

HB

219

<TARGET><BILL>HB 219</BILL><SUBJECT>HB
219</SUBJECT><COMM>HJUD30</COMM></TARGET>

STATE CAPITOL
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Governor Bill Walker
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April 6, 2017

The Honorable Bryce Edgmon
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Edgmon:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill relating to personnel and procurement procedures, including national criminal history record checks, for State employees and contractors accessing certain federal tax information.

The bill would establish procedures to safeguard the confidentiality of certain federal tax information in the manner required by the Internal Revenue Service (IRS) security and safeguarding requirements in 26 U.S.C. 6103(p)(4)(C) and *Publication 1075* (published by the Department of the Treasury, Internal Revenue Service and updated September 30, 2016). The IRS requirements apply to State and local agencies that obtain certain federal tax information directly from the IRS, an IRS authorized secondary source such as the Social Security Administration, the Federal Office of Child Support Enforcement, the Bureau of Fiscal Service, the Centers for Medicare and Medicaid Services, or another entity acting on behalf of the IRS pursuant to an agreement under 26 U.S.C. 6103(p)(2)(B). The recently updated IRS security guidelines in *Publication 1075* require:

- All State employees and contractors with access to certain federal tax information must undergo fingerprinting and a national criminal history record check conducted by the Federal Bureau of Investigation (FBI).
- Agencies must develop a written policy that requires employees and contractors with access to certain federal tax information to complete a background investigation. The policy must include criteria to define qualifications to access to federal tax information.
- The background investigation for each employee or contractor must be done every ten years.
- The background investigation also must include a check of local law enforcement agency records for the past five years and validation of the employee's eligibility to legally work in the United States.

Legislation is necessary to require fingerprinting and an FBI national criminal history record check. Under Public Law 92-544, the FBI can conduct a national criminal history record check for a

The Honorable Bryce Edgmon
Transmittal IRS Securities Guidelines
April 6, 2017
Page 2

noncriminal justice purpose if required by a federal law or if a state has enacted a statute requiring this record check.

Some State agencies already receive information directly from the IRS, or an IRS-authorized source, and this continued access is vital. The Department of Revenue, Child Support Services Division (CSSD), uses federal tax information to collect child support payments from noncustodial parents. In FY16, CSSD collected over \$8.6 million in past due child support through the federal tax refund offset program. CSSD paid these garnished funds to the custodial parent or to the State for reimbursement of Temporary Aid to Needy Families benefits provided to the custodial parent. Continued access to federal tax information is critical to CSSD's efforts to collect child support for Alaskan families.


The Department of Revenue uses federal tax information to ensure compliance for corporate income tax, motor fuel tax, and mining tax. It provides an auditing tool that can confirm that the correct amount of tax is paid to the State. The loss of federal tax information could impede audits and possibly allow businesses to escape paying the full amount of taxes due.

The Department of Labor and Workforce Development (DOLWD) Unemployment Insurance program is required by federal law to use the treasury offset program to recover certain unemployment compensation or risk loss of federal funding – over \$22 million. AS 23.20.486 authorizes DOLWD to participate in the federal offset program, which includes confidential tax information subject to the safeguard requirements. DOLWD is currently working on programming and testing and expects to begin participation in the program in the spring of 2017. The Alaska unemployment compensation program estimates it will collect an estimated \$300,000 to \$400,000 annually through the offset program.

To ensure continued access to federal tax information, the bill creates a new chapter in AS 39 for establishing State personnel procedures for State employees who access certain federal tax information. The bill also creates a new section in AS 30.36, establishing similar procedures for State contractors who access certain federal tax information. Those procedures include fingerprinting and an FBI national criminal history record check. Last, the bill amends AS 12.62.400 by adding a new subsection authorizing the Department of Public Safety to submit the fingerprints to the FBI and obtain a national criminal history record check.

I urge your prompt and favorable action on this measure.

Sincerely,



Bill Walker
Governor

Enclosure



CRIM HIST CHECK: ST EMPLOYEES/CONTRACTORS

HB 219

SECTIONAL ANALYSIS

FOR THE HOUSE JUDICIARY COMMITTEE

Section 1

Amends AS 12.62.400 by adding a new subsection.

