

LEG. FINANCE - BILLS 1979 - 1980 1327

SB 310 thru SE 312 1327



# 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 O. Smith  
Signature of Camera Operator

3/23/90  
Date

SENATE FINANCE COMMITTEE  
BILL CHECKLIST

- |    |                                        |          |
|----|----------------------------------------|----------|
| 1. | Committee Copy-Current Bill            | <u>✓</u> |
| 2. | History Cover Form                     | <u>✓</u> |
| 3. | Printed Copies:                        |          |
|    | Original Bill                          | <u>✓</u> |
|    | Committee Substitutes or<br>Amendments | <u>✓</u> |
| 4. | SFC Committee Report Form              | <u>✓</u> |
| 5. | Fiscal Information:                    |          |
|    | Note in File                           | _____    |
|    | Note Requested _____ Date              | _____    |
|    | Other Financial Backup                 | _____    |
|    | (See Below)                            | _____    |
| 6. | Backup:                                |          |
|    | Handouts                               | _____    |
|    | Letter from Governor                   | _____    |
|    | Letter from Sponsor                    | _____    |
|    | Completed Committee Reports            | _____    |
|    | Committee _____                        | _____    |
|    | Other _____                            | _____    |

# Banks Pushing Passage Of Tax Break for Savers

By Ward Sinclair

Washington Post Staff Writer

In the name of "the little saver," the country's biggest banking groups are besieging Congress to approve a new tax exemption—this one on interest from savings accounts.

Trade associations for banks and savings and loan institutions have activated their nationwide networks to push for passage.

As a result, before 26 senators and House members sit down this week to confer on an oil-profits tax, they'll find their mailboxes and phone lines jammed with messages from the bankers back home.

The message has, nothing to do with oil profits. Rather, it hails a Senate-passed amendment to the oil tax bill that would exclude some savings account interest from federal income taxes.

The source of lenders' enthusiasm, clothed in the apparel of helping folks with small savings, is no secret. They see the tax break as a way of enticing money from other sources into savings. Savers might benefit but so would bankers, with more money to lend and profit on.

Another point is equally clear. As an amendment to an oil-tax measure the president and others dearly want, the proposal's political chances are enhanced.

Savings-account interest became an issue for this conference after the Senate last month added language by Sen. Lloyd Bentsen (D-Tex.) to exclude from income tax the first \$201 a saver earns in interest.

For banks and savings and loan associations, it's almost a dream come true. For years they have been pushing for the exclusion in hope of attracting more money to savings accounts.

Since the House oil-tax bill has no such provision, the banking groups are aiming their lobbying guns at House conferees who will have to accept or reject the Bentsen proposal.

A pending House bill dealing with mortgage bonds carries an amendment by Rep. W. Henson Moore (R-La.) that would exclude just the first \$100 in savings interest from income taxes.

But for now, the big fight will be in the oil-tax conference, and Moore said last week that he is campaigning to get fellow House conferees aboard the Bentsen bandwagon.

"The exclusion is very necessary to help reverse the trend of declining amounts of money going into savings accounts and to help stimulate capital formation," Moore said.

"This is a political opportunity to form capital and fight inflation and get people saving more money again."

The exclusion ought to be higher, but this is a foot in the door. If this passes, we can then work on something more meaningful for the future.

That is precisely what the Carter administration, many House tax-

writers and tax-reform groups fear—that once the exclusion is adopted, it will lead to even greater write-offs that would reduce federal tax revenues.

Bentsen's amendment also allows exclusion of \$400 of interest when joint tax returns are filed. His exclusion applies to savings interest as well as stock dividends—one, the other of a combination. Current law allows individual exclusion of \$100 and joint exclusion of \$200 on investment dividends.

Opponents have argued that if savings incentives and capital formation are the issue, as Bentsen and Moore contend, they ought to be dealt with separately and not as appendages to other bills.

Moreover, there is concern about the cost of the Bentsen language. It is estimated that the tax loss to the Treasury would be about \$26.9 billion between 1981 and 1990.

"It is true they see this as a foot in the door," said Robert McIntyre of the Tax Reform Research Group. "They'll come back for more next time. We hope the House conferees will stand firm, because this is just a lousy way to legislate."

The banking groups are hoping just as fervently that the House conferees cave in.

And for this fight, they are going all out. The American Bankers Association, in a special-alert letter to members, urges aiming a blizzard of mail at the conferees.

"Sen. Bentsen suggests . . . that you consider requesting the employees of your bank on their own letterhead to write their senators and representatives in support of the Bentsen amendment," wrote ABA's Gerald M. Lowrie.

Other lenders have followed suit. The National Savings and Loan League, also quoting Bentsen, called for letters from S&L executives, employees and customers. Similar appeals have gone to members of the Independent Bankers Association of America, the U.S. League of Savings Associations and the National Association of Mutual Savings Banks.

"There is unanimity on this and we have pulled the stops," said the Independent Bankers' Ken Gunther. "We all agree something has to be done to help small savers."

1111



COMMITTEE REPORT

SENATE

FURTHER: FINANCE

1/14/80

Date:

1/22/80

Mr. President:

The Committee on JUDICIARY has had SB 310 exempting interest earned from certain financial institutions from the Alaska net income tax

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[X] a majority recommends replace with CS for SB 310 [ ] same title [ ] new title

and recommends CS SB 310 Do Pass

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING DO PASS

Signatures: [Handwritten signatures]

MEMBERS HAVING OTHER RECOMMENDATIONS:

Bill Kay No REC

CHAIRMAN

Original sponsor: Kelly

Offered: 1/23/80  
Referred: Finance

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2 CS FOR SENATE BILL NO. 310

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act exempting interest earned from certain finan-  
7 cial institutions from the Alaska net income tax; and  
8 providing for an effective date."

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

10 \* Section 1. AS 43.20.031(b) is amended by adding a new paragraph to  
11 read:

12 (4) interest earned by a person from a financial institution  
13 which is chartered under AS 06 or which has its principal office or home  
14 office in the state.

15 \* Sec. 2. AS 43.20.340 is amended by adding a new paragraph to read:

16 (18) "financial institution" means a state, federal, or  
17 national chartered bank, trust company, mutual savings bank, savings and  
18 loan association, or credit union.

19 \* Sec. 3. This Act is retroactive to January 1, 1980 and applies to tax  
20 years beginning after December 31, 1979.

21 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-  
22 070(c).

23  
24  
25  
26  
27  
28  
29  
COMMITTEE COPY

*Jud*  
Introduced: 1/14/80  
Referred: Judiciary and  
Finance

1 IN THE SENATE

BY KELLY

2 SENATE BILL NO. 310

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

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20 \* Sec. 4. This Act takes effect January 1, 1981.

21  
22  
23  
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26  
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28  
29 COMMITTEE COPY

#7553 - Request

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

SENATE BILL..... NO. 310...

By KELLY.....

"An Act exempting interest earned from certain financial institutions from the Alaska net income tax; and providing for an effective date."

Introduced in the Senate 1/14/ 80

HISTORY IN THE SENATE

19 80

Read first time and referred to Committee on

1 14

JUDICIARY and FINANCE

Reported back with recommendation that

*1983 w/RS - 4/20/83: 120 w. To Finance;*

Read second time and

Read third time and

PASS Effective Date  
Yeas Yeas  
Nays Nays  
Absent Absent  
Excused Excused

Reconsideration

PASS Effective Date  
Yeas Yeas  
Nays Nays  
Absent Absent  
Excused Excused

Reported correctly engrossed  
Signed by President  
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS Effective Date  
Yeas Yeas  
Nays Nays  
Absent Absent  
Excused Excused

Reconsideration

PASS Effective Date  
Yeas Yeas  
Nays Nays  
Absent Absent  
Excused Excused

Reported correctly engrossed  
Signed by Speaker  
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No. ....

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for Senate Bill No. 310  
 Title An Act exempting interest from certain financial institutions from the  
 Requested by Judiciary Committee (AK net income tax. Date 2/7/80)

II. FISCAL DETAIL

Agency Affected Revenue  
 Program Category Affected Fiscal Services  
 BRU, Program, or Subprogram(s) Affected Audit Division  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS. CLAIMS. ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

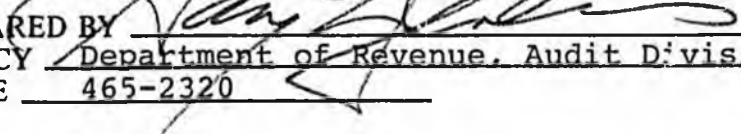
GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS None

FULL TIME						
PART TIME						
TEMPORARY						

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

See attached memorandum to R. D. Stevenson dated 2/7/80.

IV. DATE February 7, 1980 PREPARED BY   
 AGENCY Department of Revenue, Audit Division  
 PHONE 465-2320  
 Original: Legislative Finance  
 cc: Budget and Management  
Prime Sponsor (First Legislator Named)

STATE  
of ALASKA

## MEMORANDUM

TO:  R. D. Stevenson  
Special Assistant  
Department of Revenue

DATE: February 7, 1980

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins  
Director  
Audit Division

SUBJECT: CS for Senate Bill No. 310

This bill would exempt any interest paid by a financial institution in the State of Alaska from taxation under the Alaska Income Tax Act. This income would be exempt to individuals trusts, estates, partnerships, and corporations.

It is assumed that the objective behind this bill would be to encourage individuals to place more money in interest-bearing accounts in financial institutions in the State. While this is a very ideal aim, there is serious question about whether a bill such as this would cause the desired result. It is my impression that people place money in savings accounts, depending on the economic climate in the society, rather than because any interest which might be earned is tax free.

The major benefactors of this bill would be the wealthy individuals and large corporations who already have substantial interest-bearing accounts in Alaska banks. If the intent is truly to encourage savings by the average citizen, consideration should be given to providing the tax exempt status to deposits made after the effective date of the bill and on a maximum amount, such as \$5,000.

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. CS For SB 310 institutions  
 Title Act exempting from the net income tax interest earned from Alaska financial/  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL  
 Agency Affected \_\_\_\_\_  
 Program Category Affected \_\_\_\_\_  
 Budget Request Unit(s) Affected \_\_\_\_\_

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

			Unknown			
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The bill proposes to exempt from income taxation interest earned from a financial institution which is chartered under the laws of the State or has its principal or home office within the State.

Due to lack of data we are unable to determine the exact revenue impact of this proposal. It is likely to reduce general fund revenue by about \$5.0 million annually.

IV. DATE 2/7/80 PREPARED BY Barbara Brown  
 AGENCY Revenue  
 PHONE 42174  
 Original: Legislative Finance  
 cc: Budget and Management  
Prime Sponsor (First Legislator Named)

December 3, 1979


The Honorable Tim Kelly  
283 Muldoon Road  
Station Box 76  
Anchorage, AK 99504

Dear Tim:

I read with interest your letter indicating your intention to introduce legislation relieving banks from taxation on interest. I have asked Bill Green, our Sr. Vice President who also serves on the Governing Council of the American Bankers Association, to develop material to submit to you for your perusal.

Heartiest best wishes for a Happy Holiday Season.

Sincerely,

  
Frank H. Murkowski  
President

FHM:js

cc: Bill Green

THE B.M.



BEHREND'S BANK

P. O. BOX 1367 JUNEAU, ALASKA 99802  
(907) 586-6800

REMINGTON LOW  
PRESIDENT & CHAIRMAN OF THE BOARD

December 6, 1979

Honorable Tim Kelly  
State of Alaska  
Pouch V  
Juneau, Alaska 99811

Dear Senator Kelly:

Thank you for your letter of November 21, 1979 regarding income tax exemption for interest earned in Alaska financial institutions.

I personally believe your proposed bill will be beneficial to the people of Alaska as well as to Alaskan financial institutions.

It gives a needed tax break to all investors, but it especially helps small savers who are not able to buy \$10,000 money market certificates or \$100,000 certificates of deposit. The Congress of the United States has been talking about helping the small savers for a long time, but has never been able to get around to it.

It will also, as you state, encourage capital formation within Alaska which is beneficial to business as well as to the economy of the state in general.

Banks need increased deposits so they will have money to lend to Alaskans. All too often under our present way of handling state money the state's resources go outside the state to the big banks in the lower forty-eight who are able to outbid the much smaller Alaskan banks.

Another thing your bill would accomplish is to make Alaskan financial institutions more competitive with the large insurance companies and brokerage firms who are aggressively selling money market funds, which money then immediately leaves the state.

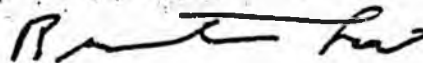
Oldest Bank in Alaska

I discussed your letter with the other directors of the Alaskan Bankers Association at a meeting in Anchorage yesterday, and they were heartily in favor of it.

I would suggest you talk your bill over with Wes Coyner whom I am sure you know to see if he can be of any assistance to you. He represents the A. B. A. in the legislature, and is very knowledgeable about banking matters.

If I can be of any assistance please let me know. I would be happy to meet with you at your convenience.

Sincerely,

A handwritten signature in dark ink, appearing to read "Remington Low". The signature is fluid and cursive, with a prominent initial "R" and a long, sweeping tail.

Remington Low  
President & Chairman  
of the Board

RL/jr

## NORTHERN SCHOOLS FEDERAL CREDIT UNION

Constitution Hall • University of Alaska • Fairbanks, Alaska 99701 • Phone 907/479-4209

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TO Senator Tim Kelly  
Pouch V  
Juneau, Alaska 99811

DATE November 28, 1979

SUBJECT Exempt Interest

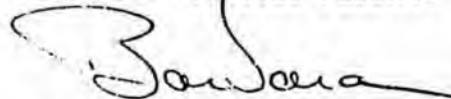
Dear Tim,

Read your letter and the draft of the proposed bill. I heartily agree with the idea. Lets keep Alaska's money in Alaska and with the people. It might also prove an incentive for people to start saving more. A lot of complaints that are heard referes to the fact "why earn interest, the government will just take it away".

Keep up the good work and keep us informed.

Thank you.

NORTHERN SCHOOLS FEDERAL CREDIT UNION



Barbara B. Brallier, General Manager



# Alaska Pacific Bank

December 4, 1979

The Honorable Tim Kelly  
Alaska State Senate  
283 Muldoon Road  
Station Box 76  
Anchorage, Alaska 99504

Dear Tim:

Your proposed legislation exempting interest earned in Alaska financial institutions from taxation is great!

In addition to encouraging greater savings on the part of Alaskans by generating a higher return for them, this will also have the effect of stemming the outflow of money. Rates on certificates of deposit of over \$100,000 are negotiable. Because of the rather unusual money market conditions, Alaska banks have presently been unable to compete with banks in the "lower 48" which are paying extremely high rates. As a result there has been somewhat of an outflow of funds from Alaska. If interest on Alaska CD's were exempt from state taxation, the effective yield on Alaska CD's would be considerably higher and the outward flow of funds would cease.

