

LEG. FINANCE - BILLS 1983 - 1984 1972
CSHB 663 cont. - HB 668 1972

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

MS 663
664
665
666

February 13, 1984

The Honorable Joe Hayes
Alaska House of Representatives
Pouch V
Juneau, AK 99811

Dear Representative Hayes:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting four bills which relate to the Alaska Housing Finance Corporation (AS 18.56).

The first bill includes several substantive proposals. Section 1 enables the Board of Directors to delegate to the executive director the authority to sell an issue of bonds, if the Board establishes the maximum true interest cost for the issue. This proposal will enable the corporation to respond more rapidly to the capital markets. Section 2, in conjunction with the related appropriation provision in an accompanying bill, is intended to clarify the statutory basis for the home ownership assistance program and to repeal the current separate fund for the program. (AS 18.56.091) Section 3 precludes the corporation from purchasing a loan if the borrower has an outstanding housing loan under a state loan program. Section 3 also amends AS 18.56.096 to specify, in accordance with the present practice of the corporation, that the loan-to-value limitation does not apply to a qualified loan which is federally insured or guaranteed. Section 4 amends AS 18.56.098(g)(6) to provide that the interest rate on the first \$90,000 of a qualified mortgage loan will be the same for all borrowers, regardless of whether the loan is purchased with proceeds from a taxable or tax-exempt bond issue. Section 5 makes a technical modification to a financial provision, and sec. 6 authorizes the corporation to issue \$1.5 billion in bonds during FY 85.

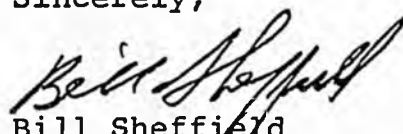
To remove any possible legal concerns, the second bill appropriates to the corporation unrestricted interest repayments as well as certain program receipts which may accrue to the corporation during the next fiscal year. In addition, sec. 2 of the bill transfers the assets of the home ownership fund (AS 18.56.091) to the Alaska Housing Finance revolving fund. (AS 18.56.082.) As proposed in the companion bill, the home ownership fund is abolished. The transfer of assets to the revolving fund, subject to bondholder agreements, will provide the requisite flexibility for the corporation to continue to implement the home ownership assistance program.

The third bill proposes the presentation to the voters of the question of whether to authorize the issuance of \$700,000,000 in state-guaranteed veterans' bonds. Since state-guaranteed veterans' bonds are tax-exempt, the corporation is able to provide benefits to veterans at a substantial savings to the state.

The fourth bill proposes a \$100,000,000 increase in the corporation's bond issuance authorization limit for this fiscal year (FY 84). When the current debt authority limit of \$980,000,000 was established, the purchase of mobile home loans was financed exclusively with state appropriations. The corporation has now designed a program under which the purchase of qualified mobile home loans may be financed through bond proceeds, and the proposed increase in the debt authorization level is necessary to implement this program.

These four bills present a balanced approach to the operations of the corporation. I therefore urge you to consider the legislation relating to the corporation as an integrated package. I add, also, that prompt legislative review and approval is important. In particular, please note that pending federal legislation may restrict, if not preclude, the issuance of tax-exempt veterans' bonds. Legislative approval before any Congressional action may thus allow the state to realize a substantial savings in providing benefits to qualified veterans.

Sincerely,


Bill Sheffield
Governor

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

115

Revision Date _____

REQUEST

Bill/Resolution No: CSHB 664 (Fin)
 Title: An Act making appropriations to AHFC.
 Sponsor: Governor
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Revenue
 Program Category Affected: _____
Alaska Housing Finance Corporation
 BRU, Program of Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-0-	-0-	-0-	-0-	-	-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis.

Prepared By: Michael S. Lynch
 Division: Alaska Housing Finance Corporation

Phone: 276-5599
 Date: _____

Approved by Commissioner: *Rebecca Heath*
 Agency: DOR

Date: 2/2/84

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

4/10/27 - 11:30 AM

Analysis for Governor's Bill on AHFC Appropriations:

Section 1 of this bill responds to a question which has been raised by the Attorney General's Office concerning the possibility that retention of some revenues and receipts of the Corporation may be in conflict with the "dedicated funds" provisions of the State Constitution. The Attorney General's Office has not yet answered that question. The bill removes any doubt as to the proper retention of revenues and receipts of the Corporation.

Section 2 of this bill transfers all assets of the Home Ownership Fund to the Alaska Housing Finance revolving fund which was established by the Legislature in 1983 to alleviate some of the "dedicated funds" questions and to facilitate a continuity of programs of the Corporation.

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 664 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making appropriations to the Alaska Housing
7 Finance Corporation; and providing for an effective
8 date."

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

10 * Section 1. All unrestricted mortgage loan interest payments and all
11 other receipts, including, without limitation, mortgage loan commitment
12 fees, received by or accrued to the Alaska Housing Finance Corporation
13 during the period of July 1, 1984 through June 30, 1985, and all income
14 earned on assets of the corporation during that period, are appropriated to
15 the Alaska Housing Finance revolving fund (AS 18.56.082) for the purposes
16 described in AS 18.56.

17 * Sec. 2. All assets of the home ownership fund (AS 18.56.091), includ-
18 ing all outstanding loans on mobile homes purchased with assets of the
19 fund, are transferred to the Alaska Housing Finance revolving fund (AS
20 18.56.082) for the purposes described in AS 18.56. Amounts in the home
21 ownership fund which are the subject of agreements with bondholders shall
22 be deposited and maintained in a separate account within the revolving fund
23 to the extent required by the agreements.

24 * Sec. 3. Section 1 of this act takes effect July 1, 1984.

25 * Sec. 4. Section 2 of this Act takes effect on the effective date of
26 an amendment to AS 18.56.091 which has the effect of repealing the home
27 ownership fund, contained in a bill entitled "An Act relating to certain
28 state housing loan programs; and providing for an effective date."
29

ALASKA HOUSING FINANCE CORPORATION
HB 664

Section 1 of this bill responds to a question which has been raised by the Attorney General's Office concerning the possibility that retention of some revenues and receipts of the Corporation may be in conflict with the "dedicated funds" provisions of the State Constitution. The bill removes any doubt as to the proper retention of revenues and receipts of the Corporation. The FY '85 Capitol Budget request of the Corporation of \$16 million is based on retention of these funds.

Section 2 of this bill transfers all assets of the Home Ownership Fund to the Alaska Housing Finance revolving fund which was established by the Legislature in 1983 to alleviate some of the "dedicated funds" questions and to provide legal certainty for the Corporation's mobile home program.

Introduced: 2/13/84
Referred: House Special Committee
on State Loans and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 664

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

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7 Finance Corporation; and providing for an effective
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27 ownership fund, contained in a bill entitled "An Act relating to the Alaska
28 Housing Finance Corporation; and providing for an effective date."

29

**COMMITTEE REPORT
SENATE**

FURTHER:

5/3/84

Date 5/25/84

Mr. President

The Committee on FINANCE considered CSHB 664(Fin)
appropriations to the Alaska Housing Finance Corporations; eid.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation *to be accompanied
with into committee.*
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Ben Smith
J. J. ...

Bob ...
Joe ...
V. Fisher

[Signature]
Chairman

Chairman recommendation

Offered: 4/30/84
Referred: Rules

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 664 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

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STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Comp. w/original bill

REQUE...
 Bill/Resolution No: HB 664
 Title: An Act making appropriations to AHFC.
 Sponsor: Governor
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL
 Agency Affected: Revenue
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Alaska Housing Finance Corporation
 BRU, Program of Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-0-	-0-	-0-	-0-	-	-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
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SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS:

Section 1 of this bill responds to a question which has been raised by the Attorney General's Office concerning the possibility that retention of some revenues and receipts of the Corporation may be in conflict with the "dedicated funds" provisions of the State Constitution. The Attorney General's Office has not yet answered that question. The bill removes any doubt as to the proper retention of revenues and receipts of the Corporation.

