house of the legislature shall determine the rules of its proceedings; that each house shall judge...	<u>Provisions in the constitutions of the states</u> usually provide, among other things, that each house of the legislature shall determine the rules of its proceedings; that each house shall judge...
Section 20 Paragraph 1  Word change	Rules of procedure <del>are sometimes</del> addressed by statutes.	Rules of procedure <u>may be</u> addressed by statutes.
Section 43 Paragraph 10  Word change	... <del>Federal</del> Constitution ...	... <u>U.S.</u> Constitution ...
Section 47 Paragraph 2  Sentence deleted	While the basic rules ...substantially different. <del>The more technical functions of public bodies require more technical rules and a more technical application of those rules.</del>	While the basic rules of parliamentary law are the same, the situations under which they are applied are substantially different.
Section 82 Paragraph 2  Word change	(k) Previous <del>questions</del>  (m) Amend an <del>undebatable</del> question.	(k) Previous <u>question</u> .  (m) Amend a <u>nondebatable</u> question.

	2000 Edition	2010 Edition
Section 85 Paragraph 1  Word change	<del>undebatable</del>	<u>nondebatable</u>
Section 93  New phrase		Under certain circumstances, <u>including sickness, injury or disability, and upon leave from the presiding officer,</u> a member ...
Section 110 Paragraph 1  New sentence		1. All debate ...to the members. <u>Every member has the same right as any other member to present questions for the consideration of the house and has the same right to be heard.</u>
Section 120  Equality of Members in Debate  New sentence		The rights and duties ...to all the rules of debate. <u>The language used by members during debate should be temperate, decorous and respectful.</u>
Section 121 Paragraph 2  New paragraph		Inserted new paragraph 2 and renumbered:  2. No person may indulge in personalities, impugn motives of members, use indecent or profane language, or participate in conduct that disrupts or disturbs the orderly proceedings of the body.

	2000 Edition	2010 Edition
<p>Section 122</p> <p>Procedure Under Call to Order</p> <p>New paragraph</p>		<p>Inserted new paragraphs 1 and 2 and renumbered:</p> <ol style="list-style-type: none"> <li>1. One of the most important duties of the presiding officer is to preserve order and decorum, by restraining members when engaged in debate within the rules of order and enforcing the rules without waiting to have the presiding officer's attention called to breaches of order.</li> <li>2. A member raising a point of order relating to disorderly words or conduct during debate should rise and address the presiding officer and say, "I rise to a point of order." The presiding officer should interrupt the proceedings. If a member is speaking, that person should immediately yield the floor, and the presiding officer should direct the member raising the point of order to state the point.</li> </ol>
<p>Section 123</p> <p>Paragraph 1</p> <p>Phrase change</p>	<p>1. No person may use <del>indecent language with reference to the body or its members.</del></p>	<p>1. No person may <u>indulge in personalities, impugn motives of members, or use indecent or profane language.</u></p>
<p>Section 146</p> <p>Paragraph 6</p> <p>Word change</p>	<p>6. <del>An</del> assembly may ....</p>	<p>6. <u>A legislative body</u> may ...</p>

	2000 Edition	2010 Edition
<p>Section 148</p> <p>Communications and Petitions</p> <p>New paragraph</p>		<p>Inserted new paragraphs 2, 3 and 4 and renumbered:</p> <p>2. A petition is a written document, addressed to the legislative body in which it is to be presented, containing a title or designation of the petitioner of the subject matter to be presented, statements upon which the petitioner substantiates a claim for desired action by the legislative body, the specific request, the prayer, in which the object of the petitioner is expressed and signed by the petitioner, embodying instructions, opinions or a request to a legislative body to exercise its authority with reference to any matter either of a public or private nature. A petition should be decorous and respectful toward the body to which it is addressed as well as its individual members.</p> <p>3. When the object of a petition is for the common interest or good or for the redress of some public grievance, it is a public petition. When the object of the petition requests action of a legislative body -- usually the passing a bill -- for the particular interest or benefit of any individual petitioner, company, corporation or political subdivision, it is a private petition.</p> <p>4. A petition is presented to the body by the petitioners themselves, by a member on behalf of the petitioners or by filing the petition in the office of the legislative clerk or secretary. When a communication or petition is received, it may be acted upon as any other business.</p>
<p>Section 195</p> <p>Paragraph 2</p> <p>Phrase change</p>	<p><del>bringing the member in</del></p>	<p><u>to bringing in the member</u></p>

	2000 Edition	2010 Edition
Section 226 Paragraph 3  Sentence change	...and without waiting to be recognized, say, "I rise to a <del>of privilege</del> -question of privilege of the house," or "I rise to a question of personal privilege." The presiding officer should then request the member to state the question	...and without waiting to be recognized, say, "I rise to a question of privilege of the house," or "I rise to a question of personal privilege." The presiding officer should then request the member to state the question <u>of privilege</u> .
Section 232 Paragraphs 2 and 5  Word change	<del>undebatable</del>	<u>not debatable</u>
Section 234  Vote on Appeal  Paragraph 3  New paragraph		Inserted new paragraph (taken from Section 514, paragraph 6):  3. When voting on an appeal, although the question is "Shall the decision of the president (or speaker or chair) stand as judgment of the senate (or house, or committee)," the presiding officer, who is a member, may vote, and a tie vote, even though the presiding officer's vote made it a tie, sustains the presiding officer upon the principle that the decision of the presiding officer can be reversed only by a majority.
Section 243  Word change	<del>arise</del>	<u>rise</u>
Section 262  Title change	<del>Making Up</del> the Calendar	<u>Preparation of</u> the Calendar

	2000 Edition	2010 Edition
Section 281  Title change	Right of <del>Public</del> Bodies to Suspend Rules	Right of <u>Legislative</u> Bodies to Suspend Rules
Section 281  Paragraphs deleted	<p>1. <del>The right to suspend rules depends on the nature of the body and the manner in which it acquired its powers.</del></p> <p>4. <del>A public body that has been given power and had duties imposed upon it is bound to exercise those powers and duties according to the conditions under which they were granted.</del></p> <p>6. <del>It has been held that public bodies can adopt rules, even by a majority vote, that cannot be suspended or amended without a two-thirds vote, but it is also held by the courts that actions, taken in violation of procedural rules of parliamentary law and of adopted rules, are valid nevertheless, since failure to conform to the rules of this class suspended them by implication.</del></p>	Renumbered paragraphs accordingly
Section 281 Paragraph 3 (formerly paragraph 5)  Word change	Provisions of the constitutions, charters or statutes that grant powers may provide how those powers may be used.	Provisions of the constitutions or statutes that grant powers may provide how those powers may be used.

	2000 Edition	2010 Edition
Section 284 Title change	Suspension of Rules by Implication	Suspension of <u>the</u> Rules by Implication
Section 285 Paragraph 3 Word change	When suspension of such <del>rules</del> is permitted the act must be taken in strict conformity with <del>the rules</del> .	When suspension of such <u>provisions</u> is permitted, the act must be taken in strict conformity with <u>that authority</u> .
Section 315 Paragraph 2 Word change	<del>secretary</del>	<u>chief legislative officer</u>
Section 330 Word change	<del>undebatable</del>	<u>nondebatable</u>

	2000 Edition	2010 Edition
<p>Section 337</p> <p>Effect of Laying Question on the Table</p> <p>Paragraph change</p>	<p>2. As sometimes used in legislative bodies under a special rule, a motion to lay on the table has the effect of final adverse disposition of the question. <del>When this use is permitted, it has the advantage to the mover, over the question to postpone indefinitely, that it is not debatable and has a higher order of precedence.</del></p> <p>4. The practice of the House of Representatives of the United States and some states regarding the use of motion to lay on the table is different from that of general parliamentary law. <del>In those bodies a motion to lay on the table is used only for the purpose of making a final unfavorable disposition of a matter.</del></p>	<p>Combined paragraphs 2 and 4 into paragraph 2 and renumbered:</p> <p>2. The practice of the House of Representatives of the United States and some states regarding the use of <u>the</u> motion to lay on the table is different from that of general parliamentary law. As sometimes used in <u>those</u> bodies under a special rule, a motion to lay on the table has the effect of final adverse disposition of the question.</p>
<p>Section 338</p> <p>Title change</p>	<p>Matters Adhering to Question When Laid on the Table</p>	<p>Matters Adhering to <u>Main</u> Question When Laid on the Table</p>
<p>Section 338</p> <p>Paragraph 2</p> <p>Sentence deleted</p>	<p><del>A motion to amend can be laid on the table by itself without carrying the main motion with it.</del></p>	

	2000 Edition	2010 Edition
<p>Section 345</p> <p>Use of the Previous Question</p> <p>Paragraph 3</p> <p>New paragraph</p>		<p>Inserted new paragraph 3 and renumbered:</p> <p>3. The previous question may be demanded and ordered upon a single motion, a series of motions allowable under the rules, or an amendment or amendments or be made to embrace all authorized motions or amendments.</p>
<p>Section 349</p> <p>Paragraph 1</p> <p>Word change</p>	<u>undebatable</u>	<u>not debatable</u>
<p>Section 351</p> <p>Effect of the Previous Question</p> <p>Paragraph 3</p> <p>New paragraph</p>		<p>Inserted new paragraph 3 and renumbered:</p> <p>3. Whenever the house votes in the negative on a motion for the previous question, the consideration of the subject is resumed as if the motion for the previous question had never been made.</p>
<p>Section 351</p> <p>Paragraph 4 (formerly paragraph 3)</p> <p>Word change</p>	<u>undebatable</u>	<u>not debatable</u>

	2000 Edition	2010 Edition
Section 355 Word change	...and <del>which</del> are subject to the same rules...	...and are subject to the same rules...
Section 358 Paragraph 1 Word change	<del>undebatable</del>	<u>not debatable</u>
Section 382(c) Phrase change	<del>If the bill may be reported back by the committee to which it was referred with the recommendation that it be re-referred to the appropriate committee.</del>	<u>Upon report from</u> the committee to which it was referred with the recommendation that it be re-referred to the appropriate committee.
Section 385 Word change	...is reached on calendar and is before the house.	...is reached on <u>the</u> calendar and is before the house.
Section 387 Paragraph 3 Sentence change	<del>If adopted, they will carry with them the question or measure to which the amendments were proposed.</del>	...; if this <u>motion is</u> adopted, <u>the referred amendments</u> will carry with them the question or measure to which the amendments were proposed.
Section 412 Title change	<del>Amendments</del> Striking Out and Inserting Words	<u>Amendment by</u> Striking Out and Inserting Words

	2000 Edition	2010 Edition
Section 415 Paragraph 1  Paragraph change	1. When the matter continued in two propositions might be better put into one, the proper procedure is to reject one and to incorporate its provisions into the other by amendment. When the provisions would be better distributed into propositions, any part of the bill may be struck out by amendment, and put into a new proposition. When a measure is being considered by sections, a substitute for the entire measure cannot be moved until the sections have all been considered and the presiding officer has announced that the proposition is open to amendment. Even though an entire measure is substituted for another, it is necessary afterwards to vote on adopting the measure. Substitution is only a form of amendment and may be used, as long as germane, whenever amendments are in order.	Divided paragraph 1 into two paragraphs and renumbered.  Last sentence of paragraph 1 became first sentence of new paragraph 2.  1. When the matter continued in two propositions might be better put into one, the proper procedure is to reject one and to incorporate its provisions into the other by amendment. When the provisions would be better distributed into propositions, any part of the bill may be struck out by amendment and put into a new proposition.  2. Substitution is only a form of amendment and may be used, as long as germane, whenever amendments are in order. When a measure is being considered by sections, a substitute for the entire measure cannot be moved until the sections have all been considered and the presiding officer has announced that the proposition is open to amendment. Even though an entire measure is substituted for another, it is necessary afterwards to vote on adopting the measure.
Section 416 Paragraph 5  Word change	...until one of the number to be selected receives a majority vote.	...until one of the numbers to be selected receives a majority vote.
Section 441 Paragraph 3  Word change	...are the motion to reconsider, to rescind and to take from the table.	...are the motions to reconsider, to rescind and to take from the table.

	2000 Edition	2010 Edition
Section 453 Election or Confirmation of Officers Paragraph 1 Sentence deleted	<del>The following are instances of court decisions involving the election or confirmation of officers.</del>	
Section 453 Paragraph 7 Phrase change	<del>provide specifically</del>	<u>specifically provide</u>
Section 461 Paragraph 3 Word change	<del>The rules frequently prohibit the making of a motion to reconsider on the last day of a legislative session.</del>	The rules frequently prohibit making a motion to reconsider on the last day of a legislative session.
Section 465 Form of Motion to Reconsider Paragraph 4 Word change	<del>...to call up for consideration a motion to reconsider, which was previously made, the member may...</del>	...to call up for consideration a motion to reconsider <u>that</u> was previously made <u>or noticed</u> , the member may...

	2000 Edition	2010 Edition
Section 467 Paragraph 5  Word change	minutes	<u>record</u>
Section 471 Paragraph 1  Word change	<del>undebatable</del>	<u>not debatable</u>
Section 481 Paragraph 1  Sentence deleted	<del>Instances that have been decided by the courts are stated below.</del>	
Section 490 Paragraph 1  Word/phrase change	<del>Deliberative</del> bodies make frequent use of motions <del>in conducting their business which</del> rank in the class of main motions.	<u>Legislative</u> bodies make frequent use of motions <u>that</u> rank in the class of main motions.
Section 491 Paragraph 3  Word change	<del>amendment</del>	<u>amend</u>
Section 492 Paragraph 6  Phrase change	It requires <del>for adoption</del> a majority of the legal votes cast.	It requires a majority of the legal votes cast <u>for adoption</u> .

	2000 Edition	2010 Edition
<p>Section 502</p> <p>Who May Be Counted in Determining a Quorum</p> <p>Paragraph deleted</p>	<p>1. <del>Ordinarily, a "quorum" means a majority of all entitled to vote.</del></p>	<p>Renumbered paragraphs accordingly</p>
<p>Section 502 Paragraph 1 (formerly paragraph 2)</p> <p>Word change</p>	<p>In determining a quorum, persons who are not, at the particular time, <del>regularly</del> qualified members of the body should not be counted.</p>	<p>In determining a quorum, persons who are not, at the particular time, qualified members of the body should not be counted.</p>
<p>Section 504</p> <p>Question of No Quorum</p> <p>Paragraph 1</p> <p>Phrase added</p>	<p>...or the lack of a quorum is disclosed by a vote.</p>	<p>...or the lack of a quorum is disclosed by a vote <u>as recorded in the journal.</u></p>
<p>Section 504 Paragraph 2</p> <p>Paragraph deleted</p>	<p><del>2. Where a roll call shows that there was a quorum for the transaction of business, but the roll call on a particular proposition discloses that less than a quorum voted, it will not be presumed that a quorum was not present at the time the vote was taken. When it appears that a quorum is present, and it does not appear from the records that a recess has taken place, it will be presumed that a quorum continued to be present.</del></p>	<p>Renumbered paragraphs accordingly</p>

	2000 Edition	2010 Edition
Section 510 Paragraph 1  Word change	...unless a larger vote is required by a constitution, <del>charter</del> , or controlling provision of law.	...unless a larger vote is required by a constitution or controlling provision of law.
Section 510 Paragraph 4  Word change	<del>an assembly</del>	<u>a legislative body</u>
Section 511 Paragraph 1  Word change	Where a constitution, <del>charter</del> , or controlling provision of law requires a majority vote...	Where a constitution or controlling provision of law requires a majority vote...
Section 512 Paragraph 1  Word change	When a two-thirds vote is required for any purpose by a constitution <del>or charter</del> or controlling provision of law...	When a two-thirds vote is required for any purpose by a constitution or controlling provision of law...
Section 512 Paragraph 4  Word change	Where a constitution, <del>charter</del> , or controlling provision of law requires a two-thirds vote...	Where a constitution or controlling provision of law requires a two-thirds vote...

	2000 Edition	2010 Edition
Section 514 When a Casting Vote Is in Order  Paragraph 3  Sentence change	<del>, but also gives that member a second vote as presiding officer in case of a tie.</del>	<u>On rare occasions, the casting vote has been given to a presiding officer who is a regular member who may first vote as a member and then may vote again to break a tie.</u>
Section 514 Paragraph 5  Phrase change	<del>When giving a casting vote, the presiding officer should definitely cast a vote.</del>	<u>Where the presiding officer gives a casting vote, the presiding officer should definitely cast a vote.</u>
Section 514 Paragraph 6  Paragraph moved	Moved to Section 234 (Vote on Appeal), paragraph 3:  <del>6. When voting on an appeal, although the question is "Shall the decision of the president (or speaker or chair) stand as judgment of the senate (or house, or committee)," the presiding officer, who is a member, may vote, and a tie vote, even though the presiding officer's vote made it a tie, sustains the presiding officer upon the principle that the decision of the presiding officer can be reversed only by a majority.</del>	

	2000 Edition	2010 Edition
<p>Section 517</p> <p>Action Must Be Within Power or Vote Is Ineffective</p> <p>Paragraph 1</p> <p>Word change</p>	<p><del>Constitution of the United States</del></p>	<p><u>U.S. Constitution</u></p>
<p>Section 517</p> <p>Paragraph 2</p> <p>Word change</p>	<p>2. <del>No</del> rule that conflicts with a rule of a higher order is <del>of any authority</del>. Thus, a legislative rule providing for the suspension, by general consent, of an article of the Constitution would be null and void.</p>	<p>2. <u>A</u> rule that conflicts with a rule of a higher order is <u>not valid</u>. Thus, a legislative rule providing for the suspension, by general consent, of an article of the <u>constitution</u> would be null and void.</p>
<p>Section 523</p> <p>Paragraph 1</p> <p>Word change</p>	<p><del>undebatable</del></p>	<p><u>not debatable</u></p>
<p>Section 525</p> <p>Paragraph 1</p> <p>Word change</p>	<p>In announcing the vote, the presiding officer should first state the vote <del>and</del> then announce the result...</p>	<p>In announcing the vote, the presiding officer should first state the vote, then announce the result...</p>

	2000 Edition	2010 Edition
Section 530 Manner in Which Votes May Be Taken  Paragraph 2  Word change	2. When a vote is required by a constitution, <del>charter</del> or controlling statute to be taken in a particular manner, it must be taken in that manner.	2. When a vote is required by a constitution or controlling <u>provision of law</u> to be taken in a particular manner, it must be taken in that manner.
Section 530 Paragraph 3  Word change	...in the constitution, controlling provision of law or the rules of each house will govern.	...in the constitution, <u>a</u> controlling provision of law or the rules of each house will govern.
Section 532 Voice Vote or Viva Voce Vote  Paragraph 7  Sentence change	...by having the members voting in the negative rise and be counted <del>as indicated</del> under "voting by division," Sec. 533.	...by having the members voting in the negative rise and be counted.
Section 535 Paragraph 6  Word change	<del>arise</del>	<u>rise</u>
Section 535 Paragraph 7  Paragraph 9  Word change	Upon <del>the</del> completion of...  Upon <del>the</del> announcement of...	Upon completion of...  Upon announcement of...

	2000 Edition	2010 Edition
Section 537 Paragraph 1  New paragraph		<p>Inserted new paragraph 1 and renumbered:</p> <p>1. The theory underlying the unanimous consent request is that it suspends all rules that would prevent carrying the request into full effect if it is granted by the house. The request should be stated precisely and clearly and without an effort to deceive or mislead the body.</p>
Section 556 Paragraph 4  Word change	The assumption that a member of a legislative body is no longer eligible to office...	The assumption that a member of a legislative body is no longer eligible to <u>hold</u> office...
Chapter 50  Title change	<b>Election and Qualification of Members and Discipline and Expulsion of Members</b>	<b>Election, <u>Certification</u> and Qualification of Members, and Discipline and Expulsion of Members</b>
Chapter 50  Section 559  New section		<p>Inserted new section:</p> <p><b>Sec. 559. Evidence of Election of Membership</b></p> <p>1. The chief election officer of the state, usually the Secretary of State, issues certificates of election.</p> <p>2. At the time of the organization of a house, members-elect who have evidence of their elections present themselves to be seated as members.</p> <p>3. The right to assume the functions of a member, and to participate in the preliminary proceedings and organization, depends wholly and exclusively upon the election returns or certificate of election.</p>

	2000 Edition	2010 Edition
Section 560 Title change	Each House of a Legislature Is the Judge of the Election and Qualification of Its Members	Each House of a Legislature Is the Judge of the Election and Qualifications of Its Members
Section 560 New paragraphs		<p>Inserted new paragraphs 1 and 2 and renumbered:</p> <ol style="list-style-type: none"> <li>1. The right of a member-elect to take the oath may be challenged. Such a challenge usually occurs at the time of the organization of a legislative body. Motions and debate are in order on the questions involved in a challenge, and other business may intervene by unanimous consent.</li> <li>2. In the states, the preliminary steps, as well as any subsequent proceedings, of the state legislatures are more or less analogous to the corresponding proceedings of the House of Commons. According to practice, the members elected make their appearance at the time and place appointed and proceed to organize themselves as a legislative body, in the manner regulated by state constitutional provision, adopted rules, custom and traditions, and state statute.</li> </ol>
Section 560 Paragraph 4 (formerly paragraph 2) Word change	...each <del>branch</del> of a state legislature...	...each <u>house</u> of a state legislature...

	2000 Edition	2010 Edition
<p>Section 560</p> <p>New paragraphs</p>		<p>Inserted new paragraphs 8, 9, and 10 and renumbered:</p> <p>8. The right to assume the functions of a member, and to participate in the preliminary proceedings and organization, depends wholly and exclusively upon the election returns or certificate of elections.</p> <p>9. The members of a legislative assembly, having taken the oath necessary to qualify them to discharge the functions of members, are all precisely equal among themselves and have an equal right to participate in all the proceedings of the assembly, so long as their election is not set aside or until they cease to be members of the assembly.</p> <p>10. Notwithstanding a member's right to participate, practices in some of the states require a member to be recused from participating in a question involving the right of that member to a seat.</p>
<p>Section 561</p> <p>Power of Legislatures to Discipline Members</p> <p>Paragraph 1</p> <p>Paragraph deleted</p>	<p>1. <del>Whatever is spoken in the house is subject to the censure of the house, and offenses of this kind have been severely punished by calling the person to the bar to make submission, committing the person to prison, expelling the person from the house or inflicting other punishment.</del></p>	<p>Renumbered paragraphs accordingly</p>

	2000 Edition	2010 Edition
Section 561 Paragraph 1 (formerly paragraph 2)  Sentence change	...and may discipline a member as it deems appropriate.	...and may discipline a member as it deems appropriate, <u>including reprimand, censure or expulsion.</u>
Section 561  New paragraphs		Inserted new paragraphs 2 and 3 and renumbered:  2. A state legislative body possesses inherent powers of self-protection.  3. Whatever is spoken in the house is subject to the censure of the house.
Section 561 Paragraph 4 (formerly paragraph 3)  Phrase change	...is in contempt...	... <u>may be found to be</u> in contempt...
Section 562 Paragraph 7  Phrase/word changes	<del>A house having expelled members...</del>  <del>Fourteenth</del>  <del>Federal</del> Constitution	<u>When a house has expelled a member...</u>  <u>14<sup>th</sup></u>  <u>U.S.</u> Constitution
Section 562 Paragraph 8  Word change	...in violation of <del>the</del> state or <del>Federal</del> constitutions.	...in violation of state or federal constitutions.

	2000 Edition	2010 Edition
Section 575 Paragraph 3  Word change	When a presiding officer is required to sign a bill to authenticate its passage, the act of signing is <del>simply</del> ministerial ...	When a presiding officer is required to sign a bill to authenticate its passage, the act of signing is ministerial ...
Section 576 Paragraph 4  Paragraph deleted	<del>4. When there has been no provision for a clerk or secretary to keep the minutes of the proceedings, the presiding officer may appoint someone to act as clerk or secretary. The fact that the person who presides at a meeting also acts as its clerk does not invalidate the proceedings.</del>	
Section 581 Paragraph 1  Word deleted	... a new presiding officer <del>pro tempore</del> elected and qualified	... a new presiding officer elected and qualified
Section 582 Paragraph 5  Sentence change	When not a member of a legislative body, the presiding officer <del>may vote only as authorized by the constitution, which usually gives the presiding officer a vote in the senate in case of a tie.</del>	When not a member of <u>the</u> body, the presiding officer <u>can cast a vote only when expressly authorized to do so.</u>
Section 584 Paragraph 10  Word change	<del>which</del>	<u>that</u>

	2000 Edition	2010 Edition
Section 600 Paragraph 3  Word change	... purpose of the committee; the number ...	... purpose of the committee <u>and</u> the number ...
Chapter 57  Committee Meetings  Section 631  New section		<p>Inserted new section:</p> <p><b>Sec. 631. Speech to a Committee; Privileged</b>  Citizen participation in legislative proceedings is vital to ensure a fully informed and representative legislature. When acting in the narrow role of a participant in a legislative committee hearing, a witness is not limited in the scope of the testimony offered, that testimony being presented in accord with the rules and practices of the legislature and its committees. Speech to a legislature is privileged, insulating the witness from legal action.</p>
Chapter 59  Special Committees  Section 639  New section		<p>Inserted new section:</p> <p><b>Sec. 639. Definition of Special Committee</b>  In legislative assemblies, several kinds of committees are used, such as standing, conference and special committees. Standing committees are appointed for the life of the body, and conference committees are appointed to settle differences that may arise between the two bodies.</p> <p>A special committee is created for the consideration of special measures or matters or the performance of special functions, as the nature of legislative business may demand. Special committees also may be named ad hoc, investigating, select or study committees.</p>

	2000 Edition	2010 Edition
Section 640  Title change  New Paragraph	Membership of Special Committees	<u>Creation and Membership of Special Committees</u>  Insert new paragraph 1 and renumbered:  1. Special committees may be created by resolution or motion of the body or upon order by the presiding officer or other appointing authority. The resolution, motion or order creating a special committee shall specify the subject matter of the special committee, the number of members to be appointed thereto, the mode in which the committee shall be appointed and the time of its appointment. The resolution, motion or order also may specify a reporting date during the term.
Section 640 Paragraph 2 (formerly paragraph 1)  Phrase change	A committee for action carries out a particular task <del>already decided</del> . As a matter of policy, a committee for action should be small and <del>consist only of those in favor of the proposed action, and if one not at sympathy is appointed, that person should ask to be released</del> .	A committee for action carries out a particular task. As a matter of policy, a committee for action should be small and <u>be composed of members who are predisposed to complete the task</u> .
Section 643 Paragraph 2  Word deleted	...referred to special <del>or select</del> committees.	...referred to special committees

	2000 Edition	2010 Edition
Section 645 Paragraph 1  Paragraph change	1. When a special committee is appointed, it continues to exist until the purpose assigned to it has been fulfilled, <del>unless sooner discharged. When the final or complete report of a special or select committee has been received by the house, the committee is thereby dissolved or ceases to exist without any motion to that effect being made. When the report is only partial, the committee is not discharged until the final report is received.</del>	1. When a special committee is appointed, it continues to exist until the purpose assigned to it has been fulfilled. <u>A special committee ceases to exist:</u>  <ul style="list-style-type: none"> <li><u>(a) When its final report has been made;</u></li> <li><u>(b) When the objective for which the committee was established has been accomplished;</u></li> <li><u>(c) When the termination date established by the action creating the committee has arrived;</u></li> <li><u>(d) When discharged; or</u></li> <li><u>(e) At the end of the term of a legislative body.</u></li> </ul> <u>When the final or complete report of a special committee has been received by the house, the committee is thereby dissolved or ceases to exist without any motion to that effect being made. When the report is only partial, the committee is not discharged until the final report is received.</u>  <u>If additional work is delegated to a special committee, the committee continues until the new assignment is completed.</u>
Section 645 Paragraph 3  Word change	A special <del>or select</del> committee ...	A special committee ...
Section 695 Paragraph 2  Phrase change	The journal ... It should record all procedural motions <del>such as: the recess, to lay on the table and to postpone; and the action taken on them, the same as upon bills or other main motions.</del>	The journal ... It should record all procedural motions, <u>main motions, legislation and all actions taken.</u>