If there is any way in which I can assist you further on this matter, I would be most pleased to do so.

Cordially,

Robert R. Richards  
President

RRR/ph



**FEDA LASKA  
FEDERAL  
CREDIT  
UNION**

**ANCHORAGE**

Pouch 7-505  
Anchorage, Alaska 99510

**W.E. SAMPLES**  
General Manager

**R.N. RICHARDSON**  
Manager

**MARSHALL ELLISON**  
Assistant Manager

(907) 276-1011

**FAIRBANKS**

Box 670  
Fairbanks, Alaska 99707

**P.J. SCHULER** Manager  
(907) 456-2362

**KODIAK**

P.O. Box 109  
Kodiak, Alaska 99615

**J.T. JOHNSON** Manager  
(907) 487-5340

**JUNEAU**

Box 1307  
Juneau, Alaska 99802

**R.W. COOPER** Manager  
(907) 789-2128

December 6, 1979

The Honorable Tim Kelly  
Alaska State Senate  
Pouch V  
Juneau, Alaska 99811

Dear Senator Kelly:

Thank you for your correspondence of November 23 with the outline of your proposed legislation exempting interest earned in Alaska financial institutions.

We in FedAlaska would be interested in and give very heavy support of legislation as you have outlined.

Savings in financial institutions is the primary source of capital for mortgage loans and consumer lending and we feel this would be one of the best things that could be done for future development in the State of Alaska.

Sincerely,

W. E. Samples  
General Manager

WES/sps

December 12, 1979

The Honorable Tim Kelly  
283 Muldoon Road  
Station Box 76  
Anchorage, Ak 99504

Dear Tim:

This will respond to your inquiry to Frank, and his letter of December 3rd relative to legislation proposed for introduction by you into the Eleventh Legislature's second session.

As I read the intent of your bill, it would be to exempt bona fide Alaskan residents, partnerships, and corporations, from payment of state income tax on interest paid to them on savings or time deposits in Alaskan domiciled financial institutions.

Tim, as you are no doubt aware, there is a plethora of banking legislation roaming through various committees in the Congress, ranging from those dealing with the Fed reserve issue (HR7, S85, S85 as amended, and S353) to Regulation Q, NOW accounts, share drafts, automatic transfer services, and remote service units (HR4986).

The Ulman legislation (HR3712), did have an amendment proposed to it which would have exempted from Federal taxation the first \$700 of interest earned. However, the legislation as originally proposed was defeated in the House Ways and Means Committee and there is no way of telling at this time whether the legislation will ever clear the Congress to become law. To the best of my knowledge, there is no other legislation proposed nationally which deals with exempting from taxation interest earned on savings and time deposits.

The Congress is, however, very conscious of the "plight of the small saver," and quite sensitive to groups such as the Gray Panthers. One of the avenues of relief endorsed by the American Bankers Association is a change in Reg Q to allow a ratcheting upward so that a maximum of 10% interest can be paid on passbook savings, and a reduction in the minimum denominations for money market type CD's (the 182 day rates) from \$10,000 to under \$1,000.

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

December 12, 1979

The Honorable Tim Kelly  
283 Muldoon Road  
Station Box 76  
Anchorage, Ak 99504

Dear Tim:

This will respond to your inquiry to Frank, and his letter of December 3rd relative to legislation proposed for introduction by you into the Eleventh Legislature's second session.

As I read the intent of your bill, it would be to exempt bona fide Alaskan residents, partnerships, and corporations, from payment of state income tax on interest paid to them on savings or time deposits in Alaskan domiciled financial institutions.

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The Ulman legislation (HR3712), did have an amendment proposed to it which would have exempted from Federal taxation the first \$100 of interest earned. However, the legislation as originally proposed was defeated in the House Ways and Means Committee and there is no way of telling at this time whether the legislation will ever clear the Congress to become law. To the best of my knowledge, there is no other legislation proposed nationally which deals with exempting from taxation interest earned on savings and time deposits.


The Congress is, however, very conscious of the "plight of the small saver," and quite sensitive to groups such as the Gray Panthers. One of the avenues of relief endorsed by the American Bankers Association is a change in Reg Q to allow a ratcheting upward so that a maximum of 10% interest can be paid on passbook savings, and a reduction in the minimum denominations for money market type CD's (the 182 day rates) from \$10,000 to under \$1,000.

The Honorable Tim Kelly  
12/12/79  
Page Two

Assuming that we continue to have a state income tax, as I read your proposal, the interest paid to full-time Alaska residents by Alaskan financial institutions would be exempted from state income tax, whereas interest paid to full-time Alaska residents by financial institutions domiciled outside of Alaska would be subject to state income tax. One of the decisions to be made is whether all interest is to be exempted, or to a maximum dollar amount of interest paid per recipient. Certainly any tax forgiveness allowed on interest earned from deposits made in Alaskan financial institutions as compared with interest earned from deposits made in "outside" institutions will have a beneficial effect on keeping Alaskan money at home. Where there would be some benefit to even the small saver, the great incentive for keeping investable money in Alaska would come from those who have \$10,000 or more to invest to enable them to take advantage of the very attractive rates now being quoted. This state tax exemption, if applied to all savings and time interest, would also give Alaskan financial institutions help in the struggle to prevent disintermediation of funds from financial institutions to such areas as the mutual money market funds offered by brokers.

The Alaska Bankers Association should be interested in helping develop this concept, and I suggest you contact Mr. H. A. "Buzz" Hoffman of First National Bank of Anchorage, the Association President. I will also be pleased, as a Board member and individually, to work with you.

Yours very truly,



William J. Green  
Senior Vice President  
Main Office

WJG:rh

cc: Frank Murkowski



# THE FIRST NATIONAL BANK OF ANCHORAGE

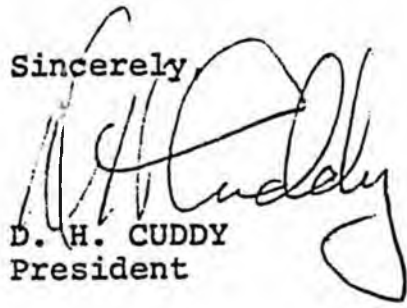
December 4, 1979

Senator Tim Kelly  
Pouch V  
Juneau, Alaska 99811

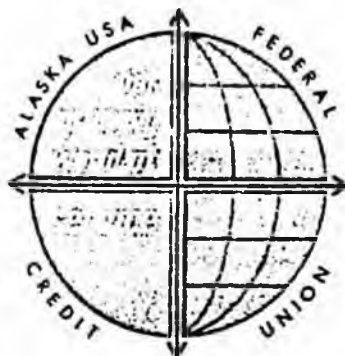
Dear Senator Kelly:

I do appreciate being advised of your proposed amendment affecting interest paid on savings accounts, and will follow its progress in the Legislature.

Sincerely,

  
D. H. CUDDY  
President

DHC:mh



# ALASKA USA FEDERAL CREDIT UNION

777 JUNEAU STREET  
ANCHORAGE, ALASKA 99501  
(907) 276-5100

December 13, 1979

Senator Tim Kelly  
P.O. Bcx 1004  
Eagle River, AK 99577

Dear Senator Kelly:

This letter is in reference to your letter of November 23 regarding your consideration of introducing legislation exempting interest earned from Alaska financial institutions from state taxation.

Needless to say, legislation in this regard would be very timely as the current rate of inflation and tax laws regarding personal interest income do not promote individual savings. Individual savings is one of the cornerstones of a stable economy and provides funds for the financing of consumer durables and business investment. Your proposed legislation would be a step in changing individual ideas regarding savings, and would thereby promote thrift and be of value to the State's economy from the consumer's to the large corporation's standpoint.

The one question that I have regarding your proposal is why limit the tax savings to full-year residents? I feel the advantage to the State's economy of attracting additional funds from part-time residents, with the funds then available for making loans by Alaska financial institutions, far outweighs any benefit the State would obtain in collecting taxes on the interest earned.

In any case, we look forward to your proposed legislation's passage and will certainly promote this tax savings advantage to our 75,000 Alaska members. We appreciate your efforts on behalf of the State's economy, and the benefit that our members and the credit union will realize through passage of your bill.

Sincerely,

  
W. B. Eckharut  
General Manager

WBE:1b



**ALASKA RAILROAD  
FEDERAL CREDIT UNION**

320 West First Avenue Anchorage, Alaska 99501  
(907) 276-6543

December 19, 1979

Senator Tim Kelly  
283 Muldoon Road  
Station Box 76  
Anchorage, Alaska 99504

Dear Senator Kelly:

Thank you for your letter regarding your intent to introduce legislation exempting interest earned in Alaska financial institutions from state taxation. I wholeheartedly support such legislation, and am certain that it would increase substantially the capital available within the State.

I do, however, have some observations to make. First, I have no objections to non-residents, or part-time residents investing their funds in Alaska financial institutions to take advantage of the proposed tax exemption. Although the tax benefit might go to a non-resident in a case like this, the benefit of the capital infusion would definitely belong to the State residents.

Next, I would anticipate some opposition to the bill from those who might consider it just a tax loophole for large investors and corporate entities, with no advantage to the lower income sector of the economy. The advantages are, of course, availability of funds for capital investments, with the corresponding multiplier effect, and the creation of resulting jobs.

There is one potentially dangerous flaw in the bill. Most, if not all financial institutions in the State offer substantially reduced interest rates on loans secured by funds on deposit. If the proposed bill passes, it would enable someone to deposit funds, immediately borrow against those funds, thus taking advantage of a tax exemption on the income earned, and a tax deduction on the interest expense. This creates larger deposits and loans for the financial institutions, a definite tax advantage for the borrower/depositor, but zero new capital. This situation is not advantageous to many depositors unless Congress passes similar legislation, which is currently under consideration.


I have no solution as to how to close this potential loophole. Perhaps a limitation on the amount of interest that is exempt, but that would dilute the intended effect of the bill. Also, Congress may not take

December 19, 1979  
Page 2.

similar action, in which case there is no problem.

I hope I have been of some assistance in evaluating the proposed bill. If I can be of further help, feel free to call on me.

Sincerely,



Tim Rogers  
Manager

LAR/ds



ALASKA  
BANK OF COMMERCE

MAIN OFFICE: POUCH 7012, ANCHORAGE, ALASKA 99510

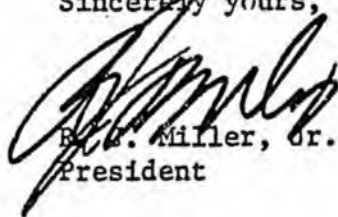
December 20, 1979

Senator Tim Kelly  
283 Muldoon Road  
Station Box 76  
Anchorage, Alaska 99504

Dear Senator Kelly:

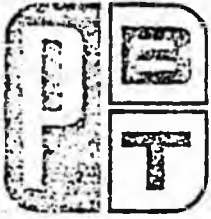
I have reviewed the draft of the legislation you plan to introduce exempting interest earned in Alaska financial institutions from State taxation. I agree with your concept, however, I would suggest that you define financial institutions.

Sincerely yours,



R.C. Miller, Jr.  
President

rwc



# PEOPLES BANK & TRUST

POUCH 7007 • 8TH AVENUE AND G STREET • ANCHORAGE, ALASKA 99510  
TELEPHONE (907) 270-7511

R. A. KENNARD  
PRESIDENT

December 14, 1979

Senator Tim Kelly  
283 Muldoon Rd.  
Station Box 76  
Anchorage, Alaska 99504

Dear Senator Kelly:

Thank you for your letter of November 21 regarding a bill you were going to introduce which would delete interest on savings accounts for residents of Alaska.

This is of interest and would be helpful to a lot of people, but it could be abused by people. I would suggest that you check with a tax expert, wherein he could show that a person borrowing on a time certificate of deposit would have quite an advantage if there were no tax liability for interest earned on savings in State banking and lending institutions.

Thanks for giving us an opportunity to look at this. I am curious as to what you find out in discussing this with a tax expert.

Very truly yours,

R.A. Kennard  
President

RAK:bwa  
2425



# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5 - JUNEAU 99811

February 8, 1980

The Honorable John Sackett  
Chairman  
Senate Finance Committee  
Room 423 - Capitol Building  
Juneau, Alaska 99811

Dear Senator Sackett:

Re: CS for Senate Bill No. 310

CS for Senate Bill No. 310, an Act exempting interest earned from certain financial institutions from the Alaska net income tax, was referred on January 23, 1980 to the Senate Finance Committee.

For the consideration of the Senate Finance Committee, I am enclosing copies of Fiscal Notes prepared by Gary Jenkins, Director, Audit Division and Barbara Sorensen, Research Section of the Department of Revenue concerning the proposed legislation.

Sincerely,



R. D. Stevenson  
Special Assistant

cc: Joseph K. Donohue  
Deputy Commissioner  
Department of Revenue

Gary Jenkins, Director  
Audit Division  
Department of Revenue

Vincent Wright  
Research Section  
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for Senate Bill No. 310  
 Title An Act exempting interest from certain financial institutions from the  
 Requested by Judiciary Committee (AK net income tax. Date 2/7/80)

II. FISCAL DETAIL

Agency Affected Revenue  
 Program Category Affected Fiscal Services  
 BRU, Program, or Subprogram(s) Affected Audit Division

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

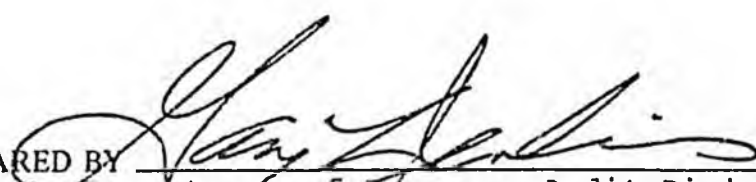
GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS None

FULL TIME						
PART TIME						
TEMPORARY						

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

See attached memorandum to R. D. Stevenson dated 2/7/80.

IV. DATE February 7, 1980 PREPARED BY   
 AGENCY Department of Revenue, Audit Division  
 PHONE 465-2320  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

# MEMORANDUM

TO:  R. D. Stevenson  
Special Assistant  
Department of Revenue

DATE: February 7, 1980

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins  
Director  
Audit Division

SUBJECT: CS for Senate Bill No. 310

This bill would exempt any interest paid by a financial institution in the State of Alaska from taxation under the Alaska Income Tax Act. This income would be exempt to individuals trusts, estates, partnerships, and corporations.