This will require an agency to submit the fingerprints of current or prospective employees or contractors whose job duties require access to federal tax information (defined in AS 39.55.015(e)(3) and 36.30.960(d)(3)) to the Department of Public Safety for submission to the Federal Bureau of Investigation to obtain a criminal history record. Defines "agency", "employee" and "contractor".

Section 2

Amends AS 36.30 by adding a new section.

This section establishes state personnel procedures for obtaining and submitting fingerprints for current or prospective contractors if a contract with the state requires access to federal tax information. Defines "agency", "contractor" and "federal tax information".

Section 3

Amends AS 39 by adding a new chapter.

This new chapter addresses state personnel procedures related to federal tax information.

Adds AS 39.55.010

This section explains the purpose of the chapter-- to establish procedures to safeguard federal tax information which will apply to a current or prospective state employee whose job duties require access to federal tax information.

Adds AS 39.55.015

This section requires current and prospective state employees whose job duties require access to federal tax information to provide information to an agency for a state and national criminal history record check. Defines "agency", "employee", "federal tax information", "return", and "return information".

Section 4

Provides the effective date of July 1, 2017.



JUNEAU REENTRY COALITION

*Promoting Public Safety &
Strengthening Our Community*

March 8, 2018

Alaska House Judiciary Committee
Alaska State Legislature
120 4th Street, RM 3
Juneau, AK 99801

Re: HB 219 Crim. Hist. Checks: St Employees/Contractors.

Dear Chairman Claman and Committee Members:

I had an opportunity to watch yesterday's HB 219 hearing on the Alaska Legislature's streaming system. I realize public testimony was invited and then closed. Even so, I've decided to send in this comment so that the committee is aware of a concern.

A prelude to stating the concern would be a reminder of Alaska's efforts to implement smart justice. Finding solutions to our high recidivism rate includes a host of reentry supports at the local level, one of which is a focus on open avenues to positive and productive career pathways.

The concern would be that HB 219 unintentionally sets up such a high bar of protection that a returning citizen, who demonstrates successful reentry into a community, will never be able to work for a DOR or a DOLWD contractor in the discussed accounting or auditor field due to a failed background check.

In Sec. 36.30.960 a contractor, "must submit to and pass (emphasis added) a background investigation." As "pass" does not seem to be defined or clarified in AS 12.62, it seems that this wording sets up a stop-gate situation for a successful returning citizen if they happen to work for a contractor doing business with DOR or DOLWD. Could it be that an otherwise successful returning citizen who has a proven track record of success might lose their job if their employer obtains a State contract with one of our tax divisions? The good news is Sec. 39.55.015 seems to address the issue of allowing an employment pathway for returning citizens for State departments through the requirement of a "written policy establishing procedures and standards...and establish criteria to determine if an individual is qualified." Perhaps the contractor could have a similar pathway as opposed to a pass/fail measure.

Reentry into the job market and a career pathway is a significant component to success and in reducing our recidivism numbers. HB 219 should not include a barrier to those that can demonstrate they are on a successful pathway post incarceration.

Sincerely yours,



Don Habeger
Community Coordinator

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version: HB 219
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB219-DHSS-ASS-3-5-18
Title: CRIM HIST CHECK: ST
EMPLOYEES/CONTRACTORS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: House JUD

Department: Department of Health and Social Services
Appropriation: Departmental Support Services
Allocation: Administrative Support Services
OMB Component Number: 320

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2019 Appropriation Requested	Included in Governor's FY2019 Request	Out-Year Cost Estimates					
			FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2018) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2019) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? no
If yes, by what date are the regulations to be adopted, amended or repealed? n/a

Why this fiscal note differs from previous version/comments:

Refreshed to SLA2018 form.

Prepared By: <u>Debbie VanSlyke, Administrative Operations Manager</u>	Phone: <u>(907)465-4636</u>
Division: <u>Finance and Management Services</u>	Date: <u>04/04/2017 01:00 PM</u>
Approved By: <u>Shawnda O'Brien, Asst. Commissioner</u>	Date: <u>04/04/17</u>
Agency: <u>Health and Social Services</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

BILL NO. HB219

Analysis

Section 1

This is a new section requiring the agency or procurement officer to submit current or prospective employees' or contractors' fingerprints to the department for submission to the Federal Bureau of Investigation to obtain a national criminal history record check.