	2000 Edition	2010 Edition
<p>Section 697</p> <p>Journal as Showing Passage and Legality of Bills</p> <p>Paragraph 2</p> <p>Phrase added</p>	<p>2. Any act of the legislature that has been properly enrolled, authenticated by the signatures of the proper officers of both houses and signed by the governor is conclusive evidence as to the act and of its passage, which will not be impeached by resort to outside evidence of any sort.</p>	<p>2. Any act of the legislature that has been properly enrolled, authenticated by the signatures of the proper officers of both houses and signed by the governor is conclusive evidence as to the act and of its passage, which will not be impeached by resort to outside evidence of any sort <u>unless allowed or authorized by the state constitution.</u></p>
<p>Section 702</p> <p>Paragraph 1</p> <p>Phrase change</p>	<p>The enrolled bill is <del>a copy of the bill</del> in the form <del>it has</del> passed both houses ...</p>	<p>The enrolled bill is <u>the final version</u> of a bill in the form passed <u>by</u> both houses ...</p>
<p>Section 702</p> <p>The Enrolled Bill</p> <p>Paragraph 2</p> <p>Paragraph change</p>	<p>2. <del>Under the "enrolled bill rule," an enrolled bill, properly authenticated and approved by the governor, is conclusive as to regularity of its enactment. Ordinarily, the courts will not go behind the enrolled bill to determine its validity. The supreme court can look behind the enrolled bill only to determine whether the constitutional mandate relative to vote and journal entry upon the final passage have been complied with.</del></p>	<p>2. <u>Any act of the legislature that has been properly enrolled, authenticated by the signatures of the proper officers of both houses and signed by the governor is conclusive evidence as to the act and of its passage, which will not be impeached by resort to outside evidence of any sort unless allowed or authorized by the state constitution.</u></p>
<p>Section 721</p> <p>Paragraph 1</p> <p>Phrase change</p>	<p>The <del>constitutions of many of the states</del> provide ...</p>	<p><u>Many state constitutions</u> provide ...</p>

	2000 Edition	2010 Edition
Section 723 Paragraph 1  Phrase deleted	Where the constitution <del>or controlling</del> statutory provision does not ...	Where the constitution does not ...
Section 723 Paragraph 6  Word change	act	<u>bill</u>
Section 726  Sections renumbered	Sec. <del>726</del> . Introduction of Legislation Sec. <del>727</del> . Withdrawal of Bills Sec. <del>728</del> . Bill Numbers Sec. <del>729</del> . Titles to Legislation	Sec. <u>725</u> . Introduction of Legislation Sec. <u>726</u> . Withdrawal of Bills Sec. <u>727</u> . Bill Numbers Sec. <u>728</u> . Titles to Legislation
Chapter 68  Procedure on Consideration of Legislation  Section 729  New section added		Inserted new section:  Sec. 729. <b>Enacting Clauses</b> The enacting clause, which also may be called the enacting authority or enacting style, follows immediately after a bill's preamble or title and precedes the body of the bill. It is a statement of the words declaring enactment by the proper legislative authority which every bill must contain and which are requisite to the validity of a law. The usual introductory formula is "Be it enacted by ..."
Section 731 Paragraph 1  Phrase change	<del>It is competent for the legislature to correct</del> ...	<u>A legislature may correct ...</u>

	2000 Edition	2010 Edition
Section 738 Paragraph 1  Sentence change	<del>An enrolled bill, in legislative parlance, is a reproduction or copy of the identical bill passed by both houses.</del>	<u>The enrolled bill is the final version of a bill in the form passed by both houses, which has been proofed and corrected, usually, under the direction of the chief legislative officers.</u>
Section 738 Paragraph 4  Sentence change	<del>... A bill presented to the governor in a form different from that in which it was passed, if the change is material, is void even if signed. Correction of purely typographical errors or errors in form only apparently will not invalidate legislation.</del>	<u>... When an error in the enrolled bill is discovered after adjournment sine die, but prior to the governor's approval, the house of origin should correct the enrolled bill and have the bill signed by the appropriate legislative officers and laid before the governor for approval.</u>
Section 738 Paragraph 5  Phrase deleted	<del>... the enrolled bill being merely a reproduction thereof and the act not being impaired by additions, omissions or misprisions of the enrolling clerk in copying the bill.</del>	
Section 739 Paragraph 3  Words change	<del>... the signature of an assistant, acting in the capacity of the principal,</del>	<u>... the signature of a duly qualified designee, acting in the absence of the principal officer, ...</u>
Section 739 Paragraph 4  Phrase change	<del>The duty of the presiding officer to sign legislation, properly passed by the body over which that person presides, is a legislative act and not a ministerial one, and a writ of mandate or an injunction will not lie to compel the presiding officer to sign or to restrain that person from signing legislation.</del> ... ... deposed ...	<u>The duty of the presiding officer to sign legislation, properly passed by the body over which that person presides, is a legislative act. A writ of mandamus will lie to compel the presiding officer to sign. ...</u>  ... <u>removed</u>

	2000 Edition	2010 Edition
Section 740 Paragraph 4  Phrase deleted	When a bill has passed <del>both branches of the legislature ... beyond the control of either house and cannot be recalled except by the joint action of both houses.</del>	When a bill has passed <u>the legislature</u> ... beyond the control of either house. <u>However, it may be recalled.</u>
Section 754 Paragraph 3  Sentences added	When legislation is approved by the governor, it is signed and transmitted to the secretary of state.	When legislation is approved by the governor, it is signed and transmitted to the secretary of state. <u>Once the governor deposits an approved and signed bill in the office of the secretary of state, the bill passes beyond the governor's control. The governor has no power thereafter to recall the bill from the secretary of state, disapprove it, and return the bill and its veto to the secretary of state.</u>
Section 754 Paragraph 10  Sentence change	10. <del>When legislation is passed so late in the session that the session ends prior to the expiration of the time the governor is given to act on bills, the governor has the power to withhold action on the bill and let it die from failure to approve it. This is called the pocket veto.</del>	10. <u>Some states allow for what is known as a "pocket veto." In those states, once the legislative session has adjourned, a bill dies if not signed by the governor within the specified number of days required for executive action.</u>
Section 758 Paragraph 3  Sentence change	<del>Courts have held that to veto administrative regulations by any means short of passage by both chambers and presentment to the governor is unconstitutional. In four states, legislative veto of regulations by other means is specifically authorized by the state constitution.</del>	<u>Unless specifically authorized by state constitution, legislative veto of administrative regulations by any means short of passage by both chambers and presentment to the governor is unconstitutional.</u>
Section 766, Paragraph 7  Phrase deleted	... are not in order <del>during the consideration of concurrence in the amendments of the opposite house.</del>	...are not in order.

	2000 Edition	2010 Edition
Section 768 Paragraph 5  Word change	... and the motion to <del>adhere</del> takes precedence over the motion to <del>insist</del> .	... and the motion to <u>insist</u> takes precedence over the motion to <u>adhere</u> .
Section 769 Paragraphs 1 & 3 Section 771 Paragraphs 4-6  Word change	... committee <del>on</del> conference ...	... committee <u>of</u> conference
Section 780 Paragraph 8  Phrase added	... revoked by the governor or the governor's successor and, when revoked, the legislature is without authority to act.	... revoked by the governor or the governor's successor <u>prior to the special session's convening</u> and, when revoked, the legislature is without authority to act.
Section 780 Paragraph 15  Word deleted	<del>Some</del> state constitutions ...	State constitutions ...
Section 781 Paragraph 1  Phrase change	... except in a <del>manner provided by law, and an adjournment from day to day can have no other effect than to enable those present to determine whether a quorum is present.</del>	... except in <u>the regular legal manner, and an adjournment from day to day cannot have that effect.</u>

	2000 Edition	2010 Edition
Section 781 Paragraph 5  Phrase change	Committee meetings are also an integral part of a legislative session <del>and are held on an almost daily basis during the session.</del> <del>Days on which committee meetings only are held are also considered legislative days in many states. ...</del>	Committee meetings are also an integral part of a legislative session, <u>and days on which committee meetings only are held are also considered legislative days in many states. ...</u>
Section 798 Paragraph 2  Word change	trenching	<u>infringing</u>
Section 800 Paragraph 4  Word change	Witnesses before a legislative body or its committee need not be sworn, unless there is some provision ...	Witnesses before a legislative body or its committee need not be sworn, unless there is some <u>rule or provision</u> ...
Section 800 Paragraph 5  Word change	question <del>be</del>	question <u>is</u>
Section 802 Paragraph 2  Sentence change	2. The law may <del>make it a penal offense for a person to fail to appear before a legislative committee on process, regular on its face, issued by the chair of the committee under general authority conferred upon the chair by the committee, either expressly or by parliamentary usage, either with or without specific authority in the particular case.</del>	2. The law may <u>provide for a penal offense for a person who fails to appear before a legislative committee pursuant to a summons or subpoena issued by the appropriate legislative authority.</u>

	2000 Edition	2010 Edition
Section 802  Deleted Paragraphs 4-5	<p><del>4. A summons by the committee ordering a witness to appear before a joint committee of the two houses may only be authenticated by procedures specified.</del></p> <p><del>5. A subpoena for attendance of a witness is not vitiated as to the necessity of the attendance of a witness by the inclusion of illegal requirements for the production of documents.</del></p>	Renumbered paragraphs accordingly
Section 803  Deleted Paragraphs 3-5	<p><del>3. Unless authorized by the constitution, neither house of the legislature can lawfully appoint by single house resolution a committee with power to sit after adjournment sine die.</del></p> <p><del>4. A fact-finding committee that was appointed by a single house resolution during a regular session of the legislature has no legal authority to sit after the adjournment of the legislature sine die.</del></p> <p><del>5. The fact that interim committees had been appointed by single house resolutions and had theretofore carried on without objection was not determinative of whether the legislature, by single house finding committee with power to function after adjournment sine die.</del></p>	
Section 805  Title Change	Maintaining Order in Public Bodies	Maintaining Order in <u>Legislative</u> Bodies

	2000 Edition	2010 Edition
Section 805 Paragraph 1		Inserted new paragraph 1 (taken from first half of paragraph 4) and renumbered:  1. A state legislative body possesses inherent powers of self-protection.
Section 805 Paragraph 2 (formerly paragraph 1) Paragraph 4 (formerly paragraph 3)  Word change	public body	<u>legislative</u> body
Section 805 Paragraph 4  Paragraph change	4. A state legislative body possesses inherent powers of self-protection, <del>including defining the terms for the qualifications of its members and for the expulsion of members</del>	First half (through "self-protection") of paragraph 4 became new paragraph 1. Second half of paragraph deleted.
Section 806 Paragraph 3  Word change	him	<u>the protestor</u>

	2000 Edition	2010 Edition
Section 806 Paragraph 4  Paragraph deleted	4. A "bill of attainder" and a "bill of pains and penalties" are the same in nature, a special act of the legislature inflecting punishment upon a person supposed to be guilty of a severe offense without trial or conviction in the course of judicial proceedings. The penalty in "bill of attainder" is death and in a "bill of pains and penalties" is a milder degree of punishment less than death.	

**HCR**

**12**

<TARGET><BILL>HCR 12</BILL><SUBJECT>HCR  
12</SUBJECT><COMM>HRLS27</COMM></TARGET>

*Adopted*

27-LS0783\M.1  
Wayne  
4/7/11

AMENDMENT

*#1*

*Olson*

OFFERED IN THE HOUSE  
TO: HCR 12

BY REPRESENTATIVE JOHNSON

- 1 Page 2, lines 22 - 23:
- 2 Delete "Department of Administration"
- 3 Insert "Office of the Governor"

OFFERED IN THE HOUSE

TO: HCR 12, 27-LS0783\M

*Adopted*

CONCEPTUAL AMENDMENT 2:

Page 2, Line 18: After "senate" insert "one of whom shall be co-chair"

Page 2, Line 20: After "representatives" insert "one of whom shall be co-chair"

**HJR**

**4**

<TARGET><BILL>HJR 4</BILL><SUBJECT>HJR  
4</SUBJECT><COMM>HRLS27</COMM></TARGET>



# *Alaska State Legislature*

Representative Peggy Wilson  
House District 2

## MEMORANDUM

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Date: March 7, 2012

To: Representative Craig Johnson, Chair

House Rules Committee

From: Representative Peggy Wilson

Re: Rules hearing request for HJR 4

I would like to request the House Rules Committee schedule a hearing on HJR 4 -  
Constitutional Amendment: Transportation Fund.

HJR 4 will put a constitutional amendment before voters to change the Alaska constitution  
to allow a dedicated fund for Transportation Projects.

Alaska is geographically the largest state in the country, and the future of the economic and  
social well being of its citizens is critically dependent on a reliable transportation system.  
This change to the State Constitution, allowing a dedicated transportation fund, is needed  
to create and maintain a modern, reliable transportation system for Alaska.

Thank you for your consideration.

# FISCAL NOTE

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

Fiscal Note Number 1  
Bill Version CSHJR 4(TRA)  
(H) Publish Date 3/9/11

Identifier (file name) HJR004-OOG-DOE-2-11-11 Dept. Affected Office of the Governor  
Title Constitutional amendment related to creating a Appropriation Elections  
transportation infrastructure fund Allocation Elections  
Sponsor Representatives P. Wilson, Thompson, Fairclough, Costello  
Requester House Transportation Committee OMB Component Number 21

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

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

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services			1.5					
Commodities								
Capital Outlay								
Grants								
Miscellaneous								
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>1.5</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			1.5					
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other (please identify)								
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>1.5</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 (FY2011) cost \_\_\_\_\_

**POSITIONS**

Full-time								
Part-time								
Temporary								

Why this fiscal note differs from previous version (if initial version, please note as such)

Prepared by Gail Fenumiai, Director  
Division Division of Elections  
Approved by Linda J. Perez, Administrative Director  
Administrative Services

Phone 465-2644  
Date/Time 2/11/2011, 4:08pm  
Date 2/11/2011

FISCAL NOTE #1

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

BILL NO. CSHJR 4(TRA)

Passage of this resolution would require the constitutional amendment to appear on the 2012 general election ballot. The cost of providing information about the constitutional amendment in the Official Election Pamphlet, as required by AS 15.58, is \$1.5. Should the addition of this question require printing an 8-1/2 by 18 inch ballot, the cost will increase to \$22.0.

# FISCAL NOTE

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

Fiscal Note Number 2  
Bill Version CSHJR 4(TRA)  
(H) Publish Date 4/9/11

Identifier (file name): HJR4-DOR-TRS-3-18-11 Dept. Affected Revenue  
Title Transportation Infrastructure Fund Appropriation Taxation and Treasury  
Allocation Treasury Division  
Sponsor Representative Peggy Wilson  
Requester House Transportation Committee OMB Component Number 121

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

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

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>OPERATING EXPENDITURES</b>								
Personal Services				233.0	238.0	242.0	246.0	
Travel								
Services				215.0	220.0	224.0	227.0	
Commodities								
Capital Outlay								
Grants								
Miscellaneous								
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>448.0</b>	<b>458.0</b>	<b>466.0</b>	<b>473.0</b>	

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

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
1178 Temporary Code				448.0	458.0	466.0	473.0	
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>448.0</b>	<b>458.0</b>	<b>466.0</b>	<b>473.0</b>	

Estimate of any current year (FY2011) cost \_\_\_\_\_

**POSITIONS**

Full-time								
Part-time								
Temporary								

Why this fiscal note differs from previous version (if initial version, please note as such)

initial version

Prepared by Pamela Leary, Comptroller and Jerry Burnett, Deputy Commissioner  
Division Treasury Division  
Approved by Ginger Blaisdell, Director of Administrative Services  
Department of Revenue

Phone 907-465-2350  
Date/Time 3/18/11; 2:39pm  
Date 3/18/11; 3:43pm

FISCAL NOTE #2

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

BILL NO. CSHJR 4(TRA)

**Analysis**

This resolution provides for a Transportation Infrastructure Fund which is assumed to be established in the amount of \$1 billion with additional recurring funding from state fuel taxes, registration and driver's license fees, identification card fees, studded tire taxes, state airport lease and space fees, and other designated fees and funds. It is anticipated the fund will be managed with an asset allocation of 38% fixed income, 10% international equity, and 52% domestic equity. Costs of the fund include investment management fees, audit, accounting and custody fees and are projected based on the assumptions provided by the division's investment advisor and the division's cost allocation plan.

# FISCAL NOTE

STATE OF ALASKA  
2012 LEGISLATIVE SESSION

Bill Version CSHJR 4(FIN)  
Fiscal Note Number 3  
(H) Publish Date 3/5/2012

Identifier (file name) HJR004CS(TRA)-DOR-TRS-02-28-12 Dept. Affected Revenue  
Title Transportation Infrastructure Fund Appropriation Treasury and Taxation  
Allocation Treasury Division  
Sponsor Reps P. Wilson, Thompson, Fairclough, Costello  
Requester (H) FIN OMB Component Number 121

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

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates					
			FY13	FY14	FY15	FY16	FY17	FY18
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants, Benefits								
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>0.0</b>	<b>0.0</b>

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF							
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
<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>	<b>0.0</b>

POSITIONS								
Full-time								
Part-time								
Temporary								

CHANGE IN REVENUES								

Estimated SUPPLEMENTAL (FY12) operating costs \_\_\_\_\_ (separate supplemental appropriation required)  
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs \_\_\_\_\_ (separate capital appropriation required)  
(discuss reasons and fund source(s) in analysis section)

**Why this fiscal note differs from previous version (if initial version, please note as such)**

The fiscal note was zeroed out by the House Finance Committee.

Prepared by Joe Michel  
Division House Finance Committee  
Approved by Rep. Bill Stoltze  
House Finance Co-chair

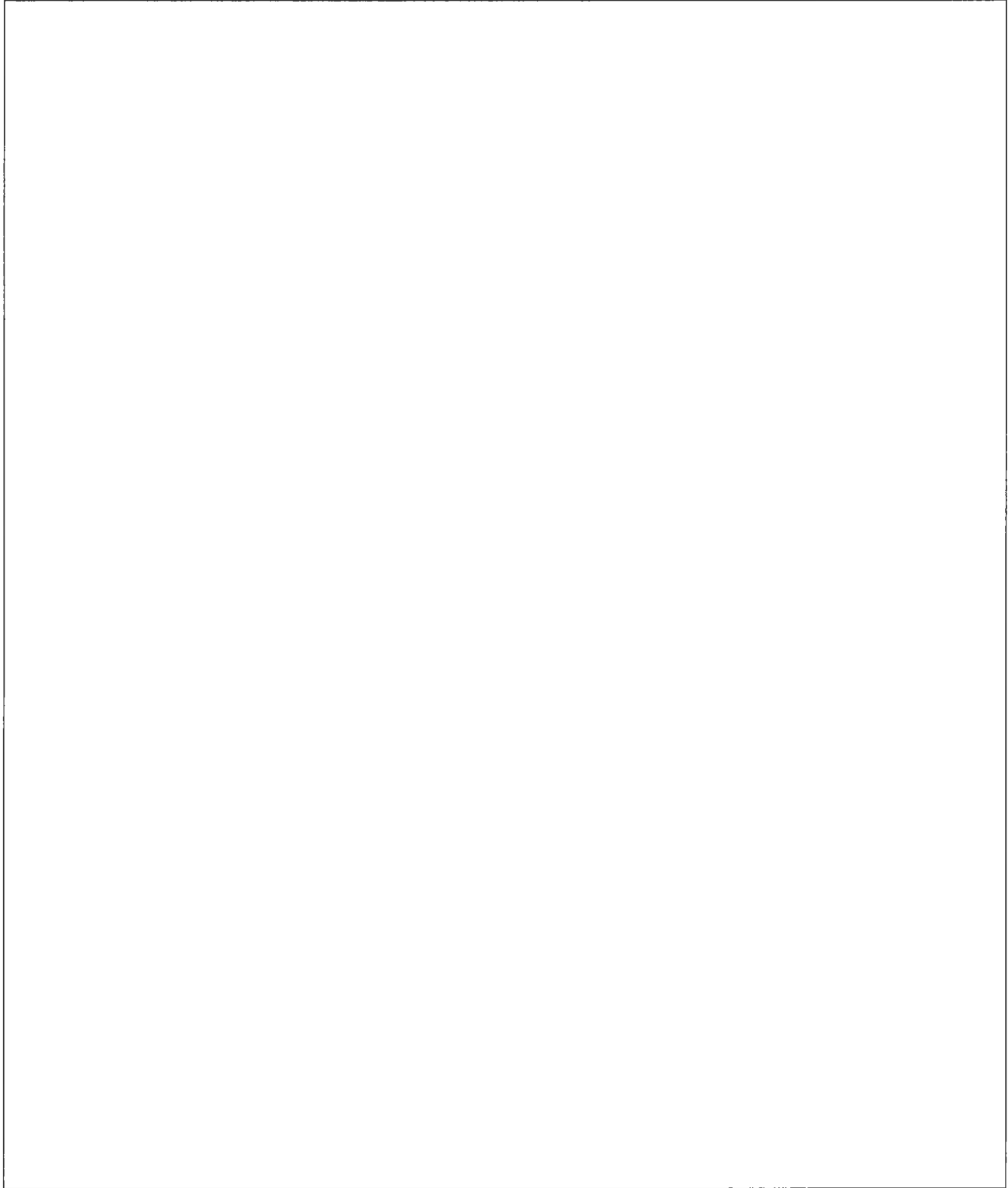
Phone 465-4958  
Date/Time 3/2/12 3:35 PM  
Date 3/2/2012

FISCAL NOTE #3

STATE OF ALASKA  
2012 LEGISLATIVE SESSION

BILL NO. CSHJR 4(FIN)

**Analysis**



# FISCAL NOTE

STATE OF ALASKA cost # codes  
 2012 LEGISLATIVE SESSION

Bill Version CSHJR 4(FIN)  
 Fiscal Note Number 4  
 Publish Date 3/5/12 (H)

Identifier (file name) HJR004CS(TRA)-OOG-DOE-2-27-12 Dept. Affected Office of the Governor  
 Title Constitutional amendment related to creating a Appropriation Elections  
transportation infrastructure fund Allocation Elections  
 Sponsor Reps P. Wilson, Thompson, Fairclough, Costello  
 Requester House Finance Committee OMB Component Number 21

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

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
<b>OPERATING EXPENDITURES</b>	<b>FY13</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>
Personal Services							
Travel							
Services	1.5						
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>1.5</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	1.5					
1005	GF/Prgm (DGF)						
1037	GF/MH (UGF)						
1178	temp code (UGF)						
<b>TOTAL</b>		<b>1.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES							
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Estimated SUPPLEMENTAL (FY12) operating costs \_\_\_\_\_ (separate supplemental appropriation required;  
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs \_\_\_\_\_ (separate capital appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Updated on new fiscal note form.

Prepared by Gail Fenumiai, Director  
 Division Division of Elections  
 Approved by Guy Bell, Administrative Director  
Administrative Services

Phone 465-2644  
 Date/Time 2/27/2012, 9:46am  
 Date 2/27/2012

FISCAL NOTE #4

STATE OF ALASKA  
2012 LEGISLATIVE SESSION

BILL NO. CSHJR 4(FIN)

**Analysis**

Passage of this resolution would require the constitutional amendment to appear on the 2012 general election ballot. The cost of providing information about the constitutional amendment in the Official Election Pamphlet, as required by AS 15.58, is \$1.5. Should the addition of this resolution require printing an 8-1/2 by 18 inch ballot, the cost will increase to \$22.0.

Adopted

27-LS0197\T.1  
Martin  
3/7/12

AMENDMENT # 1

OFFERED IN THE HOUSE  
TO: CSHJR 4(FIN)

BY REP. OLSON

- 1 Page 1, line 14, following "fees":
- 2       Insert ", taxes,"
- 3
- 4 Page 2, line 1, following "fees":
- 5       Insert ", taxes,"
- 6
- 7 Page 2, line 5, following "fees":
- 8       Insert ", taxes,"

# ALASKA STATE LEGISLATURE

*Interim:*  
P. O. Box 109  
Wrangell, AK 99929  
Phone: (907) 874-3088  
Fax: (907) 874-3055



*Session:*  
State Capitol, Room 406  
Juneau, AK 99801-1182  
Phone: (907) 465-3824  
1-800-686-3824  
Fax: (907) 465-3175

**REPRESENTATIVE PEGGY WILSON  
HOUSE DISTRICT 2**

**SPONSOR STATEMENT  
House Joint Resolution 4**

**“Proposing amendments to the constitution of the State of Alaska creating a transportation infrastructure fund”**

---

HJR 4 will put a constitutional amendment before voters to amend the Alaska constitution to reinstate a dedicated fund for Transportation Projects.

Historians write that the drafters of the constitution were concerned that dedicated funds would impair future legislatures from responding to evolving public needs. However, the drafters of our Alaska Constitution grandfathered in two dedicated transportation funds. The first was for highways and the second was for water and harbor facilities. They recognized the public need for dependable and efficient transportation and that need has only grown. HJR 4 will reinstate a single dedicated fund that will serve all modes of transportation.

The roads, bridges, airports, ferries and transit systems that make up our state’s transportation system are essential to mobility, commerce and economic development. This system enhances economic competitiveness, increases safety and enhances quality of life. There is a growing imbalance between system use and capacity as well as the need for new infrastructure to access our valuable resources. To insure Alaska has the infrastructure necessary to develop our resources as well as providing a quality of life for our citizens we must commit to funding transportation. Having a dependable revenue stream from year to year will allow Alaska to tackle today’s congestion and maintenance projects as well as developing the needed access to resources and energy into the future.

The new CS for HJR 4 FIN has removed all the details defining which funds will go into ATIF, how ATIF will be appropriated and how it will be managed. Instead, the enabling statutes will define what funds will be directed to the ATIF, which projects are eligible for funding and the entity that will prioritize the eligible projects.

The only stipulation is the projects must be transportation related. The cap on the payout rate has been increased to 7% but the enabling legislation will define what rate will be used initially; probably in the 4-4.5% range. These changes were made to make the constitutional amendment not only good for Alaska today but also in 10, 20, and even 100 years. The changes will give the legislature the flexibility to manage transportation funding as we move into the future. We also now have a more clear and concise constitutional amendment that the public can understand and vote on in November.

## Supporters of Alaska Transportation Infrastructure Fund HJR 4

Associated General Contractors of Alaska

Alaska Municipal League

Alaska AFL-CIO

Alaska State Chamber

Alaska Teamsters Local # 959

Alaska Laborers Local 942 & 341

Alaska Transportation Priorities Project

Alaska Trucking Association

Alaska Harbormasters Association

American Society of Civil Engineers

Alaska Mobility Coalition

Alaska Airports

Alaska Owners and Pilots Association

Alaska Marine Pilots

Marine Transportation Advisory Board

Southeast Conference

SW Alaska Conference of Mayors

Calista Corporation



## ASSOCIATED GENERAL CONTRACTORS of ALASKA

---

8005 Schoon Street • Anchorage, Alaska 99518  
Telephone (907) 561-5354 • Fax (907) 562-6118

3750 Bonita Street • Fairbanks, Alaska 99706  
Telephone (907) 452-1809 • Fax (907) 456-8599

March 1, 2012

Representative Peggy Wilson  
State Capitol Building, Room 415  
Juneau, AK 99801

RE: HJR4

Dear Representative Wilson:

On behalf of the Associated General Contractors of Alaska, a construction industry trade association of 650 business members, I offer support for HJR4.

HJR4 would put an initiative on the ballot for a constitutional amendment to dedicate certain revenue for a state funded transportation program.

A state funded transportation program has been a legislative priority of the AGC for many years, and dedication of funds is the most certain way to insure that a state funded program is maintained. HJR42 is companion legislation to HB30, the enabling legislation for a state funded program, which is also supported by AGC.

Transportation is one of the most important issues to Alaskans, and something that affects every Alaskan every day. Funding of transportation projects is always well received. I believe there has been only one transportation bond issue since statehood that has not been approved by the voters; most with overwhelming support.

In closing, Alaska needs a transportation program, sufficiently funded with regular, predictable and reliable funding with an annual appropriation of state funds so we can begin to address our many transportation needs, and dedication of funds for such a program is an essential element.

Sincerely,

John MacKinnon  
Executive Director  
Associated General Contractors of Alaska

February 9, 2011

The Honorable Peggy Wilson  
Alaska State House  
State Capitol Room 408  
Juneau, AK 99801

Dear Representative Wilson:

The undersigned business associations, working together under the banner of the Business Advocacy Committee, represent hundreds of firms and tens of thousands of employees from every major industry in Alaska. Our organizations share a common vision for Alaska's future – one in which a thriving private-sector economy creates good jobs for Alaskans and attractive economic opportunities for investors. State government, focused on the right issues, can help make this vision a reality.