It is assumed that the objective behind this bill would be to encourage individuals to place more money in interest-bearing accounts in financial institutions in the State. While this is a very ideal aim, there is serious question about whether a bill such as this would cause the desired result. It is my impression that people place money in savings accounts, depending on the economic climate in the society, rather than because any interest which might be earned is tax free.

The major benefactors of this bill would be the wealthy individuals and large corporations who already have substantial interest-bearing accounts in Alaska banks. If the intent is truly to encourage savings by the average citizen, consideration should be given to providing the tax exempt status to deposits made after the effective date of the bill and on a maximum amount, such as \$5,000.

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS For SB 310 institutions  
 Title Act exempting from the net income tax interest earned from Alaska financial/  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected \_\_\_\_\_  
 Program Category Affected \_\_\_\_\_  
 Budget Request Unit(s) Affected \_\_\_\_\_

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

			Unknown			
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The bill proposes to exempt from income taxation interest earned from a financial institution which is chartered under the laws of the State or has its principal or home office within the State.

Due to lack of data we are unable to determine the exact revenue impact of this proposal. It is likely to reduce general fund revenue by about \$5.0 million annually.

IV. DATE 2/7/80 PREPARED BY C. Robinson  
 AGENCY Revenue  
 PHONE 42174  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

Original sponsor: Kelly

Offered: 1/23/80  
Referred: Finance

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2 CS FOR SENATE BILL NO. 310

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act exempting interest earned from certain finan-  
7 cial institutions from the Alaska net income tax; and  
8 providing for an effective date."

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

10 \* Section 1. AS 43.20.031(b) is amended by adding a new paragraph to  
11 read:

12 (4) interest earned by a person from a financial institution  
13 which is chartered under AS 06 or which has its principal office or home  
14 office in the state.

15 \* Sec. 2. AS 43.20.340 is amended by adding a new paragraph to read:

16 (18) "financial institution" means a state, federal, or  
17 national chartered bank, trust company, mutual savings bank, savings and  
18 loan association, or credit union.

19 \* Sec. 3. This Act is retroactive to January 1, 1980 and applies to tax  
20 years beginning after December 31, 1979.

21 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-  
22 070(c).

Introduced: 1/14/80  
Referred: Judiciary and  
Finance

1 IN THE SENATE

BY KELLY

2 SENATE BILL NO. 310

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

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7 institutions from the Alaska net income tax; and provid-  
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17 savings bank, savings and loan association, or credit union.

18 \* Sec. 3. This Act applies to tax years beginning after December 31,  
19 1980.

20 \* Sec. 4. This Act takes effect January 1, 1981.

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Original sponsor: Kelly

Offered: 1/23/80  
Referred: Finance

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2 CS FOR SENATE BILL NO. 310

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

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20 years beginning after December 31, 1979.

21 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-  
22 070(c).

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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 A. Smith  
Signature of Camera Operator

3/23/90  
Date



Original Sponsor: Special Committee on  
Electoral Reform

Offered: 2/13/80  
Referred: Finance

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 312

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to elections and revising the Alaska  
7 Election Code; and providing for an effective date."

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

9 \* Section 1. AS 15.05.010 is amended to read:

10 Sec. 15.05.010. VOTER QUALIFICATION. A person may vote at any  
11 election who

12 (1) is a citizen of the United States;

13 (2) is 18 years of age or older [HAS PASSED HIS 18TH BIRTH-  
14 DAY];

15 (3) (repealed)

16 (4) has been a resident of the state and of the election  
17 district in which he seeks to vote for at least 30 days just before the  
18 election; and

19 (5) (repealed)

20 (6) has registered before the election as required under  
21 AS 15.07 and is not registered to vote in another jurisdiction.

22 \* Sec. 2. AS 15.05 is amended by adding a new section to read:

23 Sec. 15.05.011. QUALIFICATIONS OF OVERSEAS VOTERS. (a) A person  
24 residing outside the United States may register and vote absentee by  
25 qualifying under this section.

26 (b) Before registering a person under this section, the director  
27 shall determine that the person

28 (1) was domiciled in the state immediately before leaving the  
29 United States;

1 (2) meets the qualifications established in AS 15.05.010(1)  
2 and (2);

3 (3) has not established a domicile in another state, terri-  
4 tory, or possession of the United States since leaving this state;

5 (4) is not registered to vote and has not voted in another  
6 state, territory, or possession of the United States since leaving this  
7 state;

8 (5) has a valid passport, card of identity and registration,  
9 or other identification issued under the authority of the United States  
10 Secretary of State, and identification complying with the requirements  
11 of this title.

12 (c) Lack of a place of abode in the state or lack of intent to  
13 return to the state does not disqualify a person who qualifies under (b)  
14 of this section.

15 (d) A person registered under this section may vote in a federal  
16 election in this state.

17 \* Sec. 3. AS 15.05.020(10) is amended to read:

18 (10) the address of a voter as it appears on his official  
19 voter registration card is presumptive evidence of the person's voting  
20 residence. If the person has changed his voting residence, this pre-  
21 sumption is negated only by the voter executing an affidavit on a form  
22 prepared by the director [LIEUTENANT GOVERNOR] setting out his new  
23 voting residence.

24 \* Sec. 4. AS 15.05.030 is repealed and re-enacted to read:

25 Sec. 15.05.030. LOSS AND RESTORATION OF VOTING RIGHTS. (a) A  
26 person convicted of a crime that constitutes a felony involving moral  
27 turpitude under state law may not vote in a state or a municipal elec-  
28 tion from the date of the conviction through the date of the restoration  
29 of voting rights under this section. The right to vote withdrawn under

1 this section is automatically restored upon the unconditional discharge  
2 of the person.

3 (b) The commissioner of health and social services shall establish  
4 procedures by which a person unconditionally discharged is advised of  
5 the restoration of voting rights withdrawn by a conviction.

6 \* Sec. 5. AS 15.07.010 is amended to read:

7 Sec. 15.07.010. REGISTRATION OF VOTERS. The precinct election  
8 judges at any election shall allow a person to vote whose name is on  
9 the official registration list for that precinct [REGISTERED] and who is  
10 qualified under AS 15.05.010 - 15.05.040 [IN THE PRECINCT IN WHICH HE  
11 INTENDS TO VOTE]. A person whose name is not on the official registra-  
12 tion list shall be allowed to vote a questioned ballot.

13 \* Sec. 6. AS 15.07.030 is amended by adding a new subsection to read:

14 (b) A person qualified under AS 15.05.011 to vote by absentee  
15 ballot in a federal election is entitled to be registered as a voter in  
16 the election district in which he resided immediately before departure  
17 from the United States.

18 \* Sec. 7. AS 15.07.040 is amended to read:

19 Sec. 15.07.040. TIME FOR REGISTRATION. A person who is qualified  
20 under AS 15.05.010(1) - (4) is entitled to register at any time through-  
21 out the year except that a person under 18 years of age may register at  
22 any time within 90 days immediately preceding his 18th birthday [NO  
23 REGISTRATION WILL BE MADE FOR A PERIOD OF 30 DAYS PRECEDING THE ELEC-  
24 TION].

25 \* Sec. 8. AS 15.07.060 is amended to read:

26 Sec. 15.07.060. REQUIRED REGISTRATION INFORMATION. (a) Each  
27 applicant who requests registration or re-registration shall supply the  
28 following information under oath:

29 (1) name and sex;

1 (2) address and other necessary information establishing  
2 residence if requested;

3 (3) [ELECTION DISTRICT AND PRECINCT AS OF THE DATE OF REGIS-  
4 TRATION;]

5 (4) term of residence in state and in election district; and  
6 whether the applicant has previously been registered to vote in another  
7 jurisdiction, and, if so, the jurisdiction and the address of the pre-  
8 vious registration [WHERE];

9 (5) a declaration that the registrant will be 18 years of age  
10 or older within 90 days of the date of registration [ON OR BEFORE THE  
11 DATE OF THE NEXT STATEWIDE ELECTION];

12 (6) a declaration that the registrant is a citizen of the  
13 United States;

14 (7) date of application;

15 (8) signature or mark.

16 (b) If the applicant has been previously registered to vote in  
17 another jurisdiction, he shall surrender to the registration official  
18 any voter registration or identification card or credentials from that  
19 jurisdiction the applicant may possess. The director [LIEUTENANT GOVER-  
20 NOR] shall notify the chief elections officer in that jurisdiction that  
21 the applicant has registered to vote in Alaska, request that jurisd-  
22 diction to cancel the applicant's voter registration there, and return  
23 the applicant's voter registration or identification card or creden-  
24 tials, if any, to that jurisdiction.

25 (c) If application for registration is made in person before a  
26 registration official, the applicant shall exhibit one form of identi-  
27 fication to the official, including but not limited to a driver's li-  
28 cence, birth certificate, passport, hunting or fishing license. A  
29 registration official who knows the identity of the applicant may waive

1 the identification requirement.

2 \* Sec. 9. AS 15.07.070 is amended to read:

3 Sec. 15.07.070. PROCEDURE FOR REGISTRATION. (a) The director  
4 may adopt [LIEUTENANT GOVERNOR SHALL PROMULGATE RULES AND] regulations  
5 under the Administrative Procedure Act (AS 44.62) relating to the regis-  
6 tration of voters consistent with the requirements [PROVISIONS] of this  
7 section [TO ENABLE VOTERS TO REGISTER].

8 (b) To register by mail the director [LIEUTENANT GOVERNOR] or the  
9 area election supervisor shall furnish, upon request, and at no cost to  
10 the voter, forms prepared by the director [LIEUTENANT GOVERNOR] on which  
11 the registration information required under AS 15.07.060 shall be in-  
12 serted by the voter, or by a person on behalf of the voter if he is  
13 physically incapacitated. The forms shall be executed before an elec-  
14 tion judge, a notary public, a commissioned officer of the armed forces  
15 including the National Guard, a district judge or magistrate, a United  
16 States postal official, or other person qualified to administer oaths.  
17 If none of the officials listed in this subsection is reasonably  
18 accessible the person shall have the forms witnessed by two persons  
19 over the age of 18 years, and, in addition, shall provide the certifi-  
20 cation required by AS 09.65.012 [TWO ALASKA RESIDENTS IF THE PERSON  
21 REGISTERING IS IN THE STATE. IF THE PERSON IS OUTSIDE THE STATE, THE  
22 FORMS SHALL BE EXECUTED BEFORE A PERSON QUALIFIED TO ADMINISTER OATHS].  
23 The director may require proof of identification of the applicant as  
24 required by regulations adopted by the director under the Administra-  
25 tive Procedure Act (AS 44.52). Upon receipt and approval of the  
26 completed registration forms the director [LIEUTENANT GOVERNOR] or the  
27 election supervisor shall forward to the voter an acknowledgment in the  
28 form of a registration card, and his name shall immediately be placed on  
29 the master register located in the office of the director [LIEUTENANT

1 GOVERNOR] and on the district register located in the office of the  
2 election supervisor. If the registration is denied, the voter shall  
3 immediately be informed in writing by certified or registered letter  
4 that registration was denied and the reason for denial.

5 (c) The names of persons submitting completed registration forms  
6 [ALL APPLICATIONS FOR REGISTRATION] by mail which are [SHALL BE] post-  
7 marked at least 30 days before the next [ENSUING PRIMARY OR GENERAL]  
8 election shall be placed on the official registration list for that  
9 election. The name of a person submitting a completed registration  
10 form by mail [AN APPLICATION TO REGISTER] which was not postmarked  
11 before the 30-day requirement shall not be placed on the official regis-  
12 tration list for the next election but shall be placed on the master  
13 register after that election [CONSIDERED TO BE INVALID, BUT SHALL BE  
14 CONSIDERED BY THE LIEUTENANT GOVERNOR AS AN APPLICATION BY THE VOTER TO  
15 BE REGISTERED TO VOTE IN THE NEXT SUBSEQUENT PRIMARY OR GENERAL ELECTION  
16 AND TO REMAIN ON THE MASTER REGISTER THEREAFTER].

17 (d) Qualified voters may register in person before a registration  
18 official at any time throughout the year, except that no person regis-  
19 tering [REGISTRATION MAY BE MADE] within 30 days preceding an election  
20 may vote at that election. Upon receipt and approval of the registra-  
21 tion forms the director [LIEUTENANT GOVERNOR] or the election supervisor  
22 shall forward to the voter an acknowledgment in the form of a registra-  
23 tion card and his name shall immediately be placed on the master regis-  
24 ter located in the office of the director [LIEUTENANT GOVERNOR] and on  
25 the district register located in the office of the election supervisor.  
26 Names of persons registering at least 30 days before an election shall  
27 be placed on the official registration list for that election.

28 (e) (repealed)

29 (f) Incomplete or inaccurate registration forms may not be ac-

1 cepted and shall be re-executed. The date of registration shall be the  
2 date of re-execution before a registration official or the postmark date  
3 if the application for registration is by mail.

4 \* Sec. 10. AS 15.07.081 is amended to read:

5 Sec. 15.07.081. REGISTRATION OFFICIALS. The director [LIEUTENANT  
6 GOVERNOR] shall appoint one or more registration officials to serve in  
7 each precinct polling place in all [MUNICIPAL, PRIMARY, AND GENERAL]  
8 elections during the hours the polling places are open. [REGISTRATION  
9 OFFICIALS SERVE WITHOUT COMPENSATION.] An election clerk or election  
10 judge, appointed under AS 15.10, may also serve as a registration offi-  
11 cial. If more than one registration official is appointed to serve in a  
12 polling place, each [THE MAJOR] political party [PARTIES] shall be  
13 represented.

14 \* Sec. 11. AS 15.07.090 (a) is amended to read:

15 (a) A voter whose name is changed by marriage or court order may  
16 vote under the previous name, but if the voter desires to use the new  
17 name, he or she shall notify the director [LIEUTENANT GOVERNOR] not  
18 later than 30 days preceding an election so that the registration may be  
19 amended to reflect the change.

20 \* Sec. 12. AS 15.07.090(c) is amended to read:

21 (c) The director [LIEUTENANT GOVERNOR] shall transfer the regis-  
22 tration of a voter from one precinct to another within an election  
23 district when requested by the voter. The request shall be made 30 or  
24 more days before the election day. The director [LIEUTENANT GOVERNOR]  
25 shall transfer the registration of a voter from one election district to  
26 another when requested by the voter. The voter must reside in his new  
27 election district for at least 30 days in order to vote.

28 \* Sec. 13. AS 15.07.100 is amended to read:

29 Sec. 15.07.100. REGISTRATION OFFICIALS. (a) The director [LIEU-

1 TENANT GOVERNOR] shall appoint one or more registration officials in  
2 each precinct. When more than one registration official is appointed to  
3 serve in a precinct, each [MAJOR] political party shall be represented.  
4 However, any precinct containing more than 250 voters must have at least  
5 two registration officials, one from each [MAJOR] political party.  
6 The registration official shall be a qualified state voter and shall  
7 take an oath to honestly, faithfully and promptly perform the duties of  
8 his office.

