

ALASKA LEGISLATURE COMMITTEE BILL FILES - 1987 - 1988 8879

SB 153 thru CSSB 157 *Lea Finance* 63

SB

153

5/11/88  
H(Fin)

STATE OF ALASKA 1988 LEGISLATIVE SESSION  
FISCAL NOTE

Bill Version: SB 153  
 Publish Date:  
 REQUEST: \_\_\_\_\_  
 Revision Date: 04/29/88  
 Title: An act relating to the penalty imposed for certain traffic offenses  
 Sponsor: Fahrenkamp  
 Requestor:  
 Agency Affected: Alaska Court System  
 BRU: Trial Courts  
 Components:

EXPENDITURES/REVENUES:	(Thousands of Dollars)					
	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
OPERATING						
Personal Services	••••	••••	••••	••••	••••	••••
Travel	••••	••••	••••	••••	••••	••••
Contractual	••••	••••	••••	••••	••••	••••
Supplies	••••	••••	••••	••••	••••	••••
Equipment	••••	••••	••••	••••	••••	••••
Land & Structures	••••	••••	••••	••••	••••	••••
Grants & Claims	••••	••••	••••	••••	••••	••••
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL •••• •••• •••• •••• •••• ••••

REVENUE •••• (19.2) (19.2) (19.2) (19.2) (19.2)

FUNDING:	(Thousands of Dollars)					
General Funds	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	••••	••••	••••	••••	••••	••••
Other	••••	••••	••••	••••	••••	••••
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:  
 Full-time •••• •••• •••• •••• •••• ••••  
 Part-time •••• •••• •••• •••• •••• ••••  
 Temporary •••• •••• •••• •••• •••• ••••

ANALYSIS: (Attach a separate page if necessary)

See attached analysis.

Prepared by: *Jan Strandberg* Jan Strandberg, General Counsel Phone: 264-8228  
 Division: Alaska Court System Date: 04/29/88  
 Approved by: *Arthur H. Snowden, II* Arthur H. Snowden, II, Administrative Director Date: 04/29/88  
 Agency: Alaska Court System

- Distribution (by preparer):
- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management & Budget
- Impacted Agency(ies)
- Senate Secretary

**RECEIVED**  
 MAY 4 1988

LEGISLATIVE FINANCE

ALASKA COURT SYSTEM  
FISCAL ANALYSIS FOR SB 153

This legislation allows a 10 percent reduction in traffic bail or fine amounts for moving violations, if all persons in the vehicle are wearing seatbelts at the time of committing the infraction. This legislation will reduce fine and forfeiture revenues to the state.

To estimate fiscal impact, the court obtained information from the Alaska Seatbelt Use Coalition on seatbelt utilization. The Coalition's studies indicate that approximately 35 percent of Anchorage drivers and 39 percent of Fairbanks drivers wear seatbelts or a simple average of 37 percent for both areas. Information is not available for other areas of the state or for passenger seatbelt usage. For estimating the impact of this legislation on revenues, it is assumed that driver and passenger seatbelt utilization will average 37 percent for the entire state.

The fiscal impact is estimated as follows.

Estimated statewide traffic violation revenues from moving violations	\$520,000
Estimated percentage of seatbelt usage	<u>37%</u>
Estimated statewide revenues for traffic violations involving drivers and passengers using seatbelts	192,400
Bail or fine reduction percentage for seatbelt use	<u>10%</u>
Estimated reduction in statewide traffic violation revenues	<u>\$ 19,240</u>

2/17/88  
H (Jud)  
\*Sen Fin  
F

FISCAL NOTE

REQUEST

Revision Date: \_\_\_\_\_ Agency Affected: Public Safety  
Title: "An Act relating to the penalty imposed for certain traffic offenses." BRU: Alaska State Troopers  
Sponsor: Sen. Fahrenkamp Components: Detachments  
Requestor: House Judiciary

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY88	FY89	FY90	FY91	FY92	FY93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUNDS						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact is anticipated.