Our organizations have identified five priority areas to be dealt with during this legislative session. Progress on each of these priorities will make Alaska a better place for business by encouraging private-sector investment and job creation. We urge you and your colleagues to address these issues.

#### OIL TAX REFORM

Taxes on the oil industry account for nearly nine out of every ten dollars in revenue the state collects. While current oil prices are exceedingly high relative to historic standards, North Slope oil production is only one-third the level of its peak. Alaska's taxation policy should encourage more investment to reverse this dramatic, continuing production decline. We support meaningful reform of Alaska's oil production tax system that reduces the state's tax burden on all Alaska oil and gas exploration and development activities and encourages increased production.

#### REGULATIONS

The Alaska Coastal Zone Management Program (ACMP) is due to sunset in 2011. We are comfortable renewing the program in its current form. *However, we oppose any changes to the ACMP that diminish the program's ability to provide concise, streamlined, and predictable permitting in Alaska's coastal zone.*

#### LITIGATION REFORM

Alaska's resource industries are ongoing targets of anti-development groups utilizing the court system and the state and federal appeals processes to stop and delay responsible resource development. Other businesses, local governments and community development projects can also be subject to frivolous lawsuits. Meanwhile, state agencies are forced to spend inordinate amounts of staff and financial resources dealing with third-party lawsuits at the expense of their mission to serve the public at-large. *We support efforts to bring more accountability to the appeals and litigation processes for community and resource development projects.*

#### FISCAL RESPONSIBILITY

Unrestricted general fund spending within the state's operating budget has increased from \$3.1 billion in fiscal year 2006 to \$4.8 billion in fiscal year 2011. We do not believe such spending growth is sustainable especially in light of the continuing decline in North Slope oil production. The Legislature and Governor must do more to control growth in the operating budget. *We recommend the Legislature*

*hold unrestricted general fund spending in the operating budget to \$3.5 billion – a level of spending equal to fiscal year 2010. With regard to the capital budget, we encourage the state to focus on strategic investments that help generate new private sector investment.*

#### STRATEGIC TRANSPORTATION INFRASTRUCTURE

There is strong agreement the long-term economic benefits derived from investment in Alaska's transportation infrastructure far exceed the cost of the initial investment. Considering the vastness of Alaska, the state's current transportation infrastructure is inadequate and requires continued planning, upgrades, and expenditures to assure Alaska citizens are provided with essential services. *We support a state funded transportation program that is adequately and predictably funded, provides continuity between succeeding administrations, and addresses all modes of transportation.*

Working together we can improve Alaska's business climate. We request an opportunity to meet with you to discuss these matters in more detail. A representative from the Business Advocacy Committee will be in touch with your office to schedule a meeting.

Sincerely,

Steve Borell, Executive Director  
Alaska Miners Association

John MacKinnon, Executive Director  
Associated General Contractors – Alaska

Marilyn Crockett, Executive Director  
Alaska Oil and Gas Association

Mike Satre, Executive Director  
Council of Alaska Producers

Rachael Petro, President & CEO  
Alaska State Chamber of Commerce

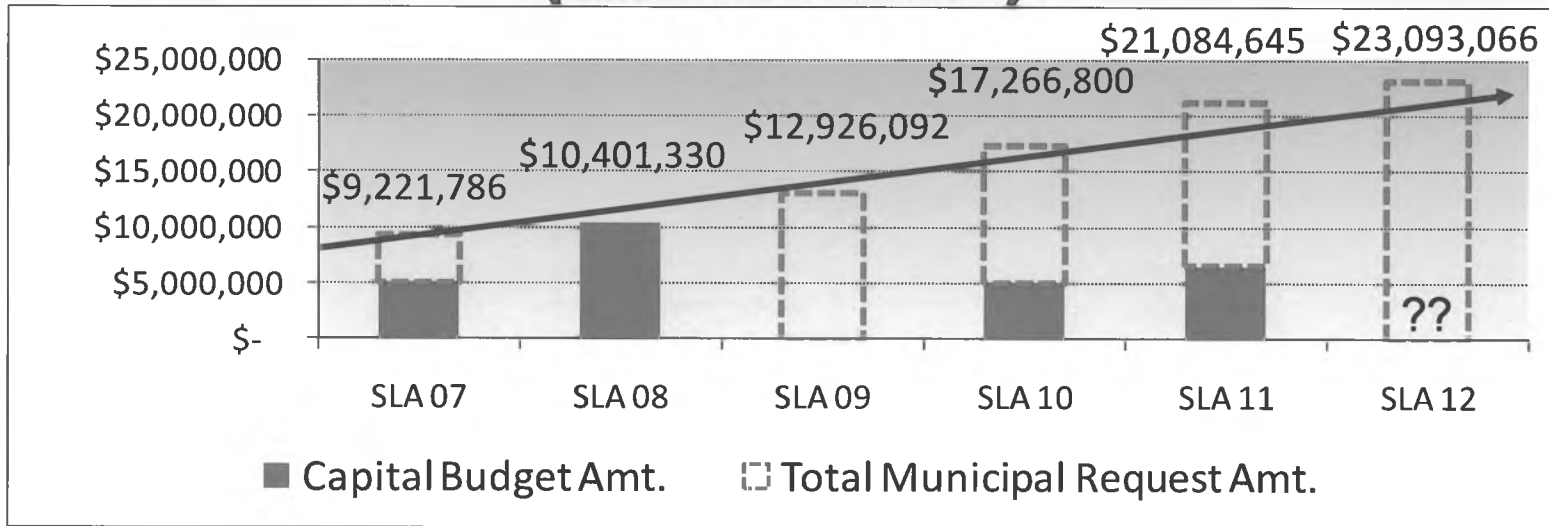
Scott Hawkins, President  
Prosperity Alaska

Rebecca Logan, General Manager  
Alaska Support Industry Alliance

Jason Brune, Executive Director  
Resource Development Council for Alaska, Inc.

Aves Thompson, Executive Director  
Alaska Trucking Association

# Municipal Harbor Facility Grant (AS 29.60.800)



FY13 Applicants (for SLA 12)	Project Name	Ranked Score	Amount Requested
Seldovia, City of	Seldovia Small Boat Harbor	138.2	\$ 1,000,000
Skagway, City of	Skagway Small Boat Harbor	134.2	\$ 5,000,000
Unalaska, City of	Robert Storrs Int'l Harbor	131.0	\$ 1,757,566
Hydaburg, City of	Hydaburg Small Boat Harbor	129.6	\$ 2,698,000
Petersburg, City of	North Harbor	127.8	\$ 3,500,000
Sitka, City and Borough of	ANB Harbor	123.8	\$ 4,250,000
Juneau, City and Borough of	Aurora Harbor	122.6	\$ 2,000,000
Hoonah, City of	Hoonah Harbor	108.0	\$ 207,500
Seward, City of	Seward Harbor	107.6	\$ 1,180,000
Nome, City of	Nome Harbor	85.0	\$ 1,500,000
			\$ 23,093,066

**From:** Steve Sorensen [<mailto:steve.ak.ranch@gmail.com>]

**Sent:** Monday, February 14, 2011 9:09 PM

**To:** Rep. Alan Dick; Rep. Bob Miller; Rep. David Guttenberg; Rep. Scott Kawasaki; Rep. Steve Thompson; Sen. John Coghill; Rep. Tammie Wilson

**Cc:** Sen. Albert Kookesh; Sen. Joe Thomas; Sen. Joe Paskvan

**Subject:** HJR 4 and HB 30

Key to Alaska's vitality is its transportation system. I vigorously support HJR 4 – the constitutional amendment to re-instate a dedicated transportation fund and HB 30 - the enabling statutes for the fund. This is long overdue and is sorely needed legislation and will greatly benefit interior Alaska. The Senate needs to get on board and proactively support this legislation.

Sincere Regards,

Steve Sorensen P.E.

"We loved a great many things - birds and trees and books and all things beautiful, and horses and rifles and children and hard work and the joy of life."      Teddy Roosevelt



**ALASKA ASSOCIATION OF HARBORMASTERS  
AND PORT ADMINISTRATORS**

**Kim Elliot, Executive Secretary**

**7 Maksoutoff Street**

**Sitka, AK 99835**

**Phone: (907) 747-7677**

**[aahpa@gei.net](mailto:aahpa@gei.net)**

February 14, 2011

The Honorable Peggy Wilson  
State Capitol Room 408  
Juneau, AK 99801-1182

Dear Representative Wilson:

The Alaska Association of Harbormasters and Port Administrators (AAHPA) is a statewide professional organization comprised of senior managers from 31 municipal harbor systems. Our members operate and maintain the majority of the harbors in the State of Alaska.

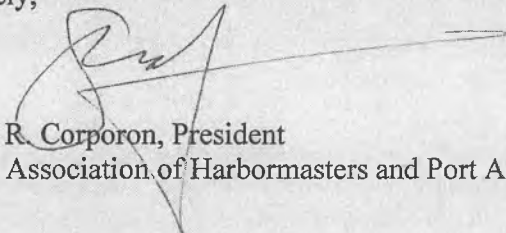
The AAHPA strongly supports House Bill No. 30, which among other things provides a funding source for the State's Municipal Harbor Matching Grant Program (AS 29.60.800). This grant program was developed with substantial input and support from the AAHPA in 2006; however, it has received funding in only three of the State budgets enacted since then.

The primary target of this grant program is the small boat harbors constructed by the State of Alaska in the 1960s and 1970s, which have been transferred to local municipalities during the past several years. Most of these facilities were in less than stellar condition at the time ownership was transferred and are in need of major repairs or replacement.

These harbors play a critical economic role by enabling trade, transportation, commercial fisheries, tourism, and recreational opportunities across the State. Providing a stable funding source for the Municipal Harbor Matching Grant Program, as HB 30 will do, is a significant step in ensuring that we are able to adequately repair and maintain these valuable facilities throughout the State of Alaska.

Please contact me at (907) 228-6049 if you have any questions regarding AAHPA's support of HB 30.

Sincerely,

  
Steven R. Corporon, President  
Alaska Association of Harbormasters and Port Administrators



**Achieving mobility through community appropriate transportation services**

3705 Arctic Blvd #1777  
Anchorage, AK 99503.  
907-240-2702

February 15, 2011

Representative Peggy Wilson  
State Capitol, Rm 408  
Juneau, AK 99801-1182

Dear Representative Wilson:

On behalf of the Alaska Mobility Coalition (AMC), we strongly support HJR4 (a constitution amendment creating a transportation infrastructure fund) and HB30 (transportation infrastructure fund).

The AMC is a private, non-profit membership organization that represents and advocates for public and community transportation in Alaska. The AMC has ninety seven members across the state from Bethel to Prince of Wales Island. The AMC membership provides over seven million rides annually for Alaskans to get to work, school, shopping trips, recreational opportunities and medical appointments. For more information on the AMC, I have attached a link to our website for your review (<http://www.alaskamobility.org>)

Alaska is one of just three states that do not provide general operating support for transit service. In addition, there are road maintenance, ferry operation and urban and rural trails that are neglected around the state because of the lack of infrastructure support. The federal government will be reducing its investment in transportation in Alaska in the next few years and it is time for legislature to dedicate its gas taxes and other transportation-related user fees for transportation infrastructure.

The Alaska Mobility Coalition would be honored to serve on the Transportation Infrastructure Fund Advisory Council as proposed in HB 30.

Thank you for your efforts in supporting transit in Alaska. I look forward to working with you and the Alaska legislature on your legislation during the current session.

Sincerely,

David M. Levy  
Executive Director



ALASKA MINERS ASSOCIATION, INC.

## Issues of Concern for the Alaska Mining Industry for 2011

Actions needed by the Administration and/or the Legislature:

January 2011

### CRITICAL ITEMS: PERMITTING INTEGRITY – LITIGATION REFORM – ENERGY – INFRASTRUCTURE

**Integrity of Permitting System** - Ensure the integrity of the current, very rigorous, science-based state permitting process and fund it at a level that will ensure its integrity.

- Provide sufficient staff and funding for permitting functions of the Departments of Natural Resources, Fish & Game and Environmental Conservation.
- Establish public confidence in the permitting system.

**Alaska Coastal Management Program (ACMP)** – Ensure reforms made in 2003 are not compromised.

**Litigation Reform** – Support efforts to bring more accountability to the appeals and litigation processes for community and resource development projects.

**Infrastructure** - Advocate for and fund infrastructure that will provide access to remote areas of Alaska so natural resource projects can be developed.

- Settle on a route from the Parks Hwy to Nome and begin development of it.
- Establish an effective standard for pioneer roads.
- Fund roads between communities.

**Energy** - Advocate and adopt a state energy plan and fund interties, pipelines, hydroelectric, etc. to provide energy for resource development and communities.

- Ensure that Healy Plant #2 comes on line at the earliest possible date.
- Rationalize the management and control of the railbelt electrical intertie system.
- Fund and construct an intertie between the railbelt intertie and Bethel.
- Develop and implement a strategy to provide stable sources of energy to the railbelt.

### PERMITTING PROCESS

**Water Quality Standards** - Continue to revise water quality standards to ensure standards are scientifically supportable and developed using Alaska-specific criteria. Also, ensure continued availability of mixing zones and adoption of anti-degradation regulations.

**Non-Profit Foundation Money** - Enact legislation to require public disclosure whenever funds from 501(c)(3) non-profit foundations are used to affect public policy; disclosure to include name of the source, amounts and purpose for which the moneys are given.

**Financial Assurance** - Ensure that financial assurance (bonding) requirements for environmental compliance are managed exclusively by the State. Aggressively oppose federal takeover.

### **Endangered Species Act/Essential Fish Habitat** –

Continue to aggressively oppose ESA listings in the courts to ensure decisions are based on sound science.

### FISCAL ISSUES

**Taxation** - Maintain an equitable and stable tax structure at state and local government levels to ensure Alaska industry remains competitive.

**State Fiscal Policy** - Adopt a long range fiscal plan.

**Annual Airborne Geophysical Mapping Program** - Increase funding for the extremely effective airborne geophysical mapping program; initiate statewide baseline water quality mapping.

**Mineral Education & Training** - Continue to support mining engineering and geological engineering, geology, the Mining and Petroleum Training Service (MAPTS), and the Delta Mine

**SB**

**1**

<TARGET><BILL>SB 1</BILL><SUBJECT>SB  
1</SUBJECT><COMM>HRLS27</COMM></TARGET>

# FISCAL NOTE

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

Fiscal Note Number 1  
Bill Version CSSB 1(EDC)  
(S) Publish Date 2/2/11

Identifier (file name) SB1-EED-ESS-1-28-11 Dept. Affected EED  
Title "An Act requiring the State Board of Education and Early Appropriation Education Support Services  
Development..." Allocation Executive Administration  
Sponsor Sen. Davis  
Requester Senate Education Committee OMB Component Number 2736

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

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

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants								
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>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 (please identify)								
<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>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2011) cost 0.0

**POSITIONS**

Full-time								
Part-time								
Temporary								

Why this fiscal note differs from previous version (if initial version, please note as such)

Prepared by Marcy Herman  
Division Commissioner's Office  
Approved by Les Morse  
Acting Commissioner

Phone 465-2803  
Date/Time 1/28/11 8:05 PM  
Date 1/28/2011

FISCAL NOTE #1

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

BILL NO. CSSB 1(EDC)

**Analysis**

This legislation has no fiscal impact on the Department of Education and Early Development.



1                   (1) compile research conducted in the state and nationally on theme-based  
2 education;

3                   (2) explore new approaches that may be effective in producing increased  
4 levels of career readiness;

5                   (3) prepare for the legislature a set of written recommendations to improve  
6 curriculum in the state.

7                   (f) The task force shall submit the findings and recommendations developed under (e)  
8 of this section in a report to the legislature not later than January 1, 2012.

9                   (g) The task force terminates January 1, 2012."

AMENDMENT

# 1

Amendment #1  
amendment #1  
adopted

OFFERED IN THE HOUSE  
TO: CSSB 1(EDC)

1 Page 1, line 2, following "legislature":

2 Insert "; and establishing a joint legislative task force on theme-based education"

3

4 Page 2, following line 2:

5 Insert a new bill section to read:

6 "\* Sec. 2. The uncodified law of the State of Alaska is amended by adding a new section to  
7 read:

8 JOINT LEGISLATIVE TASK FORCE ON THEME-BASED EDUCATION. (a) An  
9 advisory task force on theme-based education is established as a legislative task force for the  
10 purpose of compiling data and advising the legislature on matters pertaining to curriculum in  
11 public schools in the state.

12 (b) The task force established under this section consists of one member of the senate  
13 appointed by the president of the senate and one member of the house of representatives  
14 appointed by the speaker of the house of representatives and the chair of the house committee  
15 having jurisdiction over education.

16 (c) Members of the task force serve without compensation but are entitled to per diem  
17 and travel expenses authorized for boards and commissions under AS 39.20.180. The staff of  
18 the legislative members of the task force shall serve as staff for the task force.

19 (d) The task force shall meet at the call of the chair not less than once every three  
20 months. The chair of the house committee having jurisdiction over education or the chair's  
21 designee shall call the first meeting of the task force not later than 30 days after the effective  
22 date of this Act and shall serve as chair of the task force.

23 (e) The task force shall

1                   (1) compile research conducted in the state and nationally on theme-based  
2 education;

3                   (2) explore new approaches that may be effective in producing increased  
4 levels of career readiness;

5                   (3) prepare for the legislature a set of written recommendations to improve  
6 curriculum in the state.

7                   (f) The task force shall submit the findings and recommendations developed under (e)  
8 of this section in a report to the legislature not later than January 1, 2012.

9                   (g) The task force terminates January 1, 2012."

**HOUSE CS FOR CS FOR SENATE BILL NO. 1(RLS)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-SEVENTH LEGISLATURE - FIRST SESSION**

**BY THE HOUSE RULES COMMITTEE**

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

**Sponsor(s): SENATOR DAVIS**

**REPRESENTATIVE Kawasaki**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act requiring the state Board of Education and Early Development to provide an**  
2 **annual report to the legislature; and establishing a joint legislative task force on theme-**  
3 **based education."**

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

5 **\* Section 1. AS 14.07 is amended by adding a new section to read:**

6 **Sec. 14.07.168. Report to the legislature.** Not later than the 30th legislative  
7 day of each regular session of the legislature, the board shall prepare and present in  
8 person to the legislative committees having jurisdiction over education an annual  
9 report that describes the efforts of the board to develop, maintain, and continuously  
10 improve a comprehensive quality public education system, as provided for under the  
11 bylaws of the board. The report must include

12 (1) a summary of the resolves and rationales provided in support of  
13 policy decisions made under AS 14.03.015;

14 (2) program and curriculum changes made, discussed, or

1 recommended in meetings held under AS 14.07.125;

2 (3) additional information relevant to efforts made to improve and  
3 maintain the public education system.

4 \* **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to  
5 read:

6 **JOINT LEGISLATIVE TASK FORCE ON THEME-BASED EDUCATION.** (a) An  
7 advisory task force on theme-based education is established as a legislative task force for the  
8 purpose of compiling data and advising the legislature on matters pertaining to curriculum in  
9 public schools in the state.

10 (b) The task force established under this section consists of one member of the senate  
11 appointed by the president of the senate, one member of the house of representatives  
12 appointed by the speaker of the house of representatives, and the chair of the house committee  
13 having jurisdiction over education.

14 (c) Members of the task force serve without compensation but are entitled to per diem  
15 and travel expenses authorized for boards and commissions under AS 39.20.180. The staff of  
16 the legislative members of the task force shall serve as staff for the task force.

17 (d) The task force shall meet at the call of the chair not less than once every three  
18 months. The chair of the house committee having jurisdiction over education or the chair's  
19 designee shall call the first meeting of the task force not later than 30 days after the effective  
20 date of this Act and shall serve as chair of the task force.

21 (e) The task force shall

22 (1) compile research conducted in the state and nationally on theme-based  
23 education;

24 (2) explore new approaches that may be effective in producing increased  
25 levels of career readiness;

26 (3) prepare for the legislature a set of written recommendations to improve  
27 curriculum in the state.

28 (f) The task force shall submit the findings and recommendations developed under (e)  
29 of this section in a report to the legislature not later than January 1, 2012.

30 (g) The task force terminates January 1, 2012.

# Theme Based Education Success Model

**\$1M a year for 3 years for three regions,  
Inupiaq, Yupik and Athabaskan.**

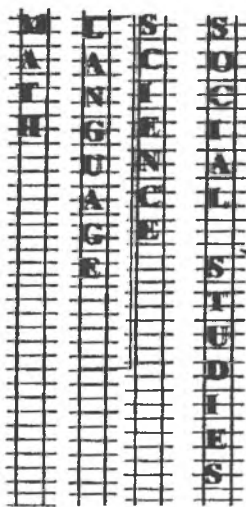
**Total \$3M/ yr. \$9M over 3 years.**

**Preferable \$1.5M for each region for  
the first year, then \$1M for the following  
2 years. Total \$10.5M over 3 years.**

**Will we expect EVERY young person  
to relate the fragments of traditional  
education to reality,  
with not one model to operate from?**

**Or:**

**Facts and fragments**



**Will we teach from a reality model, and  
expect the curriculum developers to  
make sure the mind-numbing standards  
are embedded into that model?**

## The Long Awaited Educational Plan

Three Innovation Resource Centers will be established in Alaska's intervention districts to accomplish the following:

A rigorous curriculum will be developed and implemented that follows clear guidelines. The curricular objective should constantly address the question:

*"What knowledge, skills, qualities and attributes should a mature, responsible young person in this region possess by the age of 18?"*

The curriculum will be entirely theme-based. Academic concepts and standards will be embedded into meaningful themes chosen by the local communities.

The foundation of the curriculum and school operations will be the *Alaska Standards for Culturally Responsible Schools* previously adopted by the State of Alaska. The values incorporated into all instruction will be those values previously identified by the different Indigenous regions.

Constant reflection will be given to evaluating and incorporating the best of traditional and the best of contemporary society.

### Implementation

The three Innovation Resource Centers will represent each of the three cultural areas of the Alaskan Intervention districts: Yupik, Inupiat, and Athabaskan. Money will flow through the Department of Education directly to a chosen entity.

The Innovation Resource centers will develop theme-based curricula for their respective cultural region, choosing themes for middle schools, and locally relevant careers for high school. The sequence of development will be determined by the Leadership team described below. Those themes/career studies will have *embedded within them* the traditional academic disciplines. As much as possible, art, music and creative elements will be incorporated as a means of teaching. Every lesson will view the history and possible future of that theme/career in regards to the local referent.

No lesson will be taught that is not perceivable, by the students, to be relevant to the community and/or a meaningful career. The criteria for relevance will be determined by the Leadership Team. All instruction will attempt to incorporate recall, comprehension, analysis, synthesis, evaluation and creative expression, identifying and teaching to multiple intelligences.

Grades K-3 will retain the current teaching model until future efforts can address the needs. Grades 4-8 will follow a theme-based model with *topics* chosen from the local referent. Grades 9-12 will follow the same theme-based model, but will incorporate Alaskan *careers* as themes.

### Staff

A Chief Administrator will supervise the three Innovation Resource Centers. A modest travel and communication budget will be available to that administrator.

The Chief Administrator position does not have to be a full time position. Each resource center will have staff that includes:

- A lead curriculum person.
- A cultural expert (co-equal with the lead curriculum person) who intimately knows the regional culture and is aware of educational issues.
- A secondary curriculum person.
- A tech/media person who is versed in web design, graphic design, photography, videography & video production.
- A front desk person who also has graphic arts skills.
- \$100K will be available for consultation by local experts to collaborate on theme development.

• Evaluation/assessment/data. A position of "Evaluator" will be funded that will account to and be shared by all three resource centers to evaluate the following:

- 1) The student progress towards the program objectives.
- 2) The overall program in regards to the Cultural Standards of Education.

However, relevant themes/careers in a theme-based model will drive the effort. State standards will be embedded into the themes/careers. It is most critical that this individual is committed to the model, and that progress be accurately evaluated.

The Evaluator will work with the lead curriculum person in each region to develop student evaluation mechanisms for each theme when completed.

The evaluator will develop mechanisms that will be assessed quarterly and annually to determine the success and needs of the model.

No testing will be required of the participating districts other than minimum testing necessary to meet Federal guidelines.

#### **Accountability**

The three Resource centers will be directly accountable to an Leadership Team established for that purpose. On the Leadership board for each region will be:

- A true Elder from that region.
- A superintendent from that region.
- Two teachers with at least 10 years classroom experience in bush Alaska with at least 5 years in that region.
- Two students from that region.
- Two parents from that region.
- Local Native Corporation.
- Alaska State Legislature.
- Department of Education.

In reality, this team might meet in person or electronically once a month for three months, then quarterly thereafter.

A modest travel/communication budget will be available to the "Adanuk" Team.

A success and improvement plan will be determined by a collaborative effort between the Chief Administrator, the "Adanuk" Team, the Curriculum Team, the Evaluator and participating Districts.

#### **Financial Support.**

Each Innovative Resource Center will receive \$1M per year for three years. That is, a total of \$3M per year for three years. Each Innovative Resource Center will share the costs of the Chief Administrator, Adanuk Team and Evaluation Expert. After the initial three-year funding period, much of the curriculum should be developed. A small maintenance budget should be sufficient to keep media available.

# The Long-Awaited Plan

Chief Administrator

Legislative Representative — Commissioner of Education

## Inupiaq, Yupik, Athabaskan

### Work Force

- Lead curriculum person.
- Cultural expert
- Secondary curriculum person.
- Tech/media person
- Front desk person

### Adanuk Team

- True Elder
- Superintendent
- 2 Teachers
- Student
- Parent
- Regional Native Corp.
- Rep Local Tribal.
- AK State Legislature.
- Representative DEED

Evaluator/Data/Assesment

**SB**

**23**

<TARGET><BILL>SB 23</BILL><SUBJECT>SB  
23</SUBJECT><COMM>HRLS27</COMM></TARGET>

WORK DRAFT

WORK DRAFT

WORK DRAFT

*Cari Badgley  
465-2132  
723-7596  
cell*

*as amended*

27-LS0252UU  
Bullock  
4/14/12

**HOUSE CS FOR CS FOR SENATE BILL NO. 23( )**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-SEVENTH LEGISLATURE - SECOND SESSION**

BY

Offered:  
Referred:

Sponsor(s): SENATORS ELLIS, McGuire, French, Davis, Wielechowski, Kookesh, Meyer, Menard, Egan, Stedman

REPRESENTATIVES Petersen, Herron, Tuck

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to taxes and tax credits; relating to oil and gas production taxes;  
2 relating to tax credits for oil and gas exploration; relating to tax credits and cost savings  
3 for liquefied natural gas storage and reducing costs to consumers; relating to an  
4 exemption from rental payments on state land for certain liquefied natural gas facilities;  
5 relating to transferable film production tax credits and film production tax credit  
6 certificates; relating to the taxes against which a film production tax credit may be  
7 applied; transferring the film office to the Department of Revenue and relating to that  
8 office; establishing the Alaska Film Incentive Review Commission; establishing a film  
9 production promotion program; relating to the amount of credit that may be awarded  
10 for compensation to producers, directors, writers, and actors who are not residents;  
11 providing for a fee to be paid at the time an application for eligibility for the film  
12 production tax credit is filed; providing a one-time credit for the first episodic scripted  
13 television production in the state; requiring the legislative audit division to audit the

*Remove sec 18 and any references to it 4/15/12 11:10 am*

*as amended #1*

1 **Alaska film production incentive program; providing for an effective date by repealing**  
 2 **the effective dates of secs. 3 and 4, ch. 63, SLA 2008; and providing for an effective**  
 3 **date."**

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

5 \* **Section 1.** AS 24.20.271 is amended to read:

6 **Sec. 24.20.271. Powers and duties.** The legislative audit division shall

7 (1) conduct a performance post-audit of boards and commissions  
 8 designated in AS 44.66.010 and of those programs and activities of agencies subject to  
 9 termination as determined in the manner set out in AS 44.66.020 and 44.66.030, and  
 10 make the audit, together with a written report, available to the legislature not later than  
 11 the first day of the regular session of the legislature convening in each year set out  
 12 with reference to boards, commissions, or agency programs whose activities are  
 13 subject to termination as prescribed in AS 44.66; the division shall notify the  
 14 legislature that the audit and report are available;

15 (2) audit at least once every three years the books and accounts of all  
 16 custodians of public funds and all disbursing officers of the state;

17 (3) at the direction of the Legislative Budget and Audit Committee,  
 18 conduct performance post-audits on any agency of state government;

19 (4) cooperate with state agencies by offering advice and assistance as  
 20 requested in establishing or improving the accounting systems used by state agencies;

21 (5) require the assistance and cooperation of all state officials and  
 22 other state employees in the inspection, examination, and audit of state agency books  
 23 and accounts;

24 (6) have access at all times to the books, accounts, reports, or other  
 25 records, whether confidential or not, of every state agency;

26 (7) ascertain, as necessary for audit verification, the amount of agency  
 27 funds on deposit in any bank as shown on the books of the bank; no bank may be held  
 28 liable for making information required under this paragraph available to the legislative  
 29 audit division;

30 (8) complete studies and prepare reports, memoranda, or other

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materials as directed by the Legislative Budget and Audit Committee;  
(9) have direct access to any information related to the management of the University of Alaska and have the same right of access as exists with respect to every other state agency;

(10) conduct an audit every two years of information found in the annual reports required under AS 42.05.211 and AS 42.06.220 regarding compliance by the Regulatory Commission of Alaska with the requirements of AS 42.05.175(a) - (e) and of the timeline extensions made by the commission under AS 42.05.175(f), and of other performance measures adopted by the commission;

(11) conduct audits of the Alaska film production incentive program (AS 44.25.100 - 44.25.190) and make the audits available to the legislature on the first day of the regular session of the legislature in 2015, 2017, and 2021.