This added step in the procurement process would be absorbed into the existing and ongoing work of the unit and would not result in additional administrative costs. The collection of fees associated with the background check can be absorbed by existing revenue authorization existing in the budget.

Section 2

The amendment to this section is applicable only to procurement processes requiring a background investigation for contractors with access to federal tax information. The amended language requires the procurement officer to notify current or prospective contractors to submit to and pass a background investigation that includes a state and national criminal history record check. This added step in the procurement process can be absorbed by existing staff without any increase in costs.

Section 3

This section adds a new chapter, 55, that applies to the State Personnel Procedures. The department has procedures in place regarding background investigations for employees. There is no fiscal impact to the Departmental Support Services division resulting from this addition.

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version: HB 219
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB219-DPS-CJISP-03-03-18
Title: CRIM HIST CHECK: ST
EMPLOYEES/CONTRACTORS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: (H) JUD

Department: Department of Public Safety
Appropriation: Statewide Support
Allocation: Criminal Justice Information Systems Program
OMB Component Number: 3200

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2019	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2019 Request	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
OPERATING EXPENDITURES	FY 2019	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2018) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2019) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Updated for 2nd session to accurately reflect FY2019 and out year costs.

Prepared By:	Kelly Howell, Administrative Services Director	Phone:	(907)465-4336
Division:	Administrative Services	Date:	03/03/2018
Approved By:	Walt Monegan, Commissioner	Date:	03/03/18
Agency:	Public Safety		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

BILL NO. HB 219

Analysis

This legislation establishes procedures to safeguard the confidentiality of certain federal tax information in accordance with new Internal Revenue Service (IRS) requirements. The legislation amends AS 39 by adding a new chapter establishing state personnel procedures for state employees who access certain federal tax information which includes undergoing a state and national criminal history background check, and amends AS 12.62.400 authorizing the Department of Public Safety (DPS) to submit such fingerprints to the Federal Bureau of Investigation (FBI) for purposes of conducting the national criminal history background check.

Within DPS, the Division of Statewide Services' Criminal Records and Identification Bureau is responsible for processing and facilitating state and national criminal history background checks and may collect fees for such services under AS 12.61.160(d) and 13 AAC 68.900. The fee for fingerprint-based background checks is \$35.00 plus a \$12.00 fee charged by the Federal Bureau of Investigation (FBI), \$2.00 of which is retained by DPS for processing costs.

Passage of this legislation would increase the number of background checks DPS would conduct which would result in only a nominal increase in program receipts for the Division of Statewide Services' Criminal Records and Identification Bureau. Therefore, a zero fiscal note is being submitted.

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version: HB 219
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB219-DOLWD-UI-03-05-18
Title: CRIM HIST CHECK: ST
EMPLOYEES/CONTRACTORS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: (H) Judiciary

Department: Department of Labor and Workforce Development
Appropriation: Employment and Training Services
Allocation: Unemployment Insurance
OMB Component Number: 2276

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2019 Appropriation Requested	Included in Governor's FY2019 Request	Out-Year Cost Estimates					
			FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2018) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2019) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

This is an updated version for the 2018 legislative session.

Prepared By:	Ed Flanagan, Director	Phone:	(907)465-5543
Division:	Employment and Training Services	Date:	03/05/2018
Approved By:	Greg Cashen, Acting Commissioner	Date:	03/05/18
Agency:	Department of Labor and Workforce Development		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

BILL NO. HB 219

Analysis

This legislation establishes procedures to safeguard the confidentiality of federal tax information. Five staff in the department's Unemployment Insurance program will have access to federal tax information as a result of Treasury Offset Program implementation. Each staff member involved will be required to undergo a criminal history background check and fingerprinting.

The anticipated cost, estimated at \$47 per employee, will be covered within the current budget by the federal Unemployment Insurance administrative grant.