JMC  
2/11/88

Prepared by: Francis C. Allan *F.C.A.*  
Division: Alaska State Troopers

Phone: 269-5691  
Date: 2/6/88

Approved by Commissioner: Arthur English *A.H.*  
Agency: Public Safety

Date: 2/6/88

Distribution: (by preparer):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

RECEIVED

FEB 10 1988

SENATE COMMITTEE REPORT

FURTHER:

5/5/87

DATE TURNED INTO OFFICE 5/16/87

Mr. President:

FINANCE Committee considered SB 153

penalty imposed for certain traffic offenses

and recommended:

[ ] replace with CS FOR \_\_\_\_\_ ) [ ] same title  
[ ] or adopt \_\_\_\_\_ CS FOR \_\_\_\_\_ ) [ ] new title

[ ] attached amendment(s) and

[✓] do pass

[ ] do not pass

[ ] no recommendation

[ ] individual recommendations

[ ] further referral to \_\_\_\_\_

[ ] letter of intent adopted \_\_\_\_\_

Committee [✓] attached or [ ] adopted fiscal note(s)

[ ] new [ ] updated or [✓] previous  
[✓] zero [✓] fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

*Paul F. Shuff*  
*Paul Fry*  
*Rich Bell*  
*W. H. ...*  
*...*

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Do Pass*  
Chairman signature and recommendation

[ ] Committee Backup Attached

29.5

4/13

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

REQUEST: \_\_\_\_\_

Bill Version: HB 158 / SB 153 b  
Publish Date: 3/2/87 4-22

Revision Date: \_\_\_\_\_  
Title: An act relating to the penalty imposed for certain traffic offenses  
Sponsor: Davis, Pearce, Strutz, & Donney  
Requestor: \_\_\_\_\_

Agency Affected: Health  
BRU: State Health Services  
Components: Public Health Administration services - EMS

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS :

SB 153  
Enactment of HB 158 would have no direct fiscal impact on the Department of Health and Social Services.

Prepared by: Elizabeth Ward, MN, Director  
Division: Public Health

Phone: 465-3090  
Date: March 18, 1987

Approved by Commissioner: Maria M. Nunam  
Agency: Dept. of Health & Social Services

Date: 3/23/87

Distribution (by preparer):

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

*Public Health*

4/6

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

REQUEST

Revision Date: \_\_\_\_\_  
 Title: "An Act relating to the penalty imposed for certain traffic offenses."  
 Sponsor: Sen. Fahrenkamp  
 Requestor: Senate State Affairs

Bill Version: SB 153

Publish Date: \_\_\_\_\_

Agency Affected: Public Safety

BRU: Alaska State Troopers

Components: Detachments & CIB

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE						

FUNDING:: (Thousands of Dollars)

GENERAL FUNDS	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact is anticipated.

Prepared by: Francis C. Allan  
 Division: Alaska State Troopers

Phone: 269-5691

Date: 3/6/87

Approved by Commissioner: William R. Nix  
 Agency: Public Safety

Date: 3/9/87

Distribution (by preparer):

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

RECEIVED

MAR 12 1987

page \_\_\_\_ of \_\_\_\_

LEGISLATIVE FINANCE

JNR  
3/9/87

113

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

Bill Version: SB 153  
Publish Date:

REQUEST:

Revision Date:  
Title: An act relating to the penalty imposed for certain traffic offenses  
Sponsor: Fahrenkamp  
Requestor:

Agency Affected: Alaska Court System  
BRU: Trial Courts  
Components:

<u>EXPENDITURES/REVENUES:</u>		(Thousands of Dollars)				
OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
Personal Services	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .
Travel	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .
Contractual	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .
Supplies	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .
Equipment	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .
Land & Structures	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .
Grants & Claims	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .
REVENUE	(19.2)	(19.2)	(19.2)	(19.2)	(19.2)	(19.2)

<u>FUNDING:</u>		(Thousands of Dollars)				
General Funds	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .
Other	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

<u>POSITIONS:</u>	
Full-time	. . . .
Part-time	. . . .
Temporary	. . . .