\* Sec. 2. AS 38.05 is amended by adding a new section to read:

**Sec. 38.05.096. Exemption from rental payments on land leased for certain liquefied natural gas storage facilities.** (a) A person leasing state land for a liquefied natural gas storage facility other than a gas storage facility subject to AS 38.05.180(u) may request an exemption from lease payments as provided in this section. The exemption is applicable for the periods described in (b) of this section.

(b) The exemption is available for the calendar year in which the liquefied natural gas storage facility commences commercial operation and for each of the nine calendar years immediately following the first year of commercial operation. However, an exemption is not applicable for the calendar year after the facility ceases commercial operation or for any subsequent calendar year.

(c) The lessee shall provide the director with any information the director requests to determine whether the lessee qualifies for the exemption.

(d) Information related to state land leased for a liquefied natural gas storage facility qualifying for the exemption in this section is public information and may be furnished to the Regulatory Commission of Alaska. On request, the director shall provide the name of each person using state land leased for a liquefied natural gas storage facility, the years for which an exemption was granted, and the amount of the

1 exemption.

2 (e) A person receiving an exemption for a payment under this section that  
3 contracts to store liquefied natural gas for a utility regulated under AS 42.05 shall  
4 reduce the storage price to reflect the value of the exemption.

5 (f) In this section,

6 (1) "ceases commercial operation" and "commences commercial  
7 operation" have the meanings given in AS 31.05.032;

8 (2) "liquefied natural gas storage facility" has the meaning given in  
9 AS 42.05.990.

10 \* **Sec. 3.** AS 42.05.381(k) is amended to read:

11 (k) The cost to the utility of storing gas in a gas storage facility **or storing**  
12 **liquefied natural gas in a liquefied natural gas storage facility** that is allowed in  
13 determining a just and reasonable rate shall reflect the reduction in cost attributable to  
14 any exemption from a payment due under **AS 38.05.096 or 38.05.180(u), as**  
15 **applicable**, [AS 38.05.180(u)] and the value of a tax credit that the owner of the gas  
16 storage facility received under AS 43.20.046 **or 43.20.047, as applicable**. The  
17 commission may request the (1) commissioner of natural resources to report the value  
18 of the exemption from a payment due under **AS 38.05.096 or 38.05.180(u), as**  
19 **applicable**, [AS 38.05.180(u)] that the gas storage facility received; and (2)  
20 commissioner of revenue to report information on the amount of tax credits claimed  
21 under AS 43.20.046 **and 43.20.047, as applicable**, for the gas storage facility **or**  
22 **liquefied natural gas storage facility**. In this subsection,

23 **(1) "gas storage facility" has the meaning given in AS 31.05.032;**

24 **(2) "liquefied natural gas storage facility" has the meaning given**  
25 **in AS 42.05.990.**

26 \* **Sec. 4.** AS 42.05.990(5) is amended to read:

27 (5) "public utility" or "utility" includes every corporation whether  
28 public, cooperative, or otherwise, company, individual, or association of individuals,  
29 their lessees, trustees, or receivers appointed by a court, that owns, operates, manages,  
30 or controls any plant, pipeline, or system for

31 (A) furnishing, by generation, transmission, or distribution,

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- electrical service to the public for compensation;
- (B) furnishing telecommunications service to the public for compensation;
- (C) furnishing water, steam, or sewer service to the public for compensation;
- (D) furnishing by transmission or distribution of natural or manufactured gas to the public for compensation;
- (E) furnishing for distribution or by distribution petroleum or petroleum products to the public for compensation when the consumer has no alternative in the choice of supplier of a comparable product and service at an equal or lesser price;
- (F) furnishing collection and disposal service of garbage, refuse, trash, or other waste material to the public for compensation;
- (G) furnishing the service of natural gas storage to the public for compensation;
- (H) furnishing the service of liquefied natural gas storage to the public for compensation;**

\* Sec. 5. AS 42.05.990 is amended by adding new paragraphs to read:

(11) "liquefied natural gas storage facility" means a facility that receives natural gas volumes in a liquid or gaseous state from customers, holds the gas volumes in a liquid state in a reservoir, and delivers the gas volumes in a liquid or gaseous state to the customer; in this paragraph, "facility" includes

- (A) all parts of the facility from the point at which the natural gas volumes are received by the facility from the customer to the point at which the natural gas volumes are delivered by the facility to the customer;
- (B) a facility consisting of a reservoir, either underground or aboveground, and one or more of the following components of the facility:
  - (i) pipe;
  - (ii) compressor stations;
  - (iii) station equipment;
  - (iv) liquefaction plant or facility;

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(v) gasification plant or facility;

(vi) on-site or remote monitoring, supervision, and control facilities;

(vii) gas processing plants and gas treatment plants, but not including a manufacturing plant or facility;

(viii) other equipment necessary to receive, place into the reservoir, monitor, remove from the reservoir, process, and deliver natural gas;

(12) "reservoir" means a receptacle or chamber, either natural or man-made, holding a gas or liquid, and includes a tank or a depleted or nearly depleted pool;

(13) "service of liquefied natural gas storage" means the operation of a liquefied natural gas storage facility; "service of liquefied natural gas storage" does not include the storage of liquefied natural gas

(A) owned by or contractually obligated to the owner, operator, or manager of the liquefied natural gas storage facility;

(B) that is incidental to the production or sale of natural gas to one or more third-party customers; or

(C) for which the price of storage is not separately itemized.

\* Sec. 6. AS 43.20 is amended by adding a new section to article 1 to read:

**Sec. 43.20.047. Liquefied natural gas storage facility tax credit.** (a) A person that is an owner of a liquefied natural gas storage facility described in (b) of this section that commences commercial operation before January 1, 2020, may apply a refundable credit against a tax liability that may be imposed on the person under this chapter or receive the amount of the credit in the form of a payment for the taxable year in which the liquefied natural gas storage facility commences commercial operation. The tax credit or payment under this section may not exceed the lesser of \$15,000,000 or 50 percent of the costs incurred to establish or expand the liquefied natural gas storage facility. The tax credit in this section is in addition to any other credit under this chapter for which the person is eligible.

(b) To qualify for the credit in this section, a liquefied natural gas storage

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(1) must have a liquefied natural gas storage volume of not less than 25,000 gallons of liquefied natural gas, or, if the credit is claimed for an expansion, the expansion must have increased the capacity of an existing liquefied natural gas storage facility by more than 25,000 gallons;

(2) may not have been in operation as a liquefied natural gas storage facility before January 1, 2011, unless the tax credit in this section is based on the expansion of the liquefied natural gas storage facility after December 31, 2011;

(3) must be regulated under AS 42.05 as a utility and be available to furnish the service of liquefied natural gas storage to customers, utilities, or industrial facilities; in this paragraph, "service of liquefied natural gas storage" has the meaning given in AS 42.05.990;

(4) if located on state land and leased or subject to a lease under AS 38.05, must be in compliance with the terms of the lease; and

(5) must have commenced commercial operation on or before the date the person takes a credit under (a) of this section or applies for a payment under (a) of this section.

(c) To claim the credit or request a payment, a person shall submit to the department a certification of the capacity of the liquefied natural gas storage facility measured in gallons or the capacity of an expansion to an existing liquefied natural gas storage facility measured in gallons, the date that the liquefied natural gas storage facility commenced commercial operation, the date that any expansion to the liquefied natural gas storage facility commenced commercial operation, and other information required by the department.

(d) A person applying the credit under this section against a liability under this chapter shall claim the credit on the person's return. A person entitled to a tax credit under this section that is greater than the person's tax liability under this chapter may request a refund or payment in the amount of the unused portion of the tax credit.

(e) The department may use money available in the oil and gas tax credit fund established in AS 43.55.028 to make a refund or payment under (d) of this section in whole or in part if the department finds that (1) the claimant does not have an

1 outstanding liability to the state for unpaid delinquent taxes under this title; and (2)  
 2 after application of all available tax credits, the claimant's total tax liability under this  
 3 chapter for the calendar year in which the claim is made is zero. In this subsection,  
 4 "unpaid delinquent tax" means an amount of tax for which the department has issued  
 5 an assessment that has not been paid and, if contested, has not been finally resolved in  
 6 the taxpayer's favor.

7 (f) For the purpose of determining the amount of the credit under this section,  
 8 the costs incurred to establish a liquefied natural gas storage facility or to expand a  
 9 liquefied natural gas storage facility shall be submitted to the department with  
 10 verification by an independent certified public accountant, licensed in the state. The  
 11 volume of working liquefied natural gas storage or volume of the expansion to an  
 12 existing liquefied natural gas storage facility shall be verified by a professional  
 13 engineer licensed in the state with relevant experience.

14 (g) A person may not receive a credit under this section for the acquisition of a  
 15 liquefied natural gas storage facility for which a credit has been taken under this  
 16 section.

17 (h) If the liquefied natural gas storage facility for which a credit was received  
 18 under this section ceases commercial operation during the nine calendar years  
 19 immediately following the calendar year in which the liquefied natural gas storage  
 20 facility commences commercial operation, the tax liability under this chapter of the  
 21 person who claimed the credit shall be increased, and a person not subject to the tax  
 22 under this chapter that received a payment under (d) and (e) of this section shall be  
 23 liable to the state in the amount determined in this subsection. The amount of the  
 24 increase in tax liability or liability to the state

25 (1) for a person subject to the tax under this chapter, shall be  
 26 determined and assessed for the taxable year in which the liquefied natural gas storage  
 27 facility ceases commercial operation, regardless of whether the liquefied natural gas  
 28 storage facility subsequently resumes commercial operation;

29 (2) for a person not subject to the tax due under this chapter, shall be  
 30 determined and assessed as of December 31 of the calendar year in which the liquefied  
 31 natural gas storage facility ceases commercial operation, regardless of whether the

1 liquefied natural gas storage facility subsequently resumes commercial operation; and  
2 (3) is equal to the total amount of the credit taken or received as a  
3 payment under (d) of this section, as applicable, multiplied by a fraction, the  
4 numerator of which is the difference between 10 and the number of calendar years for  
5 which the liquefied natural gas storage facility was eligible for a tax credit under this  
6 section and the denominator of which is 10.

7 (i) The issuance of a refund under this section does not limit the department's  
8 ability to later audit or adjust the claim if the department determines, as a result of the  
9 audit, that the person that claimed the credit was not entitled to the amount of the  
10 credit. The tax liability of the person receiving the credit under this chapter is  
11 increased by the amount of the credit that exceeds that to which the person was  
12 entitled. If the tax liability is increased under this subsection, the increase bears  
13 interest at the rate set by AS 43.05.225 from the date the refund was issued.

14 (j) A person claiming a tax credit under this section for a liquefied natural gas  
15 storage facility that ceases commercial operation within nine calendar years  
16 immediately following the calendar year in which the liquefied natural gas storage  
17 facility commences commercial operation shall notify the department in writing of the  
18 date the liquefied natural gas storage facility ceased commercial operation. The notice  
19 must be filed with the return for the taxable year in which the liquefied natural gas  
20 storage facility ceases commercial operation.

21 (k) A refund under this section does not bear interest.

22 (l) In this section,

23 (1) "ceases commercial operation" means that the liquefied natural gas  
24 storage facility fails to add or withdraw 20 percent or more of its working capacity of  
25 liquefied natural gas during a calendar year after the calendar year in which the  
26 liquefied natural gas storage facility commences commercial operation;

27 (2) "commences commercial operation" means the first input of  
28 liquefied natural gas into a liquefied natural gas storage facility for purposes other than  
29 testing;

30 (3) "liquefied natural gas storage facility" has the meaning given in  
31 AS 42.05.990.

1 \* **Sec. 7.** AS 43.55.011(e) is amended to read:

2 (e) There is levied on the producer of oil or gas a tax for all oil and gas  
3 produced each calendar year from each lease or property in the state, less any oil and  
4 gas the ownership or right to which is exempt from taxation or constitutes a  
5 landowner's royalty interest. Except as otherwise provided under (f), (j), (k), [AND]  
6 (o), and (p) of this section, the tax is equal to the sum of

7 (1) the annual production tax value of the taxable oil and gas as  
8 calculated under AS 43.55.160(a)(1), as adjusted by AS 43.55.162, multiplied by 25  
9 percent; and

10 (2) the sum, over all months of the calendar year, of the tax amounts  
11 determined under (g) of this section.

12 \* **Sec. 8.** AS 43.55.011(g) is amended to read:

13 (g) For each month of the calendar year for which the producer's average  
14 monthly production tax value under AS 43.55.160(a)(2) of a [PER] BTU equivalent  
15 barrel of the taxable oil and gas is more than \$30, the amount of tax for purposes of  
16 (e)(2) of this section is determined by multiplying the monthly production tax value of  
17 the taxable oil and gas produced during the month, as adjusted by AS 43.55.162, by  
18 the tax rate calculated as follows:

19 (1) if the producer's average monthly production tax value of a [PER]  
20 BTU equivalent barrel of the taxable oil and gas for the month is not more than  
21 \$92.50, the tax rate is 0.4 percent multiplied by the number that represents the  
22 difference between that average monthly production tax value of a [PER] BTU  
23 equivalent barrel and \$30; or

24 (2) if the producer's average monthly production tax value of a [PER]  
25 BTU equivalent barrel of the taxable oil and gas for the month is more than \$92.50,  
26 the tax rate is the sum of 25 percent and the product of 0.1 percent multiplied by the  
27 number that represents the difference between the average monthly production tax  
28 value of a [PER] BTU equivalent barrel and \$92.50, except that the sum determined  
29 under this paragraph may not exceed 50 percent.

30 \* **Sec. 9.** AS 43.55.011 is amended by adding a new subsection to read:

31 (p) For the seven years immediately following the commencement of

1 commercial production of oil or gas produced from leases or properties in the state  
2 that are outside the Cook Inlet sedimentary basin and that do not include land located  
3 north of 68 degrees North latitude, where that commercial production began after  
4 December 31, 2012, and before January 1, 2022, the levy of tax under (e) of this  
5 section for oil and gas may not exceed four percent of the gross value at the point of  
6 production.

7 \* **Sec. 10.** AS 43.55.020(a) is amended to read:

8 (a) For a calendar year, a producer subject to tax under AS 43.55.011(e) - (i)  
9 **or (d)** shall pay the tax as follows:

10 (1) an installment payment of the estimated tax levied by  
11 AS 43.55.011(e), net of any tax credits applied as allowed by law, is due for each  
12 month of the calendar year on the last day of the following month; except as otherwise  
13 provided under (2) of this subsection, the amount of the installment payment is the  
14 sum of the following amounts, less 1/12 of the tax credits that are allowed by law to be  
15 applied against the tax levied by AS 43.55.011(e) for the calendar year, but the amount  
16 of the installment payment may not be less than zero:

17 (A) for oil and gas produced from leases or properties in the  
18 state outside the Cook Inlet sedimentary basin but not subject to  
19 AS 43.55.011(o) **or (d)**, other than leases or properties subject to  
20 AS 43.55.011(f), the greater of

21 (i) zero; or

22 (ii) the sum of 25 percent and the tax rate calculated for  
23 the month under AS 43.55.011(g) multiplied by the remainder obtained  
24 by subtracting 1/12 of the producer's adjusted lease expenditures for the  
25 calendar year of production under AS 43.55.165 and 43.55.170 that are  
26 deductible for the leases or properties under AS 43.55.160 **and 1/12 of**  
27 **the adjustment to production tax value for the calendar year under**  
28 **AS 43.55.162** from the gross value at the point of production of the oil  
29 and gas produced from the leases or properties during the month for  
30 which the installment payment is calculated;

31 (B) for oil and gas produced from leases or properties subject

1 to AS 43.55.011(f), the greatest of

2 (i) zero;

3 (ii) zero percent, one percent, two percent, three  
4 percent, or four percent, as applicable, of the gross value at the point of  
5 production of the oil and gas produced from all leases or properties  
6 during the month for which the installment payment is calculated; or

7 (iii) the sum of 25 percent and the tax rate calculated for  
8 the month under AS 43.55.011(g) multiplied by the remainder obtained  
9 by subtracting 1/12 of the producer's adjusted lease expenditures for the  
10 calendar year of production under AS 43.55.165 and 43.55.170 that are  
11 deductible for those leases or properties under AS 43.55.160 **and 1/12**  
12 **of the adjustment to production tax value for the calendar year**  
13 **under AS 43.55.162** from the gross value at the point of production of  
14 the oil and gas produced from those leases or properties during the  
15 month for which the installment payment is calculated;

16 (C) for oil and gas produced from each lease or property  
17 subject to AS 43.55.011(j), (k), [OR] (o), **or (p)**, the greater of

18 (i) zero; or

19 (ii) the sum of 25 percent and the tax rate calculated for  
20 the month under AS 43.55.011(g) multiplied by the remainder obtained  
21 by subtracting 1/12 of the producer's adjusted lease expenditures for the  
22 calendar year of production under AS 43.55.165 and 43.55.170 that are  
23 deductible under AS 43.55.160 **and 1/12 of the adjustment to**  
24 **production tax value for the calendar year under AS 43.55.162** for  
25 oil or gas, **as applicable** [RESPECTIVELY], produced from the lease  
26 or property from the gross value at the point of production of the oil or  
27 gas, **as applicable** [RESPECTIVELY], produced from the lease or  
28 property during the month for which the installment payment is  
29 calculated;

30 (2) an amount calculated under (1)(C) of this subsection for oil or gas  
31 produced from a lease or property

1                    (A) subject to AS 43.55.011(j), (k), or (o) may not exceed the  
2 product obtained by carrying out the calculation set out in AS 43.55.011(j)(1)  
3 or (2) or 43.55.011(o), as applicable, for gas or set out in AS 43.55.011(k)(1)  
4 or (2), as applicable, for oil, but substituting in AS 43.55.011(j)(1)(A) or (2)(A)  
5 or 43.55.011(o), as applicable, the amount of taxable gas produced during the  
6 month for the amount of taxable gas produced during the calendar year and  
7 substituting in AS 43.55.011(k)(1)(A) or (2)(A), as applicable, the amount of  
8 taxable oil produced during the month for the amount of taxable oil produced  
9 during the calendar year;

10                    (B) subject to AS 43.55.011(p) may not exceed four percent  
11 of the gross value at the point of production of the oil or gas;

12                    (3) an installment payment of the estimated tax levied by  
13 AS 43.55.011(i) for each lease or property is due for each month of the calendar year  
14 on the last day of the following month; the amount of the installment payment is the  
15 sum of

16                    (A) the applicable tax rate for oil provided under  
17 AS 43.55.011(i), multiplied by the gross value at the point of production of the  
18 oil taxable under AS 43.55.011(i) and produced from the lease or property  
19 during the month; and

20                    (B) the applicable tax rate for gas provided under  
21 AS 43.55.011(i), multiplied by the gross value at the point of production of the  
22 gas taxable under AS 43.55.011(i) and produced from the lease or property  
23 during the month;

24                    (4) any amount of tax levied by AS 43.55.011(e) or (i), net of any  
25 credits applied as allowed by law, that exceeds the total of the amounts due as  
26 installment payments of estimated tax is due on March 31 of the year following the  
27 calendar year of production.

28 \* **Sec. 11.** AS 43.55.025(a) is amended to read:

29                    (a) Subject to the terms and conditions of this section, a credit against the  
30 production tax levied by AS 43.55.011(e) is allowed for exploration expenditures that  
31 qualify under (b) of this section in an amount equal to one of the following:

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(1) 30 percent of the total exploration expenditures that qualify only under (b) and (c) of this section;

(2) 30 percent of the total exploration expenditures that qualify only under (b) and (d) of this section;

(3) 40 percent of the total exploration expenditures that qualify under (b), (c), and (d) of this section;

(4) 40 percent of the total exploration expenditures that qualify only under (b) and (e) of this section; [OR]

(5) 80, 90, or 100 percent, or a lesser amount described in (d) of this section, of the total exploration expenditures described in (b)(1) and (2) of this section and not excluded by (b)(3) and (4) of this section that qualify only under (d) of this section;

**(6) the lesser of \$25,000,000 or 80 percent of the total exploration drilling expenditures described in (n) of this section and that qualify under (b) and (c) of this section; or**

**(7) the lesser of \$7,500,000 or 75 percent of the total seismic exploration expenditures described in (o) of this section and that qualify under (b) of this section.**

\* Sec. 12. AS 43.55.025(c) is amended to read:

(c) To be eligible for a [THE 30 PERCENT] production tax credit authorized by (a)(1), (3), or (6) of this section [OR THE 40 PERCENT PRODUCTION TAX CREDIT AUTHORIZED BY (a)(3) OF THIS SECTION], exploration expenditures must

(1) qualify under (b) of this section; and

(2) be for an exploration well, subject to the following:

(A) before the well is spudded,

(i) the explorer shall submit to the commissioner of natural resources the information necessary to determine whether the geological objective of the well is a potential oil or gas trap that is distinctly separate from any trap that has been tested by a preexisting well;

1 (ii) at the time of the submittal of information under (i)  
2 of this subparagraph, the commissioner of natural resources may  
3 request from the explorer that specific data sets, ancillary data, and  
4 reports including all results, and copies of well data collected and data  
5 analyses for the well be provided to the Department of Natural  
6 Resources upon completion of the drilling; in this sub-subparagraph,  
7 well data include all analyses conducted on physical material, and well  
8 logs collected from the well and sample analyses; testing geophysical  
9 and velocity data including vertical seismic profiles and check shot  
10 surveys; testing data and analyses; age data; geochemical analyses; and  
11 access to tangible material; and

12 (iii) the commissioner of natural resources must make  
13 an affirmative determination as to whether the geological objective of  
14 the well is a potential oil or gas trap that is distinctly separate from any  
15 trap that has been tested by a preexisting well and what information  
16 under (ii) of this subparagraph must be submitted by the explorer after  
17 completion, abandonment, or suspension under AS 31.05.030; the  
18 commissioner of natural resources shall make that determination within  
19 60 days after receiving all the necessary information from the explorer  
20 based on the information received and on other information the  
21 commissioner of natural resources considers relevant;

22 (B) for an exploration well other than a well to explore a Cook  
23 Inlet prospect, the well must be located and drilled in such a manner that the  
24 bottom hole is located not less than three miles away from the bottom hole of a  
25 preexisting well drilled for oil or gas, irrespective of whether the preexisting  
26 well has been completed, suspended, or abandoned;

27 (C) after completion, suspension, or abandonment under  
28 AS 31.05.030 of the exploration well, the commissioner of natural resources  
29 must determine that the well was consistent with achieving the explorer's  
30 stated geological objective.

31 \* **Sec. 13.** AS 43.55.025 is amended by adding new subsections to read:

1 (n) The persons that drill the first four exploration wells in the state and within  
2 the areas described in (p) of this section on state lands, private lands, or federal  
3 onshore lands for the purpose of discovering oil or gas that penetrate and evaluate a  
4 prospect in a basin described in (p) of this section are eligible for a credit under (a)(6)  
5 of this section. A credit under this subsection may not be taken for more than two  
6 exploration wells in a single area described in (p)(1) - (6) of this section. Exploration  
7 expenditures eligible for the credit in this subsection must be incurred for work  
8 performed after June 1, 2012, and before July 1, 2016. A person planning to drill an  
9 exploration well on private land and to apply for a credit under this subsection shall  
10 obtain written consent from the owner of the oil and gas interest for the full public  
11 release of all well data after the expiration of the confidentiality period applicable to  
12 information collected under (f) of this section. The written consent of the owner of the  
13 oil and gas interest must be submitted to the commissioner of natural resources before  
14 approval of the proposed exploration well. In addition to the requirements in (c) of this  
15 section and submission of the written consent of the owner of the oil and gas interest, a  
16 person planning to drill an exploration well shall obtain approval from the  
17 commissioner of natural resources before the well is spudded. The commissioner of  
18 natural resources shall make a written determination approving or rejecting an  
19 exploration well within 60 days after receiving the request for approval or as soon as is  
20 practicable thereafter. Before approving the exploration well, the commissioner of  
21 natural resources shall consider the following: the location of the well; the proximity  
22 to a community in need of a local energy source; the proximity of existing  
23 infrastructure; the experience and safety record of the explorer in conducting  
24 operations in remote or roadless areas; the projected cost schedule; whether seismic  
25 mapping and seismic data sufficiently identify a particular trap for exploration;  
26 whether the targeted and planned depth and range are designed to penetrate and fully  
27 evaluate the hydrocarbon potential of the proposed prospect and reach the level below  
28 which economic hydrocarbon reservoirs are likely to be found, or reach 12,000 feet or  
29 more true vertical depth; and whether the exploration plan provides for a full  
30 evaluation of the wellbore below surface casing to the depth of the well. Whether the  
31 exploration well for which a credit is requested under this subsection is located within

1 an area and a basin described under (p) of this section shall be determined by the  
2 commissioner of natural resources and reported to the commissioner. A taxpayer that  
3 obtains a credit under this subsection may not claim a tax credit under AS 43.55.023  
4 or another provision in this section for the same exploration expenditure.

5 (o) The persons that conduct the first four seismic exploration projects in the  
6 state and within the areas described in (p) of this section for the purpose of discovering  
7 oil or gas in a basin are eligible for the credit under (a)(7) of this section. A credit  
8 under this subsection may not be taken for more than one seismic exploration project  
9 in a single area described in (p)(1) - (6) of this section. Exploration expenditures  
10 eligible for the credit in this subsection must be incurred for work performed after  
11 June 1, 2012, and before July 1, 2016. A person planning to conduct a seismic  
12 exploration project on private land and to apply for a credit under this subsection shall  
13 obtain written consent from the owner of the oil and gas interest for the full public  
14 release of all geophysical data and compliance with the data submission requirements  
15 in (f)(2) of this section. Notwithstanding (f)(2)(C)(ii) of this section, to qualify for a  
16 credit under this subsection, a person shall submit the written consent of the owner of  
17 the oil and gas interest for the release of data if applicable, and all data required under  
18 (f)(2) of this section to the Department of Natural Resources and shall agree in writing  
19 that all seismic data requirements submitted under the requirements of (f)(2) of this  
20 section may be made public two years after receiving a credit under this subsection. A  
21 person intending to qualify for the tax credit under this subsection shall obtain  
22 approval from the commissioner of natural resources before the commencement of the  
23 seismic exploration activities. The commissioner of natural resources shall make a  
24 written determination approving or rejecting a seismic project within 60 days after  
25 receiving the request for approval or as soon as is practicable thereafter. Before  
26 approving a seismic exploration project, the commissioner shall consider the  
27 following: the location of the project; the projected cost schedule; the data acquisition  
28 and data processing plan; the reasons for choosing the particular area for seismic  
29 exploration; and the experience and safety record of the person in conducting seismic  
30 exploration operations in remote or roadless areas. Whether the seismic exploration  
31 project for which a credit is requested under this subsection is located in a basin

1 described in (p) of this section shall be determined by the commissioner of natural  
2 resources and reported to the commissioner. A taxpayer that obtains a credit under this  
3 subsection may not claim a tax credit under AS 43.55.023 or another provision in this  
4 section for the same exploration expenditure.

