

Leg. Finance - Finance Comte Files (1971-72) 8879

HB 141 cont., 142, 143, 144, 155

STATE EDUCATION DEPARTMENT
ALASKA STATE LEGISLATURE

House Bill No. 141 proposes to raise the instructional unit allotment from \$19,250 to \$21,000. This would result in an increase of public school foundation support for your district of \$18,027 under present estimates.

In order to evaluate the impact of this increase we would very much appreciate your assistance in providing information which would indicate where the increase would be most effective in your district. Therefore, your response to the following questions is earnestly requested.

POSSIBLE APPLICATIONS	PRIORITY RANKING	% OF FUNDS
1. Reduce local mill levy for education by _____ mills	_____	_____
2. Reduce pupil-teacher ratio: from _____ to _____	_____	_____
3. Add elementary counselors	_____	_____
4. Add elementary resource teachers or consultants	_____	_____
5. Move toward patterns of differentiated staffing	1	10%
6. Provide more auxiliary services (social workers, etc.)	3	15%
7. Increased use of new educational technology (explain)	_____	_____
8. Provide more in-service training for teachers	_____	_____
9. Increase teacher's salaries by _____ %	_____	_____
10. Employ teacher aides (explain how they will be used)	2	50%
11. Provide increased teacher benefits (sabbatical leave, etc.)	_____	_____
12. Add staff to improve administrative services	_____	_____
13. Increase pre-vocational and vocational offerings	_____	_____
14. Extend teacher contracts to provide more services	_____	_____
15. Add driver education	_____	_____
16. Other: <u>Purchase Library and remedial Materials</u>	4	25%

George Hohman, Chairman
House Finance Committee
Pouch V
Juneau, Alaska 99801

Introduced: 2/4/71
Referred: Health, Welfare &
Education and Finance

BY THE HEALTH, WELFARE AND
EDUCATION COMMITTEE

1 IN THE HOUSE

2 HOUSE BILL NO. 141

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the base instructional unit allot-
7 ment under the public school foundation program; and
8 providing for an effective date."

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

10 * Section 1. AS 14.17.056 is amended to read:

11 Sec. 14.17.056. BASE INSTRUCTIONAL UNIT. The base instructional
12 unit is \$21,000 [\$19,250].

13 * Sec. 2. This Act takes effect on July 1, 1971.

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RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James D. Smith
Signature of Camera Operator

4/4/89
Date

Original sponsor: Chance, Barber,
Bowman, et al

Offered: 4/2/71
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 142

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to compensation for accrued sick
7 leave; and providing for an effective date."

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

9 " Section 1. AS 39.20.260(e) is repealed and re-enacted to read:

10 (e) Upon his separation, retirement or death a state employee
11 or his heirs is entitled to receive compensation for accrued sick leave
12 under the following formula:

13 (1) The Department of Administration shall maintain two
14 separate sick leave accounts for each state employee; one account shall
15 be named the sharing account and the other account shall be named the
16 reserve account. Sick leave will accrue to each account in equal
17 amounts. Sick leave actually taken by the employee shall be charged
18 to the sharing account first, and only after it has been exhausted
19 may sick leave be charged to the reserve account. Upon the separation,
20 retirement or death of the state employee the employee or his heirs
21 is entitled to compensation for the accrued sick leave remaining in
22 the sharing account at the rate of pay at the time of termination.
23 However, accrued leave actually taken by the employee shall be charged
24 to the sharing account in the order that it accrued.

25 (2) Upon separation from state service, and unless he
26 reenters employment of the state within six months of his termination,
27 the unused sick leave of the reserve account of an officer or employee
28 is automatically cancelled without pay for it. If an employee, when
29 terminated by the state, reenters the state service within six months

1 after his termination he is entitled to credit for one-half of the
2 sick leave he had accrued at the time of his termination in the reserve
3 account and this sick leave shall be applied only to his reserve
4 account.

5 * Sec. 2. Nothing in this Act shall be construed so that compensation is
6 allowed for sick leave which accrued before the effective date of this Act.

7 * Sec. 3. This Act takes effect on July 1, 1971.
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Introduced: 2/4/71
Referred: State Affairs and
Finance

BY CHANCE, BARBER, BOWMAN,
FARRELL, FISCHER, MCVEIGH,
E. MILLER, M. MILLER, ORBECK,
ROSE, BRADNER AND MELAND

1 IN THE HOUSE

2 HOUSE BILL NO. 142

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to compensation for accrued sick
7 leave; and providing for an effective date."

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

9 * Section 1. AS 39.20.260(e) is repealed and re-enacted to read:

10 (e) Upon his separation, retirement or death a state employee
11 or his heirs is entitled to receive compensation for accrued sick
12 leave under the following formula:

13 (1) The Department of Administration shall maintain two
14 separate sick leave accounts for each state employee. Sick leave will
15 accrue to each account in equal amounts. One account shall be treated
16 as a sharing account and sick leave actually taken by the employee
17 shall be charged to that account first, and only after it has been
18 exhausted may sick leave be charged to the remaining account. Upon
19 the separation, retirement or death of the state employee the employee
20 or his heirs is entitled to compensation for the accrued sick leave
21 remaining in the sharing account at the rate of pay at the time of
22 termination. However, sick leave actually taken by the employee shall
23 be charged to the sharing account in the order that it accrued.

24 (2) Upon separation from state service, and unless he
25 re-enters employment of the state within six months of his termination,
26 the unused sick leave of the nonsharing account of an officer or
27 employee is automatically cancelled without pay for it. If an
28 employee when terminated by the state re-enters the state service
29 within six months after his termination he is entitled to credit for

COMMITTEE COPY

1 one-half of the sick leave he had accrued at the time of his termina-
2 tion in this nonsharing account and this sick leave shall be applied
3 only to his nonsharing account.

4 " Sec. 2. Nothing in this Act shall be construed so that compensation is
5 allowed for sick leave which accrued before the effective date of this Act.

6 " Sec. 3. This Act takes effect on July 1, 1971.
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ALASKA STATE LEGISLATURE

SEVENTH Legislature FIRST Session

HOUSE BILL NO. 142

By CHANCE, BARBER, BOWMAN,
FARRELL, FISCHER, MCVEIGH,
E. MILLER, M. MILLER, ORBECK, ROSE
BRADNER AND MELAND

"An Act relating to compensation
for accrued sick leave, and
providing for an effective
date."

Comp. accrued sick leave

Introduced in the House 2/4/ 19 71

HISTORY IN THE HOUSE

19 71

Feb 4

Read first time and referred
to Committee on

State Affairs and
Finance

Reported back with
recommendation that

Read second time and

Read third time and

PASS Yeas
: Nays
: Absent
: Excused

Effective Date

PASS Yeas
: Nays
: Absent
: Excused

Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred
to Committee on

Reported back with
recommendation that

Read second time and

Read third time and

PASS Yeas
 : Nays
 : Absent
 : Excused

Effective Date

PASS Yeas
 : Nays
 : Absent
 : Excused

Reported correctly engrossed

Signed by President

Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Reported correctly enrolled

Sent to Governor

..... By Governor

Filed with Secy. State

Chapter No.

State of Alaska

TO: George E. Henri, Commissioner
Department of Administration

DATE: March 1, 1971

FROM: W. R. Channey, Director
Division of Budget & Management
Department of Administration

SUBJECT: House Bill No. 142,
Compensation for Accrued
Sick Leave; Fiscal Analysis

Attached is a fiscal analysis of House Bill No. 142 which pertains to compensation for accrued sick leave. The information was prepared at the request of Richard L. McVeigh, Chairman, House State Affairs Committee.

Attachments

(Mr. Smith said the COMMITTEE SUBSTITUTE would not change the fiscal note. Only difference is in terminology: CS calls it "reserve account" and original bill calls it: "remaining account".

State of Alaska

TO: Richard L. McVeigh, Chairman
House State Affairs Committee

DATE : March 1, 1971

FROM: Joseph W. Henri, Commissioner
Department of Administration

SUBJECT: House Bill No. 142,
Compensation for Accrued
Sick Leave; Fiscal Analysis

Attached is a fiscal analysis of House Bill No. 142 which pertains to compensation for accrued sick leave.

A discussion of certain questions that are raised by the proposed legislation and the basic assumptions that were made for purposes of the fiscal analysis follows.

1. QUESTION: Will sick leave accrue in each account at 9.375 or 4.687 hours per month? The present language is not clear on this point.
ASSUMPTION: That sick leave will accrue in each account at 4.687 per month.
2. QUESTION: Will all sick leave accrued before July 1, 1971 be credited only to the non-sharing account?
ASSUMPTION: Yes. Based upon Section 2, none of this accrued sick leave could be credited to the sharing account.
3. QUESTION: To which account will sick leave used after July 1, 1971 be charged for employees who have accrued sick leave carried forward from June 30, 1971? Is there any way they can use up their "old" accumulated sick leave before they draw upon the sharing account?
ASSUMPTION: All sick leave used by all employees after July 1, 1971, will first be charged against the sharing account. Based upon Section 2, there is no way an employee can use up their "old" accrued sick leave first.
4. QUESTION: What effect would adoption of this proposal have upon sick leave usage?
ASSUMPTION: Based upon information provided by departmental personnel responsible for leave records, it is estimated that sick leave usage will be reduced by 20%.
5. QUESTION: What are the additional administrative costs that must be funded if this proposal is adopted?
ASSUMPTION: Twenty additional departmental clerical positions will be required statewide to handle the additional leave record-keeping and auditing responsibilities. It is presently estimated that over 50% of terminating employers' leave records are incorrect when received by the State Payroll Section for final auditing. This problem will probably worsen if HB 142 is adopted, unless additional personnel are provided to the departments.