9 (b) Training for registration officials shall be provided by the  
10 director. On the completion of training, the director may require  
11 that officials demonstrate their competence by a test or other method.

12 (c) A registration official serves at the pleasure of the  
13 director. Each registration official shall be periodically evaluated  
14 by the director based on the completeness of the registration forms,  
15 timely filing of registration forms, and the voter registration activity  
16 attributed to the registration official.

17 \* Sec. 14. AS 15.07.110 is amended to read:

18 Sec. 15.07.110. EXPENSE OF REGISTRATION. Each registration offi-  
19 cial serving between elections shall be paid by the director [LIEUTENANT  
20 GOVERNOR] a sum to be determined by him which may not exceed \$1 for each  
21 registration or change of registration personally made by the registra-  
22 tion official.

23 \* Sec. 15. AS 15.07.120 is amended to read:

24 Sec. 15.07.120. CUSTODY OF REGISTERS. A master register shall at  
25 all times remain in the custody of the director [LIEUTENANT GOVERNOR].  
26 The area election supervisor shall likewise maintain a register of all  
27 voters within the precincts of the area election district he supervises.

28 \* Sec. 16. AS 15.07 is amended by adding a new section to read:

29 Sec. 15.07.125. OFFICIAL REGISTRATION LIST. The director shall

1 prepare an official registration list for each election consisting of  
2 all names appearing on the master register 30 days before the election.  
3 A list of persons eligible to vote in each precinct at that election  
4 shall be prepared from the official registration list.

5 \* Sec. 17. AS 15.07.130(b) is amended to read:

6 (b) When a registered voter has not re-registered or has not  
7 indicated in writing a desire to remain registered as provided in this  
8 subsection within the preceding two years or has not voted in [EITHER] a  
9 local, regional school board, primary, special or general election at  
10 least once in two [FOUR] consecutive calendar years, the voter shall be  
11 advised by mail sent to his last known address that his registration  
12 will be cancelled unless he indicates within 90 days on forms furnished  
13 by the director [LIEUTENANT GOVERNOR] his desire to remain registered.

14 \* Sec. 18. AS 15.07.130(c) is amended to read:

15 (c) The director [LIEUTENANT GOVERNOR] shall obtain from the  
16 office of vital statistics a certified list of [DEATH CERTIFICATES AND  
17 PRESUMPTIVE DEATH CERTIFICATES FOR] all residents over 18 years of age  
18 who have died or who have been presumptively declared dead. The  
19 director [LIEUTENANT GOVERNOR] shall cancel the registration of all  
20 deceased voters.

21 \* Sec. 19. AS 15.07.130 is amended by adding new subsections to read:

22 (d) The director shall make reasonable efforts to obtain the names  
23 of persons convicted of a felony involving moral turpitude. The direc-  
24 tor shall also make reasonable efforts to obtain the names of persons  
25 unconditionally discharged from custody. The director shall suspend the  
26 registration of a person convicted of a felony involving moral turpitude  
27 until the person is unconditionally discharged from custody.

28 (e) Within 60 days after each election held in a municipality, the  
29 municipal clerk shall certify and send to the director the official

1 registration list containing the names, residence addresses, and voter  
2 state numbers of all persons voting in each precinct in that election.  
3 The names of the persons who voted in the municipal election shall be  
4 indicated on the official registration list sent to the director by the  
5 municipal clerk.

6 \* Sec. 20. AS 15.07.140 is amended to read:

7 Sec. 15.07.140. GENERAL ADMINISTRATIVE SUPERVISION BY DIRECTOR  
8 [LIEUTENANT GOVERNOR]. The director [LIEUTENANT GOVERNOR] shall provide  
9 general administrative supervision over the registration and re-  
10 registration of voters [AND MAY ISSUE REGULATIONS UNDER THE ADMINISTRA-  
11 TIVE PROCEDURE ACT (AS 44.62) NECESSARY TO PROTECT THE INTEREST OF THE  
12 VOTER AND ASSURE ADMINISTRATIVE EFFICIENCY; HOWEVER, THE LIEUTENANT  
13 GOVERNOR MAY NOT ISSUE OR PROMULGATE ADMINISTRATIVE REGULATIONS WHICH  
14 ARE INCONSISTENT WITH THE PROVISIONS OF THIS CHAPTER]. The director  
15 [LIEUTENANT GOVERNOR] shall, no later than 40 days before any [PRIMARY  
16 OR GENERAL] election, arrange to have the list of registered voters of  
17 the precinct publicly displayed [IN THE PRECINCT]. The director [LIEU-  
18 TENANT GOVERNOR] shall instruct registration officials to post the list  
19 of registered voters in a number of locations calculated to obtain  
20 maximum recognition. Upon request by the mayor or [CITY] manager of a  
21 municipality [OR A BOROUGH CHAIRMAN] the director [LIEUTENANT GOVERNOR]  
22 shall furnish registration information for all precincts all or part of  
23 which are within the boundaries of the local government unit.

24 \* Sec. 21. AS 15.07.200 is amended to read:

25 Sec. 15.07.200. REGISTRATION SUPERVISION. The registration pro-  
26 gram is under the supervision of the director [LIEUTENANT GOVERNOR] in  
27 accordance with AS 15.10.110.

28 \* Sec. 22. AS 15.10.020 is amended to read:

29 Sec. 15.10.020. PRECINCT BOUNDARIES AND POLLING PLACES MODIFIED BY

1        DIRECTOR [LIEUTENANT GOVERNOR]. The director [LIEUTENANT GOVERNOR]  
2 shall have the exclusive power to modify the boundary of a precinct and  
3 to establish or abolish a precinct and polling place in the state by  
4 regulations [RULES] adopted under the Administrative Procedure Act  
5 (AS 44.62).

6 \* Sec. 23. AS 15.10.030 is amended to read:

7            Sec. 15.10.030. UNIFORM PRECINCT BOUNDARIES REQUIRED FOR STATE AND  
8 LOCAL ELECTIONS. The precinct boundaries established by the director  
9 [LIEUTENANT GOVERNOR] shall be the boundaries for both state and local  
10 elections. The director [LIEUTENANT GOVERNOR] by regulation pursuant to  
11 the provisions of the Administrative Procedure Act (AS 44.62) may autho-  
12 rize the combining, consolidation, or altering of precinct boundaries  
13 for local elections.

14 \* Sec. 24. AS 15.10.050 is amended to read:

15            Sec. 15.10.050. GENERAL DUTY AND STANDARD FOR PRECINCT BOUNDARY  
16 MODIFICATION. The director [LIEUTENANT GOVERNOR] shall modify the  
17 boundary of a precinct, and shall establish or abolish a precinct if the  
18 action serves the convenience of the voters and assures the efficient  
19 administration of election laws.

20 \* Sec. 25. AS 15.10.080 is amended to read:

21            Sec. 15.10.080. DATES FOR DESIGNATING PRECINCT BOUNDARY. The  
22 director [LIEUTENANT GOVERNOR] shall designate boundaries of an election  
23 precinct which has been established or modified, not later than 40 days  
24 before an election.

25 \* Sec. 26. AS 15.10.090 is amended to read:

26            Sec. 15.10.090. NOTICE OF PRECINCT BOUNDARY DESIGNATION AND MODI-  
27 FICATION. The director [LIEUTENANT GOVERNOR] shall give full public  
28 notice when precinct boundaries are designated and when the boundaries  
29 of a precinct are modified or when a precinct is established or abol-

1       ished. Public notice shall include, but is not limited to, the publica-  
2       tion on three different days in a daily newspaper of general circula-  
3       tion, if such a newspaper is published in the election district where  
4       the precinct is located, [AND] by posting written notice in three con-  
5       spicuous places in the designated precinct, and by notification to  
6       appropriate municipal clerks.

7       \* Sec. 27. AS 15.10.100 is amended to read:

8               Sec. 15.10.100. JUDICIAL REVIEW OF PRECINCT BOUNDARY. Any person  
9       aggrieved by a determination of precinct boundaries by the director  
10       [LIEUTENANT GOVERNOR] may bring a civil action to have the determination  
11       reviewed in the superior court. If the action receives final determina-  
12       tion within 15 days before the election, the director [LIEUTENANT GOVER-  
13       NOR] shall not make the required modification in precinct boundaries  
14       until immediately after the election.

15       \* Sec. 28. AS 15.10.105(a) is amended to read:

16               Sec. 15.10.105. ADMINISTRATION [APPOINTMENT OF DIRECTOR] OF ELEC-  
17       TIONS. (a) The lieutenant governor shall control and supervise the  
18       division of elections. The lieutenant governor shall appoint a director  
19       of elections. The director shall [TO] act for him in the supervision of  
20       central and regional election offices, the employment and training of  
21       election personnel, and the administration of all state elections as  
22       well as those municipal elections which the state is required to con-  
23       duct. The director serves at the pleasure of the lieutenant governor  
24       [OF ELECTIONS SHALL ALSO ASSIST THE LIEUTENANT GOVERNOR IN THE ADMINIS-  
25       TRATION OF THE VOTER REGISTRATION PROGRAM AND THE MODIFICATION OF PRE-  
26       CINCT BOUNDARIES].

27       \* Sec. 29. AS 15.10.107 is amended to read:

28               Sec. 15.10.107. STAFF TRAINING. The director [LIEUTENANT GOVER-  
29       NOR] shall, [AT LEAST ANNUALLY, AND IN ANY EVENT NOT LATER THAN 30 DAYS]

1 before each primary [AND GENERAL] election in even-numbered years,  
2 provide for a comprehensive training program for election officials,  
3 both the full-time members of the staff of the division of elections and  
4 those who are appointed as election board judges, clerks and counters  
5 under AS 15.10.120 - 15.10.150 and other temporary election employees.

6 \* Sec. 30. AS 15.10.110 is amended to read:

7 Sec. 15.10.110. APPOINTMENT OF ELECTION SUPERVISORS. The director  
8 [LIEUTENANT GOVERNOR] shall appoint election supervisors, including one  
9 in each of the municipalities of Juneau, Anchorage, Fairbanks and Nome,  
10 to assist in the administration of elections in the election districts  
11 designated by the director [LIEUTENANT GOVERNOR]. The director [LIEU-  
12 TENANT GOVERNOR] may appoint as an election supervisor a person who is a  
13 qualified voter in the area over which he has jurisdiction and who does  
14 not hold an office in a political party. An election supervisor is  
15 entitled to receive compensation in an amount that is comparable to that  
16 received for similar state employment as determined by the director  
17 [LIEUTENANT GOVERNOR].

18 \* Sec. 31. AS 15.10.120 is amended to read:

19 Sec. 15.10.120. APPOINTMENT OF ELECTION BOARD. The election  
20 supervisors shall appoint within their district an election board,  
21 composed of three judges, for each precinct from among the qualified  
22 voters of each of the precincts for which they are appointed. One judge  
23 shall be designated chairman and be primarily responsible for the ad-  
24 ministration of the election in the precinct. If no clerks are ap-  
25 pointed for the precinct, the other two judges shall perform the duties  
26 of clerks of the election. No more than two judges may be of the same  
27 political party. When appointments to the election board have been  
28 accepted, the election supervisor shall notify the director [LIEUTENANT  
29 GOVERNOR] of the name and full local mailing address of the designated

1 chairman and other judges of the election board in each precinct.

2 Election boards in local government unit elections shall be appointed by  
3 the appropriate local government unit for all local elections.

4 \* Sec. 32. AS 15.10.140 is amended to read:

5 Sec. 15.10.140. APPOINTMENT OF COUNTERS. The chairman of the  
6 election board may appoint a team of counters to assist with the count-  
7 ing of the ballots in each precinct where the election supervisor con-  
8 siders it necessary. The appointments may be made from among the quali-  
9 fied voters in the precincts in which they reside, and may be made at  
10 any time before the completion of the precinct count [CLOSE OF THE  
11 PRECINCT CANVASS]. There shall be four counters on each counting team,  
12 no more than two of whom may be of the same political party.

13 \* Sec. 33. AS 15.10.170 is amended to read:

14 Sec. 15.10.170. APPOINTMENT AND PRIVILEGES OF WATCHERS. The  
15 precinct party committee, where an organized precinct committee exists,  
16 or the district party committee where no organized precinct committee  
17 exists, or the state party chairman where neither precinct nor district  
18 committee exists, may appoint one or more persons as watchers in each  
19 precinct and counting center for any election. Each candidate not  
20 representing a political party may appoint one or more watchers for each  
21 precinct or counting center in his respective district or the state for  
22 any election. Any organization or organized group that sponsors or  
23 opposes an initiative, referendum or recall may have one or more persons  
24 as watchers at the polls and counting centers after first obtaining  
25 authorization from the director [LIEUTENANT GOVERNOR]. No state party  
26 chairman, no precinct party committee, no district committee or candi-  
27 date not representing a political party or organization or organized  
28 group may have more than one watcher on duty at a time in any precinct  
29 or counting center. The watcher may be present at a position inside the

1 place of voting or counting which affords a full view of all action of  
2 the election board and other counters taken from the time the polls are  
3 opened until the ballots are finally counted and the results certified  
4 by the election board or the Data Processing Review Board. The election  
5 board or the Data Processing Review Board may require each watcher to  
6 present written proof showing that he is the watcher appointed by the  
7 precinct party committee, the district party committee, the organization  
8 or organized group or the candidate he represents which is signed by the  
9 chairman of the precinct party committee, the district party committee,  
10 the state party chairman, the organization or organized group or the  
11 candidate representing no party. [THE LIEUTENANT GOVERNOR MAY PRESCRIBE  
12 REGULATIONS GOVERNING THE CONDUCT OF WATCHERS TO ASSURE THE PRIVILEGES  
13 OF THE WATCHERS AND THE PROPER CONDUCT OF THE ELECTION.]

14 \* Sec. 34. AS 15.10.180 is amended to read:

15       Sec. 15.10.180. APPOINTMENT OF PARTY REPRESENTATIVES FOR STATE  
16 CANVASS. The director [LIEUTENANT GOVERNOR] shall appoint two persons  
17 from each political party to participate in the canvassing of the vote.  
18 Each person who is appointed and serves is entitled to [THE SAME RATE  
19 OF] compensation as provided in AS 15.15.380 [PAID ELECTION JUDGES].  
20 Each political party may present to the director [LIEUTENANT GOVERNOR] a  
21 list of three or more names from which he shall select the persons to  
22 represent the party. The list of names may be submitted in writing at  
23 least 30 days before the date of the election. The persons to represent  
24 the party on the canvassing board may be selected by the state party  
25 central committee or in any other manner prescribed by the bylaws of the  
26 party. The list of names shall be certified by the chairman of the  
27 state central committee of the party or by the person authorized by the  
28 party bylaws to act in the absence of the chairman.