ANALYSIS: (Attach a separate page if necessary)

See attached analysis.

Prepared by: Robert G. Fisher, Fiscal Officer  
Division: Alaska Court System  
Approved by: *Stephanie J. Cole*  
Agency: Alaska Court System

Phone: 264-8215  
Date: 3-19-87  
Date: 3-19-87

- Distribution (by preparer):
- Legislative Finance
  - Legislative Sponsor
  - Requestor
  - Office of Management & Budget
  - Impacted Agency(ies)
  - Senate Secretary

**RECEIVED**  
MAR 23 1987

ALASKA COURT SYSTEM

FISCAL NOTE

SB 153

This legislation allows a 10 percent reduction in traffic bail or fine amounts for moving violations, if all persons in the vehicle are wearing seatbelts at the time of committing the infraction. This legislation will reduce fine and forfeiture revenues to the state.

To estimate fiscal impact, the Court obtained information from the Alaska Seatbelt Use Coalition on seatbelt utilization. The Coalition's studies indicate that approximately 35% of Anchorage drivers and 39% of Fairbanks drivers wear seatbelts or a simple average of 37% for both areas. Information is not available for other areas of the state or for passenger seatbelt usage. For estimating the impact of this legislation on revenues, it is assumed that driver and passenger seatbelt utilization will average 37% for the entire state.

The fiscal impact is estimated as follows.

Estimated statewide traffic violation revenues from moving violations	\$520,000
Estimated percentage of seatbelt usage	37% -----
Estimated statewide revenues for traffic violations involving drivers and passengers using seatbelts	192,400
Bail or fine reduction percentage for seatbelt use	10% -----
Estimated reduction in statewide traffic violation revenues	\$19,240 =====

1 IN THE SENATE

BY FAHRENKAMP

2

SENATE BILL NO. 153

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the penalty imposed for certain  
7 traffic offenses."

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

9 \* Section 1. AS 28.05.151(b) is amended to read:

10 (b) The state supreme court shall determine by rule or order  
11 those vehicle and traffic offenses that are amenable to disposition  
12 without court appearance and shall establish a schedule of bail  
13 amounts, not to exceed fines prescribed by law, for each offense. The  
14 schedule shall include bail amounts that incorporate the reduction  
15 applicable under AS 28.40.050(f). If the offense for which the cita-  
16 tion is issued is one which may be disposed of without court appear-  
17 ance, the citing officer shall write on the citation the amount of  
18 bail applicable to the cited offense.

19 \* Sec. 2. AS 28.40.050 is amended by adding a new subsection to read:

20 (f) A person who is cited for committing a moving traffic in-  
21 fraction for which the supreme court has established a scheduled  
22 amount of bail shall receive a 10 percent reduction in the amount of  
23 bail or fine otherwise applicable to the offense if the person and  
24 passengers were wearing seat belts at the time of the commission of  
25 the infraction.



Alaska Court System  
State of Alaska

OFFICE OF ADMINISTRATIVE DIRECTOR

KARLA L. FORSYTHE  
STAFF COUNSEL

303 K Street  
Anchorage, Alaska 99501

(907) 264-8228

March 18, 1987

Senator Bettye Fahrenkamp  
Alaska State Legislature  
P. O. Box V  
Juneau, Alaska 99811

Dear Senator Fahrenkamp:

I am writing to bring to your attention some court system concerns relating to Senate Bill 153, an act relating to the penalty imposed for certain traffic offenses. This bill would require the supreme court to issue a revised bail schedule incorporating a ten percent reduction in the amount of bail if a person and passengers in a car were wearing seatbelts at the time the infraction was committed.

The bill appears on its face to apply only to infractions. However, vehicle and traffic offenses which the supreme court has listed on the bail schedule include some misdemeanors as well. These provisions could be covered by the statute by amending lines 20 and 25 to change the word "infraction" to the word "offense."