Systemized state-wide leave record-keeping procedures will need to be developed and placed in operation. At present, to our knowledge, there is no training program or set of written procedures that provide such guidance or control. The need for an ongoing training program will become more critical if another type of employee leave is adopted as proposed in HB 142.

6. QUESTION: What is the estimated annual number of terminating employees who would qualify under HB 142?

ASSUMPTION: Based upon State Payroll Section information, approximately 1,400 qualified employees terminated this past fiscal year. For purposes of this analysis, it is assumed that there will be an additional 100 terminations for each succeeding fiscal year.

7. QUESTION: What are the present average annual sick leave accrual and sick leave usage rates? What would be the projected accrual and usage rates for the sick leave sharing account if HB 142 were adopted? At what rate will sharing account sick leave eligible for lump sum payment accrue?

ASSUMPTION: Two sources were researched to determine sick leave accrual and usage rates.

A. Source: State Payroll Section; Random sampling of 35 qualified employees who terminated employment during January, 1971.

Average tenure of employees-----20 months

PRESENT SICK LEAVE SYSTEM

Total sick leave accrued-----190 hours

Total sick leave used-----120 hours

PROPOSED SICK LEAVE SYSTEM--SHARING ACCOUNT ONLY

(Estimated 20% reduced sick leave used)

Total sick leave accrued-----55 hours

Total sick leave used-----71 hours

Total balance eligible for payment--27 hours

This source indicates that the average sharing account sick leave eligible for lump sum payment upon termination would accrue at approximately one hour per month or twelve hours per year.

B. Source: Division of Personnel; Sick leave accrual and usage study of January 16, 1970.

PRESENT SICK LEAVE SYSTEM

Annual sick leave accrued-----93 hours

Annual sick leave used-----50 hours

PROPOSED SICK LEAVE SYSTEM--SHARING ACCOUNT ONLY

(Estimated 20% reduced sick leave used)

Annual sick leave accrued-----33 hours

Annual sick leave used-----40 hours

Annual balance eligible for payment--9 hours

This source indicates that the average sharing account sick leave eligible for lump sum payment upon termination would accrue at approximately .75 hours per month or 9 hours per year.

It should be noted that this report did not make any break-out of vacancy rates in its computations. Therefore, the indicated annual sick leave accrual rate of 98 hours is actually too low, since employees in reality accrue sick leave at 112.5 hours per year. Using this figure of accrual, the computation of accrual and usage under HB 142 would be:

PROPOSED SICK LEAVE SYSTEM--SHARING ACCOUNT ONLY
(Estimated 20% reduced sick leave used)

Annual sick leave accrued-----	50 hours
Annual sick leave used-----	40 hours
Annual balance eligible for payment--	10 hours

Based upon these sources of information, this analysis estimates that the annual sharing account sick leave eligible for lump sum payment will accrue at one hour per month of employment or twelve hours per year.

Other factors that should be considered are:

1. Should there be a requirement for minimum length of employment or minimum accrual before an employee qualifies for lump sum payment of sharing account sick leave accrued - comparable to the 90 day requirement regarding annual leave usage?
2. If the purpose of HB 142 is to control the abuse of sick leave, what alternative methods could be developed based upon the concept of controlling the abuse of sick leave rather than rewarding the non-use of sick leave?
3. If the purpose of HB 142 is to provide conscientious state employees with additional lump sum payment upon termination, what alternative methods involving less administrative costs are available?
4. If sick leave is basically considered as a form of health insurance, what are the implications of lump sum payment to employees who do not use their health insurance as frequently as do other employees?

COPIES: 3 THE CHAIRMAN OF THE COMMITTEE MAKING THE REQUEST
 THE HOUSE FINANCE COMMITTEE STAFF
 THE SENATE FINANCE COMMITTEE STAFF
 THE DIVISION OF BUDGET & MANAGEMENT
 RETAIN A COPY FOR YOUR FILES

Subject Sick Leave HB 142 SB
 requested by House State Affairs Committee, R. L. McVeigh, Chairman
 referred to _____ date of request _____
 completion date requested _____ date received _____

EXPENDITURE DETAIL	FY 1972	FY 1973	FY 1974
100 PERSONAL SERVICES	\$	\$	\$
200 TRAVEL			
300 GENERAL SERVICES (See Fiscal Analysis Section)			
400 DEPRECIATION			
500 EQUIPMENT			
600 LAND AND STRUCTURES			
700 GRANTS, CLAIMS & SHARED REVENUE			

TOTAL	\$ 209,500	\$ 203,300	\$ 370,000
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FUNDING DETAIL	FY 1972	FY 1973	FY 1974
FEDERAL RECEIPTS	\$	\$	\$
SPECIAL FUNDS			
UNRESTRICTED GENERAL FUND RECEIPTS	209,500	203,300	370,000
Man Months	240	240	240
Permanent Positions	20	20	20
Temporary Positions			

FISCAL ANALYSIS

ESTIMATED ADMINISTRATIVE COSTS

Code 100 - Personal Services	\$162,000
20 Range 8 @ \$8.100 (Accounting Clerks, Personnel Clerks)	
Code 200 - Travel	500
Training seminars (Anchorage, Fairbanks; 1 trip to each)	
Other costs	500
(Printing, communications, equipment, miscellaneous)	
FY 1972 TOTAL ESTIMATED COSTS	\$163,000

PROJECTIONS - Estimated 10% annual increase

FY 1973	\$179,300
FY 1974	197,200
FY 1975	216,900
FY 1976	238,600

ESTIMATION OF TERMINATION COSTS - Annual lump sum payment costs for accrued sharing account sick leave.

<u>FISCAL YEAR</u>	<u>ANNUAL TERMINATIONS</u>	<u>AVERAGE ACCRUAL RATE</u>	<u>AVERAGE HOURLY SALARY</u>	<u>FUNDS REQUIRED</u>
1972	1,500	5 hours	\$6.20	\$ 46,500
1973	1,600	10 hours	6.50	104,000
1974	1,700	15 hours	6.80	173,400
1975	1,800	20 hours	7.05	253,800
1976	1,900	25 hours	7.40	351,500

Introduced: 2/4/71
Referred: State Affairs and
Finance

BY CHANCE, BARBER, BOWMAN,
FARRELL, FISCHER, MCVEIGH,
E. MILLER, M. MILLER, ORBECK,
ROSE, BRADNER AND MELAND

1 IN THE HOUSE

2 HOUSE BILL NO. 142

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to compensation for accrued sick
7 leave; and providing for an effective date."

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

9 * Section 1. AS 39.20.260(e) is repealed and re-enacted to read:

10 (e) Upon his separation, retirement or death a state employee
11 or his heirs is entitled to receive compensation for accrued sick
12 leave under the following formula:

13 (1) The Department of Administration shall maintain two
14 separate sick leave accounts for each state employee. Sick leave will
15 accrue to each account in equal amounts. One account shall be treated
16 as a sharing account and sick leave actually taken by the employee
17 shall be charged to that account first, and only after it has been
18 exhausted may sick leave be charged to the remaining account. Upon
19 the separation, retirement or death of the state employee the employee
20 or his heirs is entitled to compensation for the accrued sick leave
21 remaining in the sharing account at the rate of pay at the time of
22 termination. However, sick leave actually taken by the employee shall
23 be charged to the sharing account in the order that it accrued.

24 (2) Upon separation from state service, and unless he
25 re-enters employment of the state within six months of his termination,
26 the unused sick leave of the nonsharing account of an officer or
27 employee is automatically cancelled without pay for it. If an
28 employee when terminated by the state re-enters the state service
29 within six months after his termination he is entitled to credit for

1 one-half of the sick leave he had accrued at the time of his termina-
2 tion in this nonsharing account and this sick leave shall be applied
3 only to his nonsharing account.

4 * Sec. 2. Nothing in this Act shall be construed so that compensation is
5 allowed for sick leave which accrued before the effective date of this Act.

6 * Sec. 3. This Act takes effect on July 1, 1971.
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Original sponsor: Chance, Barber,
Bowman, et al

Offered: 4/2/71
Referred: Finance

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 142

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to compensation for accrued sick
7 leave; and providing for an effective date."

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

9 * Section 1. AS 39.20.260(e) is repealed and re-enacted to read:

10 (e) Upon his separation, retirement or death a state employee
11 or his heirs is entitled to receive compensation for accrued sick leave
12 under the following formula:

13 (1) The Department of Administration shall maintain two
14 separate sick leave accounts for each state employee; one account shall
15 be named the sharing account and the other account shall be named the
16 reserve account. Sick leave will accrue to each account in equal
17 amounts. Sick leave actually taken by the employee shall be charged
18 to the sharing account first, and only after it has been exhausted
19 may sick leave be charged to the reserve account. Upon the separation,
20 retirement or death of the state employee the employee or his heirs
21 is entitled to compensation for the accrued sick leave remaining in
22 the sharing account at the rate of pay at the time of termination.
23 However, accrued leave actually taken by the employee shall be charged
24 to the sharing account in the order that it accrued.

25 (2) Upon separation from state service, and unless he
26 reenters employment of the state within six months of his termination,
27 the unused sick leave of the reserve account of an officer or employee
28 is automatically cancelled without pay for it. If an employee, when
29 terminated by the state, reenters the state service within six months

1 after his termination he is entitled to credit for one-half of the
2 sick leave he had accrued at the time of his termination in the reserve
3 account and this sick leave shall be applied only to his reserve
4 account.

5 * Sec. 2. Nothing in this Act shall be construed so that compensation is
6 allowed for sick leave which accrued before the effective date of this Act.

7 * Sec. 3. This Act takes effect on July 1, 1971.
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"An Act relating to compensation for ~~not~~ accrued sick leave; and providing for an effective date."