5 (p) The activity that is the basis for a credit claimed under (a)(6) and (n) of  
6 this section or (a)(7) and (o) of this section must be for the exploration of a basin and  
7 within the following areas whose central points are determined using the World  
8 Geographic System of 1984 datum,

9 (1) 100 miles from 66.896128 degrees North, -162.598187 degrees  
10 West;

11 (2) 150 miles from 64.839474 degrees North, -147.72094 degrees  
12 West;

13 (3) 50 miles from 62.776428 degrees North, -164.495201 degrees  
14 West;

15 (4) 50 miles from 62.110357 degrees North, -145.530551 degrees  
16 West;

17 (5) 100 miles from 58.189868 degrees North, -157.371104 degrees  
18 West;

19 (6) 100 miles from 56.005988 degrees North, -160.56083 degrees  
20 West.

21 \* **Sec. 14.** AS 43.55.028(a) is amended to read:

22 (a) The oil and gas tax credit fund is established as a separate fund of the state.  
23 The purpose of the fund is to purchase transferable tax credit certificates issued under  
24 AS 43.55.023 and production tax credit certificates issued under AS 43.55.025 and to  
25 pay refunds **and payments** claimed under AS 43.20.046 **or 43.20.047**.

26 \* **Sec. 15.** AS 43.55.028(g) is amended to read:

27 (g) The department may adopt regulations to carry out the purposes of this  
28 section, including standards and procedures to allocate available money among  
29 applications for purchases under this chapter and claims for refunds **and payments**  
30 under AS 43.20.046 **or 43.20.047** when the total amount of the applications for  
31 purchase and claims for refund exceed the amount of available money in the fund. The

1 regulations adopted by the department may not, when allocating available money in  
2 the fund under this section, distinguish an application for the purchase of a credit  
3 certificate issued under AS 43.55.023(m) or a claim for refund under AS 43.20.046 or  
4 AS 43.20.047.

5 \* **Sec. 16.** AS 43.55.160(a) is amended to read:

6 (a) Except as provided in (b) of this section, and subject to adjustment  
7 under AS 43.55.162, for the purposes of

8 (1) AS 43.55.011(e), the annual production tax value of the taxable oil,  
9 gas, or [(A)] oil and gas subject to this paragraph produced during a calendar year  
10 [FROM LEASES OR PROPERTIES IN THE STATE THAT INCLUDE LAND  
11 NORTH OF 68 DEGREES NORTH LATITUDE] is the gross value at the point of  
12 production of the oil, gas, or oil and gas taxable under AS 43.55.011(e) [AND  
13 PRODUCED BY THE PRODUCER FROM THOSE LEASES OR PROPERTIES],  
14 less the producer's lease expenditures under AS 43.55.165 for the calendar year  
15 applicable to the oil, gas, or oil and gas, as applicable, produced by the producer from  
16 [THOSE] leases or properties, as adjusted under AS 43.55.170; this paragraph  
17 applies to

18 (A) oil and gas produced from leases or properties in the  
19 state that include land north of 68 degrees North latitude, other than gas  
20 produced before 2022 and used in the state; [THIS SUBPARAGRAPH  
21 DOES NOT APPLY TO GAS SUBJECT TO AS 43.55.011(o);]

22 (B) oil and gas produced [DURING A CALENDAR YEAR]  
23 from leases or properties in the state outside the Cook Inlet sedimentary basin,  
24 no part of which is north of 68 degrees North latitude [, IS THE GROSS  
25 VALUE AT THE POINT OF PRODUCTION OF THE OIL AND GAS  
26 TAXABLE UNDER AS 43.55.011(e) AND PRODUCED BY THE  
27 PRODUCER FROM THOSE LEASES OR PROPERTIES, LESS THE  
28 PRODUCER'S LEASE EXPENDITURES UNDER AS 43.55.165 FOR THE  
29 CALENDAR YEAR APPLICABLE TO THE OIL AND GAS PRODUCED  
30 BY THE PRODUCER FROM THOSE LEASES OR PROPERTIES, AS  
31 ADJUSTED UNDER AS 43.55.170]; this subparagraph does not apply to gas

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**(i) produced before 2022 and used in the state; or**

**(ii) oil and gas subject to AS 43.55.011(p)** [SUBJECT TO AS 43.55.011(o)];

(C) oil produced **before 2022** [DURING A CALENDAR YEAR] from a lease or property in the Cook Inlet sedimentary basin [IS THE GROSS VALUE AT THE POINT OF PRODUCTION OF THE OIL TAXABLE UNDER AS 43.55.011(e) AND PRODUCED BY THE PRODUCER FROM THAT LEASE OR PROPERTY, LESS THE PRODUCER'S LEASE EXPENDITURES UNDER AS 43.55.165 FOR THE CALENDAR YEAR APPLICABLE TO THE OIL PRODUCED BY THE PRODUCER FROM THAT LEASE OR PROPERTY, AS ADJUSTED UNDER AS 43.55.170];

(D) gas produced **before 2022** [DURING A CALENDAR YEAR] from a lease or property in the Cook Inlet sedimentary basin [IS THE GROSS VALUE AT THE POINT OF PRODUCTION OF THE GAS TAXABLE UNDER AS 43.55.011(e) AND PRODUCED BY THE PRODUCER FROM THAT LEASE OR PROPERTY, LESS THE PRODUCER'S LEASE EXPENDITURES UNDER AS 43.55.165 FOR THE CALENDAR YEAR APPLICABLE TO THE GAS PRODUCED BY THE PRODUCER FROM THAT LEASE OR PROPERTY, AS ADJUSTED UNDER AS 43.55.170];

(E) gas produced **before 2022** [DURING A CALENDAR YEAR] from a lease or property **in the state** outside the Cook Inlet sedimentary basin and used in the state [IS THE GROSS VALUE AT THE POINT OF PRODUCTION OF THAT GAS TAXABLE UNDER AS 43.55.011(e) AND PRODUCED BY THE PRODUCER FROM THAT LEASE OR PROPERTY, LESS THE PRODUCER'S LEASE EXPENDITURES UNDER AS 43.55.165 FOR THE CALENDAR YEAR APPLICABLE TO THAT GAS PRODUCED BY THE PRODUCER FROM THAT LEASE OR PROPERTY, AS ADJUSTED UNDER AS 43.55.170];

**(F) oil and gas subject to AS 43.55.011(p) produced from**

1 **leases or properties in the state:**

2 **(G) oil and gas produced from a lease or property no part**  
3 **of which is north of 68 degrees North latitude, other than oil or gas**  
4 **described in (B), (C), (D), (E), or (F) of this paragraph;**

5 (2) AS 43.55.011(g), the monthly production tax value of the taxable

6 (A) oil and gas produced during a month from leases or  
7 properties in the state that include land north of 68 degrees North latitude is the  
8 gross value at the point of production of the oil and gas taxable under  
9 AS 43.55.011(e) and produced by the producer from those leases or properties,  
10 less 1/12 of the producer's lease expenditures under AS 43.55.165 for the  
11 calendar year applicable to the oil and gas produced by the producer from  
12 those leases or properties, as adjusted under AS 43.55.170; this subparagraph  
13 does not apply to gas subject to AS 43.55.011(o);

14 (B) oil and gas produced during a month from leases or  
15 properties in the state outside the Cook Inlet sedimentary basin, no part of  
16 which is north of 68 degrees North latitude, is the gross value at the point of  
17 production of the oil and gas taxable under AS 43.55.011(e) and produced by  
18 the producer from those leases or properties, less 1/12 of the producer's lease  
19 expenditures under AS 43.55.165 for the calendar year applicable to the oil and  
20 gas produced by the producer from those leases or properties, as adjusted under  
21 AS 43.55.170; this subparagraph does not apply to gas subject to  
22 AS 43.55.011(o);

23 (C) oil produced during a month from a lease or property in the  
24 Cook Inlet sedimentary basin is the gross value at the point of production of  
25 the oil taxable under AS 43.55.011(e) and produced by the producer from that  
26 lease or property, less 1/12 of the producer's lease expenditures under  
27 AS 43.55.165 for the calendar year applicable to the oil produced by the  
28 producer from that lease or property, as adjusted under AS 43.55.170;

29 (D) gas produced during a month from a lease or property in  
30 the Cook Inlet sedimentary basin is the gross value at the point of production  
31 of the gas taxable under AS 43.55.011(e) and produced by the producer from

1 that lease or property, less 1/12 of the producer's lease expenditures under  
2 AS 43.55.165 for the calendar year applicable to the gas produced by the  
3 producer from that lease or property, as adjusted under AS 43.55.170;

4 (E) gas produced during a month from a lease or property  
5 outside the Cook Inlet sedimentary basin and used in the state is the gross  
6 value at the point of production of that gas taxable under AS 43.55.011(e) and  
7 produced by the producer from that lease or property, less 1/12 of the  
8 producer's lease expenditures under AS 43.55.165 for the calendar year  
9 applicable to that gas produced by the producer from that lease or property, as  
10 adjusted under AS 43.55.170.

11 \* **Sec. 17.** AS 43.55.160(e) is amended to read:

12 (e) Any adjusted lease expenditures under AS 43.55.165 and 43.55.170 that  
13 would otherwise be deductible by a producer in a calendar year but whose deduction  
14 would cause an annual production tax value calculated under (a)(1) of this section of  
15 taxable oil or gas produced during the calendar year to be less than zero may be used  
16 to establish a carried-forward annual loss under AS 43.55.023(b). However, the  
17 department shall provide by regulation a method to ensure that, for a period for which  
18 a producer's tax liability is limited by AS 43.55.011(j), (k), [OR] (o), or (p), any  
19 adjusted lease expenditures under AS 43.55.165 and 43.55.170 that would otherwise  
20 be deductible by a producer for that period but whose deduction would cause a  
21 production tax value calculated under (a)(1)(C), (D), [OR] (E), or (F) of this section to  
22 be less than zero are accounted for as though the adjusted lease expenditures had first  
23 been used as deductions in calculating the production tax values of oil or gas subject to  
24 any of the limitations under AS 43.55.011(j), (k), [OR] (o), or (p) that have positive  
25 production tax values so as to reduce the tax liability calculated without regard to the  
26 limitation to the maximum amount provided for under the applicable provision of  
27 AS 43.55.011(j), (k), [OR] (o), or (p). Only the amount of those adjusted lease  
28 expenditures remaining after the accounting provided for under this subsection may be  
29 used to establish a carried-forward annual loss under AS 43.55.023(b). In this  
30 subsection, "producer" includes "explorer."

31 \* **Sec. 18.** AS 43.55 is amended by adding a new section to read:

1           **Sec. 43.55.162. Adjustment to production tax value for increasing oil and**  
2 **gas production.** The production tax value of oil and gas produced during the first 10  
3 consecutive years after the start of sustained production or produced during the first 10  
4 consecutive years after the effective date of this bill section, whichever is later, from a  
5 lease or property outside of the Cook Inlet sedimentary basin that was not, as of  
6 January 1, 2008, within a unit or in commercial production, is reduced by, for the  
7 calendar year, 30 percent of the gross value at the point of production of that oil and  
8 gas. The rate of tax under AS 43.55.011(g) shall be determined before the application  
9 of the adjustment provided by this section.

10 \* **Sec. 19.** AS 43.75.130(f) is amended to read:

11           (f) For purposes of this section, tax revenue collected under AS 43.75.015  
12 from a person entitled to a credit under AS 43.75.035, [OR] 43.75.036, or  
13 AS 43.98.030 shall be calculated as if the person's tax were collected without applying  
14 the credit; tax revenue collected does not include the amount of a tax credit recaptured  
15 under AS 43.75.035(g) or 43.75.036(g).

16 \* **Sec. 20.** AS 43.77.060(e) is amended to read:

17           (e) For purposes of this section, tax revenue collected under AS 43.77.010  
18 from a person entitled to a credit under AS 43.77.035, [OR] 43.77.045, or  
19 AS 43.98.030 shall be calculated as if the person's tax had been collected without  
20 applying the credits.

21 \* **Sec. 21.** AS 43.98.030(a) is amended to read:

22           (a) The [IN COOPERATION WITH THE FILM OFFICE IN THE  
23 DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC  
24 DEVELOPMENT, THE] department shall provide a transferable film production tax  
25 credit certificate to a producer, as defined in AS 44.25.190 [AS 44.33.239], for  
26 qualified production expenditures under AS 44.25.100 - 44.25.190. The department  
27 shall publish the name and contact information for each person provided a  
28 transferable tax credit certificate under this subsection [AS 44.33.231 -  
29 44.33.239].

30 \* **Sec. 22.** AS 43.98.030(b) is amended to read:

31           (b) A tax credit certificate provided under (a) of this section may be sold,

1 assigned, exchanged, conveyed, or otherwise transferred in whole or in part.

2 \* **Sec. 23.** AS 43.98.030(c) is amended to read:

3 (c) A taxpayer acquiring a transferable tax credit certificate may use the  
4 credit or a portion of the credit to offset taxes imposed under AS 21.09.210,  
5 AS 21.66.110, AS 43.20, AS 43.55, AS 43.56, AS 43.65, AS 43.75, and AS 43.77.  
6 Except as provided in (e) of this section, any [AS 43.20 (ALASKA NET INCOME  
7 TAX ACT). ANY] portion of the credit not used may be used at a later period or  
8 transferred under (b) of this section.

9 \* **Sec. 24.** AS 43.98.030(e) is amended to read:

10 (e) A transferable film production tax credit certificate provided under (a)  
11 of this section, whether sold, assigned, exchanged, conveyed, or otherwise transferred,  
12 in whole or in part, must be used within six [THREE] years after being provided by  
13 the department.

14 \* **Sec. 25.** AS 43.98.030(f) is amended to read:

15 (f) The total amount [NUMBER] of tax credits provided in the aggregate  
16 under this section may not exceed

17 (1) \$100,000,000 for productions qualified under AS 44.25.120  
18 before July 1, 2013; and

19 (2) \$200,000,000 for productions qualified under AS 44.25.120  
20 after June 30, 2013, and before July 1, 2023.

21 \* **Sec. 26.** AS 43.98.030 is amended by adding new subsections to read:

22 (g) A person acquiring two or more film production tax credit certificates  
23 provided under (a) of this section may combine the unused amounts of the credits for  
24 sale, assignment, exchange, conveyance, or other transfer. At the request of a person  
25 holding a film production tax credit, the department shall replace a certificate that  
26 represents the full amount of tax credit available with multiple certificates that each  
27 represent a portion of the total tax credit available for the purpose of sale, assignment,  
28 exchange, conveyance, or other transfer under this subsection, or, on request, shall  
29 provide one tax credit certificate that represents the combined value of multiple tax  
30 credit certificates. A tax credit certificate provided by the department under this  
31 subsection must state the expiration date and the amount of each credit that is included

1 in the certificate. Combining or splitting unused amounts of credits under this  
 2 subsection does not change or extend the time period in which each credit that is  
 3 included in the combination or split must be used.

4 (h) Subject to appropriation, the department may purchase a transferable film  
 5 production tax credit certificate for 75 percent of the amount of each credit that is  
 6 included in the certificate.

7 \* Sec. 27. AS 44.25 is amended by adding new sections to read:

8 **Article 3. Film Office.**

9 **Sec. 44.25.100. Film office.** The film office is created in the Department of  
 10 Revenue. The film office shall administer the Alaska film production incentive  
 11 program.

12 **Sec. 44.25.105. Duties.** (a) The film office shall make available to the  
 13 legislature, within 30 days after the start of each regular session, a report of the  
 14 activities conducted by the film office under AS 44.25.100 - 44.25.190. The report  
 15 must include

- 16 (1) the number of applications received under AS 44.25.120;
- 17 (2) the number of applications approved by the film office;
- 18 (3) the number of, and amount of, tax credits disbursed under  
 19 AS 44.25.110;
- 20 (4) the total amount of expenditures that were paid by productions  
 21 qualifying for the film production tax credit that were not qualified expenditures;
- 22 (5) the total amount of qualified expenditures that were paid by  
 23 productions qualifying for the film production tax credit to Alaska businesses;
- 24 (6) the total amount of qualified expenditures that were paid by  
 25 productions qualifying for the film production tax credit to Alaska residents as wages;
- 26 (7) the total amount of qualified expenditures that were paid by  
 27 productions qualifying for the film production tax credit for wages paid to individuals  
 28 who were not residents;
- 29 (8) the total number of residents employed by productions qualifying  
 30 for the film production tax credit;
- 31 (9) the total number of individuals employed by productions qualifying

1 for the film production tax credit who were not residents;

2 (10) the number of productions qualifying for the film production tax  
3 credit that used a third party to sell, assign, exchange, convey, or otherwise transfer, in  
4 whole or in part, a tax credit certificate received by the production; in this paragraph,  
5 "third party" means a person other than the producer or an employee of the producer  
6 of the production qualifying for the film production tax credit; and

7 (11) the number of purchases of transferable film production tax credit  
8 certificates purchased under AS 43.98.030(h) and the total amount of film production  
9 tax credits shown on the certificates purchased by the Department of Revenue.

10 (b) The film office shall design a logo that represents the film office and must  
11 be included in a film qualifying for a film production tax credit under AS 44.25.100 -  
12 44.25.190.

13 (c) The film office shall provide an on-site liaison to a film production that is  
14 subject to the maximum application fee under AS 44.25.120(d). The liaison shall assist  
15 the producer in meeting the requirements of AS 44.25.100 - 44.25.190 and ensure that  
16 the production is in the best interests of the state as described in the application filed  
17 under AS 44.25.120 and approved under AS 44.25.150.

18 **Sec. 44.25.110. Alaska film production incentive program.** Subject to  
19 appropriations for the purpose, the film office shall administer the Alaska film  
20 production incentive program to provide a tax credit under AS 43.98.030 for certain  
21 film production expenditures incurred in the state.

22 **Sec. 44.25.115. Eligibility.** (a) A film production is eligible for a tax credit  
23 under AS 43.98.030, if the

24 (1) producer has \$75,000 or more in qualified expenditures in a  
25 consecutive 36-month period under AS 44.25.130;

26 (2) Alaska Film Incentive Review Commission determines that the  
27 production is not contrary to the best interests of the state; and

28 (3) production is approved by the film office.

29 (b) In determining under (a) of this section whether a production is not  
30 contrary to the best interests of the state, the Alaska Film Incentive Review  
31 Commission shall consider the effect of the production on

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- (1) both the immediate and long-term prospects for the film industry in the state;
- (2) both the immediate and long-term prospects for the employment of Alaska residents;
- (3) both the immediate and long-term prospects for the economy of the state;
- (4) the public perception of state policy on the utilization and development of the natural resources of the state; and
- (5) the immediate and long-term prospects for the fiscal health of the state.

**Sec. 44.25.120. Qualification for film production tax credit.** (a) A film producer may apply for the film production tax credit under AS 43.98.030 by submitting an application to the film office on a form provided by the film office. The application must include

- (1) a script or synopsis of the production;
- (2) the names of the producer, director, and proposed cast;
- (3) estimated start, completion, and filming dates; and
- (4) other information the film office may require to determine the producer's qualification for a credit and the estimated amount of the credit.

(b) If the Alaska Film Incentive Review Commission approves an application submitted under (a) of this section, the film office shall issue a notice of qualification to the producer. The notice of qualification must include a determination by the film office of the estimated film production tax credit for which the production qualifies.

(c) Information submitted in an application under (a) of this section is confidential and is not subject to inspection or copying under AS 40.25.110 - 40.25.125.

(d) At the time an application is submitted under (a) of this section, a film producer shall submit an application fee equal to 0.2 percent of the estimated total qualified expenditures to be incurred in the state, except that the application fee may not be less than \$200 or more than \$5,000. The application fee is not subject to refund.

**Sec. 44.25.125. Award of film production tax credit.** (a) Subject to

1 AS 43.98.030(f) and to (i) of this section, the film office shall determine the amount of  
2 the tax credit under AS 43.98.030 available to a producer who has obtained a notice of  
3 qualification under AS 44.25.120(b), based on the qualified expenditures of the  
4 production under AS 44.25.130. After the film office determines the amount of the tax  
5 credit, the tax credit shall be submitted to the Alaska Film Incentive Review  
6 Commission for approval.

7 (b) Except as provided in (k) of this section, the base amount of a tax credit  
8 awarded under this section is equal to 30 percent of the qualified expenditures of a  
9 production.

10 (c) In determining the amount of the tax credit and subject to approval by the  
11 Alaska Film Incentive Review Commission, the applicable percentage provided by (b)  
12 of this section shall be increased by the film office based on the following criteria:

13 (1) an additional 20 percent of qualified expenditures that are wages  
14 paid to Alaska residents;

15 (2) an additional six percent of qualified expenditures made in a rural  
16 area; and

17 (3) an additional two percent of qualified expenditures made in the  
18 state between October 1 and March 30.

19 (d) After completion of the production, the producer shall provide the film  
20 office with a production cost report detailing the qualified expenditures of the  
21 production, with verification by an independent certified public accountant, licensed in  
22 the state and approved by the film office, that the costs claimed in the report are  
23 qualified expenditures under AS 44.25.130 and that there is no outstanding balance for  
24 a qualified expenditure that is due to a person in the state. The independent certified  
25 public accountant providing verification under this subsection may not engage in the  
26 sale, assignment, exchange, conveyance, or other transfer of a tax credit certificate that  
27 includes a credit based on the qualified expenditures that are verified by that  
28 independent certified public accountant. If the independent certified public accountant  
29 providing verification under this subsection subsequently engages in the sale,  
30 assignment, exchange, conveyance, or other transfer of a credit for which a qualified  
31 expenditure was verified by that independent certified public accountant, the film

1 office may require the producer providing the production cost report to have the  
2 qualified expenditures verified by an independent certified public accountant licensed  
3 in the state that is not engaged in the sale, assignment, exchange, conveyance, or other  
4 transfer related to a credit for the qualified expenditures.

5 (e) Subject to (g) of this section, the film office, in cooperation with the  
6 Department of Revenue, shall determine the amount of the tax credit based on the  
7 information provided by the producer under (d) of this section and, after approval by  
8 the Alaska Film Incentive Review Commission, shall award a tax credit in cooperation  
9 with the Department of Revenue under AS 43.98.030 if the producer has satisfied all  
10 requirements under AS 44.25.100 - 44.25.190.

11 (f) The award of a tax credit under this section is conditioned on the  
12 producer's and the production's full compliance with all applicable state laws and  
13 regulations. At the request of the film office, a producer shall provide any information  
14 necessary for the film office to determine the producer's and production's compliance  
15 with this subsection.

16 (g) In determining the amount of a tax credit awarded under this section, the  
17 film office shall reduce the amount of the tax credit by any amount the film office  
18 considers necessary to allow the state, or a political subdivision of the state, to recover  
19 the cost of any damages caused by any act or omission of the producer or production.

20 (h) The film office may withhold the award of a tax credit under this section if  
21 the office determines that there are filed, but unresolved, legal actions in the state  
22 involving the producer or production.

23 (i) To qualify for the tax credit under AS 43.98.030, a producer shall include,

24 (1) in the end credits of each qualified film, the film office logo  
25 designed under AS 44.25.105(b) and the words, "Filmed in Alaska with the Support of  
26 the State of Alaska"; or

27 (2) on each DVD or other media produced for distribution, a short  
28 Alaska promotional video or advertisement approved by the Alaska Film Incentive  
29 Review Commission.

30 (j) The Department of Revenue may not provide a tax credit certificate under  
31 AS 43.98.030 to a producer that fails to meet the requirements in (i) of this section.

1 (k) In place of the 30 percent credit applicable to qualified expenditures under  
2 (a) of this section, the tax credit for expenditures for services performed in the state,  
3 including all salaries, wages, compensation, and related benefits, by producers,  
4 directors, writers, and principal actors that fail to meet the eligibility requirements for  
5 a permanent fund dividend in AS 43.23.005(a)(2) - (7), and all entities representing  
6 producers, directors, writers, and principal actors that fail to meet the eligibility  
7 requirements for a permanent fund dividend in AS 43.23.005(a)(2) - (7), is five  
8 percent. The amount of the five percent credit may be increased by adding an amount  
9 equal to 50 percent of the qualified expenditures paid to residents of the state under  
10 AS 44.25.130(a)(10) and 50 percent of the qualified expenditures paid under  
11 AS 44.25.130(a)(11) - (13) and (15). In this subsection, "principal actors" means the  
12 five highest compensated actors or entities representing the five highest compensated  
13 actors in the production.

14 **Sec. 44.25.130. Determination of qualified expenditures.** (a) Expenditures  
15 made by a production company licensed to do business in the state in connection with  
16 a film production approved by the film office that shall be considered qualified  
17 expenditures must be directly related to the production and be incurred in the state.  
18 Only expenditures that are ordinary, reasonable, and not in excess of fair market value  
19 and that are for real or tangible property, fees, services, or state or municipal taxes  
20 shall be considered. Expenditures may include

- 21 (1) costs of set construction and operation;
- 22 (2) costs of wardrobes, make-up, accessories, and related services;
- 23 (3) costs associated with photography and sound synchronization;
- 24 (4) costs of lighting and related services and materials;
- 25 (5) costs of editing and related services;
- 26 (6) rental of facilities and equipment;
- 27 (7) leasing of vehicles;
- 28 (8) costs of food and lodging;
- 29 (9) costs of digital or tape editing, film processing, transfer of film to  
30 tape or digital format, transfer of digital media to film or tape, sound mixing, and  
31 special and visual effects;

1 (10) the total aggregate expenditures for services performed in the  
2 state, including all salaries, wages, compensation, and related benefits provided to  
3 producers, directors, writers, actors, and other personnel that are directly attributable  
4 to services performed in the state;

5 (11) the costs of the use of an Alaska business for processing qualified  
6 payroll and related expenditures;

7 (12) costs of music, if performed, composed, or recorded by an Alaska  
8 musician, or released or published by an Alaska business;

9 (13) costs of intrastate travel, if provided by an Alaska business;

10 (14) costs relating to the design, construction, improvement, or repair  
11 of a film, video, television, or digital production or postproduction facility or related  
12 property, infrastructure, or equipment, except commercial exhibition facilities, as  
13 determined by the film office;

14 (15) costs of state or municipal taxes levied in Alaska on the lease or  
15 rental of passenger or recreational vehicles or the rental of rooms or other lodging; or

16 (16) other similar production expenditures as determined by the film  
17 office in cooperation with the Department of Revenue.

18 (b) Production costs that may not be considered qualified expenditures include

19 (1) costs related to the acquisition, determination, transfer, or use of a  
20 film production tax credit under AS 43.98.030;

21 (2) postproduction expenditures for marketing and distribution;

22 (3) production financing, depreciation, and amortization costs, and  
23 other costs that are not cash or cash equivalent expenditures directly attributable to  
24 production costs incurred in the state;

25 (4) amounts that are later reimbursed or reasonably anticipated to be  
26 reimbursed, resulting in a reduction in production costs;

27 (5) amounts that are reasonably anticipated to be recovered through  
28 subsequent sale or other realization of value by disposal of an asset that has been  
29 claimed as a qualified expenditure;

30 (6) amounts that are paid to a person or entity as a result of  
31 participation in profits from the exploitation of the production;

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(7) costs incurred in the purchase of real or tangible property for which a qualified expenditure has, at any time, been claimed.

**Sec. 44.25.135. Recovery of film production tax credit.** (a) The film office may review, audit, and bring legal proceedings to recover any amount of a tax credit awarded under AS 44.25.125 from a producer or production to which a credit was awarded if the film office determines that the film producer or production is liable for damages to the state, or any political subdivision of the state.

(b) Legal proceedings may not be brought under (a) of this section more than six years after the date the tax credit was awarded under AS 44.25.125.

**Sec. 44.25.140. Regulations.** The film office may adopt procedures and regulations to carry out its functions under AS 44.25.100 - 44.25.190.

**Sec. 44.25.145. Alaska Film Incentive Review Commission.** (a) The Alaska Film Incentive Review Commission is created in the Department of Revenue.