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Prepared By: Michael S. Lynch
 Division: Alaska Housing Finance Corporation

Phone: 276-5599
 Date: _____

Approved by Commissioner: *Reid Heath*
 Agency: DAR

Date: 2/2/84

BILL SHEFFIELD
GOVERNOR



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JUNEAU

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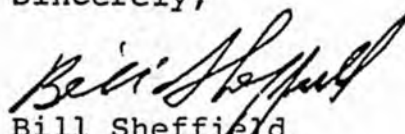
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The third bill proposes the presentation to the voters of the question of whether to authorize the issuance of \$700,000,000 in state-guaranteed veterans' bonds. Since state-guaranteed veterans' bonds are tax-exempt, the corporation is able to provide benefits to veterans at a substantial savings to the state.

The fourth bill proposes a \$100,000,000 increase in the corporation's bond issuance authorization limit for this fiscal year (FY 84). When the current debt authority limit of \$980,000,000 was established, the purchase of mobile home loans was financed exclusively with state appropriations. The corporation has now designed a program under which the purchase of qualified mobile home loans may be financed through bond proceeds, and the proposed increase in the debt authorization level is necessary to implement this program.

These four bills present a balanced approach to the operations of the corporation. I therefore urge you to consider the legislation relating to the corporation as an integrated package. I add, also, that prompt legislative review and approval is important. In particular, please note that pending federal legislation may restrict, if not preclude, the issuance of tax-exempt veterans' bonds. Legislative approval before any Congressional action may thus allow the state to realize a substantial savings in providing benefits to qualified veterans.

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STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

REQUE...
 Bill/Resolution No: HB 664
 Title: An Act making appropriations to AHFC.
 Sponsor: Governor
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL
 Agency Affected: Revenue
 Program Category Affected: _____
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OPERATING						
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200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-0-	-0-	-0-	-0-	-	-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS:

Section 1 of this bill responds to a question which has been raised by the Attorney General's Office concerning the possibility that retention of some revenues and receipts of the Corporation may be in conflict with the "dedicated funds" provisions of the State Constitution. The Attorney General's Office has not yet answered that question. The bill removes any doubt as to the proper retention of revenues and receipts of the Corporation.

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Prepared By: Michael S. Lynch
 Division: Alaska Housing Finance Corporation

Phone: 276-5599
 Date: _____

Approved by Commissioner: *Reid Heath*
 Agency: DOR

Date: 2/2/84

BILL SHEFFIELD
GOVERNOR



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OFFICE OF THE GOVERNOR
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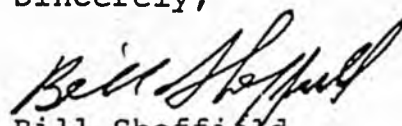
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Sincerely,


Bill Sheffield
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ALASKA HOUSING FINANCE CORPORATION
HB 664

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STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HB 665
 Title: Re: tax-exempt, state-guaranteed rev. bonds/AHEC
 Sponsor: House Rules
 Requestor: House Finance
 Date of Request: 4/26/84

FISCAL DETAIL

Agency Affected: Revenue
 Program Category Affected: _____
AHEC
 BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES		0				
200 TRAVEL		0				
300 CONTRACTUAL		0				
400 SUPPLIES		0				
500 EQUIPMENT		0				
600 LAND & STRUCTURES		0				
700 GRANTS, CLAIMS		0				
800 MISCELLANEOUS		0				
TOTAL OPERATING		0				
CAPITAL		0				
REVENUE		0				

FUNDING: (Thousands of Dollars)

GENERAL FUND		0				
FEDERAL FUNDS		0				
OTHER		0				
TOTAL		0				

POSITIONS:

FULL-TIME		0				
PART-TIME		0				
TEMPORARY		0				

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Al Adams, Chair *APA* Phone: 465-3706
 Division: House Finance Committee Date: 4/26/84

Approved by Commissioner: _____ Date: _____
 Agency: _____

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

Introduced: 2/13/84
Referred: House Special Committee
on State Loans and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 665

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the issuance of tax-exempt,
7 state-guaranteed revenue bonds by the Alaska Housing
8 Finance Corporation to finance mortgages for qualify-
9 ing veterans under AS 18.56; and providing for an
10 effective date."

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

12 * Section 1. For the purpose of assisting the Alaska Housing Finance
13 Corporation to provide money for the purchase of mortgages made for resi-
14 dences for qualifying veterans under AS 18.56, tax-exempt revenue bonds of
15 the Alaska Housing Finance Corporation are unconditionally guaranteed as to
16 principal and interest by the state in the principal amount of not more
17 than \$700,000,000. The full faith, credit, and resources of the state are
18 pledged to the payment of the principal of and interest on these bonds, and
19 the principal of and interest on the bonds are secured by the general
20 obligation of the State of Alaska. A statement of this pledge must be
21 printed on the face of the bonds and must be signed in manual or facsimile
22 form by the governor. The provisions of AS 37.15 do not apply to the
23 bonds. The bonds shall be sold by the Alaska Housing Finance Corporation
24 under AS 18.56 at public sale in amounts and at times approved by the state
25 bond committee. The guarantee authorized by this section is in addition to
26 the guarantees authorized by sec. 5, ch. 35, SLA 1982, and by sec. 1, ch.
27 81, SLA 1983.

28 * Sec. 2. If the question set out in sec. 4 of this Act is approved by
29 the qualified voters of the state who vote on the question, the Alaska

1 Housing Finance Corporation may issue not more than the principal amount of
2 \$700,000,000 of its revenue bonds that are unconditionally guaranteed as to
3 principal and interest by the state, the proceeds of which are to be ex-
4 pended by the Alaska Housing Finance Corporation to provide money for the
5 purchase of mortgages made for residences for qualifying veterans under
6 AS 18.56. The authorization in this section to issue bonds is in addition
7 to the authorizations to issue bonds that appear in sec. 6, ch. 35, SLA
8 1982, and in sec. 2, ch. 81, SLA 1983.

9 * Sec. 3. As used in this Act, a qualifying veteran is a person who is
10 a "qualified veteran" as that term is defined or may be subsequently de-
11 fined under 26 U.S.C. 103A (Mortgage Subsidy Bond Tax Act of 1980).

12 * Sec. 4. The question of the state guaranty of bonds referred to in
13 this Act shall be submitted to the qualified voters of the state at the
14 general election to be held on November 6, 1984, and shall read substan-
15 tially as follows:

16 PROPOSITION

17 State Guaranteed Veterans Residential
18 Mortgage Bonds \$700,000,000

19 Shall the State of Alaska unconditionally guarantee
20 as a general obligation of the state, the payment of
21 principal of and interest on revenue bonds of the
22 Alaska Housing Finance Corporation issued in the
23 principal amount of not more than \$700,000,000 for
24 the purpose of purchasing mortgages made for
25 residences for qualifying veterans, as defined by
26 law?

27 Bonds Yes []

28 Bonds No []

29 * Sec. 5. This Act takes effect immediately in accordance with

1 AS 01.10.070(c).

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ALASKA HOUSING FINANCE CORPORATION
HB 665

This bill authorizes placement on the November, 1984 ballot of a \$700 million bond proposition for the Veterans Mortgage Program. Prompt legislative consideration is considered important because of pending Congressional action.

Alaska State Legislature

POUCH V
JUNEAU, ALASKA 99811
(907) 465-4821



REPRESENTATIVE RICK UEHLING
CHAIRMAN
REPRESENTATIVE WALT FURNACE
REPRESENTATIVE NIILLO KOPONEN
REPRESENTATIVE JERRY WARD
REPRESENTATIVE RON WENDTE

House Special Committee on State Loans

Memorandum

Date: March 28, 1984
To: Members, House Special Committee on State Loans
From: Rep. Rick Uehling
Subject: HB 665, Bond authorization for AHFC

The following is an outline of the provisions of HB 665, which is an act authorizing the issuance of \$700 million worth of tax-exempt housing bonds for veterans. As you may be aware, the Loans Committee passed similar legislation last year, authorizing a \$500 million bond authorization for this program.

At the current time the Alaska Housing Finance Corporation has \$900 million in authorized outstanding debt under this program. The authorization, if approved by the voters, would raise the total level to \$1.6 billion under the Veterans' Home Loan Program.