Committee Report

HOUSE OF REPRESENTATIVES

4/2/71

_____ Date

Mr. Speaker:

The Committee on FINANCE has had HB 142 under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____ and that CS for _____ do pass
- (and) recommends it be referred to the _____ committee
- reports it back without recommendation
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ CHAIRMAN

"An Act relating to compensation for accrued sick leave; and providing for an effective date."

Committee Report

FINANCE

HOUSE OF REPRESENTATIVES

2-4-71

March 29 1971
Date

Mr. Speaker:

The Committee on STATE AFFAIRS has had HB 142

under consideration. A majority of the members of the Committee

recommends it do pass

recommends it do not pass

recommends it do pass with attached amendment(s)

recommends it be replaced with CS for HB 142 (same title) and that
CS for HB 142 do pass

(and) recommends it be referred to the _____
committee

reports it back without recommendation

(other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

Edward G. Barken John Huber
Mike Papp _____
W. D. Miller _____
W. M. Fisher _____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

Richard L. McKay recommends: no Recommendation
Jim Hol recommends: No Rec.

_____ recommends:

Richard L. McKay
CHAIRMAN



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James C. Smith
Signature of Camera Operator

4/4/89
Date

Introduced: 2/4/71
Referred: Health, Welfare &
Education, State Affairs
and Finance

BY THE HEALTH, WELFARE AND
EDUCATION COMMITTEE

1 IN THE HOUSE

2 HOUSE BILL NO. 143

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the state's group insurance plan
7 and adding dental and accidental death and dismember-
8 ment benefits; and providing for an effective date."

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

10 * Section 1. AS 39.30.090(1) is amended to read:

11 (1) A group insurance policy shall provide one or more of
12 the following benefits: life insurance, accidental death and dismember-
13 ment insurance, weekly indemnity insurance, hospital expense insurance,
14 surgical expense insurance, dental expense insurance, or other medical
15 care insurance.

16 * Sec. 2. AS 39.30.090(5) is amended to read:

17 (5) The state shall contribute not more than \$35 ^{48.00} ~~[\$17.50]~~
18 per month for each state employee covered. Another participating
19 governmental unit may pay the cost of insurance for its employee and
20 his dependents or may share the cost with the employee.

21 * Sec. 3. This Act takes effect on July 1, 1971. 1972

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COMMITTEE COPY

ALASKA STATE LEGISLATURE

SEVENTH Legislature FIRST Session

HOUSE BILL NO. 143

By THE HEALTH, WELFARE AND EDUCATION COMMITTEE

"An Act relating to the state's group insurance plan and adding dental and accidental death and dismemberment benefits; and providing for an effective date."

State's Group Insurance

Introduced in the House 2/4/1971

HISTORY IN THE HOUSE

1971

Feb 4

Read first time and referred to Committee on HW&E, State Affairs and Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS Yeas
Nays
Absent
Excused

Effective Date

PASS Yeas
Nays
Absent
Excused

Reported correctly engrossed
Signed by Speaker
Sent to Senate

HISTORY IN THE SENATE

19

Read first time and referred
to Committee on

Reported back with
recommendation that

Read second time and

Read third time and

PASS Ycas
 : Nays
 : Absent
 : Excused

Effective Date

PASS Ycas
 : Nays
 : Absent
 : Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Reported correctly enrolled

Sent to Governor

..... By Governor

Filed with Secy. State

Chapter No.

"An Act relating to the state's group insurance plan and adding dental and accidental death and dismemberment benefits; and providing for an effective date." **Committee Report**

HOUSE OF REPRESENTATIVES

3/21/72

_____ Date

Mr. Speaker

The Committee on FINANCE has had HB 143

under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____ and that
CS for _____ do pass
- (and) recommends it be referred to the _____
committee
- reports it back without recommendation
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:
_____ recommends:
_____ recommends:
_____ recommends:
_____ recommends:

_____ CHAIRMAN

"An Act relating to the state's group insurance plan and adding accidental death and dismemberment benefits; and providing for an effective date."

+ DENTAL

Committee Report

HOUSE OF REPRESENTATIVES FINANCE

3/26/71

March 30, 1972 Date

Mr. Speaker:

The Committee on STATE AFFAIRS has had ^{uc} HB 143

under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____ and that CS for _____ do pass
- (and) recommends it be referred to the _____ committee
- reports it back without recommendation
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

Richard L. McVeigh John Miller Jess Harris
Helen M. Fischer John Holm _____
L. D. Doherty John Huber _____
Mike Rose Frank Ferguson _____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

- _____ recommends:
- _____ recommends:
- _____ recommends:
- _____ recommends:
- _____ recommends:

Richard L. McVeigh
CHAIRMAN

A M E N D M E N T

Offered in the HOUSE

By State Affairs

To: _____ HOUSE BILL NO. 143

_____ SENATE BILL NO. _____

AMENDMENT: Page 1 Line 7, 17, and 21

Line 7: After the word "dental", delete the words:
"
"and accidental death and dismemberment".

The sentence should read: "An act relating to the state's group insurance plan and adding dental benefits; and providing for an effective date."

Line 17: After the word "than", delete the word "35" and insert the word "\$28"

Line 21: After the word "July 1," delete the word "1971" and insert the word "1972"

"An Act relating to the state's group insurance plan and adding accidental death and dismemberment benefits; and providing for an effective date."

Committee Report

HOUSE OF REPRESENTATIVES

STATE AFFAIRS
AND
FINANCE

2-4-71

25 March 1971
Date

Mr. Speaker:

The Committee on HEALTH, WELFARE & EDUCATION has had HB No. 143 under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____ and that CS for _____ do pass
- (and) recommends it be referred to the _____ committee
- reports it back without recommendation
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

<u>Ed Naughton</u>	<u>Carl E. Moses</u>	_____	_____
<u>Kim W. Wittaker</u>	_____	_____	_____
<u>Keith Spiking</u>	_____	_____	_____
<u>M. B. Moore</u>	_____	_____	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

Genie Chance recommends: No Pass

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Genie Chance
CHAIRMAN

The Legislature of the State of Alaska
FISCAL NOTE
 Second Session - Seventh State Legislature

I. REQUEST

Bill Identification: HB 143
 Title: Dental Insurance for State Employees
 Requested by: Legislative Finance Date: 3/22/72
 Return Date Requested: 3/31/72
 Agency: Budget & Management Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: All

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES		1,579.0	1,642.0	1,707.5	1,775.8	1,846.7
200 TRAVEL		-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL		-0-	-0-	-0-	-0-	-0-
400 COMMODITIES		-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT		-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES		-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.		-0-	-0-	-0-	-0-	-0-
TOTAL		1,579.0	1,642.0	1,707.5	1,775.8	1,846.7
No. Employees		7,519	7,819	8,131	8,456	8,794

B. FUNDING: (Thousands of dollars)

GENERAL FUND	1,579.0	1,642.0	1,707.5	1,775.8	1,846.7
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-

C. POSITIONS:

PERMANENT/TEMPORARY	/	0/	0/	0/	0/	0/
MAN MONTHS (P./T.)	/	0/	0/	0/	0/	0/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Present monthly contribution by state to group insurance policy (Based on actual February, 1972 expenditure @ \$17.50 per 7,519 employees) \$131,582 month

HB 143 - projected monthly contribution by state to group insurance policy for FY 72-73 (Includes dental insurance and maximum \$35 per emp.) 263,165

Annual cost of HB 143 3,157,980
 Annual cost of present Group Ins. 1,578,984
 Total additional funds required 1,578,996
 (cont'd on attached sheet)

IV. ATTACHMENTS

V. DATE: 3-31-72

PREPARED BY: M. DeChang

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Assumes a 4% increase in employees per year.

A fiscal note on this bill was prepared April 4, 1971 reflecting 75% cost as additional funds required. Due to an increase in carrier's rates from \$12.77 to \$17.38 per employee effective July 1, 1971, the monthly reserved amount was reduced from approximately 25% to near zero. Prior to July 1, 1971, \$4.73 of the \$17.50 per month was reserved back to the General Fund.

The Legislature of the State of Alaska
FISCAL NOTE
 Second Session - Seventh State Legislature

I. REQUEST

Bill Identification: HB - 143 am
 Title: State Group Insurance Plan
 Requested by: _____ Date: _____
 Return Date Requested: _____
 Agency: Budget & Management Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: All
 A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES		958.2	996.5	1,036.2	1,077.6	1,120.7
200 TRAVEL		-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL		-0-	-0-	-0-	-0-	-0-
400 COMMODITIES		-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT		-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES		-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.		-0-	-0-	-0-	-0-	-0-
TOTAL		958.2	996.5	1,036.2	1,077.6	1,120.7
No. Employees		7,519	7,819	8,131	8,450	8,794

B. FUNDING: (Thousands of dollars)

GENERAL FUND		958.2	996.5	1,036.2	1,077.6	1,120.7
FEDERAL FUNDS		-0-	-0-	-0-	-0-	-0-
OTHER		-0-	-0-	-0-	-0-	-0-

C. POSITIONS:

PERMANENT/TEMPORARY	/	0/	0/	0/	0/	0/
MAN MONTHS (P./T.)	/	0/	0/	0/	0/	0/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Present monthly contribution by state to group insurance policy (Based on actual February, 1972 expenditure @ \$17.38 per 7,519 employees) \$130,680 month

HB 143 am - Projected monthly contribution by state to group insurance policy for FY 72-73 (Includes dental insurance with maximum of \$28 per employee) 210,532

Annual cost of HB 143	\$2,526,384
Annual cost of present Group Ins.	1,568,160
Total additional funds required	958,224

Assuming 4% increase in employee per year

IV. ATTACHMENTS

V. DATE: 7-31-72

PREPARED BY: M. R. LeMay

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

STATE
of ALASKA

MEMORANDUM

Lair

TO: Myrt R. Charney, Director
Division of Budget & Management

THRU: Richard W. Freer
Deputy Commissioner

DATE: March 21, 1972

FROM: Mary-Jean Hackwood
Benefit Supervisor
Department of Administration

SUBJECT: Fiscal Note
House Bill No. 143

The House State Affairs Committee has amended House Bill No. 143 to permit the State to pay a \$28 monthly premium for group insurance.