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version: HB 219
Fiscal Note Number: _____
() Publish Date: _____

Identifier: DOR-CSSD-03-08-18
Title: CRIM HIST CHECK: ST
EMPLOYEES/CONTRACTORS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Governor

Department: Department of Revenue
Appropriation: Child Support Services
Allocation: Child Support Services Division
OMB Component Number: 111

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2019	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2019 Request	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
OPERATING EXPENDITURES	FY 2019	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Personal Services							
Travel							
Services	10.0		1.5	1.5	1.5	1.5	1.5
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	10.0	0.0	1.5	1.5	1.5	1.5	1.5

Fund Source (Operating Only)

1002 Fed Rcpts (Fed)	6.6		1.0	1.0	1.0	1.0	1.0
1003 G/F Match (UGF)	3.4		0.5	0.5	0.5	0.5	0.5
Total	10.0	0.0	1.5	1.5	1.5	1.5	1.5

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2018) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2019) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency?
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Due to federal matching funds, the CSSD fiscal note needed to be provided separately.

Prepared By: Carol Beecher, Director
Division: Child Support Services Division
Approved By: Mike Barnhill
Agency: Department of Revenue

Phone: (907)269-6801
Date: 03/07/2018
Date: 03/07/18

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

BILL NO. HB 219

Analysis

Child Support Services Division:

The Child Support Services Division has 196 employees who will be fingerprinted in the first year, and approximately 32 employees each subsequent year. Every 10 years, background checks must be renewed. Background checks would be conducted on all current and new employees at a cost of \$47 for each completed investigation.

The Child Support Services Division is authorized by the Federal Income Tax Refund Offset Program (P.L. 93-647) to recover delinquent child support debts from intercepted tax returns. This remedy involves the interaction of all IV-D state child support agencies and three federal agencies – the Office of Child Support Enforcement, the Bureau of the Fiscal Service, and the Internal Revenue Service.

The intercept program is a successful collection tool. This program collected over \$44,000,000.00 in federal tax return intercepts over the past five years. Passage of this bill will allow the Alaska Child Support Services Division to remain in compliance with IRS requirements, and to continue to intercept IRS refund payments for families.

In addition to the intercepted returns, state IV-D agencies are required to maintain a State Parent Locator Service to provide location information to the Federal Parent Locator Service (FPLS) which is available to authorized persons for authorized uses. The FPLS contains federal taxpayer information. All IV-D agencies have access to the FPLS to locate parents.

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version: HB 219
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB219-DOR-TAX-3-7-2018
Title: CRIM HIST CHECK: ST
EMPLOYEES/CONTRACTORS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Governor

Department: Department of Revenue
Appropriation: Taxation and Treasury
Allocation: Tax Division
OMB Component Number: 2476

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2019	Included in	Out-Year Cost Estimates				
	Appropriation Requested	FY2019 Governor's Request	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
OPERATING EXPENDITURES	FY 2019	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Personal Services							
Travel							
Services	4.8		0.5	0.5	0.5	0.5	0.5
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	4.8	0.0	0.5	0.5	0.5	0.5	0.5

Fund Source (Operating Only)

1004 Gen Fund (UGF)	4.8		0.5	0.5	0.5	0.5	0.5
Total	4.8	0.0	0.5	0.5	0.5	0.5	0.5

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2018) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2019) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency?
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Updated and separate note for the Tax Division.

Prepared By:	<u>Brandon Spanos</u>	Phone:	<u>(907)269-6736</u>
Division:	<u>Tax</u>	Date:	<u>03/07/2018</u>
Approved By:	<u>Mike Barnhill</u>	Date:	<u>03/07/18</u>
Agency:	<u>Department of Revenue</u>		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

BILL NO. HB 219

Analysis

This bill authorizes state agencies that receive Federal Tax Information (FTI) to undergo federal background checks as now required in IRS Publication 1075. Background checks would be conducted on all current and new employees at a cost of \$47 for each completed investigation. Employees are fingerprinted and matched against an FBI database, which in turn produces information on municipal, state, and federal criminal history as available. The state statutory language change is required for the FBI to allow the background check of individual employees for this purpose. An updated background check will also be required every ten years.