It is important to remember that these bonds are backed by the full faith and credit of the State of Alaska. Although they are general obligation bonds they are secured by mortgage revenues.

The central question to be asked by the Committee, of each witness, is whether this bond authorization will in any way affect the capacity of the State to issue general obligation bonds for other important projects such as the Knik Arm Crossing, the State office building in Anchorage or the Susitna Project.

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST
Bill/Resolution No.: HB 665
Title: _____

FISCAL DETAIL
Agency Affected: Elections
Program Category Affected: _____

Sponsor: _____
Requestor: Governor/ AHFC
Date of Request: 2/ /84

BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES		-0-				
200 TRAVEL		-0-				
300 CONTRACTUAL		1.0				
400 SUPPLIES		-0-				
500 EQUIPMENT		-0-				
600 LAND & STRUCTURES		-0-				
700 GRANTS, CLAIMS		-0-				
800 MISCELLANEOUS		-0-				
TOTAL OPERATING		1.0				
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL: This is the cost to the Division for one page in the Official Election Pamphlet.

ANALYSIS: Attach a separate page for analysis

Prepared By: T.P. Thoma, Information Officer Phone: 4611
Division: of Elections Date: 2/1/84

Approved by Commissioner: R.A. Heath Date: 2/2/84
Agency: DOR

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

COMMITTEE REPORT
SENATE

FURTHER:

5/3/84

Date 5/25/84

Mr. President

The Committee on FINANCE considered HB 665

issuance of tax-exempt, state-guaranteed revenue bonds by the Alaska Housing Finance Corporation to finance mortgages for qualifying veterans under AS 18.56; efd.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation *L.O. Thomas 2/1/84*
B. Adams 4/20/84
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Bob Anderson

Bob Anderson

Joseph

W. Fisher

Joseph - N/A

[Signature]
Chairman

Chairman recommendation

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST
Bill/Resolution No.: HB 665
Title: Re: tax-exempt, state-
guaranteed rev. bonds/AHEC
Sponsor: House Rules
Requestor: House Finance
Date of Request: 4/26/84

FISCAL DETAIL
Agency Affected: Revenue
Program Category Affected: _____
AHEC
BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES		0				
200 TRAVEL		0				
300 CONTRACTUAL		0				
400 SUPPLIES		0				
500 EQUIPMENT		0				
600 LAND & STRUCTURES		0				
700 GRANTS, CLAIMS		0				
800 MISCELLANEOUS		0				
TOTAL OPERATING		0				
CAPITAL		0				
REVENUE		0				

FUNDING: (Thousands of Dollars)

GENERAL FUND		0				
FEDERAL FUNDS		0				
OTHER		0				
TOTAL		0				

POSITIONS:

FULL-TIME		0				
PART-TIME		0				
TEMPORARY		0				

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Al Adams, Chair ^{APA} Phone: 465-3706
Division: House Finance Committee Date: 4/26/84

Approved by Commissioner: _____ Date: _____
Agency: _____

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

Al Adams

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

*Accompanied
bill into
committee*

Revision Date: _____

REQUEST
Bill/Resolution No.: HB 665
Title: _____

FISCAL DETAIL
Agency Affected: Elections
Program Category Affected: _____

Sponsor: _____
Requestor: Governor/ AHFC
Date of Request: 2/ /84

BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES		-0-				
200 TRAVEL		-0-				
300 CONTRACTUAL		1.0				
400 SUPPLIES		-0-				
500 EQUIPMENT		-0-				
600 LAND & STRUCTURES		-0-				
700 GRANTS, CLAIMS		-0-				
800 MISCELLANEOUS		-0-				
TOTAL OPERATING		1.0				
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL: This is the cost to the Division for one page in the Official Election Pamphlet.

ANALYSIS: Attach a separate page for analysis

Prepared By: T.P. Thoma, Information Officer Phone: 4611
Division: of Elections Date: 2/1/84

Approved by Commissioner: *R.A. Heath* Date: 2/2/84
Agency: *DOR*

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

Elections

Introduced. 2/13/84
Referred: House Special Committee
on State Loans and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 665

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the issuance of tax-exempt,
7 state-guaranteed revenue bonds by the Alaska Housing
8 Finance Corporation to finance mortgages for qualify-
9 ing veterans under AS 18.56; and providing for an
10 effective date."

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

12 * Section 1. For the purpose of assisting the Alaska Housing Finance
13 Corporation to provide money for the purchase of mortgages made for resi-
14 dences for qualifying veterans under AS 18.56, tax-exempt revenue bonds of
15 the Alaska Housing Finance Corporation are unconditionally guaranteed as to
16 principal and interest by the state in the principal amount of not more
17 than \$700,000,000. The full faith, credit, and resources of the state are
18 pledged to the payment of the principal of and interest on these bonds, and
19 the principal of and interest on the bonds are secured by the general
20 obligation of the State of Alaska. A statement of this pledge must be
21 printed on the face of the bonds and must be signed in manual or facsimile
22 form by the governor. The provisions of AS 37.15 do not apply to the
23 bonds. The bonds shall be sold by the Alaska Housing Finance Corporation
24 under AS 18.56 at public sale in amounts and at times approved by the state
25 bond committee. The guarantee authorized by this section is in addition to
26 the guarantees authorized by sec. 5, ch. 35, SLA 1982, and by sec. 1, ch.
27 81, SLA 1983.

28 * Sec. 2. If the question set out in sec. 4 of this Act is approved by
29 the qualified voters of the state who vote on the question, the Alaska

1 Housing Finance Corporation may issue not more than the principal amount of
2 \$700,000,000 of its revenue bonds that are unconditionally guaranteed as to
3 principal and interest by the state, the proceeds of which are to be ex-
4 pended by the Alaska Housing Finance Corporation to provide money for the
5 purchase of mortgages made for residences for qualifying veterans under
6 AS 18.56. The authorization in this section to issue bonds is in addition
7 to the authorizations to issue bonds that appear in sec. 6, ch. 35, SLA
8 1982, and in sec. 2, ch. 81, SLA 1983.

9 * Sec. 3. As used in this Act, a qualifying veteran is a person who is
10 a "qualified veteran" as that term is defined or may be subsequently de-
11 fined under 26 U.S.C. 103A (Mortgage Subsidy Bond Tax Act of 1980).

12 * Sec. 4. The question of the state guaranty of bonds referred to in
13 this Act shall be submitted to the qualified voters of the state at the
14 general election to be held on November 6, 1984, and shall read substan-
15 tially as follows:

16 PROPOSITION

17 State Guaranteed Veterans Residential

18 Mortgage Bonds \$700,000,000

19 Shall the State of Alaska unconditionally guarantee
20 as a general obligation of the state, the payment of
21 principal of and interest on revenue bonds of the
22 Alaska Housing Finance Corporation issued in the
23 principal amount of not more than \$700,000,000 for
24 the purpose of purchasing mortgages made for
25 residences for qualifying veterans, as defined by
26 law?

27 Bonds Yes []

28 Bonds No []

29 * Sec. 5. This Act takes effect immediately in accordance with

1 AS 01.10.070(c).

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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 13, 1984

The Honorable Joe Hayes
Alaska House of Representatives
Pouch V
Juneau, AK 99811

Dear Representative Hayes:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting four bills which relate to the Alaska Housing Finance Corporation (AS 18.56).

The first bill includes several substantive proposals. Section 1 enables the Board of Directors to delegate to the executive director the authority to sell an issue of bonds, if the Board establishes the maximum true interest cost for the issue. This proposal will enable the corporation to respond more rapidly to the capital markets. Section 2, in conjunction with the related appropriation provision in an accompanying bill, is intended to clarify the statutory basis for the home ownership assistance program and to repeal the current separate fund for the program. (AS 18.56.091) Section 3 precludes the corporation from purchasing a loan if the borrower has an outstanding housing loan under a state loan program. Section 3 also amends AS 18.56.096 to specify, in accordance with the present practice of the corporation, that the loan-to-value limitation does not apply to a qualified loan which is federally insured or guaranteed. Section 4 amends AS 18.56.098(g)(6) to provide that the interest rate on the first \$90,000 of a qualified mortgage loan will be the same for all borrowers, regardless of whether the loan is purchased with proceeds from a taxable or tax-exempt bond issue. Section 5 makes a technical modification to a financial provision, and sec. 6 authorizes the corporation to issue \$1.5 billion in bonds during FY 85.