We have prepared a cost analysis based on our present premium structure and the dental quotes submitted by Blue Cross. The calculations were based on actual number of employees covered for February, 1972. Of course, this would not indicate maximum potential cost due to authorized positions, etc.

A fiscal note was prepared on 4-15-71 which apparently reflects maximum potential cost of a \$35 per month per employee premium. Would you please prepare a statement of cost based on the revised amount.

Thanks.

Enc.

Handwritten notes and stamps:
F. J. ...
March 22, 1972
R. W. Freer

The Legislature of the State of Alaska
FISCAL NOTE

COPIES: THE CHAIRMAN OF THE COMMITTEE MAKING THE REQUEST
 THE HOUSE FINANCE COMMITTEE STAFF
 THE SENATE FINANCE COMMITTEE STAFF
 THE DIVISION OF BUDGET & MANAGEMENT
 RETAIN A COPY FOR YOUR FILES

State Group
 Subject Insurance Plan HB 143 SB _____
 requested by House State Affairs Committee
 referred to _____ date of request April 14, 1971
 completion date requested A.S.P. date received _____

EXPENDITURE DETAIL	FY 1971-72	FY	FY
100 PERSONAL SERVICES	\$1,080,000*	\$	\$
200 TRAVEL			
300 CONTRACTUAL SERVICES			
400 COMMODITIES			
500 EQUIPMENT			
600 LAND AND STRUCTURES			
700 GRANTS, CLAIMS & SHARED REVENUE			

TOTAL	\$1,080,000	\$	\$
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FUNDING DETAIL			
FEDERAL RECEIPTS	\$	\$	\$
SPECIAL FUNDS			
UNRESTRICTED GENERAL FUND RECEIPTS	\$1,080,000		

Man Months
 Permanent Positions
 Temporary Positions

FISCAL ANALYSIS

Present monthly contribution by state to group insurance policy
 (Based on actual February 1971 expenditures, @ \$17.50 per
 employee)

\$120,000 Month

HB 143 - Projected monthly contribution by state to group insurance
 policy for FY 1971-72 (includes dental insurance, and
 maximum \$35.00 per employee)

\$240,000 Month

HB 143 Annual Cost FY 1971-72 Group Insurance	\$2,880,000
Present Group Insurance Annual Cost FY 1971-72	<u>1,440,000</u>
HB 143 Total Additional Funds Required	\$1,440,000
Less 25% Other Funding	<u>(360,000)</u>

* Additional General Fund Requirements @ 75% \$1,080,000

DATE 4/15/71

SIGNATURE

NAME & TITLE DIRECTOR, BUDGET & MANAGEMENT

Introduced: 2/4/71
Referred: Health, Welfare &
Education, State Affairs
and Finance

BY THE HEALTH, WELFARE AND
EDUCATION COMMITTEE

1 IN THE HOUSE

2 HOUSE BILL NO. 143

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the state's group insurance plan
7 and adding dental and accidental death and dismember-
8 ment benefits; and providing for an effective date."

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

10 * Section 1. AS 39.30.090(1) is amended to read:

11 (1) A group insurance policy shall provide one or more of
12 the following benefits: life insurance, accidental death and dismember-
13 ment insurance, weekly indemnity insurance, hospital expense insurance,
14 surgical expense insurance, dental expense insurance, or other medical
15 care insurance.

16 * Sec. 2. AS 39.30.090(5) is amended to read:

17 (5) The state shall contribute not more than \$35 [\$17.50]
18 per month for each state employee covered. Another participating
19 governmental unit may pay the cost of insurance for its employee and
20 his dependents or may share the cost with the employee.

21 * Sec. 3. This Act takes effect on July 1, 1971.
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RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James D. Smith
Signature of Camera Operator

4/4/89
Date

Introduced: 2/5/71
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY HARRIS

2 HOUSE BILL NO. 144

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to identification cards."

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

8 * Section 1. AS 28.15 is amended by adding a new section to read:

9 Sec. 28.15.085. IDENTIFICATION CARDS. (a) Upon payment of the
10 fee prescribed, the department shall issue a card identical to the
11 operator's license provided for in sec. 80 of this chapter except that
12 the card shall be of a different color and shall state in bold type
13 letters across the face of it that it is for identification purposes
14 only.

15 (b) A person may obtain an identification card provided for in (a)
16 of this section by applying to the department on forms and in the manner
17 prescribed by the department.
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ALASKA STATE LEGISLATURE

SEVENTH Legislature FIRST Session

HOUSE BILL NO. 144
By HARRIS

An Act relating to identification cards.

Identification cards

Introduced in the House 2/5/ 19 71

HISTORY IN THE HOUSE

19 71

Read first time and referred to Committee on

Feb 5 State Affairs and Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS Yeas
Nays
Absent
Excused

Effective Date

PASS Yeas
Nays
Absent
Excused

Reported correctly engrossed
Signed by Speaker
Sent to Senate

HISTORY IN THE SENATE

19

Read first time and referred
to Committee on

Reported back with
recommendation that

Read second time and

Read third time and

PASS Yeas
 : Nays
 : Absent
 : Excused

Effective Date

PASS Yeas
 : Nays
 : Absent
 : Excused

Reported correctly engrossed

Signed by President

Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Reported correctly enrolled

Sent to Governor

..... By Governor

Filed with Secy. State

Chapter No.

Committee Report

HOUSE OF REPRESENTATIVES

3-2-71

_____ Date

Mr. Speaker:

The Committee on FINANCE has had HB No. 144 under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____ and that CS for _____ do pass
- (and) recommends it be referred to the _____ committee
- reports it back without recommendation
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ CHAIRMAN

Committee Report

FINANCE

HOUSE OF REPRESENTATIVES

2-5-71

March 1 1971
Date

Mr. Speaker:

The Committee on STATE AFFAIRS has had HB No. 144 under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____ and that CS for _____ do pass
- (and) recommends it be referred to the _____ committee
- reports it back without recommendation
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

<u>Richard L. McVeigh</u>	<u>Jess Harris</u>	_____
<u>Allen M. Fischer</u>	<u>Frank August</u>	_____
<u>John H. Hoyer</u>	<u>Mike Rose</u>	_____
<u>Joe He</u>	<u>Mildred</u>	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

- _____ recommends:
- _____ recommends:
- _____ recommends:
- _____ recommends:
- _____ recommends:

Richard L. McVeigh
CHAIRMAN

FY 1971-72 (Continued)

Commodities - 400

Polaroid film, other supplies 65,000

Equipment - 500

Three Polaroid ID-2 camera units complete 5,400

\$113,600

FY 1972-73

Personal Services - 100

\$23,200 x 5% inflationary costs 24,400

Contractual Services - 300

\$20,000 x 50% x 5% (request reduced to 1/2, 5% inflationary cost) 10,500

Commodities - 400

\$65,000 x 50% x 5% (request reduced to 1/2, 5% inflationary cost) 34,100

\$69,000

FY 1973-74

Personal Services - 100

\$24,400 x 5% inflationary cost 25,600

Contractual Services - 300

\$10,500 x 5% inflationary cost 11,000

Commodities - 400

\$34,100 x 5% inflationary cost 35,800

\$72,400

The cost could be recovered the first year with a per card cost of \$2.00 and the additional receipts to the general fund would assure an increase price for the service would not be required for a substantial number of years.

Introduced: 2/5/71
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY HARRIS

2 HOUSE BILL NO. 144

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to identification cards."

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

8 * Section 1. AS 28.15 is amended by adding a new section to read:

9 Sec. 28.15.085. IDENTIFICATION CARDS. (a) Upon payment of the
10 fee prescribed, the department shall issue a card identical to the
11 operator's license provided for in sec. 80 of this chapter except that
12 the card shall be of a different color and shall state in bold type
13 letters across the face of it that it is for identification purposes
14 only.

15 (b) A person may obtain an identification card provided for in (a)
16 of this section by applying to the department on forms and in the manner
17 prescribed by the department.
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RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James D. Smith
Signature of Camera Operator

4/4/89
Date

Original sponsor: Moses

Offered: 4/21/72
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 155

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to fisheries taxes; and providing
7 for an effective date."

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

9 * Section 1. AS 43.75.010 - 43.75.135 are repealed.

10 * Sec. 2. AS 43.75 is amended by adding new sections to read:

11 CHAPTER 75. FISHERIES BUSINESS LICENSE ACT.

12 ARTICLE 1. LICENSE AND TAX.

13 Sec. 43.75.011. LICENSE. It is unlawful for a processor to
14 process fish in the state without first obtaining a fisheries business
15 license. The license is valid for the calendar year in which it is
16 issued.

17 Sec. 43.75.021. APPLICATION FOR LICENSE. (a) Application for
18 a license shall be filed with the department and accompanied by an
19 initial fee of \$25. A separate initial fee is required for each plant
20 specified in the application.

21 (b) The application shall state:

- 22 (1) the name and address of the applicant;
23 (2) the line of business to be licensed;
24 (3) each place of business;
25 (4) the estimated amount and value of each type of fish
26 which the applicant expects to process during the calendar year for
27 which the license is issued;
28 (5) the estimated amount of tax due under this chapter;
29 (6) the extent of lienable real property owned by the

1 applicant in the state; and

2 (7) other reasonable information which the department
3 requests.