29 \* Sec. 35. AS 15.15.010 is amended to read:

1           Sec. 15.15.010. GENERAL ADMINISTRATIVE SUPERVISION BY DIRECTOR  
2 [LIEUTENANT GOVERNOR]. The director [LIEUTENANT GOVERNOR] shall provide  
3 general administrative supervision over the conduct of state elections,  
4 and may issue [ANY] regulations under the Administrative Procedure Act  
5 (AS 44.62) necessary for the administration of state elections [TO  
6 PROTECT THE INTEREST OF THE VOTER AND ASSURE ADMINISTRATIVE EFFICIENCY.  
7 WHEN THE LIEUTENANT GOVERNOR IS ADMINISTERING A BOROUGH OR SPECIAL  
8 ELECTION, HE MAY ISSUE REGULATIONS UNDER AS 44.62 CHANGING THE TIME  
9 REQUIRED FOR NOTICES OF ELECTION, APPOINTMENT OF ELECTION OFFICIALS,  
10 ABSENTEE VOTING, CANVASS OF THE VOTE, AND ELECTION RECOUNTS].

11 \* Sec. 36. AS 15.15.030 is amended to read:

12           Sec. 15.15.030. PREPARATION OF OFFICIAL BALLOT. The director  
13 [LIEUTENANT GOVERNOR] shall prepare all official ballots to facilitate  
14 fairness, simplicity, and clarity in the voting procedure, to reflect  
15 most accurately the intent of the voter, and to expedite the administra-  
16 tion of elections. The following directives shall be followed when  
17 applicable.

18           (1) The director [LIEUTENANT GOVERNOR] shall determine the  
19 size of the ballot, the type of print, necessary additional instruction  
20 notes to voters, and other similar matters of form not provided by law.

21           (2) The director [LIEUTENANT GOVERNOR] shall number ballots  
22 in series to assure simplicity and secrecy and to prevent fraud.

23           (3) The director [LIEUTENANT GOVERNOR] may contract for the  
24 preparation of the ballots on a regional basis if necessary and may  
25 contract for the preparation of ballots without obtaining competitive  
26 bids.

27           (4) The director [LIEUTENANT GOVERNOR] may not include on the  
28 ballot as a part of a candidate's name, any honorary or assumed title or  
29 prefix but may include in the candidate's name any nickname or familiar

1 form of a proper name of the candidate.

2 (5) The state general election ballot shall be printed on  
3 white paper with the names of the candidates and their party designa-  
4 tions placed in separate sections under the office designation to which  
5 they were nominated. The party affiliation, if any, shall be designated  
6 after the name of the candidate. The lieutenant governor and the gover-  
7 nor shall be included under the same section. Provision shall be made  
8 for voting for write-in and no-party candidates within each section.  
9 The squares appearing on the ballots shall measure 1/4 inch on each  
10 side.

11 (6) The general election ballot shall be designed with the  
12 position of names of the candidates changed in each section as many  
13 times as there are candidates in the section in which there are the most  
14 names. As nearly as possible, an equal number of ballots shall be  
15 printed after each change. In making the changes of position, the name  
16 of the candidate at the head of each section shall be taken and placed  
17 at the bottom of the section and the column moved up so that the name  
18 that before was second is first after the change. After the ballots are  
19 printed, they shall be placed in separate stacks, one stack for each  
20 change of position. The ballots shall then be gathered by taking one  
21 from each stack, the intention being that every other ballot in the  
22 accumulated stack of ballots shall have the names of the candidates in a  
23 different position.

24 (7) The general election ballot shall be designed with the  
25 names of candidates of each political party for the office of President  
26 and Vice-President of the United States placed in the same section on  
27 the ballot rather than the names of electors of President and Vice-  
28 President.

29 (8) The general or special election ballot shall be designed

1 with the title and proposition for any initiative, referendum, or con-  
2 stitutional amendment formulated as prescribed by law and placed on the  
3 ballot in the manner prescribed by the director [LIEUTENANT GOVERNOR].  
4 When placed on the ballot, a state ballot proposition or ballot question  
5 shall carry the number which was assigned to the petition for the propo-  
6 sition or question. Provision shall be made for marking the proposition  
7 "For" or "Against."

8 (9) The general or special election ballot shall be designed  
9 with the question of whether a constitutional convention shall be called  
10 placed on the ballot in the following manner. "Shall there be a consti-  
11 tutional convention?" Provision shall be made for marking the question  
12 "Yes" or "No."

13 (10) A separate nonpartisan judicial ballot shall be designed  
14 for each judicial district in which a justice or judge is seeking to  
15 succeed himself. The ballot shall be divided into three parts and each  
16 part shall bear a heading indicating the court to which the candidate is  
17 seeking approval. Within each part the question of whether the justice  
18 or judge shall be approved or rejected shall be set out in substantially  
19 the following manner: (A) "Shall ..... be retained as justice of the  
20 supreme court for 10 years?"; (B) "Shall ..... be retained as judge  
21 of the superior court for six years?"; or (C) "Shall ..... be re-  
22 tained as judge of the district court for four years?" Provision shall  
23 be made for marking each question "Yes" or "No."

24 (11) When the legislature by law authorizes a state debt for  
25 capital improvements, the director [LIEUTENANT GOVERNOR] shall place the  
26 question of whether the specific authorization shall be ratified by  
27 placing the ballot title and question on the next general election  
28 ballot, or on the special election ballot if a special election is held  
29 for the purpose of ratifying the state debt for capital improvements

1 before the time of the next general election. Unless specifically  
2 provided otherwise in the Act authorizing the debt, the ballot title  
3 shall, by the use of a few words in a succinct manner, indicate the  
4 general subject of the act. The question shall, by the use of a few  
5 sentences in a succinct manner, give a true and impartial summary of the  
6 Act authorizing the state debt. The question of whether state debt  
7 shall be contracted shall be assigned a letter of the alphabet on the  
8 ballot. Provision shall be made for marking the question substantially  
9 as follows: "Bonds ..... Yes" or "Bonds ..... No," followed by an  
10 appropriate square.

11 (12) (repealed)

12 (13) The director [LIEUTENANT GOVERNOR] may provide for the  
13 use of punch-card voting in state elections in any area where data  
14 processing equipment is available.

15 \* Sec. 37. AS 15.15.035 is amended to read:

16 Sec. 15.15.035. PRINTING OF BALLOTS AND OTHER MATERIAL. The  
17 director [LIEUTENANT GOVERNOR] may not be required to do business with a  
18 printing company while the company is involved in a labor dispute.

19 \* Sec. 38. AS 15.15.040 is amended to read:

20 Sec. 15.15.040. PREPARATION OF OTHER ELECTION MATERIALS. (a) The  
21 director [LIEUTENANT GOVERNOR] shall prescribe the form of and prepare  
22 tinted sample ballots [, THE ORIGINAL AND DUPLICATE REGISTERS, OATHS OF  
23 OFFICE OF JUDGES, CHALLENGE OATHS, TALLY SHEETS, INSTRUCTIONS TO VOTERS,  
24 WARNING NOTICES] and all other materials, forms and supplies required  
25 for the election.

26 (b) The director [LIEUTENANT GOVERNOR] shall prepare and issue or  
27 make available with each sample ballot for a special election the state-  
28 ment provided for in AS 24.30.037 of the scope of each project included  
29 in a proposed general obligation bond issue creating a state debt for

1 capital improvements that is submitted to the electorate for ratifica-  
2 tion under AS 15.15.030(11). The statement of scope for each project  
3 shall be the same statement included in the authorization bill. When a  
4 ballot proposition is submitted to the voters at a primary or a special  
5 election, a statement the same as that provided for in the election  
6 pamphlet under AS 15.58.020(6) [15.57.010(2)] shall be made available  
7 with each sample ballot.

8 \* Sec. 39. AS 15.15.050 is amended to read:

9 Sec. 15.15.050. DISTRIBUTION OF ELECTION MATERIALS. The director  
10 [LIEUTENANT GOVERNOR] shall distribute an adequate supply of sample and  
11 official ballots [, ORIGINAL REGISTERS, DUPLICATE REGISTERS, OATHS,] and  
12 all other materials, forms and supplies required for the election to the  
13 election supervisors for distribution to chairmen of election boards in  
14 precincts not less than 25 days before the date for the election.

15 \* Sec. 40. AS 15.15.060 is amended to read:

16 Sec. 15.15.060. PROCUREMENT OF POLLING PLACES AND OTHER SUPPLIES.  
17 (a) Immediately following the appointment of the election board, the  
18 election supervisor in conjunction with the election board chairman  
19 shall secure polling places for holding the election, [INCLUDING AL-  
20 TERNATE EMERGENCY LOCATIONS,] suitable ballot boxes which will assure  
21 security and an adequate number of voting booths or screens, national  
22 flags, pens, and pencils. Not less than one voting booth or screen  
23 shall be furnished for each 100 votes or fractional part of 100 votes  
24 cast in the previous election.

25 (b) The director [LIEUTENANT GOVERNOR] may issue rules prescribing  
26 the type of polling place for holding the election and the requirements  
27 regarding ballot boxes, voting booths, screens, national flags, and  
28 other supplies to assure administrative economy and to protect the  
29 secrecy of the ballot.

1           (c) The director [STATE, THROUGH THE OFFICE OF LIEUTENANT GOVER-  
2 NOR,] shall pay the cost of necessary election expenses incurred in  
3 securing a place for holding the election, a suitable ballot box, and an  
4 adequate number of voting booths, screens, national flags, and other  
5 supplies. The national flag shall be displayed over or near the en-  
6 trance of each polling place.

7           (d) When the director determines that there is an area in the  
8 state where a voter may be confused as to his correct precinct polling  
9 place, the director shall provide each polling place in that area with  
10 maps and materials which indicate election district boundaries, precinct  
11 boundaries, and polling places.

12 \* Sec. 41. AS 15.15.070(a) is amended to read:

13           (a) The director [LIEUTENANT GOVERNOR] shall give and is autho-  
14 rized to contract to give full public notice of the election. He may  
15 select a manner reasonably calculated to give actual knowledge of the  
16 election to the voters.

17 \* Sec. 42. AS 15.15.070(e) is amended to read:

18           (e) The director [LIEUTENANT GOVERNOR] may have a precinct map of  
19 a densely populated precinct published in a newspaper of general circu-  
20 lation if need for the map is established.

21 \* Sec. 43. AS 15.15.070(f) is amended to read:

22           (f) Additional notice shall be given of all bond issues, initia-  
23 tives, referendums and propositions by use of newspapers, television,  
24 radio, printed posters, maps, and similar means of communication con-  
25 sidered necessary. The director [LIEUTENANT GOVERNOR] may not be re-  
26 quired to post or publish notices except those provided for in this  
27 section.

28 \* Sec. 44. AS 15.15.070(g) is amended to read:

29           (g) The director [STATE, THROUGH THE OFFICE OF THE LIEUTENANT

1 GOVERNOR,] shall pay the cost of election expenses incurred in giving  
2 notice of an election.

3 \* Sec. 45. AS 15.15.090 is amended to read:

4 Sec. 15.15.090. DESIGNATION OF PRECINCT POLLING PLACE. The polling  
5 place shall be located within the precinct unless the election super-  
6 visor and the election board chairman determine that a building located  
7 in an adjoining precinct is more suitable or convenient to the voters.

8 \* Sec. 46. AS 15.15.120 is amended to read:

9 Sec. 15.15.120. FILLING VACANCIES IN ELECTION BOARD. If an  
10 appointed judge or clerk fails to appear and subscribe to the oath on  
11 election day or becomes incapacitated during the time of the election or  
12 the counting of the ballots [CANVASS], the election board members  
13 present shall elect, by a majority voice vote, a qualified voter to fill  
14 the vacancy. The qualified voter elected to fill the vacancy shall be  
15 of the same political party as the person for whom the substitution is  
16 made.

17 \* Sec. 47. AS 15.15.140 is amended to read:

18 Sec. 15.15.140. PERMITTED USE OF UNOFFICIAL BALLOTS. If no offi-  
19 cial ballots or election supplies are received, or if an insufficient  
20 number of either are received, or if either have been destroyed or lost,  
21 the election board shall provide, and the voters may use, unmarked  
22 substitute ballots and other election materials to indicate the intent  
23 of the voter. The election board shall certify to the facts which  
24 prevented the use of the official ballots and materials and shall in-  
25 clude the certificate in the election returns to the director [LIEU-  
26 TENANT GOVERNOR]. The initial failure to certify to the facts, or  
27 include the certificate as required, does not invalidate any ballots.  
28 Upon disclosure that unofficial ballots have been used without a certi-  
29 fication as required, the director [LIEUTENANT GOVERNOR] shall notify

1 the chairman of the election board by telephone or telegraph of his  
2 failure to properly certify the ballots. The director [LIEUTENANT  
3 GOVERNOR] may accept the required certificate made by telegraph and  
4 count the ballots if the certificate is proper and actually delivered to  
5 the director [LIEUTENANT GOVERNOR] within 10 days of the date that the  
6 chairman of the election board was notified.

7 \* Sec. 48. AS 15.15.170 is amended to read:

8 Sec. 15.15.170. PROHIBITION OF POLITICAL PERSUASION NEAR ELECTION  
9 POLLS. During the hours the polls are open, no person who is in the  
10 polling place or within 100 feet of any entrance to the polling place,  
11 may attempt to persuade a person to vote for or against a candidate,  
12 proposition or question. The election judges shall post warning notices  
13 at the required distance in the form and manner prescribed by the  
14 director [LIEUTENANT GOVERNOR].

15 \* Sec. 49. AS 15.15.180 is amended to read:

16 Sec. 15.15.180. KEEPING OF [ORIGINAL] REGISTER. The judges shall  
17 keep a [AN ORIGINAL] register or registers in which each voter before  
18 receiving his ballot shall sign his name and give both his resident and  
19 mailing address. A record shall be kept in the registration book in  
20 space provided of the name of persons who offer to vote but who actually  
21 do not vote, and a brief statement of explanation. The signing of the  
22 register constitutes a declaration by the voter that he is qualified to  
23 vote.

24 \* Sec. 50. AS 15.15 is amended by adding new sections to read:

25 Sec. 15.15.195. VOTERS ON OFFICIAL REGISTRATION LIST. An election  
26 judge in a precinct shall allow a voter on the official registration  
27 list to vote in the precinct unless the voter is questioned in accord-  
28 ance with AS 15.15.213.