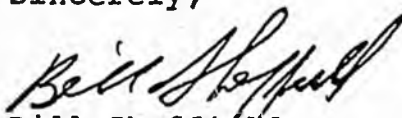
To remove any possible legal concerns, the second bill appropriates to the corporation unrestricted interest repayments as well as certain program receipts which may accrue to the corporation during the next fiscal year. In addition, sec. 2 of the bill transfers the assets of the home ownership fund (AS 18.56.091) to the Alaska Housing Finance revolving fund. (AS 18.56.082.) As proposed in the companion bill, the home ownership fund is abolished. The transfer of assets to the revolving fund, subject to bondholder agreements, will provide the requisite flexibility for the corporation to continue to implement the home ownership assistance program.

The third bill proposes the presentation to the voters of the question of whether to authorize the issuance of \$700,000,000 in state-guaranteed veterans' bonds. Since state-guaranteed veterans' bonds are tax-exempt, the corporation is able to provide benefits to veterans at a substantial savings to the state.

The fourth bill proposes a \$100,000,000 increase in the corporation's bond issuance authorization limit for this fiscal year (FY 84). When the current debt authority limit of \$980,000,000 was established, the purchase of mobile home loans was financed exclusively with state appropriations. The corporation has now designed a program under which the purchase of qualified mobile home loans may be financed through bond proceeds, and the proposed increase in the debt authorization level is necessary to implement this program.

These four bills present a balanced approach to the operations of the corporation. I therefore urge you to consider the legislation relating to the corporation as an integrated package. I add, also, that prompt legislative review and approval is important. In particular, please note that pending federal legislation may restrict, if not preclude, the issuance of tax-exempt veterans' bonds. Legislative approval before any Congressional action may thus allow the state to realize a substantial savings in providing benefits to qualified veterans.

Sincerely,


Bill Sheffield
Governor

Alaska State Legislature

POUCH V
JUNEAU, ALASKA 99811
907/465-4821



REPRESENTATIVE RICK UEHLING
CHAIRMAN
REPRESENTATIVE WALT FURNACE
REPRESENTATIVE NILO KOPONEN
REPRESENTATIVE JERRY WARD
REPRESENTATIVE RON WENDE

House Special Committee on State Loans

Memorandum

Date: March 28, 1984
To: Members, House Special Committee on State Loans
From: Rep. Rick Uehling
Subject: HB 665, Bond authorization for AHFC

The following is an outline of the provisions of HB 665, which is an act authorizing the issuance of \$700 million worth of tax-exempt housing bonds for veterans. As you may be aware, the Loans Committee passed similar legislation last year, authorizing a \$500 million bond authorization for this program.

At the current time the Alaska Housing Finance Corporation has \$900 million in authorized outstanding debt under this program. The authorization, if approved by the voters, would raise the total level to \$1.6 billion under the Veterans' Home Loan Program.

It is important to remember that these bonds are backed by the full faith and credit of the State of Alaska. Although they are general obligation bonds they are secured by mortgage revenues.

The central question to be asked by the Committee, of each witness, is whether this bond authorization will in any way affect the capacity of the State to issue general obligation bonds for other important projects such as the Knik Arm Crossing, the State office building in Anchorage or the Susitna Project.

ALASKA HOUSING FINANCE CORPORATION
HB 665

This bill authorizes placement on the November, 1984 ballot of a \$700 million bond proposition for the Veterans Mortgage Program. Prompt legislative consideration is considered important because of pending Congressional action.

HB 666

financed through bond proceeds, and the proposed increase in the debt authorization level is necessary to implement this program.

These four bills present a balanced approach to the operations of the corporation. --I therefore urge you to consider the legislation relating to the corporation as an integrated package. I add, also, that prompt legislative review and approval is important. In particular, please note that pending federal legislation may restrict, if not preclude, the issuance of tax-exempt veterans' bonds. Legislative approval before any Congressional action may thus allow the state to realize a substantial savings in providing benefits to qualified veterans.

Sincerely,

/s/ Bill Sheffield

Bill Sheffield
Governor"

HB 667

LETTER FROM GOVERNOR

HOUSE BILL NO. 667 by the Rules Committee by request of the Governor, entitled:

"An Act relating to child support enforcement; and providing for an effective date."

was read the first time and referred to the Judiciary and Finance Committees.

A zero fiscal note with analysis was attached which appears in House Journal Supplement No. 92. The Governor's transmittal letter dated February 13, 1984, appears below:

"Dear Representative Hayes:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to child support enforcement. As described in sec. 1, this bill is intended to improve the efforts of and increase the remedies available to those persons who seek to enforce the obligations of noncustodial parents to support their children through the payment of court-ordered child support.

Sections 2 and 10 amend AS 09.65.132(g) and AS 47.23.-250(1), respectively, to bring those statutes into conformance with the federal guidelines concerning restrictions on garnishments (15 U.S.C. sec. 1673). This revision is done by making a percentage of an employee's "disposable

HB 667

earnings," rather than "gross wages," subject to attachment. Because of the amendments in secs. 2 and 10, it will be simpler for employers and their bookkeepers to comply with a garnishment order; they will not have to do any further computation or research in determining the amount of money to withhold. The primary function of the amendments is to reduce the burden on employers and thereby increase their cooperation.

Under 15 U.S.C. sec. 1673, the child support enforcement agency (organized as a division in the Department of Revenue) could, under certain circumstances, garnish as much as 60 percent of an obligor's disposable earnings. The agency would, however, have to devote much investigatory time to determining whether those circumstances apply to an obligor before ordering the maximum garnishment. The agency has determined that it would be more productive to establish a set percentage for all garnishments. Although in a small percentage of cases the child support enforcement agency will be collecting less than previously permitted under state law, an advantage is gained through the amendments in that the obligor will have an increased incentive to continue working and thereby continue paying the child support owed. Under existing statutory language, the agency is allowed to garnish 50 percent of the gross wages which, after mandatory deductions, leaves the obligor with little disposable income and little incentive to work.

Section 3 of the bill amends AS 25.20.050(a), regarding the legitimation of children. In almost all states, the process of legally establishing parentage has been greatly enhanced by scientific progress in blood testing, tissue typing, cell makeup testing, and protein comparisons. Alaska and many other states routinely use the results of these scientific procedures as legal evidence to exclude a person as a possible parent or to prove that a given person is the parent of a child to a degree of certainty well in excess of 90 percent. The use of these methods increases the reliability of parentage determinations and greatly reduces the cost to individuals and the public by shortening and eliminating litigation of parentage disputes. The amendment to AS 25.20.050(a) acknowledges the current use of and requires the admission of the results of modern scientific methods for determining the parentage of children; it also aligns Alaska statutes with current judicial determinations throughout the states. The amendment also creates a presumption of parentage when the blood testing results indicate a 95 percent or higher probability of parentage.

Sections 5 and 7, which amend AS 25.25.250 and AS 47.23.080(c), respectively, make clear that custody, visitation, and property rights are not to be adjudicated in support enforcement proceedings when the child support enforcement agency is representing the obligee.

and the proposed increase
is necessary to implement

and approach to the opera-
before urge you to consid-
corporation as an inte-
prompt legislative re-
in particular, please
may restrict, if not
pt veterans' bonds.
Congressional action may
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Committee by request of the

child support en-
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1984, appears below:

sec. 18, of the Alaska
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§.132(g) and AS 47.23.-
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HB 667

Section 6 of the bill, adding new AS 47.23.065, is a clarification of what constitutes an effective waiver of child support by the child's custodial parent. The issue has been addressed by the supreme court of this state in a recent decision, Malekos v. Yin, 655 P.2d 728 (Alaska 1982), in which the court recognized the right of parents to waive child support. In conjunction with this right, it must be stressed that there is an obligation to ensure that the children are supported by the parents themselves and that they do not allow the obligation of support to fall upon the public.