4 (c) Within 10 days after receipt of the application in proper
5 form, the bond if required, and the initial fee, the department shall
6 issue a license to the applicant.

7 (d) The application shall be signed under oath.

8 Sec. 43.75.031. SECURITY FOR COLLECTION OF TAX. If the lienable
9 value of the property stated in the application is not equal to three
10 times the estimated amount of the tax for which the applicant will
11 probably be liable under this chapter, the department may not issue
12 the license until the applicant files with the department a surety
13 bond approved by the attorney general in a penal sum equal to twice
14 the probable amount of the tax for which the applicant will be liable,
15 conditioned upon payment of the tax in full when due, with penalty
16 and interest if not paid before delinquency. The department may
17 waive the bond requirement if the applicant posts other security in
18 the form of collateral acceptable to the department or prepays the
19 estimated tax.

20 Sec. 43.75.041. LICENSE TAX. (a) Each processor shall pay an
21 annual license tax based on the value of the fish purchased or obtained
22 for processing according to the following schedule:

- 23 (1) salmon, and by-products 6 per cent
24 (2) halibut, and by-products 2 per cent
25 (3) herring, and by-products..... 5 per cent
26 (4) sablefish, and by-products..... 5 per cent
27 (5) shrimp, and by-products..... 5 per cent
28 (6) crab, all species, and by-products..... 5 per cent
29 (7) scallops, and by-products 3 per cent

1 (8) miscellaneous fish or shellfish,
2 and by-products 5 per cent

3 (b) A person who actually physically processes fish for another
4 person shall collect the tax from the person for whom the fish are
5 processed and shall remit the tax to the department in the same
6 manner and at the same time he would report and pay taxes under the
7 provisions of this chapter. The person physically processing fish
8 for another is liable for the payment of the tax required to be
9 collected under this section whether or not the tax is actually col-
10 lected by him.

11 Sec. 43.75.051. FILING RETURNS AND PAYMENT OF TAX. (a) A
12 person subject to the license tax shall file a return stating

- 13 (1) the quantity and value of each type of fish processed
14 during the calendar year for which the return is being made;
15 (2) the amount of tax due under this chapter;
16 (3) the number of the license issued for the year for which
17 the return is being made; and
18 (4) any other information requested by the department.

19 (b) The return shall be signed under penalty of perjury by the
20 licensee or his authorized agent. If a receiver, trustee, or assignee
21 is operating the business for which the license was issued he shall
22 file and sign under penalty of perjury the return for the licensee.

23 (c) Except as set out in (d) of this section, the return shall
24 be on a calendar year basis and shall be filed before February 1 of
25 the following calendar year.

26 (d) If a licensee is the subject of a bankruptcy proceeding or
27 insolvent, the department may make a return from information it obtains
28 and declare the tax to be due and payable at once even though the
29 calendar year for which the license was issued has not ended.

1 Delinquency in the payment of a tax constitutes insolvency under this
2 subsection.

3 Sec. 43.75.061. RECORDS. Each licensee shall keep for five years
4 the records required by the department. The commissioner or his
5 authorized representative may inspect and copy the records at any
6 reasonable time.

7 ARTICLE 2. GENERAL PROVISIONS.

8 Sec. 43.75.101. VIOLATIONS AND PENALTIES. (a) If a person
9 fails to file a return within the time prescribed by law or regulation,
10 unless the failure is due to reasonable cause and not to wilful neglect,
11 five per cent is added for each 30 days or fraction of 30 days during
12 which the failure continues, not exceeding 25 per cent in the aggre-
13 gate. The amount added to the tax shall be collected at the same
14 time, in the same manner and as a part of the tax. If the tax is paid
15 before discovery of the neglect, the amount added shall be collected
16 in the same manner as the tax.

17 (b) If the tax is not paid when due, a penalty of five per cent
18 of the total amount of the tax deficiency shall be assessed, collected
19 and paid in the same manner as if it were a tax deficiency.

20 (c) If a part of a deficiency in the tax is due to fraud with
21 intent to evade tax, 50 per cent of the total amount of the deficiency,
22 in addition to the deficiency, shall be assessed and collected.

23 (d) Interest upon the amount determined as a deficiency in the
24 tax shall be assessed at the same time as the deficiency. The interest
25 shall be paid upon notice and demand by the department, and shall be
26 collected as a part of the tax at the rate of six per cent a year from
27 the time prescribed for payment of the tax to the date the deficiency
28 is paid.

29 (e) A tax under this chapter and the penalties and interest on

1 the tax are a lien prior, paramount, and superior to all other liens,
2 mortgages, hypothecations, conveyances, and assignments, upon all the
3 real and personal property of the person liable for the tax, and
4 upon all the real and personal property used with the permission of
5 the owner to carry on the business. The special remedy provided for
6 the recovery of license taxes set out in this chapter is not exclusive
7 of other civil or criminal remedies provided by law for the recovery
8 of license taxes.

9 (f) A person who wilfully fails to obtain a license, pay a tax,
10 make a return, keep or display a record, or supply the information at
11 the time required by law or regulation, in violation of this chapter,
12 is, in addition to other penalties provided by law, guilty of a
13 misdemeanor, and upon conviction is punishable by a fine of not more
14 than \$1,000, or by imprisonment for not more than one year, or by
15 both, together with the cost of prosecution.

16 (g) A person who wilfully makes and subscribes an application,
17 return, or other document filed with the department which he does not
18 believe to be true and correct as to every material matter is guilty
19 of a felony, and, upon conviction, is subject to the penalty prescribed
20 for perjury.

21 (h) In this section "person" includes an officer, agent, or
22 employee of a corporation or a member, agent, or employee of a
23 partnership who, as an officer, agent, employee, or member, is under
24 duty to perform the act in respect to which the violation occurs.

25 Sec. 43.75.111. EXEMPTIONS. The following processing is exempt
26 from this chapter:

27 (1) the processing of fish by a person for his personal
28 consumption or use;

29 (2) the processing of fish caught by sport fishing, unless

1 the fish may be sold by law;

2 (3) the dressing and preserving by a commercial fisherman
3 or a tender of fish which are transported to a processor in the state.

4 Sec. 43.75.121. PAYMENTS TO LOCAL GOVERNMENT. Subject to
5 appropriation by law the department shall pay to local governments
6 in the state tax revenue collected under this chapter as follows:

7 (1) each organized borough shall receive 15 per cent of
8 the tax revenues collected from processing performed in the borough;

9 (2) each organized borough shall receive an additional
10 10 per cent of the tax revenues collected from processing performed
11 in the borough but outside a city of the first, second or third class;

12 (3) each city of the first, second, or third class shall
13 receive 10 per cent of the tax revenues collected from processing
14 performed in that city;

15 (4) each city of the first, second, or third class not
16 located in an organized borough shall receive an additional 15 per
17 cent of the tax revenues collected from processing performed in that
18 city.

19 Sec. 43.75.122. PAYMENTS TO COMMERCIAL FISH RESEARCH FUND ACCOUNT.
20 The commissioner of revenue shall place in an account in the general
21 fund annually, an amount equal to 50 per cent of all fisheries business
22 license taxes collected. The money in the account may be appropriated
23 by the legislature for use in fishery research.

24 Sec. 43.75.131. DEFINITIONS. In this chapter

25 (1) "commissioner" means the commissioner of the Department
26 of Revenue;

27 (2) "fish" means

28 (A) salmon, crab, herring, halibut, scallops, clams,
29 roe, or any other species of aquatic fin fish, invertebrate, and

1 amphibious, in any stage of their life cycle, and includes any
2 portion of their viscera; and

3 (B) kelp and other aquatic plants;

4 (3) "lienable real property" means the full and true value
5 of the real property in excess of all liens and encumbrances against
6 it;

7 (4) "processing" means canning, barreling, bottling, pre-
8 serving, refining, freezing, icing, cooling, packing, curing, salting,
9 smoking, or any other method employed to keep fish in edible condition
10 or to put them into more suitable or convenient form for consumption,
11 storing, shipping, marketing or other use;

12 (5) "processor" means a person, firm, partnership, corporation
13 or other entity who processes fish for himself or another person;

14 (6) "tender" means a person who transports fish from the
15 fisherman to a processor;

16 (7) "value" means the actual price paid for the fish and
17 other considerations given such as fuel, gear, other supplies, and
18 offsets, and in instances of processor owned or subsidized boats
19 operated by employees or under lease or other arrangement includes
20 the cost of their operation and depreciation.

21 * Sec. 3. This Act takes effect on the day after its passage and approv-
22 al or on the day it becomes law without approval.
23
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25
26
27
28
29

Introduced; 2/8/71
Referred: Resources and
Finance

1 IN THE HOUSE

BY MOSES

2 HOUSE BILL NO. 155

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to fisheries taxes; and providing
7 for an effective date."

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

9 * Section 1. AS 43.75.010 - 43.75.135 are repealed.

10 * Sec. 2. AS 43.75 is amended by adding new sections to read:

11 CHAPTER 75. FISHERIES BUSINESS LICENSE ACT.

12 ARTICLE 1. LICENSE AND TAX.

13 Sec. 43.75.011. LICENSE. It is unlawful for a processor to
14 process fish in the state without first obtaining a fisheries business
15 license. The license is valid for the calendar year in which it is
16 issued.

17 Sec. 43.75.021. APPLICATION FOR LICENSE. (a) Application for
18 a license shall be filed with the department and accompanied by an
19 initial fee of \$25. A separate initial fee is required for each plant
20 specified in the application.