29 Sec. 15.15.198. VOTERS NOT ON OFFICIAL REGISTRATION LIST. (a) If

1 a voter's name does not appear on the official registration list in the  
2 precinct in which he seeks to vote, he shall be allowed to vote a  
3 questioned ballot.

4 (b) A person whose registration has been cancelled under AS 15.-  
5 07.130(b) and who votes a questioned ballot shall have the ballot  
6 counted if he has voted in a local, regional school board, primary or  
7 general election within four years of the casting of the questioned bal-  
8 lot, if he signs under oath a statement to that effect and if the  
9 earlier vote is verified by the director.

10 \* Sec. 51. AS 15.15.213 is amended to read:

11 Sec. 15.15.213. QUESTIONING A VOTER'S BALLOT. If his qualifica-  
12 tions are [POLLING PLACE IS] in question a voter shall be allowed to  
13 vote [, AND ANY ELECTION OFFICIAL SHALL CONSIDER THE BALLOT AS] a ques-  
14 tioned ballot.

15 \* Sec. 52. AS 15.15.215 is amended to read:

16 Sec. 15.15.215. DISPOSITION OF [CHALLENGED AND] QUESTIONED VOTES.  
17 [(a)] A [CHALLENGED] voter [OR ONE] who casts a questioned ballot shall  
18 vote his ballot in the same manner as prescribed for other voters [EX-  
19 CEPT THAT HE SHALL USE A PAPER BALLOT]. After the election judge re-  
20 moves the numbered stub [IDENTIFICATION NUMBER] from the ballot, the  
21 [CHALLENGED] voter shall insert the ballot into a small [BLANK] enve-  
22 lope, seal it and put the sealed small envelope into a larger envelope  
23 on which the statement [OATH AND AFFIDAVIT] he previously signed is  
24 located. [AFTER THE ELECTION JUDGE REMOVES THE IDENTIFICATION NUMBER  
25 FROM THE BALLOT, THE VOTER WHO CASTS A QUESTIONED BALLOT SHALL INSERT  
26 THE BALLOT INTO A SMALL BLANK ENVELOPE, SEAL IT, AND PUT THE ENVELOPE  
27 INTO A LARGER ENVELOPE ON WHICH THE INFORMATION CONCERNING THAT VOTER'S  
28 RESIDENCE IS LOCATED.] These larger envelopes shall be sealed and  
29 deposited in the ballot box [ALONG WITH THEIR RESPECTIVE ATTACHED STATE-

1 MENTS OF ASSERTED INVALIDITY]. [ALL ENVELOPES SHALL BE COUNTED AND  
2 COMPARED TO THE VOTING LIST BEFORE LEAVING THE PLACE OF POLLING AND UPON  
3 RECEIPT BY THE OFFICIAL OR BODY SUPERVISING THE ELECTION.] When the  
4 ballot box is opened, these envelopes shall be segregated, counted,  
5 compared to the voting list, and delivered to the official or body  
6 supervising the election. The merits of the [CHALLENGE OR] question  
7 shall be determined by this official or body in accordance with the  
8 procedure prescribed for questioned [CHALLENGED ABSENTEE] votes in  
9 AS 15.20.207 [15.20.210].

10 [(b) A PERSON WHO FRIVOLOUSLY, MALICIOUSLY OR IN BAD FAITH CHAL-  
11 LENGES A VOTER OR QUESTIONS HIS BALLOT IS GUILTY OF A MISDEMEANOR AND  
12 UPON CONVICTION SHALL BE IMPRISONED FOR NOT MORE THAN 30 DAYS OR FINED  
13 NOT MORE THAN \$100, OR BOTH.]

14 \* Sec. 53. AS 15.15.220 is amended to read:

15 Sec. 15.15.220. ADMINISTRATION OF OATHS. Any election judge may  
16 administer to a voter any oath that is necessary in the administration  
17 of the election.

18 \* Sec. 54. AS 15.15 is amended by adding a new section to read:

19 Sec. 15.15.225. VOTER IDENTIFICATION AT POLLS. (a) Before being  
20 allowed to vote, each voter shall exhibit to an election judge one form  
21 of identification, including but not limited to an official voter regis-  
22 tration card, driver's license, birth certificate, passport, or hunting  
23 or fishing license.

24 (b) An election judge may waive the identification requirement if  
25 he knows the identity of the voter.

26 (c) A voter who cannot exhibit a required form of identification  
27 shall be allowed to vote a questioned ballot.

28 \* Sec. 55. AS 15.15.230 is amended to read:

29 Sec. 15.15.230. PROVIDING BALLOT TO VOTER. When the voter has

1 qualified to vote, the election judge shall give him an official ballot.  
2 The voter shall retire to a booth or private place [SCREEN] to mark the  
3 ballot [FOR THE CANDIDATES OF HIS CHOICE].

4 \* Sec. 56. AS 15.15.240 is amended to read:

5 Sec. 15.15.240. ASSISTING VOTER BY JUDGE. A qualified voter who  
6 cannot read, mark the ballot, or sign his name may request an election  
7 [A] judge, a person, or not more than two persons of his choice to  
8 assist him. If the election judge is requested, he shall assist the  
9 voter. If any other person is requested, the person shall state upon  
10 oath before the election judge that he will not divulge the vote cast by  
11 the person whom he assists.

12 \* Sec. 57. AS 15.15.260 is amended to read:

13 Sec. 15.15.260. PLACING BALLOT IN BALLOT BOX BY VOTER. When the  
14 voter has marked his ballot, he shall inform the election judge. The  
15 director [LIEUTENANT GOVERNOR] may require that the voter return the  
16 ballot to the election judge temporarily so that any stub which may be  
17 part of the ballot may be removed by the election judge. Any such  
18 requirement shall protect the secrecy of the ballot. In all cases the  
19 ballot shall be deposited in the ballot box by the voter himself in the  
20 presence of the election judge unless the voter requests the election  
21 judge to deposit the ballot on his behalf. Separate ballot boxes may be  
22 used for separate ballots.

23 \* Sec. 58. AS 15.15.300 is amended to read:

24 Sec. 15.15.300. PROHIBITING THE COUNT OF EXHIBITED BALLOTS. No  
25 election official may allow a ballot to be placed [PLACE] in the ballot  
26 box which he knows [A BALLOT KNOWN] to have been unlawfully exhibited by  
27 the voter. A ballot unlawfully exhibited shall be destroyed [RETAINED  
28 AND PLACED WITH THE IMPROPERLY MARKED OR DAMAGED BALLOTS].

29 \* Sec. 59. AS 15.15.330 is amended to read:

1           Sec. 15.15.330. COMMENCEMENT OF BALLOT COUNT [CANVASS]. [COUNTING  
2 OF PAPER BALLOTS MAY BEGIN BEFORE THE POLLS ARE CLOSED IN PRECINCTS  
3 HAVING 300 OR MORE VOTERS AND DESIGNATED BY THE LIEUTENANT GOVERNOR;  
4 HOWEVER, COUNTING SHALL NOT IN ANY EVENT BEGIN BEFORE 2:00 P.M. PREVAIL-  
5 ING TIME AND UNLESS AT LEAST 100 VOTES HAVE BEEN CAST.] When [IN ALL  
6 OTHER PRECINCTS, WHEN] the polls are closed and the last vote has been  
7 cast, the election board and clerks or counters shall immediately  
8 proceed to open the ballot box and to count [AND CANVASS] the votes  
9 cast. In all cases the election board shall cause the count [CANVASS]  
10 to be continued without adjournment until the count [CANVASS] is  
11 complete.

12 \* Sec. 60. AS 15.15.340 is amended to read:

13           Sec. 15.15.340. REPORT, OATH AND VACANCIES OF COUNTERS. Counters  
14 shall report to the election board at the polls at the time designated  
15 by the election supervisor to assume their duties to assist the election  
16 board in counting [AND CANVASSING] the vote. Before undertaking the  
17 duties of office, each counter shall subscribe to an oath to honestly,  
18 faithfully, impartially, and promptly carry out the duties of his  
19 position. An election judge may administer the oath. If an appointed  
20 counter fails to appear and subscribe to the oath at the time designated  
21 by the election supervisor, the election board shall appoint any quali-  
22 fied voter to fill the vacancy.

23 \* Sec. 61. AS 15.15.350 is amended to read:

24           Sec. 15.15.350. GENERAL PROCEDURE FOR BALLOT COUNT [CANVASS]. (a)  
25 The director may [LIEUTENANT GOVERNOR SHALL] issue rules prescribing the  
26 manner in which the precinct ballot count [CANVASS] is accomplished so  
27 as to assure accuracy in the count and to expedite the process. The  
28 election board shall count the number of ballots in the ballot box and  
29 shall compare that number to the number of signatures in the register.

1 The board shall count the number of questioned ballots and shall compare  
2 that number to the number of signatures of questioned voters in the  
3 register. Discrepancies shall be noted and the numbers included in the  
4 certificate prescribed by AS 15.15.370. The certificate prescribed by  
5 AS 15.15.370 shall also include the number of official ballots received  
6 by the election board, and the number of unused and spoiled ballots.

7 The election board [OR COUNTING BOARD] shall count [CANVASS] the ballots  
8 in a manner that allows watchers to see the ballots when opened and  
9 read. No person handling the ballot after it has been taken from the  
10 ballot box and before it is placed in the envelope for mailing may have  
11 a marking device in hand or remove a ballot from the immediate vicinity  
12 of the polls [EXCEPT AS PROVIDED BY AS 15.15.330 FOR THE EARLY COUNTING  
13 OF BALLOTS, AND BY AS 15.20.680 FOR THE COUNTING OF PUNCH-CARD BALLOTS].  
14 The election board shall maintain a record of all destroyed and spoiled  
15 ballots.

16 (b) Ballots may not be counted before the day of the election.

17 \* Sec. 62. AS 15.15.360 is amended to read:

18 Sec. 15.15.360. RULES FOR COUNTING HAND-MARKED [DETERMINING MARK  
19 ON] BALLOTS. (a) The election board shall [CANVASS AND] count hand-  
20 marked ballots [THE VOTES] according to the following rules.

21 (1) A voter may mark his ballot only by the use of cross-  
22 marks, "X" marks, diagonal, horizontal or vertical marks, solid marks,  
23 stars, circles, asterisks, checks, or plus signs that are clearly spaced  
24 in the square opposite the name of the candidate the voter desires to  
25 designate.

26 (2) A failure to properly mark a ballot as to one or more  
27 candidates does not itself invalidate the entire ballot.

28 (3) If a voter marks fewer names than there are persons to be  
29 elected to the office, a vote shall be counted for each candidate prop-

1 erly marked.

2 (4) If a voter marks more names than there are persons to be  
3 elected to the office, the votes for candidates for that office shall  
4 not be counted.

5 (5) The mark specified in (1) of this subsection shall be  
6 counted only if it is substantially inside the square provided, or  
7 touching the square so as to indicate clearly that the voter intended  
8 the particular square to be designated.

9 (6) Improper marks on the ballot shall not be counted and  
10 shall not invalidate marks for candidates properly made.

11 (7) An erasure or correction invalidates only that section of  
12 the ballot in which it appears.

13 (8) A vote marked for the candidate for President or Vice  
14 President of the United States is considered and counted as a vote for  
15 the election of the presidential electors.

16 (9) Write-in votes are not invalidated by writing in the name  
17 of a candidate whose name is printed on the ballot unless the election  
18 board determines, on the basis of other evidence that the ballot was so  
19 marked for the purpose of identifying the ballot.

20 (10) Stickers bearing a candidate's name may be affixed to the  
21 ballot in place of writing in a candidate's name if write-in votes or  
22 ballots are otherwise permitted. Stickers shall not be issued by mem-  
23 bers of the election board while serving at the polls. Stickers shall  
24 not be offered to voters within 200 [100] feet of the polling place.

25 (11) In order to vote for a write-in candidate, the voter  
26 must write in the candidate's name in the space provided or place a  
27 sticker in the space and, in addition, mark the square opposite the  
28 candidate's name in accordance with (1) of this subsection.

29 (b) The rules set out in this section are mandatory and there

1 shall be no exceptions to them. A ballot may not be counted unless  
2 marked in compliance with these rules.

3 \* Sec. 63. AS 15.15 is amended by adding a new section to read:

4 Sec. 15.15.361. STICKERS. The director may adopt regulations  
5 under the Administrative Procedure Act (AS 44.62), governing the size,  
6 thickness, color and other characteristics of stickers and their use in  
7 elections.

8 \* Sec. 64. AS 15.15.370 is amended to read:

9 Sec. 15.15.370. COMPLETION OF BALLOT COUNT [CANVASS]. When the  
10 count of ballots [CANVASS] is completed, and in no event later than the  
11 day after the election, the election board [OR COUNTERS] shall make a  
12 certificate in duplicate of the results. The certificate includes the  
13 number of votes cast for each candidate, for and against each proposi-  
14 tion, yes or no on each question, and any additional information pre-  
15 scribed by the director [LIEUTENANT GOVERNOR]. The election board  
16 shall, immediately upon completion of the certificate or as soon there-  
17 after as the local mail service permits, send in one sealed package to  
18 the director [LIEUTENANT GOVERNOR] one copy of the certificate and [,]  
19 the original register [, ALL BALLOTS UNLAWFULLY EXHIBITED, PROPERLY  
20 IDENTIFIED, THE RECORD OF BALLOTS DESTROYED UNDER SEC. 250 OF THIS  
21 CHAPTER, AND ALL OATHS AND AFFIDAVITS]. In addition, all ballots  
22 properly cast shall be mailed to the director [LIEUTENANT GOVERNOR] in a  
23 separate, sealed package. Both packages, in addition to an address on  
24 the outside, shall clearly indicate the precinct from which they come.  
25 Each board shall, immediately upon completion of the certification and  
26 as soon thereafter as the local mail service permits, send the duplicate  
27 certificate and the duplicate register to its respective election  
28 supervisor. The director [LIEUTENANT GOVERNOR] may authorize election  
29 boards in precincts in those areas of the state where distance and

1 weather make mail communication unreliable to forward their election  
2 certificates by telephone telegram or radio. The director [LIEUTENANT  
3 GOVERNOR] may authorize the unofficial totaling [CANVASS] of votes on a  
4 regional basis by election supervisors, tallying the votes as indicated  
5 on duplicate certificates. To assure adequate protection the director  
6 [LIEUTENANT GOVERNOR] shall prescribe the manner in which the ballots,  
7 registers, and all other election records and materials are thereafter  
8 preserved, transferred, and destroyed.