Court recognition of the right to waive past-due child support has been used by some noncustodial parents to complicate the issue; these parents claim the existence of a waiver agreement not known to the court or the agency. The process of disproving these claims results in extensive delays in judicial enforcement and waste of judicial time. New AS 47.23.065 recognizes the right of parties to make agreements without the necessity of court intervention, but also gives some assurance that the waivers embody the current intent of the parties by requiring the agreement to be in writing and to be signed by both parties at the time it is made. The bill also requires that in a divorce or dissolution the court may not accept a waiver without proof that the custodial parent can adequately support the child.

To prevent abuse of this system of waivers, the amendment includes language that will allow the state to recover an amount equal to any public assistance such as AFDC (aid to families with dependent children) payments from the non-custodial parent notwithstanding any waiver agreement that has been recognized by the agency and is made before an assignment of the support obligation to a governmental agency.

Section 8 adds AS 47.23.085 which will allow the child support enforcement agency, with the concurrence of the commissioner of revenue, to issue subpoenas to gather information regarding a parent's financial assets.

Section 9 of this bill adds AS 47.23.225 as another clarification of the effects of court orders of support. This section is based on an Alaska supreme court decision, Young v. Williams, 583 P.2d 267 (Alaska 1978), which suggested that unpaid and accrued installments of child support become judgments in favor of the custodial parent. The amendment would allow the custodial parent or the child support enforcement agency to collect those judgments with reduced court intervention; however, it would protect the noncustodial parent's right to contest the matter before the court. The procedure set out in the amendment should reduce judicial time spent in hearing routine matters by limiting the hearing to contested cases and by focusing the proceeding on narrow issues. This

47.23.065, is a clar-
 active waiver of child
 parent. The issue has
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 55 P.2d 728 (Alaska
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 tion with this right,
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 the parents themselves
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waivers, the amendment
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 cial assets.

13.225 as another clari-
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 (Alaska 1978), which
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 custodial parent or the
 to collect those judg-
 ion; however, it would
 right to contest the
 procedure set out in the
 time spent in hearing
 uring to contested cases
 a narrow issues. This

HB 667

procedure would allow for prompt and more efficient en-
 forcement of child support orders in a way similar to the
 income assignment order provision passed by the Twelfth
 Legislature in 1981 (AS 09.65.132).

The new AS 47.23.265, in sec. 11 of the bill, is an imple-
 mentation of Civil Rule 67(b) and Civil Rule 5(b). Civil
 Rule 67(b)(2) requires that orders to pay child support
 through the child support enforcement agency contain a
 provision that the parties inform the agency, in writing,
 of any change of address. Civil Rule 5(b) allows for ser-
 vice by mail; service is effective upon mailing. New AS
 47.23.265 makes it clear that the burden of notification
 of change of address is upon the person who is ordered to
 pay child support and thereby relieves the department of
 extraordinary efforts to attempt to locate the obligor
 when any subsequent papers must be served.

The enforcement of child support obligations is often very
 difficult, and I believe that the amendments in this bill
 will substantially improve the situation. Therefore, I
 urge your favorable action on it.

Sincerely,

/s/ Bill Sheffield

Bill Sheffield
 Governor"

HB 668

HOUSE BILL NO. 668 by the Rules Committee by request of the
 Governor, entitled:

"An Act relating to child support en-
 forcement and the reporting of payment
 information on delinquent obligors to
 credit bureaus or lending institutions;
 and providing for an effective date."

was read the first time and referred to the Judiciary and
 Finance Committees.

A zero fiscal note with analysis was attached which appears
 in House Journal Supplement No. 92. The Governor's trans-
 mittal letter dated February 13, 1984, appears below:

COMMITTEE REPORT
HOUSE

(11)

FURTHER:

4/6/84

Date: 4-25-84

The Committee on FINANCE has had HB 668

"An Act relating to child support enforcement and the reporting of payment information on delinquent obligators to credit bureaus or lending institutions; and providing for an effective date."

under consideration and recommends:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HR 668 (Finance) same title
 new title
- and recommends do pass
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation Zero Fiscal Note Attached
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

MILO H. FRITZ

MEMBERS HAVING
OTHER RECOMMENDATIONS:

W. Furnace HB rec

[Signature]

CHAIRMAN

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 668 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to child support enforcement; and
7 providing for an effective date."

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

9 * Section 1. LEGISLATIVE FINDINGS AND PURPOSE. (a) The legislature
10 finds that the effect on the general public of the failure of parents to
11 support their children is vast and far reaching. The harmful effects of
12 unpaid child support touch not only the poor but reach far beyond, dimin-
13 ishing the overall quality of life for all Alaskans. The purpose of the
14 amendments in this Act is to enhance the efforts of those persons who seek
15 to enforce the payment of child support obligations by noncustodial parents
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18 centage of lower-income, single-parent families are headed by women. The
19 difficulties in obtaining child support from noncustodial parents contrib-
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21 general public bears the huge monetary cost of supporting families on
22 public assistance because of inadequate support from noncustodial parents
23 is only one of the most obvious effects of the problem of unpaid child
24 support. In addition, it is recognized that the failure of parents to
25 support their children is a major factor contributing to the broader social
26 problems of child abuse and delinquency. Even when families are able to
27 survive without public assistance, the hardship experienced by a family,
28 and particularly the children in that family, is usually substantial.

29 (c) The legislature also finds that the hardship experienced by

1 children in families who may rely on support from a noncustodial parent
2 should not be a necessary condition that must be endured by those families.
3 Statutory tools have been provided to enable the child support enforcement
4 agency to collect unpaid child support owed by a parent, including the
5 authority to order an employer to withhold and deliver part of an employ-
6 ee's earnings. This tool, however, is not usable against a self-employed
7 parent who owes child support. The legislature finds that if delinquency
8 in making child support payments could be reflected in a person's credit
9 history, an effective collection and deterrent tool would exist -- a tool
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13 will enhance efforts to enforce the requirement that parents pay the cost
14 of rearing their children and thereby enhance the quality of life for all
15 Alaskans.

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18 all other attachments, executions, garnishments, or other assignments
19 unless otherwise ordered by the court. An income assignment is not
20 limited to the wages of an obligor but may include all money owed to
21 the obligor not otherwise exempt by law. Exemptions under AS 09.38 do
22 not apply to income assignments under this section; however, 50 per-
23 cent of the obligor's net disposable earnings [GROSS WAGES OF THE
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2 child; (2) the putative parent acknowledges, in writing, being a
3 parent [PATERNITY] of the child; or (3) the putative parent is judged
4 [TO BE THE FATHER] by a superior court, upon sufficient evidence, to
5 be a parent of the child. Acceptable evidence includes, but is not
6 limited to, evidence that the putative parent's [ALLEGED FATHER'S]
7 conduct and bearing toward the child, either by word or act, indicates
8 that the child is the child of the putative parent [ALLEGED FATHER].
9 That conduct may be construed by the court to constitute evidence of
10 parentage. When [PATERNITY. EXTRINSIC EVIDENCE MAY BE USED BY THE
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27 IT] in any other proceeding. The superior court may not adjudicate
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19 Except as otherwise provided under this chapter, when a notice, paper,
20 or other document is required by this chapter to be given or served
21 upon a person by the agency, the notice, paper, or other document may
22 be sent by registered or certified mail to the last known address of
23 that person. Service by mail under this chapter is effected when the
24 notice, paper, or other document is properly addressed, registered or
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26 (b) A person required by court order to make child support
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2 DELINQUENT OBLIGORS. (a) The agency may provide to credit bureaus or
3 lending institutions of any kind information about delinquent child
4 support owed by obligors. The information so provided must consist
5 solely of the payment history of the obligor for a period not to
6 exceed 10 years before the date the information is provided.

7 (b) Upon an obligor's payment of delinquent child support, the
8 agency shall immediately notify all credit bureaus and lending insti-
9 tutions that were furnished information about the obligor under (a) of
10 this section that the obligor is no longer delinquent.

11 * Sec. 13. This Act takes effect immediately in accordance with AS 01.-
12 10.070(c).