21 (b) The application shall state:

- 22 (1) the name and address of the applicant;
23 (2) the line of business to be licensed;
24 (3) each place of business;
25 (4) the estimated amount and value of each type of fish
26 which the applicant expects to process during the calendar year for
27 which the license is issued;
28 (5) the estimated amount of tax due under this chapter;
29 (6) the extent of lienable real property owned by the

COMMITTEE COPY

1 applicant in the state; and

2 (7) other reasonable information which the department
3 requests.

4 (c) Within 10 days after receipt of the application in proper
5 form, the bond if required, and the initial fee, the department shall
6 issue a license to the applicant.

7 (d) The application shall be signed under oath.

8 Sec. 43.75.031. SECURITY FOR COLLECTION OF TAX. If the lienable
9 value of the property stated in the application is not equal to three
10 times the estimated amount of the tax for which the applicant will
11 probably be liable under this chapter, the department may not issue
12 the license until the applicant files with the department a surety
13 bond approved by the attorney general in a penal sum equal to twice
14 the probable amount of the tax for which the applicant will be liable,
15 conditioned upon payment of the tax in full when due, with penalty
16 and interest if not paid before delinquency. The department may
17 waive the bond requirement if the applicant posts other security in
18 the form of collateral acceptable to the department or prepays the
19 estimated tax.

20 Sec. 43.75.041. LICENSE TAX. Each processor shall pay an annual
21 license tax equal to four per cent of the value of the fish purchased
22 or obtained for processing.

23 Sec. 43.75.051. FILING RETURNS AND PAYMENT OF TAX. (a) A person
24 subject to the license tax shall file a return stating

25 (1) the quantity and value of each type of fish processed
26 during the calendar year for which the return is being made;

27 (2) the amount of tax due under this chapter;

28 (3) the number of the license issued for the year for which
29 the return is being made; and

1 (4) any other information requested by the department.

2 (b) The return shall be signed under penalty of perjury by the
3 licensee or his authorized agent. If a receiver, trustee, or assignee
4 is operating the business for which the license was issued he shall
5 file and sign under penalty of perjury the return for the licensee.

6 (c) Except as set out in (d) of this section, the return shall
7 be on a calendar year basis and shall be filed before February 1 of
8 the following calendar year.

9 (d) If a licensee is the subject of a bankruptcy proceeding or
10 insolvent, the department may make a return from information it obtains
11 and declare the tax to be due and payable at once even though the
12 calendar year for which the license was issued has not ended. Delin-
13 quency in the payment of a tax constitutes insolvency under this
14 subsection.

15 Sec. 43.75.061. RECORDS. Each licensee shall keep for five years
16 the records required by the department. The commissioner or his
17 authorized representative may inspect and copy the records at any
18 reasonable time.

19 ARTICLE 2. GENERAL PROVISIONS.

20 Sec. 43.75.101. VIOLATIONS AND PENALTIES. (a) If a person
21 fails to file a return within the time prescribed by law or regulation,
22 unless the failure is due to reasonable cause and not to wilful neg-
23 lect, five per cent is added for each 30 days or fraction of 30 days
24 during which the failure continues, not exceeding 25 per cent in the
25 aggregate. The amount added to the tax shall be collected at the
26 same time, in the same manner and as a part of the tax. If the tax
27 is paid before discovery of the neglect, the amount added shall be
28 collected in the same manner as the tax.

29 (b) If the tax is not paid when due, a penalty of five per cent

COMMITTEE COPY

1 of the total amount of the tax deficiency shall be assessed, collected
2 and paid in the same manner as if it were a tax deficiency.

3 (c) If a part of a deficiency in the tax is due to fraud with
4 intent to evade tax, 50 per cent of the total amount of the deficiency,
5 in addition to the deficiency, shall be assessed and collected.

6 (d) Interest upon the amount determined as a deficiency in the
7 tax shall be assessed at the same time as the deficiency. The interest
8 shall be paid upon notice and demand by the department, and shall be
9 collected as a part of the tax at the rate of six per cent a year from
10 the time prescribed for payment of the tax to the date the deficiency
11 is paid.

12 (e) A tax under this chapter and the penalties and interest on
13 the tax are a lien prior; paramount, and superior to all other liens,
14 mortgages, hypothecations, conveyances, and assignments, upon all the
15 real and personal property of the person liable for the tax, and
16 upon all the real and personal property used with the permission of
17 the owner to carry on the business. The special remedy provided for
18 the recovery of license taxes set out in this chapter is not exclusive
19 of other civil or criminal remedies provided by law for the recovery
20 of license taxes.

21 (f) A person who wilfully fails to obtain a license, pay a tax,
22 make a return, keep or display a record, or supply the information at
23 the time required by law or regulation, in violation of this chapter,
24 is, in addition to other penalties provided by law, guilty of a
25 misdemeanor, and upon conviction is punishable by a fine of not more
26 than \$1,000, or by imprisonment for not more than one year, or by
27 both, together with the cost of prosecution.

28 (g) A person who wilfully makes and subscribes an application,
29 return, or other document filed with the department which he does not

HAISS

1 believe to be true and correct as to every material matter is guilty
2 of a felony, and, upon conviction, is subject to the penalty prescribed
3 for perjury.

4 (h) In this section "person" includes an officer, agent, or
5 employe of a corporation or a member, agent, or employee of a
6 partnership who, as an officer, agent, employee, or member, is under
7 duty to perform the act in respect to which the violation occurs.

8 Sec. 43.75.111. EXEMPTIONS. The following processing is exempt
9 from this chapter:

10 (1) the processing of fish by a person for his personal
11 consumption or use;

12 (2) the processing of fish caught by sport fishing, unless
13 the fish may be sold by law;

14 (3) the dressing and preserving by a commercial fisherman
15 or a tender of fish which are transported to a processor in the state.

16 Sec. 43.75.121. PAYMENTS TO LOCAL GOVERNMENT. Subject to
17 appropriation by law the department shall pay to local governments
18 in the state tax revenue collected under this chapter as follows:

19 (1) each organized borough shall receive 10 per cent of
20 the tax revenues collected from processing performed in the borough;

21 (2) each organized borough shall receive an additional
22 10 per cent of the tax revenues collected from processing performed
23 in the borough but outside a city of the first, second or third class;

24 (3) each city of the first, second, or third class shall
25 receive 10 per cent of the tax revenues collected from processing
26 performed in that city;

27 (4) each city of the first, second, or third class not
28 located in an organized borough shall receive an additional 10 per
29 cent of the tax revenues collected from processing performed in that

1 city.

2 Sec. 43.75.131. DEFINITIONS. In this chapter

3 (1) "commissioner" means the commissioner of the Department
4 of Revenue;

5 (2) "fish" means

6 (A) salmon, crab, herring, halibut, scallops, clams,
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9 portion of their viscera; and

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12 of the real property in excess of all liens and encumbrances against
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15 serving, refining, freezing, icing, cooling, packing, curing, salting,
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22 fisherman to a processor;

23 (7) "value" means the actual price paid for the fish and
24 other considerations given such as fuel, gear, other supplies, and
25 offsets, and in instances of processor owned or subsidized boats
26 operated by employees or under lease or other arrangement includes
27 the cost of their operation and depreciation.

28 * Sec. 3. This Act takes effect on the day after its passage and
29 approval or on the day it becomes law without approval.

H 6155

ALASKA STATE LEGISLATURE

SEVENTH Legislature FIRST Session

HOUSE BILL NO. 155

By MOSES

"An Act relating to fisheries taxes; and providing for an effective date."

Fisheries taxes

Introduced in the House 2/8/ 71

HISTORY IN THE HOUSE

19 71

Feb 8

Read first time and referred to Committee on Resources and Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS : Yeas
Nays
Absent
Excused

Effective Date

PASS : Yeas
Nays
Absent
Excused

Reported correctly engrossed
Signed by Speaker
Sent to Senate

HISTORY IN THE SENATE

19

Read first time and referred
to Committee on

Reported back with
recommendation that

Read second time and

Read third time and

PASS Ycas
 Nays
 : Absent
 Excused

Effective Date

PASS Ycas
 Nays
 : Absent
 Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Reported correctly enrolled

Sent to Governor

..... By Governor

Filed with Secy. State

Chapter No.

"An Act relating to fisheries taxes; and providing for an effective date."

Committee Report

HOUSE OF REPRESENTATIVES

4/21/72

_____ Date

Mr. Speaker

The Committee on FINANCE has had HB 155

under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____ and that
CS for _____ do pass
- (and) recommends it be referred to the _____
committee
- reports it back without recommendation
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ CHAIRMAN

"An Act relating to fisheries taxes; and providing for an effective date."

Committee Report

FINANCE

HOUSE OF REPRESENTATIVES

2/8/71

4/19/72

Date

Mr. Speaker:

The Committee on RESOURCES has had HB 155

under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s) *(same title)*
- recommends it be replaced with CS for H.B. 155 and that CS for H.B. 155 do pass
- (and) recommends it be referred to the _____ committee
- reports it back without recommendation
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

Walter Farrell Ed Naughton

Joe Mc Gill _____

Leslie C. Swanson _____

John Huber _____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

Mike Colletta recommends: no rec.

M.B. Moore recommends: do not pass unless it is amended.

Joe Hoer recommends: Do NOT Pass

Al Spuk recommends: do not pass!

Edward J. Flynn recommends: Do NOT PASS

Heroldsonak _____

Walter Farrell
CHAIRMAN

The Legislature of the State of Alaska
FISCAL NOTE
Second Session - Seventh State Legislature

I. REQUEST

Bill Identification: HB 155 "An Act Relating to Fisheries Taxes; and
 Title: Providing for an Effective Date"
 Requested by: Legislative Finance Date: April 24, 1972
 Return Date Requested: May 1, 1972
 Agency: _____ Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____
 A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-					

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER	-0-					

C. POSITIONS:

PERMANENT/TEMPORARY	-0- /	/	/	/	/	/
MAN MONTHS (P./T.)	-0- /	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See memorandua and schedules prepared by L. P. Carroll, Chief, Miscellaneous Tax Section, Audit Division, Department of Revenue as to effect on revenues in general and broken down by local subdivisions.