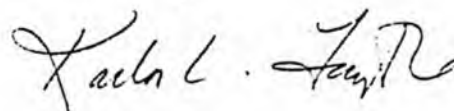
It would also be helpful if the legislation could clarify whether this legislation applies only to offenses under state law, or whether it applies to offenses under municipal ordinances as well.

With regard to the overall impact of this legislation, it appears that the greatest impact would be on enforcement officers, who would be required to determine whether the driver and passengers are wearing seatbelts, to write down the correct bail amount, and to appear in court to testify at a hearing if a person requested a court appearance to question the amount of bail. Any impact on court procedures could be absorbed with existing resources. The court system's fiscal notes is based solely on the anticipated revenue reduction.

Senator Bettye Fahrenkamp  
March 18, 1987  
Page Two

I hope this information is helpful. Please let me know if you have additional questions.

Sincerely,

A handwritten signature in cursive script that reads "Karla L. Forsythe".

Karla L. Forsythe  
Staff Counsel

KLF:bs

cc: Senator Mitchell Abood, Chair, State Affairs  
Senator Jay Kerttula, Chair, Senate Judiciary Committee  
Arthur H. Snowden, II, Administrative Director  
Robert G. Fisher, Fiscal Officer

3/11/87-1

Position Paper

House Bill No. 158/SB 153

For an Act entitled: "An Act relating to the penalty imposed for certain traffic offenses."

This Act would amend AS 28.05.151(b) to allow a ten percent (10%) reduction in the fine or bail that would otherwise be applicable for a moving traffic violation if the driver and passengers are wearing their seatbelts at the time of the offense.

Motor vehicle crashes are a leading cause of death, injury and long-term disability. They are the leading cause of death to persons between 1 and 35 years of age. For teenagers, car crash fatalities outnumber the next five causes of death combined. Numerous studies have shown that seat belts and other vehicle safety restraints substantially reduce the likelihood of death or injury to motor vehicle occupants involved in crashes. Efforts to educate the public about the benefits of seatbelts have failed to convince the majority of vehicle occupants to use their safety belts.

This act would provide an incentive for some individuals to wear their seat belts by reducing the fine or bail imposed for a traffic violation. The Department does not believe that such a law would have as much of a measurable impact on motor vehicle deaths and injuries, as would legislation requiring mandatory safety belt use.

Position

The Department believes that the use of seatbelts can greatly reduce the number of deaths and injuries from motor vehicle crashes. The intent of this act is to encourage such use, but will probably have a minimal impact. The Department's position is neutral on this legislation.

Recommended by:

Elizabeth Ward  
Elizabeth Ward, M.N.  
Director  
Division of Public Health

Date:

March 19, 1987

Approved by:

Myra M. Munson  
Myra M. Munson, Commissioner  
Department of Health and  
Social Services

Date:

March 23, 1987



SB 153 An Act Relating to the penalty imposed for certain traffic offenses by Senator Fahrenkamp.

Sectional Analysis by Senator Fahrenkamp's office 4/27/87

Section 1. AS 28.05.151(b) Form and Issuance of Citation

Amended to include reference to proposed Section 2 of the bill.

Section 2. AS 28.40.050 Penalty for violations of law, regulations, and municipal ordinances.

Adds a new subsection (f) which would give a 10% reduction in the amount of a bail or fine if the driver and any passengers were wearing seatbelts at the time of a commission of a moving traffic violation for which the Supreme Court has established a scheduled amount of bail.

Examples of such infractions are speeding, running a stop sign or red light, or equipment violations, i.e. infractions that do not carry jail time. It does not apply to infractions requiring court appearances, misdemeanors, or felonies, such as driving while intoxicated, reckless driving, or negligent homicide.

This bill would apply only to those municipalities for which the Supreme Court has established bail for violations of municipal ordinances.