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date 4/13/84

REQUEST

Bill/Resolution No: CS HB 668 ^(FIN)
 Title: An Act relating to child support enforcement
 Sponsor: Judiciary Committee
 Requestor: House Finance
 Date of Request: 4/9/84

FISCAL DETAIL

Agency Affected: Revenue
 Program Category Affected: Revenue Collection and Management
 BRU, Program of Subprogram(s) Affected: Child Support Enforcement Division

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<u>OPERATING</u>						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
<u>TOTAL OPERATING</u>	-	-	-	-	-	-
<u>CAPITAL</u>	-	-	-	-	-	-
<u>REVENUE</u>	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<u>TOTAL</u>	-	-	-	-	-	-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: See attached.

Prepared By: Dan R Copeland
 Division: Child Support Enforcement

Phone: 276-3441
 Date: 4/11/84

Approved by Commissioner: [Signature]
 Agency: Revenue

Date: 4/13/84

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date

REQUEST

Bill/Resolution No: CSHB 668 (FIN)
 Title: An Act relating to child support enforcement
 Sponsor: Governor
 Requestor: Senate HESS
 Date of Request: 4/28/84

FISCAL DETAIL

Agency Affected: Revenue
 Program Category Affected: Revenue Collection and Management
 BRU, Program of Subprogram(s) Affected: Child Support Enforcement Division

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
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100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
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POSITIONS:

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SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: See attached.

Prepared By: Dan R Copeland
 Division: Child Support Enforcement

Phone: 276-3441

Date: 5/1/84

Approved by Commissioner: [Signature]
 Agency: Revenue

Date: 5/1/84

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Child Support Enforcement

Analysis of CSHB 668(FIN):

This bill will enhance the ability of all interested parties to enforce the duty of support upon all non-custodial parents by expanding current collection statutes while also adding new amendments. The changes will expedite some of the enforcement procedures and eliminate parts of the potential delay from unnecessary litigation.

Substantial delays often take place when the non-custodial parent claims that payment has been waived verbally or counter claims dealing with custody, visitation or property rights are presented in delinquency court hearings. This bill will create a situation such that when the Child Support Division makes an appearance in the superior courts, counter claims for custody, visitation or property rights may not be adjudicated, and any waivers of support would be required in writing. In these waiver situations, the court would be required to satisfy itself that the custodial parent could adequately support the needs of the child.

The scientific parentage testing procedures are now developed to a point that they are reliable past any reasonable doubt. This bill would require the courts to accept test results of this nature when proof of parentage was in excess of 95 percent. This presumption of parentage could be rebutted only by clear and convincing evidence.

In many instances the Child Support Division must operate without complete information about the non-custodial parent or face significant delays in obtaining the information. This bill would provide subpoena powers to the Division under strict control through the Commissioner of Revenue. Use of the subpoena powers would require a 45 day delinquency on an existing child support order.

The current statute exemption standards for wage or earning attachments deal with a percentage of gross income or \$100 a week. This causes frequent delays from the employer's payroll department. The bill would change the exemption to 50% of net wages as defined by statute, and this would reduce the time it takes to get the wage collection.

The current Civil Rules of Court require the parties in a child support order to inform the Child Support Division in writing of any change of address and provides for service of process by U.S. mail. This bill simply reduces this to statute language.

The Supreme Court decision *Young vs. Williams* suggested that unpaid child support installments would become judgments in favor of the custodial parent upon delinquency. This bill would provide for this by statute language and allow for collecting these judgments with reduced court intervention. The non-custodial parent's rights to contest in court would be maintained.

One of the most difficult types of child support delinquency problems involves the self-employed. There are many legal enforcement techniques that may be used in this type of case, but the nature of the self-employed individual makes each of them expensive and subject to frequent delays. This bill provides payment information on delinquent payors to the credit bureaus and various lending institutions. This will create one of the most effective ways to deal with a particularly difficult part of the delinquent child support payor group.

This bill would greatly enhance the collection possibilities while reducing certain time and processing requirements. In addition to this improvement, a number of payors will choose to pay rather than fight the issue in court. The combination of this impact would be a more efficient process for handling delinquent support for all of Alaska's children.

Offered: 4/27/84
Referred: Rules

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 CS FOR HOUSE BILL NO. 668 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to child support enforcement; and
7 providing for an effective date."

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

9 * Section 1. LEGISLATIVE FINDINGS AND PURPOSE. (a) The legislature
10 finds that the effect on the general public of the failure of parents to
11 support their children is vast and far reaching. The harmful effects of
12 unpaid child support touch not only the poor but reach far beyond, dimin-
13 ishing the overall quality of life for all Alaskans. The purpose of the
14 amendments in this Act is to enhance the efforts of those persons who seek
15 to enforce the payment of child support obligations by noncustodial parents
16 having the duty of support.

17 (b) The legislature also finds that a disproportionately high per-
18 centage of lower-income, single-parent families are headed by women. The
19 difficulties in obtaining child support from noncustodial parents contrib-
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21 general public bears the huge monetary cost of supporting families on
22 public assistance because of inadequate support from noncustodial parents
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24 support. In addition, it is recognized that the failure of parents to
25 support their children is a major factor contributing to the broader social
26 problems of child abuse and delinquency. Even when families are able to
27 survive without public assistance, the hardship experienced by a family,
28 and particularly the children in that family, is usually substantial.

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7 (b) Upon an obligor's payment of delinquent child support, the
8 agency shall immediately notify all credit bureaus and lending insti-
9 tutions that were furnished information about the obligor under (a) of
10 this section that the obligor is no longer delinquent.
11 * Sec. 13. This Act takes effect immediately in accordance with AS 01.-
12 10.070(c).

Child Support Enforcement

Analysis of CSHB 668(JUD):

This bill will enhance the ability of all interested parties to enforce the duty of support upon all non-custodial parents by expanding current collection statutes while also adding new amendments. The changes will expedite some of the enforcement procedures and eliminate parts of the potential delay from unnecessary litigation.

Substantial delays often take place when the non-custodial parent claims that payment has been waived verbally or counter claims dealing with custody, visitation or property rights are presented in delinquency court hearings. This bill will create a situation such that when the Child Support Division makes an appearance in the superior courts, counter claims for custody, visitation or property rights may not be adjudicated, and any waivers of support would be required in writing. In these waiver situations, the court would be required to satisfy itself that the custodial parent could adequately support the needs of the child.

The scientific parentage testing procedures are now developed to a point that they are reliable past any reasonable doubt. This bill would require the courts to accept test results of this nature when proof of parentage was in excess of 95 percent. This presumption of parentage could be rebutted only by clear and convincing evidence.

In many instances the Child Support Division must operate without complete information about the non-custodial parent or face significant delays in obtaining the information. This bill would provide subpoena powers to the Division under strict control through the Commissioner of Revenue. Use of the subpoena powers would require a 45 day delinquency on an existing child support order.

The current statute exemption standards for wage or earning attachments deal with a percentage of gross income or \$100 a week. This causes frequent delays from the employer's payroll department. The bill would change the exemption to 50% of net wages as defined by statute, and this would reduce the time it takes to get the wage collection.

The current Civil Rules of Court require the parties in a child support order to inform the Child Support Division in writing of any change of address and provides for service of process by U.S. mail. This bill simply reduces this to statute language.

The Supreme Court decision *Young vs. Williams* suggested that unpaid child support installments would become judgments in favor of the custodial parent upon delinquency. This bill would provide for this by statute language and allow for collecting these judgments with reduced court intervention. The non-custodial parent's rights to contest in court would be maintained.

One of the most difficult types of child support delinquency problems involves the self-employed. There are many legal enforcement techniques that may be used in this type of case, but the nature of the self-employed individual makes each of them expensive and subject to frequent delays. This bill provides payment information on delinquent payors to the credit bureaus and various lending institutions. This will create one of the most effective ways to deal with a particularly difficult part of the delinquent child support payor group.

This bill would greatly enhance the collection possibilities while reducing certain time and processing requirements. In addition to this improvement, a number of payors will choose to pay rather than fight the issue in court. The combination of this impact would be a more efficient process for handling delinquent support for all of Alaska's children.