The Tax Division estimates that 102 employees will be fingerprinted in the first year, and approximately 10 employees in subsequent years. The Tax Division uses FTI to ensure compliance for corporate income tax, motor fuel tax, tobacco tax, and mining tax. It provides an auditing tool that can assist in confirming that the correct amount of tax is paid to the State of Alaska. The loss of FTI could impede audits and possibly allow businesses to escape paying the full amount of taxes due. In addition, FTI is a valuable source of data that can be used to project revenues from new taxes based on income.

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version: HB 219
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB219-DOC-DAS-03-06-18
Title: CRIM HIST CHECK: ST
EMPLOYEES/CONTRACTORS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: H-JUD

Department: Department of Corrections
Appropriation: Administration and Support
Allocation: Administrative Services
OMB Component Number: 697

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2019	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2019 Request	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
OPERATING EXPENDITURES	FY 2019	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2018) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2019) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Updated fiscal note for HB219

Prepared By: April Wilkerson
Division: Administrative Services - Department of Corrections
Approved By: Dean Williams, Commissioner
Agency: Department of Corrections

Phone: (907)465-3460
Date: 03/06/2018 02:45 PM
Date: 03/06/18

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

BILL NO. HB219

Analysis

This legislation adds a new chapter under AS 39.55 establishing state personnel procedures requiring background checks for state employees and contractors who's job duties require access to federal tax information in order to safeguard the confidentiality of protected federal tax information required by 26 U.S.C. 6103(p)(94).

The Department of Corrections currently requires criminal background checks on all prospective or current employees including fingerprinting under federal regulations, Title 28, Part 20 CFR. Fingerprinting is provided currently to the department at no fee, therefore there is no anticipated fiscal impact with passage of this legislation.

AMENDMENT

#1 Adopted

OFFERED IN THE HOUSE
TO: HB 219

BY REPRESENTATIVE CLAMAN

- 1 Page 4, line 24:
- 2 Delete "2017"
- 3 Insert "2018"

AMENDMENT

#2 Withdrawn

OFFERED IN THE HOUSE

BY REPRESENTATIVE EASTMAN

TO: HB 219

1 Page 4, following line 7:

2 Insert a new subsection to read:

3 "(e) An employee who did not, at the time of beginning employment with an
4 agency, disclose a criminal conviction that was required to be reported may not access
5 federal tax information."
6

7 Reletter the following subsection accordingly.

2

#3 Failed

AMENDMENT

OFFERED IN THE HOUSE
TO: HB 219

BY REPRESENTATIVE REINBOLD

1 Page 1, line 2, following "information;":

2 Insert "relating to polygraph examinations of persons with access to certain
3 federal tax information;"

4

5 Page 2, following line 8:

6 Insert a new bill section to read:

7 "** Sec. 2. AS 23.10.037(b) is amended to read:

8 (b) The provisions of (a) of this section do not apply to the state or a political
9 subdivision of the state when dealing with police officers in its employ or with persons
10 applying to be employed as police officers or with contractors or employees who
11 require access to federal tax information under AS 36.30.960 or AS 39.55.015. In
12 this subsection,

13 (1) "contractor" has the meaning given in AS 36.30.960;

14 (2) "employee" has the meaning given in AS 39.55.015;

15 (3) "police officers" includes officers and employees of the
16 Department of Transportation and Public Facilities who are stationed at an
17 international airport and have been designated to have the general police powers
18 authorized under AS 02.15.230(a)."

19

20 Renumber the following bill sections accordingly.

21

22 Page 2, following line 27:

23 Insert a new subsection to read:

1 "(d) A current or prospective contractor whose contract with the state requires
2 access to federal tax information for purposes of the contract shall submit to and pass a
3 polygraph examination before accessing any federal tax information."
4

5 Reletter the following subsection accordingly.
6

7 Page 4, following line 7:

8 Insert a new subsection to read:

9 "(e) A current or prospective employee whose job duties require access to
10 federal tax information shall submit to and pass a polygraph examination before
11 accessing any federal tax information."
12

13 Reletter the following subsection accordingly.