*Back-up SB153*

SENATE COMMITTEE REPORT

FURTHER: FINANCE

4/28/87

DATE TURNED INTO OFFICE \_\_\_\_\_

Mr. President:

JUDICIARY Committee considered SB 153

penalty imposed for certain traffic offenses

and recommended:

replace with \_\_\_\_\_ CS FOR \_\_\_\_\_ )  same title  
 or adopt \_\_\_\_\_ CS FOR \_\_\_\_\_ )  new title

attached amendment(s) and

~~do pass~~

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

letter of intent adopted \_\_\_\_\_

Committee  attached or  adopted fiscal note(s)

new  updated or  previous  
 zero and  fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Rick Hallock  
Joe Philbrick  
Julius Sturgis  
Mark Rader  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Signature]  
Chairman signature and recommendation

Committee Backup Attached

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 4/22/87 5-DAY NOTICE  
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: JUDICIARY

\*\*FISCAL NOTE(S) ATTACHED  \*\*  
IN ACCORDANCE WITH AS 24.08.035  
(see below)

*Finance*

3/2/87

DATE TURNED INTO OFFICE 4-28-87

Mr. President:

STATE AFFAIRS

Committee considered SB 153

penalty imposed for certain traffic offenses.

and recommended:

- replace with CS \_\_\_\_\_  same title
- attached amendment(s) and  new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to \_\_\_\_\_
- letter of intent adopted and attached

\*\* Committee  attached or  adopted fiscal note(s)  
 zero  fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

*Rich Lehling DO PASS*  
*Rep. Josephson*  
*Jan Felt*

*Sen. [Signature]*  
Chairman signature and recommendation

Committee Backup Attached

S B

156

SENATE COMMITTEE REPORT

FURTHER:

DATE TURNED INTO OFFICE 4/29/87

Mr. President:

FINANCE Committee considered SB 156

contributions from permanent fund dividends to political parties; efd

and recommended:

replace with CS FOR \_\_\_\_\_ )  same title  
 or adopt SA 156 (SA) CS FOR \_\_\_\_\_ )  new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

letter of intent adopted SA Intent

Committee  attached or  adopted fiscal note(s)

new  updated or  previous  
 zero  fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Handwritten signatures]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Handwritten signature] DO PASS  
Chairman signature and recommendation

Committee Backup Attached

**STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE**

Bill Version : CSSB 156 (SA)  
Publish Date : \_\_\_\_\_

**REQUEST:** \_\_\_\_\_

Revision Date: \_\_\_\_\_  
Title: Contributions from PFD's to  
political parties  
Sponsor: Hensley, et al  
Requestor: Senate Finance

Agency Affected: Revenue  
BRU: Administrative Services  
Components: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0	0	0	0	0	0

<b>CAPITAL</b>						
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<b>REVENUE</b>						
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

Prepared by: *John Binkley*  
Division: Senator John Binkley, Co-chairman  
Senate Finance Committee

Phone: 465-4985  
Date: April 29, 1987

Approved by Commissioner: \_\_\_\_\_  
Agency: \_\_\_\_\_

Date: \_\_\_\_\_

Distribution (by preparer):

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

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

Bill Version: CS SB 156

Publish Date: \_\_\_\_\_

REQUEST \_\_\_\_\_

Revision Date: 4/27/87

Title: Contributions from PFD's to  
political parties

Sponsor: Hensley, et al

Requestor: Judiciary & Finance

Agency Affected: Revenue

BRU: Administrative Services

Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	21.9	10.7	10.7	10.7	10.7
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	11.0	11.0	11.0	11.0	11.0
SUPPLIES	-	0.2	0.2	0.2	0.2	0.2
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	33.1	21.9	21.9	21.9	21.9
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	33.1	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (political party acct)	-	-	21.9	21.9	21.9	21.9
TOTAL	-	33.1	21.9	21.9	21.9	21.9

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	3	2	2	2	2
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page if necessary

(See attached)