MEMORANDUM

State of Alaska

TO: House Finance Committee
Representative Al Adams, Chair

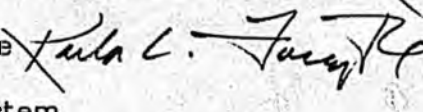
DATE: April 25, 1984

FILE NO:

TELEPHONE NO:

FROM: Dan R Copeland 
Director
Child Support Enforcement Division

SUBJECT: CSHB 668

Karla L. Forsythe 
General Counsel
Alaska Court System

After joint discussion between CSED and the Alaska Court System, both agencies request that the committee consider the following amendments to the bill, which supplement the changes suggested by Ms. Forsythe in her April 19 memorandum.

The changes to sections 2 & 10 in Ms. Forsythe's memo are to be accepted as is.

The change to Section 9 is to be as follows:

Section 47.23.225. SUPPORT PAYMENT OBLIGATIONS AS JUDGMENT.

A court order ordering a noncustodial parent obligor to make periodic child support payments to the custodian of the child is a judgment which becomes vested when each payment becomes due and unpaid. The custodian of the child, or the agency on behalf of that person, may take legal action under AS 47.23.226 to establish a judgment on child support payments ordered by a court of this state which are delinquent.

Note: The first sentence in this section is added to the language proposed by Ms. Forsythe.

The change to Section 11 is to be as follows:

Section 47.23.265. SERVICE: NOTIFICATION OF CHANGE OF ADDRESS

(a) Unless otherwise provided in this chapter, when a notice, paper or other document is required by this chapter to be given or served upon a person by the agency, the notice, paper or other document may be sent by registered or certified mail to the last known address of that person . . .

NOTE: This language deletes the words "or court rule:", which Ms. Forsythe had originally suggested.

Thank you for your consideration of these additional changes.

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 13, 1984

The Honorable Joe Hayes
Alaska House of Representatives
Pouch V
Juneau, AK 99811

Dear Representative Hayes:

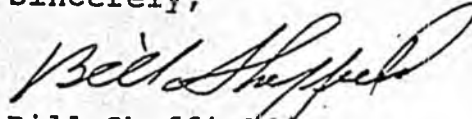
Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to child support enforcement. This bill authorizes the Department of Revenue's child support enforcement agency, organized as a division within the department, to release to credit bureaus or lending institutions payment history information concerning persons who are delinquent in their court-ordered child support payments.

Existing statutes provide the authority to order an employer to withhold and deliver part of a delinquent employee's earnings. This tool is obviously not effective against a self-employed parent who owes child support. The new tool provided in sec. 2 of the bill is both a deterrent and a collection tool against those who are self-employed. The knowledge that delinquency in paying child support could be reflected in a person's credit history should serve as a deterrent to becoming delinquent and as a powerful incentive to those who are delinquent to bring their child support payments current.

The language of new AS 47.23.273(a) will ensure that the information provided by the division to credit bureaus and lending institutions will be only payment history information, without any reference to the personal characteristics or the reputation of the obligor. New AS 47.23.273(b) provides for immediate notification to credit bureaus and lending institutions when an obligor ceases to be delinquent in his payments.

As proposed, new AS 47.23.273 is in compliance with the Fair Credit Reporting Act, 15 U.S.C. sec. 1681. Under that Act, specific information regarding transactions or experiences between the division and an individual may be released without requiring that the division be considered a "consumer reporting agency."

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill Sheffield".

Bill Sheffield
Governor

Offered: 4/6/84
Referred: Finance

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE
2 CS FOR HOUSE BILL NO. 668 (Judiciary)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - SECOND SESSION
5 A BILL
6 For an Act entitled: "An Act relating to child support enforcement; and
7 providing for an effective date."
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 * Section 1. LEGISLATIVE FINDINGS AND PURPOSE. (a) The legislature
10 finds that the effect on the general public of the failure of parents to
11 support their children is vast and far reaching. The harmful effects of
12 unpaid child support touch not only the poor but reach far beyond, dimin-
13 ishing the overall quality of life for all Alaskans. The purpose of the
14 amendments in this Act is to enhance the efforts of those persons who seek
15 to enforce the payment of child support obligations by noncustodial parents
16 having the duty of support.
17 (b) The legislature also finds that a disproportionately high per-
18 centage of lower-income, single-parent families are headed by women. The
19 difficulties in obtaining child support from noncustodial parents contrib-
20 utes significantly to the hardship of those families. The fact that the
21 general public bears the huge monetary cost of supporting families on
22 public assistance because of inadequate support from noncustodial parents
23 is only one of the most obvious effects of the problem of unpaid child
24 support. In addition, it is recognized that the failure of parents to
25 support their children is a major factor contributing to the broader social
26 problems of child abuse and delinquency. Even when families are able to
27 survive without public assistance, the hardship experienced by a family,
28 and particularly the children in that family, is usually substantial.
29 (c) The legislature also finds that the hardship experienced by

1 children in families who may rely on support from a noncustodial parent
2 should not be a necessary condition that must be endured by those families.
3 Statutory tools have been provided to enable the child support enforcement
4 agency to collect unpaid child support owed by a parent, including the
5 authority to order an employer to withhold and deliver part of an em-
6 ployee's earnings. This tool, however, is not usable against a self-
7 employed parent who owes child support. The legislature finds that if
8 delinquency in making child support payments could be reflected in a per-
9 son's credit history, an effective collection and deterrent tool would
10 exist -- a tool that would be effective against those self-employed parents
11 who owe child support.

12 (d) The legislature further finds that the amendments in this Act
13 will enhance efforts to enforce the requirement that parents pay the cost
14 of rearing their children and thereby enhance the quality of life for all
15 Alaskans.

16 * Sec. 2. AS 09.65.132(g) is amended to read:

17 (g) An income assignment under this section has priority over
18 all other attachments, executions, garnishments, or other assignments
19 unless otherwise ordered by the court. An income assignment is not
20 limited to the wages of an obligor but may include all money owed to
21 the obligor not otherwise exempt by law. Exemptions under AS 09.38 do
22 not apply to income assignments under this section; however, under
23 this section, the agency may not attach more than 50 percent of the
24 obligor's net disposable earnings. In this subsection, "net disposable
25 earnings" has the meaning given in 15 U.S.C. 1672 [50 PERCENT OF THE
26 GROSS WAGES OF THE OBLIGOR OR \$100 A WEEK, WHICHEVER IS LESS, IS
27 EXEMPT FROM EXECUTION UNDER THIS SECTION].

28 * Sec. 3. AS 25.20.050(a) is amended to read:

29 (a) A child born out of wedlock is legitimated and considered

1 the heir of the putative parent when [FATHER WHO] (1) the putative
2 parent subsequently marries the undisputed parent [MOTHER] of the
3 child; (2) the putative parent acknowledges, in writing, being a
4 parent [PATERNITY] of the child; or (3) the putative parent is judged
5 [TO BE THE FATHER] by a superior court, upon sufficient evidence, to
6 be a parent of the child. Acceptable evidence includes, but is not
7 limited to, evidence that the putative parent's [ALLEGED FATHER'S]
8 conduct and bearing toward the child, either by word or act, indicates
9 that the child is the child of the putative parent [ALLEGED FATHER].
10 That conduct may be construed by the court to constitute evidence of
11 parentage. When [PATERNITY. EXTRINSIC EVIDENCE MAY BE USED BY THE
12 COURT TO SHOW INTENT WHEN] indefinite, ambiguous, or uncertain terms
13 are used, the court may use extrinsic evidence to show the putative
14 parent's intent.

15 * Sec. 4. AS 25.20.050 is amended by adding a new subsection to read:

16 (d) The results of a blood test, tissue-type test, protein
17 comparison, or other scientifically accepted procedure shall be admit-
18 ted and weighed in conjunction with other evidence in determining the
19 statistical probability that the putative parent is a legal parent of
20 the child in question. However, a scientifically accepted procedure
21 that establishes a probability of parentage at 95 percent or higher
22 creates a presumption of parentage that may be rebutted only by clear
23 and convincing evidence.