IV. ATTACHMENTS

V. DATE: April 28, 1972 PREPARED BY: 

R. D. Stevenson
Deputy Commissioner

Original: Legislative Finance
 cc: Budget and Management
Prime Sponsor (First Legislator Named)

STATE
OF ALASKA

MEMORANDUM

TO: R. D. Stevenson
Deputy Commissioner
Department of Revenue

DATE: April 28, 1972

FROM:

L. P. Carroll, Chief *Stamell*
Miscellaneous Tax Section
Audit Division
Department of Revenue

SUBJECT: HB 155

HB 155 proposes a flat rate tax of 4% of the value on all fisheries products. The attached analysis (schedule A) shows the net results of HB 155 based on actual tax collected for 1970 and 1971 pack. Note the loss of \$412,000.00 for 1970 and \$246,000.00 revenue for 1971 had HB 155 been in effect. The basic reason for the losses are that the canneries currently paying over 6% would be reduced to a flat 4%.

The attached analysis of the 1970 and 1971 fish pack is broken down by amount of tax produced within each city and borough; and that portion produced outside of local governments that would have been collected if this bill had been in effect in 1970 and 1971. Columns 3 and 6 show the decrease or increase in the amount of tax that would be produced in each area. Tax is broken down into local subdivisions separately in order to show a more realistic picture.

There is no apparent significant change in the administrative cost; nor any change in the revenue sharing formula.

We are in the process of preparing the same comparative analysis on the committee substitute for HB 155, which will be ready the first part of next week.

I.PC:dsw

Attachment

AREA	1970 TAX COLLECTED	1970 PROPOSED TAX HB 155
City of Kodiak	\$ 278,457.55	\$ 495,771.09
Kodiak Borough	439,101.48	254,059.19
City of Kenai	94,506.02	58,397.75
Homer	6,835.29	27,341.16
Seldovia	9,794.20	39,176.80
Seward	25,102.70	98,872.60
Kenai Borough	102,583.96	69,875.64
City of Anchorage	47,570.45	28,978.13
Anchorage Borough	2,459.07	9,836.28
Cordova	105,601.57	92,529.13
Valdez	376.05	1,413.16
Dillingham	83,966.06	56,453.89
King Cove	235,107.24	152,669.18
Unalaska	41,074.62	150,575.14
Bristol Bay Borough	921,134.97	592,012.87
Outside All Local Gov'ts	858,737.28	596,771.71
Sub Total	\$3,252,408.51	\$2,724,733.72
Haines Borough	\$ 24,602.94	\$ 16,729.79
Hoonah	4,978.13	19,597.16
Hydaburg	5,868.17	8,691.53
Juneau	24,674.34	72,591.26
Ketchikan	82,723.45	85,954.52
Ketchikan Borough	50,287.60	25,641.18
Klawock	590.51	2,362.04
Petersburg	148,660.19	190,691.83
Pelican	19,838.44	79,353.76
Sitka	13,472.03	53,804.24
Sitka Borough	70,749.87	48,306.22
Craig		
Wrangell	17,698.95	27,396.83
Yakutat	2,570.83	10,283.52
Outside All Local Gov'ts	141,655.15	82,326.45
Sub Total	\$ 608,370.65	\$ 723,730.33
Grand Total	\$3,860,779.16	\$3,448,464.05

WESTERN ALASKA

INCREASE OR (DECREASE)	1971 TAX COLLECTED	1971 PROPOSED TAX HB 155	INCREASE OR (DECREASE)
\$ 217,313.54	\$ 250,483.00	\$ 399,851.48	\$ 149,368.48
(185,042.29)	229,597.46	160,383.14	(69,214.32)
(36,108.27)	93,613.20	58,051.88	(35,561.32)
20,505.87	5,715.01	22,860.04	17,145.03
29,382.60	11,268.16	45,072.64	33,804.48
73,769.90	55,193.55	104,046.43	48,852.87
(32,708.32)	32,660.84	27,818.54	(4,842.30)
(18,592.32)	70,980.31	61,306.51	(9,673.80)
7,377.21			
(13,072.44)	131,596.68	72,875.34	(58,721.34)
1,037.11	307.00	1,228.00	921.00
(27,512.17)	85,685.23	55,579.12	(30,106.11)
(82,438.06)	184,623.43	114,384.60	(70,238.83)
109,500.52	45,439.96	181,759.86	136,319.90
(329,122.10)	518,715.90	306,555.72	(212,160.18)
(261,965.57)	810,446.40	593,231.57	(217,214.83)
<hr/>	<hr/>	<hr/>	<hr/>
\$(527,674.79)	\$2,526,326.14	\$2,205,004.87	\$(321,321.27)

SOUTHEAST ALASKA

\$(7,873.15)	\$ 105.20	\$ 420.79	\$ 315.59
14,619.03	2,022.95	8,076.66	6,053.71
2,823.36			
47,916.92	18,453.30	46,816.06	28,352.76
3,231.07	14,878.00	59,512.04	44,624.04
(24,646.42)			
1,791.53			
42,031.64	196,702.77	185,441.92	(11,260.85)
59,515.32	13,685.56	54,742.25	41,056.69
40,332.21	12,778.27	51,112.86	38,334.59
(22,443.65)	92,853.69	58,772.61	(34,081.08)
	2,789.38	11,157.53	8,368.15
9,697.88	30,319.89	30,427.57	107.68
7,712.64	3,980.80	15,923.20	11,942.40
(59,328.70)	138,576.98	79,600.33	(58,976.65)
<hr/>	<hr/>	<hr/>	<hr/>
\$ 115,359.68	\$ 527,156.79	\$ 602,003.82	\$ 74,847.03
<hr/>	<hr/>	<hr/>	<hr/>
\$(412,315.11)	\$3,053,482.93	\$2,807,008.69	\$(246,474.24)

Original sponsor: Moses

Offered: 4/21/72
Referred: Finance

1 IN THE HOUSE BY THE RESOURCES COMMITTEE
2 CS FOR HOUSE BILL NO. 155
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
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5 A BILL

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25 (4) the estimated amount and value of each type of fish
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27 which the license is issued;

28 (5) the estimated amount of tax due under this chapter;

29 (6) the extent of lienable real property owned by the

1 applicant in the state; and

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5 form, the bond if required, and the initial fee, the department shall
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13 bond approved by the attorney general in a penal sum equal to twice
14 the probable amount of the tax for which the applicant will be liable,
15 conditioned upon payment of the tax in full when due, with penalty
16 and interest if not paid before delinquency. The department may
17 waive the bond requirement if the applicant posts other security in
18 the form of collateral acceptable to the department or prepays the
19 estimated tax.

20 Sec. 43.75.041. LICENSE TAX. (a) Each processor shall pay an
21 annual license tax based on the value of the fish purchased or obtained
22 for processing according to the following schedule:

- 23 (1) salmon, and by-products 6 per cent
24 (2) halibut, and by-products 2 per cent
25 (3) herring, and by-products..... 5 per cent
26 (4) sablefish, and by-products..... 5 per cent
27 (5) shrimp, and by-products..... 5 per cent
28 (6) crab, all species, and by-products..... 5 per cent
29 (7) scallops, and by-products 3 per cent

1 (8) miscellaneous fish or shellfish,
2 and by-products 5 per cent

3 (b) A person who actually physically processes fish for another
4 person shall collect the tax from the person for whom the fish are
5 processed and shall remit the tax to the department in the same
6 manner and at the same time he would report and pay taxes under the
7 provisions of this chapter. The person physically processing fish
8 for another is liable for the payment of the tax required to be
9 collected under this section whether or not the tax is actually col-
10 lected by him.

11 Sec. 43.75.051. FILING RETURNS AND PAYMENT OF TAX. (a) A
12 person subject to the license tax shall file a return stating

13 (1) the quantity and value of each type of fish processed
14 during the calendar year for which the return is being made;

15 (2) the amount of tax due under this chapter;

16 (3) the number of the license issued for the year for which
17 the return is being made; and

18 (4) any other information requested by the department.

19 (b) The return shall be signed under penalty of perjury by the
20 licensee or his authorized agent. If a receiver, trustee, or assignee
21 is operating the business for which the license was issued he shall
22 file and sign under penalty of perjury the return for the licensee.

23 (c) Except as set out in (d) of this section, the return shall
24 be on a calendar year basis and shall be filed before February 1 of
25 the following calendar year.

26 (d) If a licensee is the subject of a bankruptcy proceeding or
27 insolvent, the department may make a return from information it obtains
28 and declare the tax to be due and payable at once even though the
29 calendar year for which the license was issued has not ended.

1 Delinquency in the payment of a tax constitutes insolvency under this
2 subsection.

3 Sec. 43.75.061. RECORDS. Each licensee shall keep for five years
4 the records required by the department. The commissioner or his
5 authorized representative may inspect and copy the records at any
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7 ARTICLE 2. GENERAL PROVISIONS.

8 Sec. 43.75.101. VIOLATIONS AND PENALTIES. (a) If a person
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12 which the failure continues, not exceeding 25 per cent in the aggre-
13 gate. The amount added to the tax shall be collected at the same
14 time, in the same manner and as a part of the tax. If the tax is paid
15 before discovery of the neglect, the amount added shall be collected
16 in the same manner as the tax.