9 \* Sec. 65. AS 15.15.380 is amended to read:

10 Sec. 15.15.380. PAYMENT OF ELECTION BOARD MEMBERS. The director  
11 [STATE, THROUGH THE OFFICE OF LIEUTENANT GOVERNOR,] shall pay each  
12 election board member [\$5 PER HOUR] for time spent at his election  
13 duties, including the receiving of instructions. Election board chair-  
14 men and the chairman and members of the absentee ballot, questioned  
15 ballot and state ballot counting review boards [CANVASS BOARD] shall be  
16 paid [\$5.50 AN HOUR] for time spent at their election duties. The  
17 director shall set the compensation to be paid under this section by  
18 regulation.

19 \* Sec. 66. AS 15.15.390 is amended to read:

20 Sec. 15.15.390. CERTIFYING ELECTION EXPENSES. The director [LIEU-  
21 TENANT GOVERNOR] shall prescribe the manner of certifying, auditing, and  
22 paying election expenses, including the cost of giving notice, renting  
23 polling places, paying election judges, clerks, and counters, securing a  
24 ballot box, postage, and stationery, and obtaining similar election  
25 necessities.

26 \* Sec. 67. AS 15.15.400 is amended to read:

27 Sec. 15.15.400. PREPARATION OF VOTER LIST. The director [LIEU-  
28 TENANT GOVERNOR] shall prepare both a statewide list and a list by  
29 precinct of the names and addresses of all persons who voted in the

1 election and their political party affiliation [IF THE PARTY AFFILIATION  
2 WAS SPECIFICALLY DECLARED BY THE VOTER]. Any person may obtain a copy  
3 of the list, or a part of the list, or a computer tape containing both  
4 residence and mailing addresses of voters, by applying to the director  
5 [LIEUTENANT GOVERNOR] and paying to the state treasury a fee as deter-  
6 mined by the director [LIEUTENANT GOVERNOR].

7 \* Sec. 68. AS 15.15.410 is amended to read:

8 Sec. 15.15.410. PLURAL VOTING. Upon a determination that a person  
9 has cast more than one general ballot, the director [LIEUTENANT GOVER-  
10 NOK] shall notify the attorney general to proceed to prosecute.

11 \* Sec. 69. AS 15.15.420 is amended to read:

12 Sec. 15.15.420. DUTY TO REVIEW THE BALLOT COUNTING [CANVASS VOTE].  
13 The director [LIEUTENANT GOVERNOR] shall review the counting of the  
14 ballots [CANVASS THE VOTE] with the assistance of and in the presence of  
15 the appointed representatives from the political parties.

16 \* Sec. 70. AS 15.15.430 is amended to read:

17 Sec. 15.15.430. SCOPE OF THE REVIEW OF BALLOT COUNTING [CANVASS].

18 (a) The review of ballot counting [CANVASS] by the director [LIEUTENANT  
19 GOVERNOR] shall include only

20 (1) a review and comparison of the tallies of hand-marked  
21 [PAPER] ballots in the election poll books with the precinct election  
22 certificates to correct any mathematical error in the count of hand-  
23 marked [PAPER] ballots,

24 (2) a review of the tallies of write-in ballots and a review  
25 [COMPARISON] of election certificates as provided by law from precincts  
26 using punch-card ballots [VOTING MACHINES],

27 (3) a review [THE CANVASS] of absentee and questioned ballots  
28 as prescribed by law.

29 (b) If the director [LIEUTENANT GOVERNOR] finds an unexplained

1 error in the tally of hand-marked [PAPER] ballots in any precinct  
2 election poll book, he may count the ballots from the precinct according  
3 to the rules set out in AS 15.15.360(a). If the director [LIEUTENANT  
4 GOVERNOR] finds the precinct counters have not entered tallies in the  
5 precinct tally books but have certified a candidate as having received a  
6 fixed number of votes, the director [LIEUTENANT GOVERNOR] may recount  
7 the ballots from that precinct according to the rules set out in  
8 AS 15.15.360(a). The director [LIEUTENANT GOVERNOR] shall certify in  
9 writing to the state ballot counting review [CANVASS] board any changes  
10 resulting from the count.

11 \* Sec. 71. AS 15.15.440 is amended to read:

12 Sec. 15.15.440. DATES FOR OPENING AND CLOSING STATE BALLOT COUNT-  
13 ING REVIEW [CANVASS]. The state ballot counting review [CANVASS] shall  
14 begin eight days after the election and be continued daily until  
15 completed. The director [LIEUTENANT GOVERNOR] may designate the hours  
16 each [A] day during which the state ballot counting review [CANVASS]  
17 board is to conduct its ballot counting review [CANVASS]. The director  
18 [LIEUTENANT GOVERNOR] shall close the review [CANVASS] when he is satis-  
19 fied that no missing precinct certificate of election would, if  
20 received, change the result of the election. If no election certificate  
21 has been received from a precinct, the director [LIEUTENANT GOVERNOR]  
22 may secure from the election supervisors and may count a certified copy  
23 of the duplicate election certificate of the precinct. If no election  
24 poll books have been received, but an authorized election certificate  
25 has been received by telegram or radio, the director [LIEUTENANT  
26 GOVERNOR] shall count the election certificate so received. If the  
27 director [LIEUTENANT GOVERNOR] has reason to believe that a missing  
28 precinct certificate, if received, would affect the result of the  
29 election, the director [LIEUTENANT GOVERNOR] shall await the receipt of

1 the certificate until four o'clock in the afternoon of the 15th day  
2 after the date of election. A certificate not actually delivered to the  
3 director [LIEUTENANT GOVERNOR] by four o'clock on the 15th day after the  
4 election shall not be counted at the state ballot counting review  
5 [CANVASS].

6 \* Sec. 72. AS 15.15.450 is amended to read:

7 Sec. 15.15.450. CERTIFICATION OF STATE BALLOT COUNTING REVIEW  
8 [CANVASS]. Upon completion of the state ballot counting review  
9 [CANVASS] the director [LIEUTENANT GOVERNOR] shall certify the person  
10 receiving the largest number of votes for the office for which he was a  
11 candidate as elected to that office and shall certify the approval of a  
12 justice or judge not rejected by a majority of the voters voting on the  
13 question. The director [LIEUTENANT GOVERNOR] shall issue to the elected  
14 candidates and approved justices and judges, a certificate of their  
15 election or approval. The director [LIEUTENANT GOVERNOR] shall also  
16 certify the results of a proposition and other question except that  
17 the lieutenant governor shall certify the results of an initiative,  
18 referendum or constitutional amendment.

19 \* Sec. 73. AS 15.15.460 is amended to read:

20 Sec. 15.15.460. TIE VOTES. If two or more candidates tie in  
21 having the highest number of votes for the same office for which there  
22 is to be elected only one candidate, the director [LIEUTENANT GOVERNOR]  
23 shall so notify the candidates who are tied. The director [LIEUTENANT  
24 GOVERNOR] shall immediately proceed with the recount of votes in the  
25 manner provided by AS 15.20.430 - 15.20.530.

26 \* Sec. 74. AS 15.15.470 is amended to read:

27 Sec. 15.15.470. PRESERVATION OF ELECTION BALLOTS, PAPERS, AND  
28 MATERIALS. The director [LIEUTENANT GOVERNOR] shall preserve all pre-  
29 cinct election certificates, tallies, and registers for four years after

1 the election. All ballots and stubs may be destroyed 30 days after the  
2 certification of the state ballot counting review [CANVASS] unless an  
3 application for recount has been filed and not completed, or unless  
4 their destruction is stayed by an order of the court. The director  
5 [LIEUTENANT GOVERNOR] may permit the inspection of election materials  
6 upon call by Congress, the state legislature, or a court of competent  
7 jurisdiction.

8 \* Sec. 75. AS 15.15 is amended by adding a new section to read:

9 Sec. 15.15.480. SECURITY OF BALLOTS. All official ballots in the  
10 possession of election officials, whether marked or unmarked, shall be  
11 kept in a secure manner until destroyed in accordance with law. The  
12 director shall provide for the security of ballots during transportation  
13 and storage under regulations adopted under the Administrative Procedure  
14 Act (AS 44.62).

15 \* Sec. 76. AS 15.20.010 is amended to read:

16 Sec. 15.20.010. PERSONS WHO MAY VOTE ABSENTEE. At any election a  
17 [A] qualified voter may vote an absentee ballot [AT ANY ELECTION] for  
18 the district in which he resides and is registered,

19 (1) if he believes that he will be unavoidably absent from  
20 his voting precinct on election day, whether inside the state or not, or

21 (2) if he will be unable to be present at the polls because  
22 of physical disability. [, OR]

23 (3) [IF HE BELIEVES HE WILL BE UNABLE TO BE PRESENT AT THE  
24 POLLS BECAUSE OF THE PHYSICAL INACCESSIBILITY OF THE POLLING PLACE  
25 CAUSING UNDUE TRAVEL EXPENSE, HARDSHIP, OR HAZARD TO THE VOTER.]

26 \* Sec. 77. AS 15.20.020 is amended to read:

27 Sec. 15.20.020. PROVISION FOR GENERAL ADMINISTRATIVE SUPERVISION.  
28 The director [LIEUTENANT GOVERNOR] shall provide general administrative  
29 supervision over the conduct of absentee voting [AND MAY ISSUE RULES

1 NECESSARY TO THE ADMINISTRATION OF ABSENTEE VOTING TO ASSURE EFFICIENCY  
2 AND ENCOURAGE VOTER PARTICIPATION]. The director [LIEUTENANT GOVERNOR]  
3 shall make available [ISSUE] instructions to absentee voters regarding  
4 the procedure for absentee voting. One set of instructions shall  
5 accompany each absentee ballot.

6 \* Sec. 78. AS 15.20.030 is amended to read:

7 Sec. 15.20.030. PREPARATION OF BALLOTS, ENVELOPES, AND OTHER  
8 MATERIAL. The director [LIEUTENANT GOVERNOR] shall provide hand-marked  
9 [THE PAPER] ballots [PREPARED] for use [AT THE POLLS] as [THE] absentee  
10 ballots in those districts which do not use punch-card ballots. The  
11 director [LIEUTENANT GOVERNOR] shall provide a small [BLANK] envelope in  
12 which the voter shall initially place the marked ballot, and shall  
13 provide a larger envelope, with the prescribed voter's certificate on  
14 the back, in which the small envelope with ballot enclosed shall be  
15 placed. The director [LIEUTENANT GOVERNOR] shall prescribe the form of  
16 and prepare the voter's certificate, envelopes, and other material used  
17 in absentee voting. The voter's certificate shall include an oath, for  
18 use when required, that the voter is a qualified voter in all respects,  
19 a blank for the voter's signature, a certification that the affiant  
20 properly executed the marking of the ballot and identified himself,  
21 blanks for the attesting official [WITNESSES], and a place for recording  
22 the date [AND TIME] the envelope was sealed and witnessed [DELIVERED].

23 \* Sec. 79. AS 15.20.040 is amended to read:

24 Sec. 15.20.040. DISTRIBUTION OF BALLOTS, ENVELOPES, AND OTHER  
25 MATERIAL. The director [LIEUTENANT GOVERNOR] shall distribute the  
26 absentee ballots, envelopes, and other absentee voting material to the  
27 election supervisors for redistribution to absentee voting [THE PROPER  
28 ELECTION] officials and absentee ballot stations established under  
29 as 15.20.045(b) before the date upon which a person may first apply for

1 an absentee ballot in person.

2 \* Sec. 80. AS 15.20.045 is amended to read:

3 Sec. 15.20.045. DESIGNATION OF MAGISTRATES AND OTHERS AS ELECTION  
4 OFFICIALS. (a) The director [LIEUTENANT GOVERNOR] or election super-  
5 visor may designate persons to act as absentee voting [ELECTION] offi-  
6 cials under AS 15.20.010 - 15.20.220 in areas where election supervisors  
7 do not have offices. Magistrates may, with the approval of the admini-  
8 strative director of the Alaska Court System, be designated under this  
9 section. At least 15 days before the election the director shall supply  
10 each absentee voting official with appropriate ballots.

11 (b) The director may designate by regulation adopted under the  
12 Administrative Procedure Act (AS 44.62) locations at which absentee  
13 voting stations will be operated on election day and on other dates and  
14 at times to be designated by the director. The director shall supply  
15 absentee voting stations with ballots for all election districts in the  
16 state and shall designate absentee voting officials to serve at absentee  
17 voting stations.

18 \* Sec. 81. AS 15.20 is amended by adding a new section to read:

19 Sec. 15.20.048. ABSENTEE VOTING IN OFFICES OF ELECTION SUPER-  
20 VISORS. At least 15 days before an election the director shall supply  
21 each election supervisor with ballots for all districts in the state to  
22 be used for absentee voting in that election. Absentee voting shall be  
23 conducted by election supervisors during regular office hours on the  
24 dates specified in AS 15.20.061 and in the offices of the election  
25 supervisors from 8:00 a.m. through 4:30 p.m. on the last two Saturdays  
26 before the election.

27 \* Sec. 82. AS 15.20.050 is amended to read:

28 Sec. 15.20.050. REQUIREMENT OF FULL PUBLIC NOTICE. The director  
29 [LIEUTENANT GOVERNOR] shall give full public notice of the dates and

1 manner of voting absentee and may select any means of communication  
2 permitted to be used in giving notice of the date and time of the gener-  
3 al election.

4 \* Sec. 83. AS 15.20 is amended by adding a new section to read:

5 Sec. 15.20.061. ABSENTEE VOTING IN PERSON. (a) A qualified voter  
6 may apply in person for an absentee ballot to the following election  
7 officials at the times specified:

8 (1) to an absentee voting official in the election district  
9 in which the voter resides on or after the 15th day before an election  
10 up to and including the day before the date of the election;

11 (2) to an election supervisor on or after the 15th day before  
12 an election up to and including the date of the election;

13 (3) to an absentee voting official at an absentee voting  
14 station designated under AS 15.20.045(b) at any time when the absentee  
15 voting station is operating.

16 (b) On receipt of an application in person for an absentee ballot  
17 and exhibition of proof of identification as required in AS 15.15.225,  
18 the absentee voting official or election supervisor shall issue the  
19 ballot to the applicant.

20 (c) On receipt of an absentee ballot in person, the voter shall  
21 proceed to mark the ballot in secret, to place the ballot in the small  
22 envelope, to place the small envelope in the larger envelope, and to  
23 sign the voter's certificate on the back of the larger envelope in the  
24 presence of the absentee voting official who shall sign as attesting  
25 official and date his signature. The absentee voting official shall  
26 then accept the ballot.

27 (d) The absentee voting official may not accept a marked ballot  
28 that has been exhibited by an absentee voter with intent to influence  
29 other voters. If the absentee voter improperly marks or otherwise

1 damages a ballot, the voter may request and the absentee voting official  
2 shall provide him with another ballot up to a maximum of three. Im-  
3 properly marked or damaged ballots shall be destroyed. The numbers of  
4 all ballots destroyed shall be noted on the registration lists.