24 * Sec. 5. AS 25.25.250 is amended to read:

25 Sec. 25.25.250. EFFECT OF PARTICIPATION IN PROCEEDING. Par-
26 ticipation in a proceeding under this chapter does not confer upon any
27 court jurisdiction over [OF] any of the parties to that proceeding [IN
28 IT] in any other proceeding. The superior court may not adjudicate
29 custody, visitation, or property rights in proceedings under this

1 chapter.

2 * Sec. 6. AS 47.23 is amended by adding a new section to read:

3 Sec. 47.23.065. WAIVER OF CHILD SUPPORT. (a) A custodian of a
4 child, including a custodial parent, owes a duty to that child to
5 ensure that child support is paid by a noncustodial parent who is
6 obligated to pay it. An agreement to waive past or future child
7 support, made between an obligor and a person who is entitled to
8 receive support on behalf of an obligee, is not enforceable unless

9 (1) the agreement is put in writing at the time the agree-
10 ment is made; and

11 (2) the agreement is signed at the time it is made by both
12 the obligor and the person acting for the obligee.

13 (b) When the right to receive child support has been assigned to
14 a governmental entity, an agreement under (a) of this section that has
15 not been adopted as an administrative order of the agency is not
16 effective during a period when the obligee is receiving public assis-
17 tance under AS 47.25.310 - 47.25.420.

18 (c) In a separation, dissolution, or divorce proceeding, a court
19 may not accept a waiver of support by a custodial parent without proof
20 that the custodial parent can support the needs of the child adequate-
21 ly.

22 * Sec. 7. AS 47.23.080(c) is amended to read:

23 (c) The determination or enforcement of a duty of support is
24 unaffected by any interference by the custodian of the child with
25 rights of custody or visitation granted by a court. When the agency
26 appears on behalf of a child in an action seeking to establish or
27 enforce support, the court may not adjudicate custody, visitation, or
28 property rights in the same action.

29 * Sec. 8. AS 47.23 is amended by adding a new section to read:

1 Sec. 47.23.085. SUBPOENAS. The agency, with the concurrence of
2 the commissioner of revenue, may subpoena persons, books, records, and
3 documents to determine the extent and location of assets of any obli-
4 gor who is more than 45 days in arrears in a child support obligation
5 established either by court or administrative order.

6 * Sec. 9. AS 47.23 is amended by adding new sections to read:

7 Sec. 47.23.225. SUPPORT PAYMENT OBLIGATIONS AS JUDGMENTS. A
8 court order ordering a noncustodial parent obligor to make periodic
9 child support payments to the custodian of a child establishes a
10 judgment in favor of the custodian when each payment becomes due. The
11 custodian of the child, or the agency on behalf of that person, may
12 take legal action under AS 47.23.226 to collect the judgment due. A
13 party seeking to execute on unpaid support payments may execute on the
14 total sum of unpaid support due, and is not limited to executing on
15 each unpaid payment separately.

16 Sec. 47.23.226. ACTION TO COLLECT CHILD SUPPORT. To commence an
17 action to collect the payment due, the custodian of a child, or the
18 agency on behalf of that person, shall serve on the obligor at the
19 obligor's last known address (1) an affidavit that states that one or
20 more payments of child support are 30 or more days past due and that
21 specifies the amounts past due and the dates they became due; and (2)
22 notice to the obligor of the obligor's right to respond. The child's
23 custodian, or the agency on behalf of the custodian, shall file with
24 the court a copy of the affidavit served on the obligor, and proof of
25 service of the affidavit and the notice of the obligor's right to
26 respond. The obligor shall respond no later than 10 days after re-
27 ceiving a hand-delivered notice and affidavit, or 15 days after the
28 date of mailing of a notice and affidavit. The obligor shall respond
29 by filing an affidavit with the court. If the obligor's affidavit

1 states that the obligor has paid any of the amounts claimed to be
2 delinquent, describes in detail the method of payment, and makes an
3 offer of proof of that payment, then the obligor is entitled to a
4 hearing limited to the issue of whether the obligor has made the
5 payments required by the court order. After the hearing, if any, the
6 court shall enter a judgment for the amount of money that is unpaid.
7 If the obligor does not file an affidavit or is not entitled to a
8 hearing, the judgment may be enforced as to the unpaid amount stated
9 in the affidavit in the same manner as any other judgment.

10 Sec. 47.23.227. NATURE OF REMEDIES. AS 47.23.225 and 47.23.226
11 provide remedies in addition to and not as a substitute for any other
12 remedies available to the parties.

13 Sec. 47.23.228. COURT COSTS. The court may order an obligor to
14 pay all court costs involved in a proceeding resulting in a court
15 order described in AS 47.23.225, and in a proceeding under AS 47.23.-
16 226.

17 * Sec. 10. AS 47.23.250(i) is amended to read:

18 (i) Exemptions under AS 09.38 do not apply to proceedings to en-
19 force the payment of child support under AS 47.23.230 - 47.23.270;
20 however, under this section, the agency may not attach more than 50
21 percent of the obligor's net disposable earnings. In this subsection,
22 "net disposable earnings" has the meaning given in 15 U.S.C. 1672 [50
23 PERCENT OF THE GROSS WAGES OF THE OBLIGOR OR \$100 A WEEK, WHICHEVER IS
24 LESS, IS EXEMPT FROM EXECUTION UNDER AS 47.23.230 - 47.23.270].

25 * Sec. 11. AS 47.23 is amended by adding a new section to read:

26 Sec. 47.23.265. SERVICE; NOTIFICATION OF CHANGE OF ADDRESS. (a)
27 When a notice, paper, or other document is required by this chapter to
28 be given or served upon a person, the notice, paper, or other document
29 may be sent by registered or certified mail to the last known address

1 of that person. Service by mail under this chapter is effected when
2 the notice, paper, or other document is properly addressed, registered
3 or certified, and mailed.

4 (b) A person required by court order to make child support
5 payments through the agency shall keep the agency informed of the
6 person's current address.

7 * Sec. 12. AS 47.23 is amended by adding a new section to read:

8 Sec. 47.23.273. REPORTING OF PAYMENT INFORMATION CONCERNING
9 DELINQUENT OBLIGORS. (a) The agency may provide to credit bureaus or
10 lending institutions of any kind information about delinquent child
11 support owed by obligors. The information so provided must consist
12 solely of the payment history of the obligor for a period not to
13 exceed 10 years before the date the information is provided.

14 (b) Upon an obligor's payment of delinquent child support, the
15 agency shall immediately notify all credit bureaus and lending insti-
16 tutions that were furnished information about the obligor under (a) of
17 this section that the obligor is no longer delinquent.

18 * Sec. 13. This Act takes effect immediately in accordance with AS 01.-
19 10.070(c).

Introduced: 2/13/84
Referred: Judiciary and
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 668

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to child support enforcement and the
7 reporting of payment information on delinquent
8 obligors to credit bureaus or lending institutions;
9 and providing for an effective date."

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

11 * Section 1. LEGISLATIVE INTENT. The legislature finds that the
12 hardship experienced by children in families who may rely on support from a
13 noncustodial parent should not be a necessary condition that must be
14 endured by those families. Statutory tools have been provided to enable
15 the child support enforcement agency to collect unpaid child support owed
16 by a parent, including the authority to order an employer to withhold and
17 deliver part of an employee's earnings. This tool, however, is not usable
18 against a self-employed parent who owes child support. The legislature
19 finds that if delinquency in making child support payments could be
20 reflected in a person's credit history, an effective collection and
21 deterrent tool would exist -- a tool that would be effective against those
22 self-employed parents who owe child support.

23 * Sec. 2. AS 47.23 is amended by adding a new section to read:

24 Sec. 47.23.273. REPORTING OF PAYMENT INFORMATION CONCERNING
25 DELINQUENT OBLIGORS. (a) The agency may provide to credit bureaus or
26 lending institutions of any kind information about delinquent child
27 support owed by obligors. The information so provided must consist
28 solely of the payment history of the obligor for a period not to
29 exceed 10 years before the date the information is provided.