(b) The membership of the commission consists of the

(1) commissioner of commerce, community, and economic development;

(2) commissioner of natural resources;

(3) commissioner of revenue;

(4) commissioner of labor and workforce development.

(c) A majority of the commission constitutes a quorum. Approval of an application for qualification under AS 44.25.120 and 44.25.150 and the award of film production tax credits under AS 44.25.120 and 44.25.150 require an affirmative vote by three members of the commission.

(d) The commission shall employ an executive director and additional staff to support the work of the commission, oversee the film office, and carry out the duties of the film office under AS 44.25.100 - 44.25.190. The commission shall provide general direction to the executive director and staff for the operation of the film office.

(e) The commission may consult with individuals knowledgeable about film production and accounting as necessary to perform the duties of the commission.

**Sec. 44.25.150. Review of qualifications and award of film production tax credits.** (a) The executive director shall review each application submitted to the film

1 office under AS 44.25.120 and each production cost report submitted to the film office  
2 under AS 44.25.125.

3 (b) After finding that an application submitted under AS 44.25.120 is  
4 complete, the executive director shall review the application and submit the  
5 application for approval to the commission along with a recommendation to approve  
6 or reject the application. After reviewing the application, the recommendation of the  
7 executive director, and additional information an applicant may provide or the  
8 commission may request, the commission shall make a decision as to whether the  
9 production proposed in the application and the estimated amount of the film  
10 production tax credit is in the best interest of the state. The commission may not  
11 approve an application for a film production that the commission finds is contrary to  
12 the natural resource development policy of the state. The commission shall issue a  
13 decision either approving or rejecting the application and qualification of the  
14 applicant. A decision of the commission on the qualification of an applicant is in the  
15 discretion of the commission and is not subject to appeal except on the issue of  
16 whether the decision of the commission is arbitrary or capricious. If appealed, the  
17 appeal is subject to AS 44.62 (Administrative Procedure Act).

18 (c) After reviewing the production cost report submitted by a producer under  
19 AS 44.25.125, the executive director shall review and verify the information included  
20 on the production cost report. The executive director shall determine the amount of the  
21 credit for which the producer may qualify and make a recommendation to the  
22 commission as to the amount of the credit to be awarded. The commission may  
23 approve the credit amount recommended by the executive director, adjust the amount  
24 of the credit, deny all or part of the credit, or return the production cost report to the  
25 executive director for additional review. The denial of a film production tax credit  
26 under this section is subject to appeal under AS 44.62 (Administrative Procedure Act).

27 **Sec. 44.25.190. Definitions.** In AS 44.25.100 - 44.25.190,

28 (1) "Alaska business" means

29 (A) a person who holds a current Alaska business license;

30 (B) a person who provides goods or services under the name as  
31 appearing on the person's current Alaska business license;

1 (C) a person who has maintained a place of business within the  
2 state staffed by the person or an employee of the person for a period of six  
3 months immediately preceding the date the goods or services were provided;

4 (D) a person who is

5 (i) incorporated or qualified to do business under the  
6 laws of the state;

7 (ii) a sole proprietorship, and the proprietor is a resident  
8 of the state;

9 (iii) a limited liability company organized under  
10 AS 10.50, and all members are residents of the state; or

11 (iv) a partnership under former AS 32.05, AS 32.06, or  
12 AS 32.11, and all partners are residents of the state; and

13 (E) if the business is a joint venture, a joint venture composed  
14 entirely of ventures that qualify under (A) - (D) of this paragraph;

15 (2) "film" includes television, commercials, and videos;

16 (3) "film office" means the film office created under AS 44.25.100;

17 (4) "producer" means a person who arranges financing for or  
18 supervises the production of a film, video, commercial, or television production or  
19 pilot;

20 (5) "rural area" means a community in the state with a population of  
21 1,500 or less or a community with a population of 10,000 or less that is not connected  
22 by road or rail to Anchorage or Fairbanks.

23 \* **Sec. 28.** AS 44.33.231 is repealed and reenacted to read:

24 **Sec. 44.33.231. Film production promotion program.** (a) The film  
25 production promotion program is established in the Department of Commerce,  
26 Community, and Economic Development.

27 (b) The purpose of the film production promotion program is to

28 (1) work with organizations in the private sector for the expansion and  
29 development of film production industries in the state;

30 (2) promote Alaska as an appropriate location for film production;

31 (3) provide production assistance through connecting film directors,

1 makers, and producers with Alaska location scouts and contractors, including  
2 contractors providing assistance with permit applications; and

3 (4) certify Alaska film production internship training programs and  
4 promote the employment of program interns by eligible productions.

5 (c) On request, the Department of Commerce, Community, and Economic  
6 Development, through the film production promotion program, shall assist the  
7 Department of Revenue in the administration of the Alaska film production incentive  
8 program (AS 44.25.110).

9 \* **Sec. 29.** AS 44.33.232, 44.33.233, 44.33.234, 44.33.235, 44.33.236, 44.33.237, 44.33.238,  
10 and 44.33.239 are repealed.

11 \* **Sec. 30.** AS 43.98.030; AS 44.25.100, 44.25.105, 44.25.110, 44.25.115, 44.25.120,  
12 44.25.125, 44.25.130, 44.25.140, 44.25.145, 44.25.150, 44.25.190; and AS 44.33.231(c) are  
13 repealed.

14 \* **Sec. 31.** AS 44.25.135 is repealed.

15 \* **Sec. 32.** AS 24.20.271(11) is repealed.

16 \* **Sec. 33.** Sections 3, 4, 5, and 6, ch. 63, SLA 2008, are repealed.

17 \* **Sec. 34.** The uncodified law of the State of Alaska is amended by adding a new section to  
18 read:

19 INCENTIVE CREDIT FOR FIRST EPISODIC SCRIPTED TELEVISION  
20 PRODUCTION IN THE STATE. (a) Subject to appropriation, the first episodic scripted  
21 television production produced after the effective date of this section is entitled to an  
22 additional film production tax credit of six percent of the total qualified expenditures incurred  
23 in the state. The production is eligible for the film production tax credit in this section after 16  
24 episodes have been completed and are ready for television broadcast.

25 (b) The credit in this section shall be administered in the same manner as the film  
26 production tax credit under AS 44.25.100 - 44.25.190.

27 (c) In this section, "episodic scripted television production" means a production for  
28 television broadcast that is based on a script written before production; "episodic scripted  
29 television production" does not include what is commonly referred to as reality television, for  
30 which actors in the production do not perform using previously scripted dialogue or actions.

31 \* **Sec. 35.** The uncodified law of the State of Alaska is amended by adding a new section to

1 read:

2 TRANSITION. (a) The employee or employees in the film office in the Department of  
3 Commerce, Community, and Economic Development shall be transferred to the Department  
4 of Revenue on the effective date of this section and shall be the staff authorized for the Alaska  
5 Film Incentive Review Commission established by AS 44.25.145, enacted by sec. 27 of this  
6 Act. The Alaska Film Incentive Review Commission shall designate an executive director as  
7 soon as practicable after the effective date of this section.

8 (b) Subject to AS 43.98.030(f), as amended by sec. 25 of this Act, secs. 30 and 31 of  
9 this Act do not prohibit the film office from determining a film production's qualified  
10 expenditures, awarding a tax credit, or reviewing a tax credit under the provisions repealed by  
11 secs. 30 and 31 of this Act that has received a notice of qualification under AS 44.25.120(b),  
12 enacted by sec. 27 of this Act, before July 1, 2023.

13 (c) A film production tax credit may be used to offset taxes imposed under the  
14 provisions identified in AS 43.98.030(c), as amended by sec. 23 of this Act, or sold or  
15 exchanged for a transferable tax credit certificate under AS 43.98.030(a), as amended by sec.  
16 21 of this Act, within three years after being provided by the Department of Revenue,  
17 notwithstanding the repeal of AS 43.98.030 in sec. 30 of this Act.

18 (d) A film production tax credit that is being withheld under AS 44.25.125(h), enacted  
19 by sec. 27 of this Act, may continue to be withheld by the film office, notwithstanding the  
20 repeal of AS 44.25.125 in sec. 30 of this Act.

21 \* **Sec. 36.** The uncodified law of the State of Alaska is amended by adding a new section to  
22 read:

23 NOTIFICATION. When the amount of tax credits provided under AS 43.98.030(f), as  
24 amended by sec. 25 of this Act, in the aggregate and the estimated amount of tax credits that  
25 could be claimed based on notices of qualification issued by the film office under  
26 AS 44.25.120(b), enacted by sec. 27 of this Act, together equal \$100,000,000 before July 1,  
27 2013, or \$200,000,000 after June 30, 2013, and before July 1, 2023, the commissioner of  
28 revenue shall notify the presiding officers of each house of the legislature and the revisor of  
29 statutes in writing.

30 \* **Sec. 37.** The uncodified law of the State of Alaska is amended by adding a new section to  
31 read:

1 NONSEVERABILITY. Notwithstanding AS 01.10.030, the provisions of secs. 1 and  
2 19 - 24 of this Act are not severable from each other if a provision in secs. 1 and 19 - 24 is  
3 held invalid.

4 \* **Sec. 38.** Sections 7 and 8, ch. 63, SLA 2008, are repealed.

5 \* **Sec. 39.** Section 30 of this Act takes effect on the earlier of the following:

6 (1) July 1, 2023; or

7 (2) the date the commissioner of revenue notifies the presiding officers  
8 of each house of the legislature and the revisor of statutes in writing of the  
9 \$200,000,000 amount after June 30, 2013, and before July 1, 2023, under sec. 36 of  
10 this Act.

11 \* **Sec. 40.** Section 31 of this Act takes effect on the earlier of the following:

12 (1) July 1, 2029; or

13 (2) six years after the date the commissioner of revenue notifies the  
14 presiding officers of each house of the legislature and the revisor of statutes in writing  
15 of the \$200,000,000 amount after June 30, 2013, and before July 1, 2023, under sec.  
16 36 of this Act.

17 \* **Sec. 41.** Section 32 of this Act takes effect January 1, 2022.

18 \* **Sec. 42.** Sections 1 and 19 - 38 of this Act take effect July 1, 2013.

19 \* **Sec. 43.** Sections 7 - 13 and 16 - 18 of this Act take effect January 1, 2013.

20 \* **Sec. 44.** Except as provided in secs. 39 - 43 of this Act, this Act takes effect immediately  
21 under AS 01.10.070(c).

# FISCAL NOTE

**STATE OF ALASKA**  
**2011 LEGISLATIVE SESSION**

Fiscal Note Number 1  
 Bill Version SB 23  
 (S) Publish Date 2/23/11

Identifier (file name) SB23-DOR-TAX-02-12-11 Dept. Affected Revenue  
 Title Film Production Tax Credit Appropriation Treasury and Taxation  
 Allocation Tax Division  
 Sponsor Senator Ellis  
 Requester Senate Labor and Commerce OMB Component Number 2476

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

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

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants								
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>0.0</b>

**CAPITAL EXPENDITURES**

<b>CHANGE IN REVENUES</b>		<b>0.0</b>	<b>0.0</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>
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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 identify)							
<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 (FY2011) cost \_\_\_\_\_

**POSITIONS**

Full-time							
Part-time							
Temporary							

**Why this fiscal note differs from previous version (if initial version, please note as such)**

first version of fiscal note

Prepared by Johanna Bales, Deputy Director  
 Division Tax Division  
 Approved by Ginger Blaisdell, Director Administrative Services Division  
Department of Revenue

Phone (907) 269-6628  
 Date/Time 02-05-11; 9:04am  
 Date 02-12-11; 8:42am

FISCAL NOTE #1

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

BILL NO. SB 23

**Analysis**

**Bill Language:**

This bill extends the current film production tax credit, which will expire effective July 1, 2013, to June 30, 2023. Under current law, the film production tax credit expires the earlier of July 1, 2013 or when total credits issued by the Film Office exceed \$100,000,000 in the aggregate. This bill limits the total amount of credits allowed to be awarded to \$100,000,000 before July 1, 2018 and an additional \$100,000,000 before July 1, 2023 with total aggregate credits limited to \$200,000,000.

**Revenues:**

This bill increases the total film production tax credit from \$100,000,000 to \$200,000,000 and extends the current film credit program another 10 years to June 30, 2023. The current program is set to expire July 1, 2013. It is difficult to determine the total affect on state revenues as a result of this bill. However, due to the limitations established in the bill, total decrease in corporate income tax revenue cannot exceed \$100,000,000 as a result of this bill.

**Expenditures:**

The department can implement the provisions of the bill with existing resources.

# FISCAL NOTE

**STATE OF ALASKA**  
**2011 LEGISLATIVE SESSION**

Fiscal Note Number 2  
 Bill Version SB 23  
 (S) Publish Date 2/23/11

Identifier (file name) SB023-CCED-DED-02-11-11 Dept. Affected DCCED  
 Title Film Production Tax Credit Appropriation Economic Development  
 Allocation Economic Development  
 Sponsor Senator Ellis  
 Requester Senate Labor & Commerce OMB Component Number 801

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

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

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>OPERATING EXPENDITURES</b>								
Personal Services	0.0		0.0		0.0	0.0	0.0	0.0
Travel								
Services								
Commodities								
Capital Outlay								
Grants								
Miscellaneous (Fund Capitalization)								
<b>TOTAL OPERATING</b>	<b>0.0</b>		<b>0.0</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>								
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<b>CHANGE IN REVENUES</b>	<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>0.0</b>
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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 identify)								
<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>	<b>0.0</b>

Estimate of any current year (FY2011) cost \_\_\_\_\_

**POSITIONS**

Full-time	0.0		0	0	0	0	0
Part-time							
Temporary							

Why this fiscal note differs from previous version (if initial version, please note as such)

Prepared by Wanetta Ayers, Director  
 Division Economic Development  
 Approved by Susan K. Bell, Commissioner  
Commerce, Community and Economic Development

Phone 269-4048  
 Date/Time 2/11/11 8:00 PM  
 Date 2/11/2011

**FISCAL NOTE #2**

**STATE OF ALASKA  
2011 LEGISLATIVE SESSION**

**BILL NO. SB 23**

**Analysis**

Senate Bill 23 would extend the film incentive program for 10 years. The legislation will provide an additional \$100 million in tax credits for the first five years of the extension and \$100 million for the final five years. The department does not anticipate any additional operating costs as a result of this legislation.

# FISCAL NOTE

**STATE OF ALASKA**  
**2011 LEGISLATIVE SESSION**

Fiscal Note Number 3  
 Bill Version HCS CSSB 23(L&C)  
 (H) Publish Date 4/14/11

Identifier (file name) SB23 Leg Audit Dept. Affected Legislature  
 Title Film Production Tax Credit Appropriation Budget and Audit Committee  
 Allocation Legislative Audit Division  
 Sponsor Senator Ellis  
 Requester House Labor and Commerce Committee OMB Component Number 773

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

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

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>OPERATING EXPENDITURES</b>								
Personal Services	0.0		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	0.0
Services	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Commodities	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Capital Outlay								
Grants								
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>0.0</b>	<b>0.0</b>

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

1002 Federal Receipts								
1003 GF Match								
1004 GF	0.0		0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other (please identify)								
<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>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2011) cost \_\_\_\_\_

**POSITIONS**

Full-time	0.0		0	0	0	0	0
Part-time							
Temporary							

**Why this fiscal note differs from previous version (if initial version, please note as such)**

**CSSB 23(FIN) would add an audit requirement for the film production tax credit. Statutorily required audits have priority over those requested by individual legislators. So the addition of this audit requirement would not increase annual audit costs however it would potentially delay individually requested audits.**

Prepared by Pat Davidson  
 Division Legislative Audit Division  
 Approved by Pat Davidson  
Legislative Audit Division

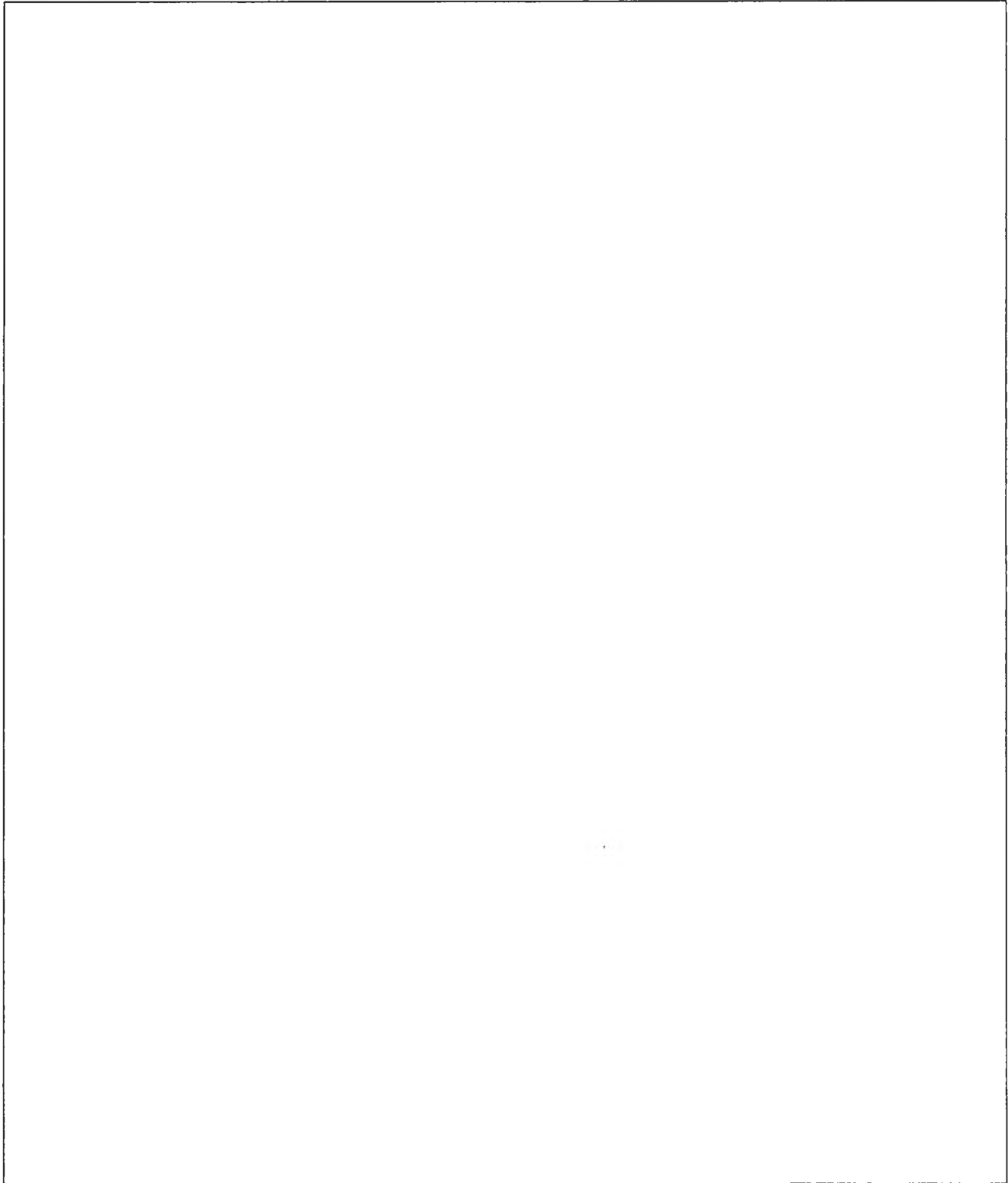
Phone 465-3814  
 Date/Time 4/4/11 12:00 AM  
 Date 4/4/2011

FISCAL NOTE #3

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

BILL NO. HCS CSSB 23(L&C)

**Analysis**



# FISCAL NOTE

**STATE OF ALASKA**  
**2012 LEGISLATIVE SESSION**

Bill Version HCS CSSB 23(FIN)  
 Fiscal Note Number 4  
 (H) Publish Date 4/14/2012

Identifier (file name) SB23 Leg Audit Dept. Affected Legislature  
 Title Film Production Tax Credit Appropriation Budget and Audit Committee  
 Allocation Legislative Audit Division  
 Sponsor Senator Ellis  
 Requester House Labor and Commerce Committee OMB Component Number 773

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

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates					
			FY13	FY14	FY15	FY16	FY17	FY18
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants, Benefits								
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>0.0</b>	<b>0.0</b>

<b>FUND SOURCE</b>		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005	#REF!							
1037	#REF!							
1178	#REF!							
<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>	<b>0.0</b>

<b>POSITIONS</b>								
Full-time		0	0	0	0	0	0	0
Part-time								
Temporary								

<b>CHANGE IN REVENUES</b>								

Estimated SUPPLEMENTAL (FY12) operating costs 0.0 (separate supplemental appropriation required;  
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs 0.0 (separate capital appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

**Why this fiscal note differs from previous version (if initial version, please note as such)**

Updated to reflect the upcoming fiscal year.

Prepared by Kris Curtis  
 Division Legislative Audit Division  
 Approved by Kris Curtis  
Legislative Audit Division

Phone 465-4199  
 Date/Time 2/18/12 12:00 AM  
 Date 2/18/2012

FISCAL NOTE #4

STATE OF ALASKA  
2012 LEGISLATIVE SESSION

BILL NO. HCS CSSB 23(FIN)

**Analysis**

HCS CSSB 23(L&C) would add an audit requirement for the film production tax credit. Statutorily required audits have priority over those requested by individual legislators. So the addition of this audit requirement would not increase annual audit costs however it would potentially delay individually requested audits.

# FISCAL NOTE

**STATE OF ALASKA**  
**2012 LEGISLATIVE SESSION**

Bill Version HCS CSSB 23(FIN)  
 Fiscal Note Number 5  
 (H) Publish Date 4/14/12

Identifier (file name) SB023-DCCED-DED-04-13-12 Dept. Affected DCCED  
 Title Film Production Tax Credits and Audits Appropriation Economic Development  
 Allocation Economic Development  
 Sponsor Senator Ellis  
 Requester House Finance OMB Component Number 2743

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

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates					
			FY13	FY14	FY15	FY16	FY17	FY18
<b>OPERATING EXPENDITURES</b>								
Personal Services		152.5	152.5	152.5	152.5	152.5	152.5	152.5
Travel		8.0	8.0	8.0	8.0	8.0	8.0	8.0
Services		120.7	120.7	120.7	120.7	120.7	120.7	120.7
Commodities								
Capital Outlay								
Grants, Benefits								
Miscellaneous								
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>281.2</b>	<b>281.2</b>	<b>281.2</b>	<b>281.2</b>	<b>281.2</b>	<b>281.2</b>	<b>281.2</b>

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF		281.2	281.2	281.2	281.2	281.2	281.2
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
<b>TOTAL</b>		<b>0.0</b>	<b>281.2</b>	<b>281.2</b>	<b>281.2</b>	<b>281.2</b>	<b>281.2</b>	<b>281.2</b>

POSITIONS							
Full-time		2	2	2	2	2	2
Part-time							
Temporary							

CHANGE IN REVENUES							
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Estimated SUPPLEMENTAL (FY12) operating costs \_\_\_\_\_ (separate supplemental appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs \_\_\_\_\_ (separate capital appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

**Why this fiscal note differs from previous version (if initial version, please note as such)**

This fiscal note reflects program restructuring as specified in the HCS for CSSB23.

Prepared by Wanetta Ayers, Director  
 Division Economic Development  
 Approved by JoEllen Hanrahan, Director Administrative Services  
Commerce, Community and Economic Development

Phone (907) 269-4048  
 Date/Time 4/13/12 5:00 PM  
 Date 4/13/2012

FISCAL NOTE #5

STATE OF ALASKA  
2012 LEGISLATIVE SESSION

BILL NO. HCS CSSB 23(FIN)

**Analysis**

SB 23 restructures the film development program to redirect the administration of the film production incentive to the Department of Revenue while maintaining film development, promotion, and coordination in the Department of Commerce, Community, and Economic Development. The program restructuring would become effective in FY14.

This fiscal note maintains a full-time Development Specialist II, Option A to carry out an ongoing film promotion program pursuant to AS 44.33.231(b)(1) - (4) with increased focus on promoting Alaska as a film production location, production coordination, industry outreach, and connecting resident workers to film industry training and employment opportunities. Also included is a full-time Administrative Assistant II, detailed half-time to the film promotion program to respond to program inquiries, enroll workers and businesses in industry databases, coordinate and assist with pre-production activities, and provide support for industry coordination and promotional activities.

Program promotional activities are provided for under travel (\$8.0) and services (\$120.7) which incorporates trade show participation, advertising, outreach, and other promotional strategies.

# FISCAL NOTE

STATE OF ALASKA cost # codes  
 2012 LEGISLATIVE SESSION

Bill Version HCS CSSB 23(FIN)  
 Fiscal Note Number 6  
 Publish Date 4/14/12 (H)

Identifier (file name) SB023HCSCS(FIN)-DOR-Tax-04-13-12 Dept. Affected Revenue  
 Title Film Production Tax Credit Appropriation Taxation and Treasury  
 Allocation Tax Division  
 Sponsor Senator Ellis  
 Requester House Finance OMB Component Number 2476

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

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
<b>OPERATING EXPENDITURES</b>	<b>FY13</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>
Personal Services			176.8	176.8	176.8	176.8	176.8
Travel			20.0	20.0	20.0	20.0	20.0
Services			9.4	9.4	9.4	9.4	9.4
Commodities			1.0	1.0	1.0	1.0	1.0
Capital Outlay			12.0				
Grants, Benefits							
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>219.2</b>	<b>207.2</b>	<b>207.2</b>	<b>207.2</b>	<b>207.2</b>

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts						
1003	GF Match						
1004	GF		219.2	207.2	207.2	207.2	207.2
1005	GF/Prgm (DGF)						
1037	GF/MH (UGF)						
1178	temp code (UGF)						
<b>TOTAL</b>		<b>0.0</b>	<b>0.0</b>	<b>219.2</b>	<b>207.2</b>	<b>207.2</b>	<b>207.2</b>

POSITIONS							
Full-time			2	2	2	2	2
Part-time							
Temporary							

<b>CHANGE IN REVENUES</b>	<b>0.0</b>	<b>0.0</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>
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Estimated SUPPLEMENTAL (FY12) operating costs \_\_\_\_\_ (separate supplemental appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs \_\_\_\_\_ (separate capital appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

**Why this fiscal note differs from previous version (if initial version, please note as such)**

Updated to reflect the reduction in positions as requested by House Finance Committee and to correct total tax credits allowed from \$200 million to \$300 million in the analysis.

Prepared by Johanna Bales, Deputy Director  
 Division Tax  
 Approved by Bruce Tangeman, Deputy Commissioner  
Department of Revenue

Phone (907) 269-6628  
 Date/Time 4/13/2012 11:45 p.m.  
 Date 4/13/2012

FISCAL NOTE #6

STATE OF ALASKA  
2012 LEGISLATIVE SESSION

BILL NO. HCS CSSB 23(FIN)

**Analysis**

**Bill Language:**

This bill transfers the Film Office which currently resides in the Department of Commerce, Community, and Economic Development to the Department of Revenue and creates the Alaska Film Incentive Review Commission within the Department of Revenue. This bill extends the current film production tax credit, which will expire effective July 1, 2013, to June 30, 2023. Under current law, the film production tax credit expires the earlier of July 1, 2013 or when total credits issued by the Film Office exceed \$100,000,000 in the aggregate. This bill limits the total amount of credits allowed to be awarded to \$100,000,000 before July 1, 2013 and an additional \$200,000,000 before July 1, 2023 with total aggregate credits limited to \$300,000,000. Currently, the film credit may only be claimed against the Alaska corporate income tax. This bill expands the use of the credit to the insurance premiums, title insurance, oil and gas production and property, mining license, and fisheries business and landing taxes. This bill also extends the current expiration period of a single credit from three to six years and allows several tax credits to be pooled into a single credit certificate. However, pooling of credits does not extend the six year expiration period of a single credit. This bill increases the credit percentage for local hire from 10 to 20 percent and the credit percentage of qualified expenditures made in a rural area from two to six percent and limits the credit percentage on salaries and benefits paid nonresidents to the greater of 5%, but not more than 30% if certain criteria are met. This bill also allows the state to review, audit, and bring legal proceedings to recover any amount of a tax credit from a producer that is liable for damages to the state within 6 years after the credit is awarded. Currently, the state may only recover damages within one year after the credit is awarded. The effective date of the legislation is July 1, 2013 and there is a provision which sunsets the entire program no later than June 30, 2023.