5 (e) Each absentee voting official shall keep a register containing  
6 the names and signatures of voters who cast absentee ballots before him  
7 and the dates on which the ballots were cast.

8 \* Sec. 84. AS 15.20 is amended by adding new sections to read:

9 Sec. 15.20.071. ABSENTEE VOTING BY PERSONAL REPRESENTATIVE. (a) A  
10 qualified voter who is physically disabled may apply for an absentee  
11 ballot through a personal representative to the following election  
12 officials at the times specified:

13 (1) to an absentee voting official in the election district  
14 in which the voter resides on or after the 15th day before an election  
15 up to and including the day of the election;

16 (2) to an election supervisor on or after the 15th day before  
17 an election up to and including the date of the election;

18 (3) to an absentee voting official at an absentee voting  
19 station designated under AS 15.20.045(b) at a time when the absentee  
20 voting station is operating;

21 (4) to the election board chairman or his designee on elec-  
22 tion day in the precinct in which the voter is entitled to vote except  
23 that the voter may not apply to the election board chairman in an area  
24 in which absentee voting officials have been designated.

25 (b) Upon receipt of a written application by personal representa-  
26 tive, the election official authorized to issue the absentee ballot  
27 shall provide the ballot and other absentee voting material to the  
28 personal representative if the written application is signed by the  
29 applicant and is accompanied by a letter from a licensed physician or a

1 statement signed by two qualified voters stating that the applicant will  
2 be unable to go to the polling place because of physical disability.

3 (c) The personal representative shall deliver the absentee ballot  
4 to the voter as soon as practicable. Upon receipt of an absentee ballot  
5 through a personal representative, the voter shall proceed to mark the  
6 ballot in secret, to place the ballot in the small envelope, to place  
7 the small envelope in the larger envelope, and to sign the voter's  
8 certificate on the back of the envelope in the presence of the personal  
9 representative who shall sign as attesting witness and date his signa-  
10 ture. The voter shall then return the ballot to his personal represent-  
11 ative who shall deliver the ballot to the election official who provided  
12 the ballot. The ballot must be returned to the election official within  
13 three days from the date it is obtained but not later than 8:00 p.m.  
14 on election day.

15 (d) Each absentee voting official shall keep a register containing  
16 the name and signature of each personal representative requesting an  
17 absentee ballot and the name of the person on whose behalf the ballot is  
18 requested. The official shall record the date and time the ballot is  
19 provided and the time the ballot is returned.

20 (e) A candidate for office at that election may not act as a  
21 personal representative.

22 Sec. 15.20.081. ABSENTEE VOTING BY MAIL. (a) A qualified voter  
23 may apply by mail to the director for an absentee ballot. The applica-  
24 tion shall include the address to which the absentee ballot is to be  
25 returned, the applicant's full Alaska residence address, and the appli-  
26 cant's signature. Persons residing outside the United States and ap-  
27 plying to vote absentee in federal elections in accordance with AS 15.-  
28 05.011 need not include an Alaska residence address in the application.

29 (b) An application for an absentee ballot by mail must be post-

1 marked not more than six months nor less than seven days before the  
2 election for which the absentee ballot is sought.

3 (c) After receipt of an application by mail, the director shall  
4 send the absentee ballot and other absentee voting material to the  
5 applicant by the most expeditious mail service. The materials shall be  
6 sent as soon as they are ready for distribution. The return envelope  
7 sent with the materials shall be addressed to the election supervisor in  
8 the district in which the voter is a resident.

9 (d) Upon receipt of an absentee ballot by mail, the voter, in the  
10 presence of an election judge, notary public, commissioned officer of  
11 the armed forces including the National Guard, district judge or magis-  
12 trate, United States postal official, or other person qualified to  
13 administer oaths, may proceed to mark the ballot in secret, to place the  
14 ballot in the small envelope, to place the small envelope in the larger  
15 envelope, and to sign the voter's certificate on the back of the larger  
16 envelope in the presence of an official listed in this subsection who  
17 shall sign as attesting official and shall date his signature. If none  
18 of the officials listed in this subsection are reasonably accessible, an  
19 absentee voter shall have the ballot witnessed by two persons over the  
20 age of 18 years and, in addition, shall provide the certification pre-  
21 scribed in AS 09.65.012.

22 (e) An absentee ballot must be marked and attested on or before  
23 the date of the election. If the voter returns the ballot by mail, he  
24 shall use the most expeditious mail service and mail the ballot not  
25 later than the day of the election to the election supervisor in his  
26 election district. If the ballot is postmarked, it must be postmarked  
27 on or before election day.

28 (f) The director may require a voter casting an absentee ballot by  
29 mail to provide proof of identification or other information to aid in

1 the establishment of his identity as prescribed by regulations adopted  
2 under the Administrative Procedure Act (AS 44.62).

3 (g) The director shall maintain a register containing the name of  
4 each voter to whom an absentee ballot is sent by mail. The register  
5 must list the date on which the ballot is mailed and the date on which  
6 the ballot is received by the election supervisor and the dates on which  
7 the ballot was executed and postmarked.

8 \* Sec. 85. AS 15.20.170 is amended to read:

9 Sec. 15.20.170. DISPOSITION OF BALLOTS. Each absentee voting  
10 [ELECTION] official [WHO HAS BEEN DESIGNATED BY AN ELECTION SUPERVISOR  
11 OR THE LIEUTENANT GOVERNOR TO ISSUE ABSENTEE BALLOTS] shall transmit  
12 the stamped and dated envelopes containing the marked ballots [STAMP ON  
13 THE ENVELOPE CONTAINING THE OATH THE DATE ON WHICH THE BALLOT IS RE-  
14 CEIVED IN HIS OFFICE. ALL BALLOTS RECEIVED SHALL BE IMMEDIATELY TRANS-  
15 MITTED] by the most expeditious mail service to the election supervisor  
16 for his district. Upon receipt of the absentee ballots the election  
17 supervisor shall stamp on the envelope the date on which the ballot is  
18 received.

19 \* Sec. 86. AS 15.20.190 is amended to read:

20 Sec. 15.20.190. APPOINTMENT, DUTIES, AND COMPENSATION OF DISTRICT  
21 COUNTING BOARDS [CANVASSING BOARD]. (a) Thirty days prior to the date  
22 of an election, the election supervisors shall appoint, in the same  
23 manner provided for the appointment of election judges prescribed in  
24 AS 15.10.150, district absentee ballot counting [CANVASSING] boards  
25 and district questioned ballot counting boards, each composed of four  
26 members, two from each [MAJOR] political party. The district boards  
27 [BOARD] shall assist the election supervisors in counting [AND CANVASS-  
28 ING] the absentee and questioned ballots and shall receive the same  
29 compensation paid election judges under AS 15.15.380.

1           (b) The election supervisor shall appoint a counting team or  
2           teams to aid the district absentee ballot counting board in counting  
3           absentee ballots and the district questioned ballot counting board in  
4           counting questioned ballots. There shall be four counters on each  
5           counting team, no more than two of whom may be members of the same  
6           political party.

7 \* Sec. 87. AS 15.20 is amended by adding new sections to read:

8           Sec. 15.20.201. TIME OF DISTRICT ABSENTEE BALLOT COUNTING REVIEW.

9           (a) On the seventh day preceding the day of election, the election  
10          supervisor, in the presence and with the assistance of the district  
11          absentee ballot counting board, shall review all voter certificates of  
12          absentee ballots received by that date. The review of absentee ballots  
13          shall continue at times designated by the election supervisor until  
14          completed and shall include all absentee ballots received in the office  
15          of the election supervisor by 4:00 p.m. on the seventh day following the  
16          day of the election.

17          (b) Counting of absentee ballots which have been reviewed shall  
18          begin at 8:00 p.m. local time on the day of the election at places  
19          designated by each election supervisor and shall continue until all  
20          ballots reviewed and eligible for counting have been counted. The  
21          counting teams shall report the count of absentee ballots to the dis-  
22          trict absentee ballot counting board.

23          (c) On the eighth day following the day of the election, the  
24          district absentee ballot counting board shall certify the absentee  
25          ballot review.

26          (d) Absentee ballots received in the office of an election super-  
27          visor after the seventh day following the day of the election shall be  
28          forwarded immediately to the director by the most expeditious mail  
29          service.

1           Sec. 15.20.203. PROCEDURE FOR DISTRICT ABSENTEE BALLOT COUNTING  
2 REVIEW. (a) The district absentee ballot counting board shall  
3 examine each absentee ballot envelope and shall determine whether the  
4 absentee voter is qualified to vote at the election and whether the  
5 ballot has been properly cast.

6           (b) An absentee ballot may not be counted if

7                 (1) the voter is not registered in the election district for  
8 which the ballot is cast;

9                 (2) the voter has failed to properly execute the certificate;

10                (3) an official or the witnesses authorized by law to attest  
11 the voter's certificate fail to execute the certificate;

12                (4) the voter fails to enclose the marked ballot inside the  
13 small envelope;

14                (5) the ballot is not attested on or before the date of the  
15 election; or

16                (6) the ballot, if postmarked, is not postmarked on or before  
17 the date of the election.

18           (c) Any person present at the district absentee ballot counting  
19 review may challenge the name of an absentee voter when read from the  
20 voter's certificate on the back of the large envelope if he has good  
21 reason to suspect that the challenged voter is not qualified to vote, is  
22 disqualified, or has voted at the same election. The person making the  
23 challenge shall specify the basis of the challenge in writing. The  
24 district absentee ballot counting board by majority vote may refuse to  
25 accept and count the absentee ballot of a person properly challenged on  
26 grounds listed in (b) of this section.

27           (d) If an absentee ballot is rejected, the election supervisor  
28 shall send a copy of the statement of the challenge to the absentee  
29 voter. The election supervisor shall place all rejected absentee

1 ballots in a separate envelope with the statements of challenge. The  
2 envelope shall be labeled "rejected absentee ballots" and shall be  
3 forwarded to the director with the election certificates and other  
4 returns.

5 (e) If an absentee ballot is not rejected, the large envelope  
6 shall be opened and the small envelope containing the ballot shall be  
7 placed in a container and mixed with other small envelopes.

8 (f) The small envelopes shall be drawn from the container, opened,  
9 and the ballots counted at the times specified in AS 15.20.201 and  
10 according to the rules for determining properly marked ballots in  
11 AS 15.15.360.

12 (g) Upon completion of the absentee ballot review, the election  
13 supervisor shall prepare an election certificate for execution by the  
14 district absentee ballot counting board and shall forward the original  
15 certificate and other returns to the director no later than the eighth  
16 day following the election.

17 Sec. 15.20.205. TIME OF DISTRICT QUESTIONED BALLOT COUNTING  
18 REVIEW. (a) On the second day following the day of the election, the  
19 election supervisor, in the presence and with the assistance of the  
20 district questioned ballot counting board, shall review all voter  
21 certificates of questioned ballots received by that date. The review of  
22 questioned ballots shall continue at times designated by the election  
23 supervisor until completed.

24 (b) Counting of questioned ballots which have been reviewed shall  
25 begin on the third day following the day of the election and shall  
26 continue at times designated by the election supervisor until all bal-  
27 lots reviewed and eligible for counting have been counted. The counting  
28 teams shall report the count to the district questioned ballot counting  
29 board.

1 (c) The district questioned ballot counting board shall certify  
2 the questioned ballot totals as soon as the count is completed but no  
3 later than the eighth day following the election.

4 (d) Questioned ballots received after certification of the count  
5 shall be forwarded immediately to the director by the most expeditious  
6 mail service.

7 Sec. 15.20.207. PROCEDURE FOR DISTRICT QUESTIONED BALLOT REVIEW.

8 (a) The district questioned ballot counting board shall examine each  
9 questioned ballot envelope and shall determine whether the questioned  
10 voter is qualified to vote at the election and whether the ballot has  
11 been properly cast.

12 (b) A questioned ballot may not be counted if

13 (1) the voter is not registered in the election district in  
14 which the ballot is cast;

15 (2) the voter has failed to properly execute the certificate;

16 (3) an official or the witnesses authorized by law to attest  
17 the voter's certificate fail to execute the certificate; or

18 (4) the voter did not enclose the marked ballot inside the  
19 small envelope.

20 (c) Any person present at the district questioned ballot review  
21 may challenge the name of a questioned voter when read from the voter's  
22 certificate on the back of the large envelope if he has good reason to  
23 suspect that the questioned voter is not qualified to vote, is dis-  
24 qualified, or has voted at the same election. The person making the  
25 challenge shall specify the basis of the challenge in writing. The  
26 district questioned ballot counting board by majority vote may refuse to  
27 accept and count the questioned ballot of a person properly challenged  
28 under grounds listed in (b) of this section.

29 (d) If a questioned ballot is rejected, the election supervisor

1 shall send a copy of the statement of the challenge to the questioned  
2 voter. The election supervisor shall place all rejected questioned  
3 ballots in a separate envelope with statements of challenge. The enve-  
4 lope shall be labeled "rejected questioned ballots" and shall be for-  
5 warded to the director with the election certificates and other returns.

6 (e) If a questioned ballot is not rejected, the large envelope  
7 shall be opened and the small envelope containing the ballot shall be  
8 placed in a container and mixed with other small envelopes containing  
9 questioned ballots.

10 (f) The small envelopes shall be drawn from the container, opened,  
11 and the ballots counted at the times specified in AS 15.20.205 and  
12 according to the rules for determining properly marked ballots in  
13 AS 15.15.360(a).

14 (g) Upon completion of the questioned ballot review, the election  
15 supervisor shall prepare an election certificate for execution by the  
16 district questioned ballot counting board, and shall forward the ori-  
17 ginal certificate and returns to the director as soon as the count is  
18 completed but no later than the eighth day following the election.

19 \* Sec. 88. AS 15.20.220 is amended to read:

20 Sec. 15.20.220. PROCEDURE FOR STATE REVIEW [CANVASS]. (a) When  
21 the director [LIEUTENANT GOVERNOR] and appointed party representatives  
22 have completed the review [CANVASS] of [PAPER] ballots cast at the  
23 voting precincts [AND THE CANVASS OF VOTING MACHINE BALLOTS], they shall  
24 proceed to review [CANVASS] the absentee and questioned ballot votes  
25 certified [COUNTED] by the district counting boards [CANVASSING BOARD].  
26 The review [CANVASS] of the absentee and questioned ballot vote certi-  
27 fied [COUNTED] by the district counting boards [CANVASSING BOARD] shall  
28 be accomplished by reviewing the tallies of the recorded vote to check  
29 for mathematical error and by comparing the totals with the election