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18 of the total amount of the tax deficiency shall be assessed, collected
19 and paid in the same manner as if it were a tax deficiency.

20 (c) If a part of a deficiency in the tax is due to fraud with
21 intent to evade tax, 50 per cent of the total amount of the deficiency,
22 in addition to the deficiency, shall be assessed and collected.

23 (d) Interest upon the amount determined as a deficiency in the
24 tax shall be assessed at the same time as the deficiency. The interest
25 shall be paid upon notice and demand by the department, and shall be
26 collected as a part of the tax at the rate of six per cent a year from
27 the time prescribed for payment of the tax to the date the deficiency
28 is paid.

29 (e) A tax under this chapter and the penalties and interest on

1 the tax are a lien prior, paramount, and superior to all other liens,
2 mortgages, hypothecations, conveyances, and assignments, upon all the
3 real and personal property of the person liable for the tax, and
4 upon all the real and personal property used with the permission of
5 the owner to carry on the business. The special remedy provided for
6 the recovery of license taxes set out in this chapter is not exclusive
7 of other civil or criminal remedies provided by law for the recovery
8 of license taxes.

9 (f) A person who wilfully fails to obtain a license, pay a tax,
10 make a return, keep or display a record, or supply the information at
11 the time required by law or regulation, in violation of this chapter,
12 is, in addition to other penalties provided by law, guilty of a
13 misdemeanor, and upon conviction is punishable by a fine of not more
14 than \$1,000, or by imprisonment for not more than one year, or by
15 both, together with the cost of prosecution.

16 (g) A person who wilfully makes and subscribes an application,
17 return, or other document filed with the department which he does not
18 believe to be true and correct as to every material matter is guilty
19 of a felony, and, upon conviction, is subject to the penalty prescribed
20 for perjury.

21 (h) In this section "person" includes an officer, agent, or
22 employee of a corporation or a member, agent, or employee of a
23 partnership who, as an officer, agent, employee, or member, is under
24 duty to perform the act in respect to which the violation occurs.

25 Sec. 43.75.111. EXEMPTIONS. The following processing is exempt
26 from this chapter:

27 (1) the processing of fish by a person for his personal
28 consumption or use;

29 (2) the processing of fish caught by sport fishing, unless

1 the fish may be sold by law;

2 (3) the dressing and preserving by a commercial fisherman
3 or a tender of fish which are transported to a processor in the state.

4 Sec. 43.75.121. PAYMENTS TO LOCAL GOVERNMENT. Subject to
5 appropriation by law the department shall pay to local governments
6 in the state tax revenue collected under this chapter as follows:

7 (1) each organized borough shall receive 15 per cent of
8 the tax revenues collected from processing performed in the borough;

9 (2) each organized borough shall receive an additional
10 10 per cent of the tax revenues collected from processing performed
11 in the borough but outside a city of the first, second or third class;

12 (3) each city of the first, second, or third class shall
13 receive 10 per cent of the tax revenues collected from processing
14 performed in that city;

15 (4) each city of the first, second, or third class not
16 located in an organized borough shall receive an additional 15 per
17 cent of the tax revenues collected from processing performed in that
18 city.

19 Sec. 43.75.122. PAYMENTS TO COMMERCIAL FISH RESEARCH FUND ACCOUNT.
20 The commissioner of revenue shall place in an account in the general
21 fund annually, an amount equal to 50 per cent of all fisheries business
22 license taxes collected. The money in the account may be appropriated
23 by the legislature for use in fishery research.

24 Sec. 43.75.131. DEFINITIONS. In this chapter

25 (1) "commissioner" means the commissioner of the Department
26 of Revenue;

27 (2) "fish" means

28 (A) salmon, crab, herring, halibut, scallops, clams,
29 roe, or any other species of aquatic fin fish, invertebrate, and

1 amphibious, in any stage of their life cycle, and includes any
2 portion of their viscera; and

3 (B) kelp and other aquatic plants;

4 (3) "lienable real property" means the full and true value
5 of the real property in excess of all liens and encumbrances against
6 it;

7 (4) "processing" means canning, barreling, bottling, pre-
8 serving, refining, freezing, icing, cooling, packing, curing, salting,
9 smoking, or any other method employed to keep fish in edible condition
10 or to put them into more suitable or convenient form for consumption,
11 storing, shipping, marketing or other use;

12 (5) "processor" means a person, firm, partnership, corpora-
13 tion or other entity who processes fish for himself or another person;

14 (6) "tender" means a person who transports fish from the
15 fisherman to a processor;

16 (7) "value" means the actual price paid for the fish and
17 other considerations given such as fuel, gear, other supplies, and
18 offsets, and in instances of processor owned or subsidized boats
19 operated by employees or under lease or other arrangement includes
20 the cost of their operation and depreciation.

21 * Sec. 3. This Act takes effect on the day after its passage and approv-
22 al or on the day it becomes law without approval.
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MEMORANDUM

State of Alaska

TO: Honorable Marty Farrell, Chairman
House Resources Committee
Alaska State Legislature
Juneau, Alaska

DATE : February 25, 1971

FROM: *R. D. Stevenson*
R. D. Stevenson
Deputy Commissioner
Department of Revenue

SUBJECT: House Bill No. 155
Fisheries Tax

Attached is a copy of a memo from T. S. Parke, Director, Collection Division, concerning effect on Treasury of the State and administrative problems, if any, relating to the provisions of House Bill No. 155, an Act relating to fisheries taxes. Mr. Parke, for your information, has been with the Department of Revenue since 1946 and until recently was in charge of administering the raw fish, freezer ship and fish processors taxes.

If you have any questions on the material submitted, kindly advise and Mr. Parke will be available for testimony.

RDS:eh

Attachment

cc: Honorable George H. Hohman, Chairman ✓
House Finance Committee

Honorable Carl E. Moses
Sponsor
House Bill No. 155


MEMORANDUM

State of Alaska

TO: R. D. Stevenson, Deputy Commissioner

DATE : February 11, 1971

FROM:

T. S. Parke, Director
Collection Division SUBJECT: House Bill No. 155
Fisheries Tax

Have just examined HB No. 155 and find it to be a sweeping change in the method of taxing fisheries products. As you are well aware, the existing laws are a patched-up statute originating in 1949, with many amendments. This proposed legislation streamlines the taxing statute, placing a direct tax of four percent on the value to the fisherman of all fisheries products purchased, whether it be for canning, freezing or other methods, and whether it be ashore or afloat.

This appears to be a fair approach as the existing laws are very discriminatory, such as the same specie of salmon may be taxed at one percent or four percent or between six and eight percent, depending on the way it is preserved.

Tax-wise, if this act becomes law, using a four percent rate and basing it on the 1969 production, which is the most recent year's figures available, the State would collect slightly over the amount that was actually collected on the 1969 production.

A schedule showing a breakdown of the 1969 production is attached.

COST OF ADMINISTRATION

If HB No. 155 becomes law it can be administered at about the same cost or slightly less than the existing fisheries laws. It will be much easier to administer and enforce due to the fact that one type of license will be issued to all; control can be kept completely on the value to the fishermen, and we will not become involved in the average wholesale prices as is the case under the present statute.

ADMINISTRATIVE PROBLEMS

After examining the bill I can see that an amendment would be desirable, such as:

"Section 43.75.(?) LIABILITY OF PERSONS PROCESSING FOR OTHERS.

(a) A person who actually physically processes fish for another

February 11, 1971

person shall collect the tax from the person for whom such fish are processed and shall remit the tax to the Department in the same manner and at the same time he would report and pay taxes under the provisions of this chapter. The person physically processing fish for another is liable for the payment of the tax required to be collected under this section whether or not the tax is actually collected by him."

The purpose of this change is to provide a means of collection of the tax on custom work performed by Native Cooperative canneries. It is possible that the bill as written may cover these operations, however if not I believe this amendment would make this certain.

I would suggest that the definition of the word "processor" should be more clearly defined to coincide with the proposed above amendment. This could read:

"(5) "processor" means a person, firm, partnership, corporation or other entity who processes fish for himself or another person."

Administratively the effective date would not cause this department a problem, provided the bill becomes law before the salmon canning season commences. The processors who are processing fisheries products at this date are licensed under AS 43.75.060 and are already taxed on the basis of the value to the fishermen either as a cold storage at 1% or a freezer ship at 4%.

The day the bill becomes law the processors' tax will increase to 4% and the freezer ships will remain the same. It will be necessary in a few instances to require the processors to secure additional bonding or prepay additional tax to qualify under AS.43.75.095. The freezer ships would have already qualified and in the case of the salmon canneries they would have an altogether different taxing structure which could be arranged before they begin purchasing salmon.

TSP/is
Enc.

FISHERIES TAX STATISTICS

HOUSE BILL NO. 155

This Fisheries Tax Schedule shows the value by specie that was paid to fishermen for their 1969 catch, the amount each specie produced tax-wise under existing taxing laws, the percentages of the total tax each specie produced and the percentages of the total value paid for each specie.

The figures used in this schedule show the total and actual 1969 production figures, including 1969 accounts receivable and 1969 accounts pending the outcome of existing court cases, but do not include past due accounts collected during the year, so reflect slightly different amounts than are shown on the Published Revenue Collections Report.

The total amounts each Fisheries Tax Statute produced from the 1969 production year are as follows:

Raw Fish Tax A.S.43.75.010	\$2,039,578.12
Cold Storage A.S.43.75.060(1)	279,594.73
Freezership A.S.43.75.060(2)	<u>209,085.56</u>
Total	\$2,528,258.41

If House Bill No. 155 were applied to the 1969 pack value the total revenue would be 4% of \$69,910,436.75 or \$2,796,417.47 which is slightly higher than the total fisheries tax revenues produced under the present statutes.

TSP/is