**Revenues:**

This bill increases the total film production tax credit from \$100,000,000 to \$300,000,000 and extends the current film credit program another 10 years to June 30, 2023. The current program is set to expire July 1, 2013. It is difficult to determine the total affect on state revenues as a result of this bill. Although this bill would allow the credit to be used to offset taxes in additional tax programs, the total decrease in revenue received in these programs cannot exceed \$200,000,000 between the periods of July 1, 2013 and June 30, 2023. Therefore, the total revenue affect as a result of this bill between July 1, 2013 and June 30, 2023 is estimated to be no more than \$200,000,000.

**Expenditures:**

Department of Revenue will take on all duties, except economic development and film promotion, currently performed by the Film Office which resides in the Department of Commerce, Community, and Economic Development (DCCED) and also be responsible for establishing and advising the Alaska Film Incentive Review Commission. There is a transition clause within the bill that transfers employees of the existing Film Office to the Department of Revenue. When the Film Office was originally established in 2008, 2.25 positions were funded for that office. The primary duty of those positions is economic development. The Film Office within the Department of Revenue will be responsible to analyze film applications and production expenditures and issue and track film credits which may be applied against 8 different tax programs. This bill requires the Department to provide an on-site liaison to large film productions and the department expects to incur up to \$20,000 each year in travel expenses to perform this duty. The Department believes it will need one Tax Auditor III (Range 20) and one Tax Technician II (Range 12) to conduct the audit and review activities as well as act as an on-site liaison. In addition, the Department of Commerce will transfer an Executive Director position (Range 20) to the Department of Revenue. That position is not reflected in this fiscal note. All positions will reside in Anchorage.

**SB**

**74**

<TARGET><BILL>SB 74</BILL><SUBJECT>SB  
74</SUBJECT><COMM>HRLS27</COMM></TARGET>

OK  
Funded  
Orders

27-LS0443E  
Bailey  
4/14/12

**HOUSE CS FOR SENATE BILL NO. 74( )**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-SEVENTH LEGISLATURE - SECOND SESSION**

Final  
1/15  
4/15/12

**BY**

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

**Sponsor(s): SENATORS ELLIS, French, Wielechowski, Wagoner, Meyer, Menard, Paskvan, McGuire, Davis, Thomas, Olson, Egan, Kookesh**

**REPRESENTATIVES Saddler, Austerman, Muñoz, Tuck, Holmes, Gruenberg, Johansen, Costello, Kawasaki, Stoltze, Kerttula, Miller, Edgmon, Millett, Foster, Gardner, Feige, Doogan, Gara, Cissna, Petersen, Guttenberg, Herron, Seaton, Peggy Wilson, Thompson, Olson, Lynn, Dick**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act requiring insurance coverage for autism spectrum disorders, describing the**  
2 **method for establishing a covered treatment plan for those disorders, and defining the**  
3 **covered treatment for those disorders; and providing for an effective date."**

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

5 **\* Section 1.** AS 21.42 is amended by adding a new section to read:

6 **Sec. 21.42.397. Coverage for autism spectrum disorders.** (a) Except for a  
7 fraternal benefit society, a health care insurer that offers, issues for delivery, delivers,  
8 or renews a health care insurance plan in this state shall provide coverage for the costs  
9 of the diagnosis and treatment of autism spectrum disorders. Coverage required by this  
10 subsection must include treatment prescribed by a licensed physician, psychologist, or  
11 advanced nurse practitioner, provided by or supervised by an autism service provider,  
12 and as identified in a treatment plan developed following a comprehensive evaluation.  
13 Covered treatment includes medically necessary pharmacy care, psychiatric care,  
14 psychological care, habilitative or rehabilitative care, and therapeutic care. In this

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subsection,

(1) "habilitative or rehabilitative care" means professional counseling, guidance services, and treatment programs necessary to develop, restore, or maintain the functioning of an individual to the maximum extent practicable, including applied behavior analysis or other structured behavioral therapies; in this paragraph, "applied behavior analysis" means the design, implementation, and evaluation of environmental modifications, using behavioral stimuli and consequences, including direct observation, measurement, and functional analysis of the relationship between environment and behavior, to produce socially significant improvement in human behavior or to prevent the loss of an attained skill or function;

(2) "therapeutic care" means services provided by or under the supervision of a speech-language pathologist licensed under AS 08.11 or an occupational therapist or physical therapist licensed under AS 08.84.

(b) Coverage under this section

(1) is required to be provided only to individuals under 21 years of age;

(2) may not limit the number of visits to an autism service provider for treatment;

(3) is subject to copayment, deductible, and coinsurance provisions, and other general exclusions or limitations included in a health insurance policy to the same extent as other health care services covered by the policy; and

(4) must cover medically necessary treatment that is coordinated with an education program, but may not be contingent on the coordination of treatment with an education program.

(c) An insurer providing health care insurance to a small employer in the group market with 20 or fewer employees is not required to provide insurance coverage to the small employer that includes the coverage required under (a) of this section.

(d) The director may waive the coverage required in this section for an insurer providing health care insurance to a small employer in the group market with 21 - 25 employees if the small employer demonstrates to the director by actual claims

1 experience over any consecutive 12-month period that compliance with this section  
2 has increased the premium cost of the small employer's health insurance policy by  
3 three percent or more during the consecutive 12-month period.

4 (e) This section does not limit benefits that are otherwise available to an  
5 individual under a health care insurance plan.

6 (f) A health care insurer may not refuse to deliver, execute, issue, amend, or  
7 renew coverage to an individual or terminate coverage because the individual is  
8 diagnosed with or has received treatment for autism spectrum disorders.

9 (g) In this section,

10 (1) "autism service provider" means an individual who is licensed,  
11 certified, or registered by the applicable state licensing board or by a nationally  
12 recognized certifying organization and who provides direct services to an individual  
13 with an autism spectrum disorder;

14 (2) "autism spectrum disorders" means pervasive developmental  
15 disorders, or a group of conditions having substantially the same characteristics as  
16 pervasive developmental disorders, as defined in the American Psychiatric  
17 Association's Diagnostic and Statistical Manual of Mental Disorders-IV-TR, as  
18 amended or reissued from time to time;

19 (3) "health care insurance plan" has the meaning given in  
20 AS 21.54.500;

21 (4) "health care insurer" has the meaning given in AS 21.54.500;

22 (5) "medically necessary" means any care, treatment, intervention,  
23 service, or item prescribed by a licensed physician, psychologist, or advanced nurse  
24 practitioner in accordance with accepted standards of practice that will, or is  
25 reasonably expected to,

26 (A) prevent the onset of an illness, condition, injury, or  
27 disability;

28 (B) reduce or ameliorate the physical, mental, or developmental  
29 effects of an illness, condition, injury, or disability;

30 (C) assist to achieve or maintain maximum functional capacity  
31 in performing daily activities, taking into account both the functional capacity

1                   of the individual and the functional capacity of other persons of the individual's  
2                   age.

3       \* **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to  
4 read:

5            APPLICABILITY. AS 21.42.397, enacted by sec. 1 of this Act, applies to a health  
6 insurance policy that is offered, issued for delivery, delivered, or renewed on or after  
7 January 1, 2013.

8       \* **Sec. 3.** This Act takes effect January 1, 2013.

# FISCAL NOTE

**STATE OF ALASKA**  
**2011 LEGISLATIVE SESSION**

Fiscal Note Number 1  
 Bill Version SB 74  
 (S) Publish Date 4/1/11

Identifier (file name) SB074-CCED-INS-03-25-11  
 Title Insurance Coverage: Autism Spectrum Disorder  
 Sponsor Senator Ellis  
 Requester Senate Health and Social Services  
 Dept. Affected DCCED  
 Appropriation Insurance Operations  
 Allocation Insurance Operations  
 OMB Component Number 354

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

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

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants								
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>0.0</b>	<b>0.0</b>

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

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
1178 Micro-Loan Fund (RLF)								
Other (please identify)								
<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>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2011) cost 0.0

**POSITIONS**

Full-time								
Part-time								
Temporary								

Why this fiscal note differs from previous version (if initial version, please note as such)

**Initial Version**

Prepared by Linda Hall, Division Director  
 Division Division of Insurance  
 Approved by Susan Bell, Commissioner  
Commerce, Community, and Economic Development

Phone 465-2560  
 Date/Time 3/25/11 12:30 PM  
 Date 3/26/2011

FISCAL NOTE #1

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

BILL NO. SB 74

**Analysis**

This legislation mandates coverage for the diagnosis and treatment of autism spectrum disorders in any plan offered by health care insurer.

The Department does not expect a fiscal impact as a result of this legislation.

# FISCAL NOTE

STATE OF ALASKA  
2012 LEGISLATIVE SESSION

Bill Version SB 74  
Fiscal Note Number 2  
(S) Publish Date 2/22/12

Identifier (file name) SB074-DCCED-INS-02-21-12 Dept. Affected DCCED  
Title Insurance Coverage for Autism Spectrum Disorder Appropriation Insurance Operations  
Allocation Insurance Operations  
Sponsor Senator Ellis  
Requester Senate Rules OMB Component Number 354

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

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates					
			FY13	FY14	FY15	FY16	FY17	FY18
<b>OPERATING EXPENDITURES</b>								
Personal Services	0.0		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	0.0
Services	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Commodities	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Capital Outlay								
Grants, Benefits								
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>0.0</b>	<b>0.0</b>

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF							
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
<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>	<b>0.0</b>

POSITIONS								
Full-time								
Part-time								
Temporary								

CHANGE IN REVENUES								

Estimated SUPPLEMENTAL (FY12) operating costs 0.0 (separate supplemental appropriation required;  
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs 0.0 (separate capital appropriation required)  
(discuss reasons and fund source(s) in analysis section)

**Why this fiscal note differs from previous version (if initial version, please note as such)**

Initial Version of SB 74 updated on the new form for the 2012 Legislative Session

Prepared by Linda Hall, Division Director  
Division Division of Insurance  
Approved by Susan K. Bell, Commissioner  
Commerce, Community, and Economic Development

Phone 907-465-2560  
Date/Time 12/8/11 9:00 AM  
Date 2/21/2012

FISCAL NOTE #2

STATE OF ALASKA  
2012 LEGISLATIVE SESSION

BILL NO. SB 74

**Analysis**

This legislation mandates coverage for the diagnosis and treatment of autism spectrum disorders in any plan offered by a health care insurer. The Division does not expect a fiscal impact as a result of this legislation.

**SB**

**104**

<TARGET><BILL>SB 104</BILL><SUBJECT>SB  
104</SUBJECT><COMM>HRLS27</COMM></TARGET>

*ok*

27-LS0467T  
Bannister  
4/14/12

*Final  
Call Ben  
4/15/12*

**HOUSE CS FOR CS FOR SENATE BILL NO. 104(RLS)**

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

**TWENTY-SEVENTH LEGISLATURE - SECOND SESSION**

**BY THE HOUSE RULES COMMITTEE**

**Offered:  
Referred:**

**Sponsor(s): SENATORS FRENCH, Hoffman, Dyson, Wielechowski, Kookesh, Meyer, Ellis, Menard, Paskvan,  
Egan, Thomas, Stedman, Stevens**

**REPRESENTATIVE Gruenberg**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to manufactured homes, including manufactured homes permanently**  
2 **affixed to land, to the conversion of manufactured homes to real property, to the**  
3 **severance of manufactured homes from real property, to the titling, conveyance, and**  
4 **encumbrance of manufactured homes, and to manufacturers' certificates of origin for**  
5 **vehicles; allowing a deferral of municipal property taxes on the increase in the value of**  
6 **real property attributable to subdivision of that property; and providing for an effective**  
7 **date."**

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

9 **\* Section 1.** The uncodified law of the State of Alaska is amended by adding a new section  
10 to read:

11 **FINDINGS AND PURPOSE.** (a) The legislature finds the legal status of  
12 manufactured homes affixed or to be affixed to real property in the state needs to be clarified.

13 (b) The purpose of this Act is to establish a clear statutory procedure for

1 (1) converting to real property manufactured homes that are affixed to real  
2 property; and

3 (2) severing manufactured homes from real property.

4 \* Sec. 2. AS 06.05.207 is amended by adding a new subsection to read:

5 (c) In this section, "real property" includes a manufactured home that has  
6 become real property under AS 34.85.010. In this subsection, "manufactured home"  
7 has the meaning given in AS 45.29.102.

8 \* Sec. 3. AS 06.15.250 is amended by adding a new subsection to read:

9 (b) In this section, "real property" includes a manufactured home that has  
10 become real property under AS 34.85.010. In this subsection, "manufactured home"  
11 has the meaning given in AS 45.29.102.

12 \* Sec. 4. AS 06.45.060(5)(A) is amended to read:

13 (A) loans to members shall be made in conformity with  
14 regulations adopted by the commissioner, except that

15 (i) a residential real estate loan that is made to finance  
16 the acquisition of a one- to four-family dwelling for the principal  
17 residence of a credit union member that is secured by a first lien on the  
18 dwelling may have a maturity not exceeding 30 years;

19 (ii) a loan to finance the purchase of a manufactured  
20 [MOBILE] home that is secured by a first lien on the manufactured  
21 [MOBILE] home, to be used as the residence of a credit union member,  
22 or for the repair, alteration, or improvement of a residential dwelling  
23 that is the residence of a credit union member must have a maturity not  
24 to exceed 20 years unless the loan is insured or guaranteed under (iii) of  
25 this subparagraph;

26 (iii) a loan secured by the insurance or guarantee of the  
27 federal government, of a state government, or an agency of either may  
28 be made for the maturity and under the terms and conditions specified  
29 in the law under which the insurance or guarantee is provided;

30 (iv) a loan or aggregate of loans to a director or member  
31 of the supervisory or credit committee of the credit union making the

1 loan that exceeds \$20,000 plus pledged shares shall be approved by the  
2 board of directors;

3 (v) loans to other members for which directors or  
4 members of the supervisory or credit committee act as guarantor or  
5 endorser shall be approved by the board of directors when the loans  
6 standing alone or when added to an outstanding loan or loans of the  
7 guarantor or endorser exceed \$20,000;

8 (vi) the rate of interest may not exceed the greater of 15  
9 percent a year or the rate specified in AS 45.45.010(b);

10 (vii) the taking, receiving, reserving, or charging of a  
11 rate of interest greater than is allowed by this paragraph, when  
12 knowingly done, is considered a forfeiture of the entire interest that the  
13 note, bill, or other evidence of debt carries with it, or that has been  
14 agreed to be paid on the note, bill, or other evidence of debt; if a greater  
15 rate of interest has been paid, the person by whom it has been paid or  
16 the person's legal representatives may recover back from the credit  
17 union taking or receiving it the entire amount of interest paid, but the  
18 action must be commenced within two years from the time the usurious  
19 collection was made;

20 (viii) a borrower may repay a loan before maturity in  
21 whole or in part on any business day without penalty;

22 (ix) loans shall be paid or amortized under regulations  
23 adopted by the commissioner that consider the needs or conditions of  
24 the borrowers, the amounts and duration of the loans, the interests of  
25 the members and the credit union, and other factors established in  
26 regulations adopted by the commissioner;

27 (x) the total dollar amount of real estate loans and  
28 manufactured [MOBILE] home loans outstanding may not exceed 25  
29 percent of the assets of the credit union without the written approval of  
30 the commissioner;

31 (xi) a credit union with assets of less than \$3,000,000

1 may make real estate loans with maturities in excess of 15 years only  
2 with the approval of the commissioner;

3 \* **Sec. 5.** AS 06.45.060 is amended by adding a new subsection to read:

4 (b) In this section, "manufactured home" has the meaning given in  
5 AS 45.29.102.

6 \* **Sec. 6.** AS 06.60.990(33) is amended to read:

7 (33) "residential mortgage loan" means a loan that is primarily for  
8 personal, family, or household use and that is secured by a mortgage, deed of trust, or  
9 other equivalent consensual security interest on a dwelling or residential real estate  
10 located in the state; in this paragraph,

11 (A) "manufactured home" has the meaning given in  
12 AS 45.29.102;

13 (B) "residential real estate" means real property on which a  
14 dwelling is constructed or intended to be constructed, including a  
15 manufactured home that has become real property under AS 34.85.010;

16 \* **Sec. 7.** AS 09.45 is amended by adding a new section to read:

17 **Article 13. General Provisions.**

18 **Sec. 09.45.990. Definitions.** In this chapter,

19 (1) "manufactured home" has the meaning given in AS 45.29.102;

20 (2) "real property" includes a manufactured home that has become real  
21 property under AS 34.85.010.

22 \* **Sec. 8.** AS 28.05.061(a) is amended to read:

23 (a) The Department of Administration shall file, maintain, and appropriately  
24 index records of

25 (1) vehicle registrations under AS 28.10.071(a) - (c);

26 (2) stolen, converted, recovered, and unclaimed vehicles under  
27 AS 28.10.071(d);

28 (3) titles and documents creating and evidencing liens or  
29 encumbrances under AS 28.10.381;

30 (4) abandoned vehicles under AS 28.11.030(c); [AND]

31 (5) driver's license and driving records under AS 28.15.151;

1                   (6) applications under AS 28.10.262 for cancellation of a  
2                   manufacturer's certificate of origin for a manufactured home;

3                   (7) applications under AS 28.10.263 for cancellation of a certificate  
4                   of title to a manufactured home;

5                   (8) applications under AS 28.10.264 for confirmation of the  
6                   nonapplication of AS 28.10 to a manufactured home;

7                   (9) applications under AS 28.10.265 for a certificate of title to a  
8                   severed manufactured home;

9                   (10) manufacturer's certificates of origin accepted for cancellation  
10                  by the department under AS 28.10.262 for a manufactured home; and

11                  (11) certificates of title accepted for cancellation by the  
12                  department under AS 28.10.263 for a manufactured home.

13 \* **Sec. 9.** AS 28.05.061 is amended by adding new subsections to read:

14                  (e) For cancelled manufacturer's certificates of origin, cancelled certificates of  
15                  title, or applications for confirmation filed under (a)(8), (10), or (11) of this section,  
16                  the department's record must state

17                          (1) the name of each owner of the manufactured home;

18                          (2) the date the manufacturer's certificate of origin or the certificate of  
19                  title was accepted for cancellation if the certificate was cancelled under (a)(10) or (11)  
20                  of this section; and

21                          (3) the recording information for the affixation affidavit required by  
22                  AS 28.10.266.

23                  (f) For applications for certificates of title under (a)(9) of this section, the  
24                  department's record must state the name of each owner of the manufactured home and  
25                  the recording information for the severance affidavit recorded under AS 40.17.125.

26                  (g) In this section, "recording information" means the district where the  
27                  affidavit was recorded, and the date and serial numbers of the affidavit's recording in  
28                  the recording district.

29 \* **Sec. 10.** AS 28.10.201(b) is amended to read:

30                  (b) The owner of a vehicle described in AS 28.10.011 as being exempt from  
31                  registration and the owner of a snowmobile or off-highway vehicle may not apply for,

1 nor may the department issue, a certificate of title for the vehicle. However, the  
2 department

3 (1) may issue a certificate of title to the owner of a vehicle exempt  
4 from registration under AS 28.10.011(3), (6), (7), or (10) only upon application by that  
5 owner; and

6 (2) except as provided in (e) of this section, shall issue a certificate of  
7 title to the owner of a manufactured [MOBILE] home upon application, display of  
8 evidence of ownership satisfactory to the department, and payment of a fee of \$100 by  
9 the owner; a certificate of title issued under this paragraph must comply with  
10 AS 28.10.231.

11 \* **Sec. 11.** AS 28.10.201 is amended by adding a new subsection to read:

12 (e) The department may not issue a certificate of title to a manufactured home  
13 if an application for the manufactured home has been filed under AS 28.10.262 -  
14 28.10.264.

15 \* **Sec. 12.** AS 28.10.211(c) is amended to read:

16 (c) When an application for title refers to a new vehicle, the application must  
17 be accompanied by a "manufacturer's certificate [STATEMENT] of origin" and other  
18 information reasonably required by the department.

19 \* **Sec. 13.** AS 28.10.211 is amended by adding a new subsection to read:

20 (f) The holder of a manufacturer's certificate of origin for a manufactured  
21 home may deliver the certificate to any person to facilitate conveying or encumbering  
22 the manufactured home, and a person who receives the manufacturer's certificate of  
23 origin holds it in trust for the person delivering it.

24 \* **Sec. 14.** AS 28.10.221 is amended by adding a new subsection to read:

25 (d) Except as provided in AS 28.10.263, the department may not suspend or  
26 revoke a certificate of title to a manufactured home based on the fact that the  
27 manufactured home is affixed in any manner to real property.

28 \* **Sec. 15.** AS 28.10.261 is amended by adding a new subsection to read:

29 (c) Notwithstanding another provision of law to the contrary, a certificate of  
30 title to a manufactured home issued by the department is prima facie evidence of the  
31 facts appearing on it, even if the manufactured home is affixed in any manner to real

1 property.

2 \* **Sec. 16.** AS 28.10 is amended by adding new sections to article 2 to read:

3 **Sec. 28.10.262. Cancellation of manufacturer's certificate of origin for**  
4 **manufactured home.** (a) If a manufactured home is permanently affixed to real  
5 property under AS 34.85.150, or if the owner intends to permanently affix the  
6 manufactured home to real property under AS 34.85.150, the owner may submit to the  
7 department an application requesting that the department cancel the manufacturer's  
8 certificate of origin for a manufactured home and update the department's records  
9 under AS 28.05.061.

10 (b) The application under (a) of this section must comply with AS 28.10.266.

11 (c) Subject to AS 28.05.041, if the department is satisfied that the application  
12 filed under (a) of this section complies with (b) of this section, the department shall  
13 cancel the manufacturer's certificate of origin for the manufactured home, update the  
14 department's records under AS 28.05.061, and issue a written acknowledgment that  
15 the department has cancelled the certificate of origin under this section. The  
16 department shall deliver the written acknowledgment to the owner of the  
17 manufactured home and to a person identified under AS 28.10.266(12).

18 (d) When the department has cancelled the manufacturer's certificate of origin  
19 under (c) of this section, the manufactured home is not subject to this chapter.

20 **Sec. 28.10.263. Cancellation of certificate of title to manufactured home.**

21 (a) If a manufactured home is permanently affixed to real property under  
22 AS 34.85.150, or if the owner intends to permanently affix the manufactured home to  
23 real property under AS 34.85.150, the owner may submit to the department an  
24 application requesting that the department cancel the certificate of title to a  
25 manufactured home and update the department's records under AS 28.05.061.

26 (b) The application under (a) of this section must comply with AS 28.10.266.

27 (c) Subject to AS 28.05.041, if the department is satisfied that the application  
28 filed under (a) of this section complies with (b) of this section and that there are no  
29 outstanding liens or encumbrances filed against the manufactured home under  
30 AS 28.10.381, the department shall cancel the certificate of title to the manufactured  
31 home, update the department's records under AS 28.05.061, and issue a written

1 acknowledgment that the department has cancelled the certificate of title under this  
2 section. The department shall deliver the written acknowledgment to the owner of the  
3 manufactured home and to a person identified under AS 28.10.266(12).

4 (d) ~~When the department has cancelled a certificate of title under (c) of this~~  
5 section, the manufactured home is not subject to this chapter.

6 **Sec. 28.10.264. Confirmation of nonapplication of chapter.** (a) The owner  
7 of a manufactured home may submit an application to the department requesting that  
8 the department indicate on the department's records that the manufactured home is not  
9 subject to this chapter if

10 (1) the manufactured home is permanently affixed to real property  
11 under AS 34.85.150, or the owner intends to permanently affix the manufactured  
12 home to real property under AS 34.85.150; and

13 (2) the manufactured home

14 (A) is not covered by a manufacturer's certificate of origin or a  
15 certificate of title;

16 (B) is covered by a manufacturer's certificate of origin, but the  
17 owner of the manufactured home, after diligent search and inquiry, is unable to  
18 produce the certificate of origin; or

19 (C) is covered by a certificate of title, but the owner of the  
20 manufactured home, after diligent search and inquiry, is unable to produce the  
21 certificate of title.

22 (b) The application under (a) of this section must comply with AS 28.10.266  
23 and be accompanied by a bond or cash deposit described in (c) of this section.

24 (c) The bond that accompanies the application under (b) of this section must  
25 be in the form prescribed by the department and executed by the applicant. The  
26 amount of the bond or cash deposit that accompanies the application under (b) of this  
27 section must be equal to one and one-half times the value of the manufactured home as  
28 determined by the department and must be conditioned to indemnify former owners,  
29 secured parties, and subsequent purchasers of the manufactured home and their  
30 successors against loss resulting from a defect in or undisclosed security interest on  
31 the title of the applicant. An injured party may bring a court action against the bond or

1 cash deposit for a breach of the conditions of the bond or cash deposit, but the liability  
2 of the bond surety or the department may not exceed the amount of the bond or cash  
3 deposit. The department shall return the bond or cash deposit at the end of three years  
4 after the submission under (b) of this section, except that service on the department of  
5 notice that an action is pending against the bond or cash deposit extends that period  
6 until 45 days after a final decision in the action on the bond or cash deposit.

7 (d) If the department is satisfied that the application filed under (a) of this  
8 section complies with (b) of this section, the department shall, subject to  
9 AS 28.05.041, indicate under AS 28.05.061 on the department's records that the  
10 manufactured home is not subject to this chapter and shall provide to the owner a  
11 written confirmation that the owner of the manufactured home has submitted an  
12 application that complies with (b) of this section and that the manufactured home is  
13 not subject to this chapter. The department shall deliver the written confirmation to the  
14 owner of the manufactured home and to a person identified under AS 28.10.266(12).

15 (e) When the department has provided a written confirmation under (d) of this  
16 section, the manufactured home is not subject to this chapter.

17 **Sec. 28.10.265. Certificate of title to severed manufactured home.** (a) The  
18 owner of a manufactured home may submit an application to the department  
19 requesting that the department issue a certificate of title to a manufactured home and  
20 update the department's records under AS 28.05.061 if

21 (1) the manufactured home was permanently affixed to real property  
22 under AS 34.85.150;

23 (2) an affixation affidavit was recorded for the manufactured home  
24 under AS 40.17.125; and

25 (3) after the occurrence of (1) and (2) of this subsection, the  
26 manufactured home was severed from the real property to which it was affixed.

27 (b) The application under (a) of this section must comply with AS 28.10.266.

28 (c) Subject to AS 28.05.041, if the department is satisfied that the application  
29 filed under (a) of this section complies with (b) of this section, the department shall  
30 issue a certificate of title to the manufactured home under AS 28.10.231 - 28.10.241,  
31 update the department's records under AS 28.05.061, and issue to the owner and to a

1 person identified under AS 28.10.266(12) a written acknowledgment that the  
2 department has issued a certificate of title under this section.

3 (d) When the department has issued a certificate of title under (c) of this  
4 section, the manufactured home is subject to this chapter.

5 **Sec. 28.10.266. Application provisions.** An application under AS 28.10.262 -  
6 28.10.265 must provide

7 (1) the name, residence, and mailing address of the owner of the  
8 manufactured home;

9 (2) a description of the manufactured home, including the name of the  
10 manufacturer, the make, the model name, the model year, the manufacturer's serial  
11 number for the manufactured home, and other information required by the department  
12 about the manufactured home;

13 (3) whether the manufactured home is new or used;

14 (4) for an application under AS 28.10.262 - 28.10.264, the date of  
15 purchase by the owner of the manufactured home and the name and address of the  
16 person from whom the home was acquired;

17 (5) for an application under AS 28.10.262 - 28.10.264, the name and  
18 address of any person who holds a lien or an encumbrance against the manufactured  
19 home and the order of apparent priority;

20 (6) a statement signed by the owner, stating

21 (A) any facts or information known to the owner that could  
22 reasonably affect the validity of the title to the manufactured home or the  
23 existence or nonexistence of a lien or encumbrance on it; or

24 (B) that the owner does not know any facts or information that  
25 could reasonably affect the validity of the title to the manufactured home or the  
26 existence or nonexistence of a lien or encumbrance on the manufactured home;

27 (7) subject to AS 28.10.268, for an application under AS 28.10.262 -  
28 28.10.264, a certified copy of an affixation affidavit that complies with AS 34.85.060  
29 and that has been recorded under AS 40.17.125 for the manufactured home;

30 (8) for an application under AS 28.10.265, a certified copy of a  
31 severance affidavit that complies with AS 34.85.120 and that has been recorded under

1 AS 40.17.125 for the manufactured home;

2 (9) for an application under AS 28.10.262, the original manufacturer's  
3 certificate of origin;

4 (10) for an application under AS 28.10.263, the original certificate of  
5 title;

6 (11) for an application under AS 28.10.264 or 28.10.265, a declaration  
7 that complies with AS 28.10.267;

8 (12) if desired by the applicant, the name and mailing address of one  
9 person, in addition to the owner, to receive a written acknowledgment from the  
10 department under AS 28.10.262, 28.10.263, or 28.10.265 or a written confirmation  
11 under AS 28.10.264; and

12 (13) other information and documents the department reasonably  
13 requires

14 (A) to identify the owner of the manufactured home;

15 (B) to determine the existence or nonexistence of liens or  
16 encumbrances on the manufactured home;

17 (C) for an application under AS 28.10.262 - 28.10.264, to  
18 enable the department to determine whether the owner satisfied the applicable  
19 requirements of AS 34.85.010; and

20 (D) for an application under AS 28.10.265, to enable the  
21 department to determine whether the owner of the manufactured home is  
22 entitled to a certificate of title.

23 **Sec. 28.10.267. Declaration.** (a) The declaration required by  
24 AS 28.10.266(11) must be made under oath or affirmation by an attorney authorized  
25 under AS 08.08 to practice law in the state or an agent of a title insurance company  
26 entitled under AS 21.66 to transact a title insurance business in this state.

27 (b) The declaration must state that the manufactured home is free and clear of  
28 all liens and encumbrances and

29 (1) any facts or information known to the attorney or agent that could  
30 reasonably affect the validity of the title to the manufactured home or the existence or  
31 nonexistence of a lien or encumbrance on the manufactured home; or

1 (2) that the attorney or agent does not know any facts or information  
2 that could reasonably affect the validity of the title to the manufactured home or the  
3 existence or nonexistence of a lien or encumbrance on the manufactured home.

4 **Sec. 28.10.268. Time of satisfaction.** If a person delivers an application under  
5 AS 28.10.262 - 28.10.264 for a manufactured home to the department within 30 days  
6 after an affixation affidavit for the manufactured home is recorded under  
7 AS 40.17.125, and if the application is accepted by the department, the requirements  
8 of AS 28.10.262 - 28.10.264 are considered to be satisfied on the date the affixation  
9 affidavit is recorded, and, if the manufactured home is conveyed or encumbered on  
10 and after that date, the manufactured home shall be conveyed and encumbered as real  
11 property.

12 **Sec. 28.10.269. Definitions.** In AS 28.10.201 - 28.10.269, unless the context  
13 indicates otherwise,

14 (1) "affixation affidavit" means an affixation affidavit under  
15 AS 34.85.060;

16 (2) "severance affidavit" means a severance affidavit under  
17 AS 34.85.120.

18 \* **Sec. 17.** AS 28.10.371 is amended by adding new subsections to read:

19 (b) Notwithstanding (a) of this section, a lien on a manufactured home for the  
20 purchase of the manufactured home is valid against judicial lien creditors and  
21 execution creditors on and after the date the lien attaches under AS 45.29 against the  
22 manufactured home.

23 (c) Notwithstanding (a) of this section, the holder of a lien on a manufactured  
24 home may deliver a lien release document to a person to facilitate conveying or  
25 encumbering the manufactured home. A person receiving the lien release document  
26 holds the document in trust for the lienholder.

27 \* **Sec. 18.** AS 28.10.381 is amended by adding a new subsection to read:

28 (c) Except as otherwise provided in AS 28.10.262, 28.10.263, and AS 34.85,  
29 after a certificate of title to a manufactured home has been issued and while the  
30 manufactured home is subject to a lien or encumbrance under (a) of this section,

31 (1) the department may not cancel the manufacturer's certificate of

1 origin for the manufactured home under AS 28.10.262, or cancel the certificate of title  
2 to the manufactured home under AS 28.10.263; and

3 (2) the validity and priority of the lien or encumbrance continues.

4 \* **Sec. 19.** AS 28.10.391 is amended by adding a new subsection to read:

5 (e) Notwithstanding another provision of this section, the creation or  
6 termination of a lien or encumbrance with respect to a manufactured home that has  
7 been converted to real property under AS 34.85.010 is governed by the laws that apply  
8 to real property.

9 \* **Sec. 20.** AS 28.10.661(2) is amended to read:

10 (2) "vehicle" includes mobile homes for the purposes of provisions  
11 relating to certificates of title; in this paragraph, "mobile home" means a  
12 manufactured home.

13 \* **Sec. 21.** AS 28.10.661 is amended by adding a new paragraph to read:

14 (3) "manufactured home" has the meaning given in AS 45.29.102.

15 \* **Sec. 22.** AS 29.45 is amended by adding a new section to read:

16 **Sec. 29.45.051. Tax deferral for certain subdivided property.** (a) A  
17 municipality may by ordinance permit deferral of payment of taxes on all or a portion  
18 of the increase in assessed value directly attributable to

19 (1) the subdivision of a single parcel of property into three or more  
20 parcels; and

21 (2) any improvements made to the property necessitated by its  
22 subdivision.

23 (b) A deferral from taxation allowed under (a) of this section shall be limited  
24 to a maximum period of five years. A municipality may by ordinance provide for the  
25 deferral of payment of taxes permitted under (a) of this section to be of a shorter  
26 duration.

27 (c) Subject to (b) of this section, a municipality may also by ordinance provide  
28 that

29 (1) the deferral is terminated when

30 (A) a lot in the subdivision is sold; or

31 (B) a residential or commercial building is built on a lot in the

1 subdivision; or

2 (2) the deferral continues for the unsold lots in the subdivision after

3 (A) a lot in the subdivision is sold; or

4 (B) a residential or commercial building is constructed on a lot  
5 in the subdivision.

6 \* **Sec. 23.** AS 29.45.070 is amended to read:

7 **Sec. 29.45.070. Mobile homes.** Mobile homes, trailers, house trailers, trailer  
8 coaches, and similar property used or intended to be used for residential, office, or  
9 commercial purposes and permanently affixed [ATTACHED] to real property  
10 under AS 34.85.150 [THE LAND OR CONNECTED TO WATER, GAS,  
11 ELECTRIC, OR SEWAGE FACILITIES] are classified as real property for tax  
12 purposes unless expressly classified as personal property by ordinance. This section  
13 does not apply to house trailers and mobile homes that are unoccupied and held for  
14 sale by persons engaged in the business of selling mobile homes. In this section,  
15 "mobile home" has the meaning given to "manufactured home" in AS 45.29.102.

16 \* **Sec. 24.** AS 34.03.360 is amended by adding a new paragraph to read:

17 (23) "mobile home" has the meaning given to "manufactured home" in  
18 AS 45.29.102.

19 \* **Sec. 25.** AS 34.70.200(3) is amended to read:

20 (3) "residential real property" means real property whose primary  
21 purpose is to provide a single-family dwelling, or two single-family dwellings in one  
22 building, including a manufactured home that has become real property under  
23 AS 34.85.010; in this paragraph, "manufactured home" has the meaning given in  
24 AS 45.29.102;

25 \* **Sec. 26.** AS 34.80.090(6) is amended to read:

26 (6) "residential real property" means real property on which there are  
27 one to four attached or detached dwelling units, or any number of apartments if the  
28 apartments are in a horizontal property regime formed under AS 34.07 or any number  
29 of units if the units are in a common interest community created under AS 34.08;  
30 "residential real property" includes a manufactured home that has become real  
31 property under AS 34.85.010; in this paragraph, "manufactured home" has the

1           meaning given in AS 45.29.102:

2           \* **Sec. 27.** AS 34 is amended by adding a new chapter to read:

3                           **Chapter 85. Manufactured Home Property Act.**

4                   **Sec. 34.85.010. Real property characterization.** A manufactured home  
5 becomes real property if

6                           (1) the home is permanently affixed to land under AS 34.85.150;

7                           (2) an affixation affidavit has been recorded under AS 40.17.125;

8                           (3) the ownership interests in the manufactured home and in the real  
9 property to which the manufactured home is permanently affixed are identical, except  
10 as provided by AS 34.85.040; and

11                           (4) the manufactured home is

12                                   (A) covered by a manufacturer's certificate of origin that the  
13 owner of the manufactured home is able to produce, and the department has  
14 cancelled the manufacturer's certificate of origin under AS 28.10.262;

15                                   (B) covered by a certificate of title that the owner of the  
16 manufactured home is able to produce, and the department has cancelled the  
17 certificate of title under AS 28.10.263; or

18                                   (C) not covered by a manufacturer's certificate of origin or a  
19 certificate of title, or if the manufactured home is covered by a manufacturer's  
20 certificate of origin or a certificate of title but the owner of the manufactured  
21 home, after diligent search and inquiry, was unable to produce the  
22 manufacturer's certificate of origin or certificate of title, and the department  
23 has provided a written confirmation under AS 28.10.264.

24           **Sec. 34.85.020. Effect of real property characterization.** (a) When a  
25 manufactured home becomes real property under AS 34.85.010, a mortgage, deed of  
26 trust, lien, or security interest that can attach to land, buildings erected on land, or  
27 fixtures affixed to land or buildings attaches to the manufactured home in the same  
28 manner as if the manufactured home were built from ordinary building materials on  
29 the land where the manufactured home is located.

30                   (b) If the title to a manufactured home is transferred after the manufactured  
31 home becomes real property under AS 34.85.010, title to the manufactured home,

1 together with the land to which the converted manufactured home is affixed, shall be  
2 transferred by deed or other form of conveyance that is effective to transfer an interest  
3 in real property.

4 (c) When a manufactured home becomes real property under AS 34.85.010,  
5 the manufactured home is governed by the laws applicable to real property in effect on  
6 the date the manufactured home satisfies AS 34.85.010.

7 **Sec. 34.85.040. Ownership interest exception.** If the owner of a  
8 manufactured home is not the owner of the real property on which the manufactured  
9 home is located, the requirement under AS 34.85.010(3) that the ownership interests  
10 be identical is satisfied if the owner possesses the real property under

11 (1) a lease in a recordable form that has a term that continues for at  
12 least 20 years after the date of execution of the affixation affidavit; and

13 (2) the lessor of the real property consents.

14 **Sec. 34.85.060. Affixation affidavit requirements.** An affixation affidavit  
15 must provide

16 (1) the name of the manufacturer, the make, the model name, the  
17 model year, the dimensions, and the manufacturer's serial number of the manufactured  
18 home;

19 (2) whether the manufactured home is new or used;

20 (3) a statement that the person executing the affidavit is

21 (A) the owner of the real property described in the affixation  
22 affidavit; or

23 (B) not the owner of the real property described in the  
24 affixation affidavit, and the person

25 (i) is in possession of the real property under a lease in  
26 recordable form that has a term that continues for at least 20 years after  
27 the date of execution of the affidavit; and

28 (ii) the lessor of the real property consents;

29 (4) if (3)(B)(ii) of this section applies, the consent of the lessor of the  
30 real property endorsed on or attached to the affidavit and acknowledged or proved in  
31 the manner required for the conveyance to be recorded;

1 (5) the street address and the legal description of the real property to  
2 which the manufactured home is or shall be permanently affixed;

3 (6) if the manufactured home is not covered by a certificate of title, a  
4 statement by the owner to that effect;

5 (7) an owner's statement under AS 34.85.070;

6 (8) a statement whether or not the manufactured home is subject to a  
7 lien or encumbrance;

8 (9) if the manufactured home is subject to a lien or encumbrance, a  
9 statement giving the name and address of each person who holds a lien or  
10 encumbrance on the manufactured home, including each holder of a lien or  
11 encumbrance shown on a certificate of title issued by the department, the original  
12 principal amount secured by each lien and encumbrance, and a statement that

13 (A) the lien or encumbrance shall be released; or

14 (B) each lien or encumbrance on the manufactured home has  
15 been released and proof of the release;

16 (10) if the manufactured home is not covered by a manufacturer's  
17 certificate of origin or a certificate of title, a statement by the owner of the  
18 manufactured home that the manufactured home is not covered by a manufacturer's  
19 certificate of origin or a certificate of title and that the owner of the manufactured  
20 home will apply to the department under AS 28.10.264;

21 (11) a statement that the manufactured home is or will be permanently  
22 affixed to the real property; and

23 (12) the name and address of a person designated for filing the  
24 certified copy of the affixation affidavit with the department.

25 **Sec. 34.85.070. Owner's statement for affixation affidavit.** (a) An owner's  
26 statement for an affixation affidavit must comply with (b) or (c) of this section.

27 (b) If a manufactured home is covered by a manufacturer's certificate of  
28 origin, the owner of the manufactured home shall

29 (1) state that the manufactured home is covered by a manufacturer's  
30 certificate of origin, provide the date the manufacturer's certificate of origin was  
31 issued, provide the manufacturer's serial number, state that the original manufacturer's

1 certificate of origin for the manufactured home is annexed to the affixation affidavit  
2 and is endorsed to the owner of the manufactured home, and state that the owner of the  
3 manufactured home will surrender the manufacturer's certificate of origin for  
4 cancellation under AS 28.10.262; or

5 (2) state that the owner of the manufactured home, after diligent search  
6 and inquiry, has been unable to produce the original manufacturer's certificate of  
7 origin for the manufactured home and shall apply to the department under  
8 AS 28.10.264.

9 (c) If a manufactured home is covered by a certificate of title, the owner of the  
10 manufactured home shall

11 (1) state that the manufactured home is covered by a certificate of title,  
12 provide the date the title was issued and the title number, and state that the owner shall  
13 surrender the title for cancellation under AS 28.10.263; or

14 (2) state that the owner, after diligent search and inquiry, has been  
15 unable to produce the certificate of title to the manufactured home and shall apply to  
16 the department under AS 28.10.264.

17 **Sec. 34.85.080. Effect on liens and encumbrances.** Permanently affixing a  
18 manufactured home to real property or recording an affixation affidavit under  
19 AS 40.17.125 does not impair the rights of a holder of, or the character of, a lien or  
20 encumbrance on a manufactured home under AS 28.10.381 unless an application to  
21 cancel the title is filed with the department under AS 28.10.263 and the lien or  
22 encumbrance is released under AS 28.10.401.

23 **Sec. 34.85.090. Filing affixation affidavit with department.** When a person  
24 designated in an affixation affidavit to file the affixation affidavit with the department  
25 receives a certified copy of the recorded affixation affidavit, the person shall deliver  
26 the certified copy of the affixation affidavit to the department for filing under  
27 AS 28.10.262 - 28.10.264.

28 **Sec. 34.85.100. Use of affidavit.** (a) Except as provided in AS 34.85.010,  
29 34.85.020, 34.85.090, and AS 40.17.125, an affixation affidavit is not necessary or  
30 effective to convey or encumber a manufactured home or to change the character of a  
31 manufactured home to real property.

1 (b) A conveyance of land on which a manufactured home is located must  
2 recite that the conveyance does not affect the title to the manufactured home and that  
3 the transfer or encumbrance of the manufactured home can only be made under  
4 AS 28.10 if

5 (1) an affixation affidavit has not been recorded for the manufactured  
6 home; or

7 (2) a severance affidavit has been recorded for the manufactured home.

8 (c) An agreement that waives the requirements of (a) or (b) of this subsection  
9 is void.

10 **Sec. 34.85.110. Severance of manufactured home.** If an affixation affidavit  
11 has been recorded for a converted manufactured home and if the converted  
12 manufactured home is severed from the real property to which it was affixed, each  
13 person having an interest in the real property shall record a severance affidavit in the  
14 recording district where the affixation affidavit was recorded.

15 **Sec. 34.85.120. Severance affidavit.** The severance affidavit must contain or  
16 be accompanied by

17 (1) the name, residence, and mailing address of the owner of the  
18 manufactured home;

19 (2) a description of the manufactured home, including the name of the  
20 manufacturer, the make, the model name, the model year, the dimensions, and the  
21 manufacturer's serial number of the manufactured home;

22 (3) whether the manufactured home it is new or used;

23 (4) the serial numbers and date when the affixation affidavit was  
24 recorded;

25 (5) a statement

26 (A) of any facts or information known to the person signing the  
27 affidavit that could reasonably affect the validity of the title to the  
28 manufactured home or the existence or nonexistence of a lien or encumbrance  
29 on the manufactured home; or

30 (B) that the person signing the affidavit does not know any  
31 facts or information that could reasonably affect the validity of the title to the

1 manufactured home or the existence or nonexistence of a lien or encumbrance  
2 on the manufactured home;

3 (6) a declaration made under oath or affirmation by an attorney  
4 authorized under AS 08.08 to practice law in the state or an agent of a title insurance  
5 company entitled under AS 21.66 to transact a title insurance business in this state that  
6 the manufactured home is free and clear of all liens and encumbrances, and

7 (A) stating any facts or information known to the attorney or  
8 agent that could reasonably affect the validity of the title to the manufactured  
9 home or the existence or nonexistence of a lien or encumbrance on the  
10 manufactured home; or

11 (B) that the attorney or agent does not know any facts or  
12 information that could reasonably affect the validity of the title to the  
13 manufactured home or the existence or nonexistence of a lien or encumbrance  
14 on the manufactured home; and

15 (7) the name and address of the person designated to file the certified  
16 copy of the severance affidavit with the department under AS 28.10.265.

17 **Sec. 34.85.130. Filing of severance affidavit.** On receipt of a certified copy of  
18 the severance affidavit by the person designated in the affidavit for filing with the  
19 department, the person shall file the certified copy with the department under  
20 AS 28.10.262 - 28.10.264.

21 **Sec. 34.85.140. Affidavit form and acknowledgment.** (a) An affixation  
22 affidavit and a severance affidavit must be acknowledged in the same manner as a  
23 conveyance of real property and must be in a form that may be recorded under  
24 AS 40.17.

25 (b) The department shall establish by regulation the forms for an affixation  
26 affidavit and a severance affidavit.

27 **Sec. 34.85.150. Permanently affixed.** A manufactured home is permanently  
28 affixed when it is

29 (1) anchored to real property by attachment to a permanent foundation;

30 (2) constructed in accordance with applicable state and local building  
31 codes and manufacturer's specifications as provided in the Model Manufactured Home

1 Installation Standards of the federal Department of Housing and Urban Development  
2 (24 C.F.R. 3285); and

3 (3) connected to a residential utility, including water, gas, electricity,  
4 sewer, or septic service.

5 **Sec. 34.85.190. Definitions.** In this chapter, unless the context requires  
6 otherwise,

7 (1) "affixation affidavit" means an affixation affidavit under  
8 AS 34.85.060;

9 (2) "department" means the Department of Administration;

10 (3) "manufactured home" has the meaning given in AS 45.29.102;

11 (4) "permanently affixed" means when a manufactured home is  
12 permanently affixed under AS 34.85.150;

13 (5) "severance affidavit" means a severance affidavit under  
14 AS 34.85.120.

15 **Sec. 34.85.195. Short title.** This chapter may be cited as the Manufactured  
16 Home Property Act.

17 \* **Sec. 28.** AS 40.17 is amended by adding a new section to read:

18 **Sec. 40.17.125. Recording affidavits related to manufactured homes.** (a) A  
19 recorder shall record an affixation affidavit and a severance affidavit if the affidavit  
20 meets the requirements for recording under AS 40.17.030 and is offered for recording  
21 in the recording district where the real property to which the manufactured home  
22 affixed is located.

23 (b) A recording officer shall place on the recorded affidavit

24 (1) the indexing information for the recorded affidavit; and

25 (2) an indication that the recorded affidavit was recorded.

26 (c) In this section,

27 (1) "affidavit" means an affixation affidavit or a severance affidavit;

28 (2) "affixation affidavit" has the meaning given in AS 34.85.190;

29 (3) "manufactured home" has the meaning given in AS 45.29.102;

30 (4) "recorded affidavit" means an affidavit recorded under this section;

31 (5) "severance affidavit" has the meaning given in AS 34.85.190.

1 \* **Sec. 29.** AS 45.10.220(2) is amended to read:

2 (2) "goods" means personal chattels purchased primarily for personal,  
3 family, or household use and not for commercial or business use, but does not include  
4 money or, except as provided in the next phrase, chose in action; "goods" includes  
5 [BUT IS NOT LIMITED TO] merchandise certificates or coupons issued by a retail  
6 seller to be used in their face amount instead of cash in exchange for goods or services  
7 sold by the seller and goods, including a manufactured home, that, at the time of  
8 sale or subsequently, are to be so affixed to real property as to become a part of it,  
9 whether or not severable from it; in this paragraph, "manufactured home" has the  
10 meaning given in AS 45.29.102;

11 \* **Sec. 30.** The uncoded law of the State of Alaska is amended by adding a new section to  
12 read:

13 TRANSITION: REGULATIONS. The Department of Administration shall adopt  
14 regulations necessary to implement this Act. The regulations must take effect under AS 44.62  
15 (Administrative Procedure Act) on January 1, 2013.

16 \* **Sec. 31.** The uncoded law of the State of Alaska is amended by adding a new section to  
17 read:

18 SAVING CLAUSE. This Act may not be interpreted to impair a right or claim  
19 existing under law before January 1, 2013, of a person claiming an interest in a manufactured  
20 home. In this section, "manufactured home" has the meaning given in AS 45.29.102.

21 \* **Sec. 32.** The uncoded law of the State of Alaska is amended by adding a new section to  
22 read:

23 SEVERABILITY. Under AS 01.10.030, if any provision of this Act, or the application  
24 of it to any person or circumstance, is held invalid, the remainder of this Act and the  
25 application to other persons or circumstances are not affected.

26 \* **Sec. 33.** Section 30 of this Act takes effect immediately under AS 01.10.070(c).

27 \* **Sec. 34.** Sections 22 and 32 of this Act take effect July 1, 2012.

28 \* **Sec. 35.** Except as provided in secs. 33 and 34 of this Act, this Act takes effect January 1,  
29 2013.

# 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


State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

April 14, 2012

**SUBJECT:** HCS CSSB 104(RLS) relating to manufactured homes and municipal taxes (Work Order No. 27-LS0467\T)

**TO:** Representative Craig Johnson  
Chair of the House Rules Committee  
Attn: Debbie Higgins

**FROM:**  Terry Bannister  
Legislative Counsel

This bill version is being transmitted to you at your request and with the permission of Representative Muñoz .

1. Single subject issue. Please be aware that, with the addition of the municipal subdivision tax section (bill sec. 22), it is possible that the bill may be considered by a court not to be confined to one subject, which would violate the constitutional requirement that a bill be confined to one subject.<sup>1</sup> The Alaska Supreme Court standard is that an "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."<sup>2</sup>

Historically, the Alaska Supreme Court has interpreted Alaska's single subject rule to permit very broad subject matter in one bill without violating the single subject requirement. For example, the Court has held that bills relating to such broad themes as "development of water resources,"<sup>3</sup> "taxation,"<sup>4</sup> "land,"<sup>5</sup> "intoxicating liquor,"<sup>6</sup> and

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<sup>1</sup> Article II, sec. 13, Alaska State Constitution.

<sup>2</sup> State v. First Nat'l Bank of Anchorage, 660 P.2d 406 (Alaska 1982).

<sup>3</sup> Gellert v. State, 522 P.2d 1120 (Alaska 1974).

<sup>4</sup> North Slope Borough v. Sohio Petroleum Corp., 585 P.2d 534, 545 (Alaska 1978).

<sup>5</sup> State v. First Nat'l Bank of Anchorage, 660 P.2d 406 (Alaska 1982).

<sup>6</sup> Van Brunt v. State, 646 P.2d 872 (Alaska App. 1982).

Representative Craig Johnson  
April 14, 2012  
Page 2

"criminal law"<sup>7</sup> are acceptable.<sup>8</sup> However, there was a strong dissent in one case against allowing broad subject matter in a single bill.<sup>9</sup> And in 2010 the Alaska Supreme Court found that a proposed initiative violated the single subject requirement.<sup>10</sup>

In this situation, the bill does address municipal taxation of permanently affixed mobile homes in sec. 23 of the bill. And the new bill sec. 22 addresses municipal taxation of certain subdivided property. However, the amendment does not appear to have another logical or popularly understood connection with the rest of the bill. The subject of "property" would cover the bill and the amendment. But that is a very broad subject, and may be considered broader than the subject of "land" that the court has accepted as a single subject.

2. Use of severability clause. The bill now contains a general severability clause and not one designed to address the single subject issue discussed above. Please be aware that a general severability clause is already provided for this bill by AS 01.10.030. Because of the single subject issue, I recommend adding a severability clause that addresses that issue. It may not work if the bill is challenged, but it might help.

If I may be of further assistance, please advise.

TLB:plm  
12-239.plm

Enclosure

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<sup>7</sup> Galbraith v. State, 693 P.2d 880 (Alaska App. 1985).

<sup>8</sup> Evans v. State, 56 P.3d 1046, 1070 (Alaska 2002).

<sup>9</sup> Yute Air Alaska, Inc. v. McAlpine, 698 P.2d 1173 (Alaska 1985). In his dissent, at page 1182, Justice Moore stated: "This court has mistakenly continued to give the rule such an extremely liberal interpretation that the rule has become a farce."

<sup>10</sup> Croft v. Parnell, 236 P.3d 369 (Alaska 2010).

# FISCAL NOTE

**STATE OF ALASKA**  
**2011 LEGISLATIVE SESSION**

Fiscal Note Number 1  
 Bill Version SB 104  
 (S) Publish Date 4/1/11

Identifier (file name) SB104-DOA-DMV-03-25-11 Dept. Affected Administration  
 Title Manufactured Homes as Real Property Appropriation Motor Vehicles  
 Allocation Motor Vehicles  
 Sponsor Senator French  
 Requester Senate State Affairs OMB Component Number 2348

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

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

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants								
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>0.0</b>	<b>0.0</b>

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

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other (please identify)								
<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>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2011) cost 0.0

**POSITIONS**

Full-time								
Part-time								
Temporary								

**Why this fiscal note differs from previous version (if initial version, please note as such)**

Not applicable; initial version

Prepared by Whitney Brewster, Director  
 Division Motor Vehicles  
 Approved by John Cramer, Director  
Department of Administration

Phone 907-269-5574  
 Date/Time 3/25/11 4:00 PM  
 Date 3/25/2011

FISCAL NOTE #1

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

BILL NO. SB 104

**Analysis**

This bill will have only a small financial impact on the Division of Motor Vehicles (DMV). DMV will absorb any implementation costs in its operating budget.

# FISCAL NOTE

**STATE OF ALASKA**  
**2012 LEGISLATIVE SESSION**

cost # code

Bill Version CSSB 104(JUD)  
Fiscal Note Number 2  
(S) Publish Date 1/20/12

Identifier (file name) SB104-DOA-DMV-12-6-2011 Dept. Affected Administration  
Title Manufactured Homes as Real Property Appropriation Motor Vehicles  
Allocation Motor Vehicles  
Sponsor Senator French  
Requester Senate Judiciary OMB Component Number 2348

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

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates					
			FY13	FY14	FY15	FY16	FY17	FY18
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants, Benefits								
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>0.0</b>	<b>0.0</b>

<b>FUND SOURCE</b>		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF							
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
<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>	<b>0.0</b>

<b>POSITIONS</b>								
Full-time								
Part-time								
Temporary								

<b>CHANGE IN REVENUES</b>								

Estimated **SUPPLEMENTAL (FY12) operating costs** \_\_\_\_\_ (separate supplemental appropriation required)  
(discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY13) costs** \_\_\_\_\_ (separate capital appropriation required)  
(discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Update for session

Prepared by Whitney Brewster, Director  
Division Motor Vehicles  
Approved by John Cramer, Deputy Commissioner  
Department of Administration

Phone 907-269-5559  
Date/Time 12/1/11 4:30 PM  
Date 12/6/2011

FISCAL NOTE #2

STATE OF ALASKA  
2012 LEGISLATIVE SESSION

BILL NO. CSSB 104(JUD)

**Analysis**

*The effective date of this bill is January 1, 2012.*

This bill will have only a small financial impact on the Division of Motor Vehicles (DMV). DMV will absorb any implementation costs in its operating budget.