Prepared By: Ervin B. Jones  
Division: Administrative Services

Phone: 465-2313

Date: 3/27/87

Approved by Commissioner: [Signature]  
Agency: Revenue

Date: 4/27/87

Distribution (by Agency preparing fiscal note):

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

ZEROED BY SFC

4/29/87

Department of Revenue  
Administrative Services Division  
Fiscal Note Analysis  
CS SB 156  
4/27/87

Assumptions:

- 1) The bill will take effect for the 1988 permanent fund dividend year and application. The 1987 dividend application has already been printed.
- 2) There are fifteen bills which if signed into law, would result in some form of "check-off" on the 1988 dividend application. The Department of Revenue has no insight as to which, and how many, of these bills will become law. This fiscal note, and all related fiscal notes, is prepared on the assumption that the subject bill is the only bill of this nature which will become law. The passage of multiple bills with varying formulas (\$5, \$25, half of dividend, all or part of dividend, etc.) will inevitably have a compounding effect. Whereas there may be savings in some areas, there will be increased costs in others.
- 3) All FY88 costs of administering this law will be borne by the general fund, since no funds will be available to the political party account until October 1, 1988. Funding for administrative costs in FY89 and thereafter will be taken from the political party account as appropriated by the legislature.
- 4) The incremental cost of computer resources will result in a chargeback by the Department of Administration.
- 5) Whereas the cost of programming changes will be a one-time cost, the cost of document review, data capture, data processing chargeback, and the extra page in the dividend application will be continuing.
- 6) Contributions will only be honored to the extent of available funds. Garnishments and assignments will take precedence in the order established by statute. Contributions will then be honored in the order listed on the form schedule, which will be in the order they become law.
- 7) The Department of Revenue will determine qualifying political parties in cooperation with the Division of Elections and will list the parties by name on the PFD application.
- 8) It is assumed that each applicant will contribute to only one political party.

Program Summary:

The provision of a new contribution decision on the dividend application will cause additional administrative cost in several areas:

- a) An additional page added to each application, a schedule of contribution decisions.
- b) The computer system will need to be changed to account for the change in the program, to establish new accounting controls and to provide for the transfer of funds to the trust account (see Attachment A).

- c) Each of approximately 540,000 PFD applications will need to be visually reviewed and coded as to decision on the contribution decision. Each application will be data captured with additional attention and keystrokes expended on each positive decision.
- d) The accounting for the political party account will be performed by existing staff in the Fiscal Section of Administrative Services.

1. Positions

1 PPT Analyst/Programmer V, R21  
 @ \$5,638.47/Mo including salary  
 and benefits for 2 months = \$11.2

PCN 04-1125 would be funded for an additional two months, in accordance with Attachment A. Ongoing maintenance of new programs would be accomplished by existing staff.

1 PPT Document Processor I, R7  
 @ \$2,117.76/Mo, including salary and  
 benefits for 3 months = \$6.3

This position would assist in the manual review and coding of 540,000 applications for the new contribution decision. This position represents the equivalent of the additional time and effort.

1 PPT Data Processing Clerk I, R8,  
 @ \$2,221.64/Mo, including salary and  
 benefits for 2 months = \$4.4

This position would assist in the data capture of the additional contribution decisions. The position represents the equivalent value of the additional time and effort.

TOTAL Personal Services \$21.9

2. Other Expenditures:

a) Travel: None.

b) Contractual:

Data Processing Chargeback \$5.0  
 Add additional page to PFD  
 booklet \$6.0

c) Supplies: \$0.2

d) Equipment: Use existing equipment 0.0

TOTAL COST \$33.1

3. Funding: General Fund.

4. Section Cost Analysis: N/A.

Computations: N/A.

Economic Impact: N/A.

Impact on Local Government: N/A.

Suggested Amendments: The following amendment #1 should be considered.

1. Sec. 1, line 11-15 is amended to read:

". . . The department shall prepare the permanent fund dividend application to allow [AN APPLICANT] individuals who are 18 years of age or older to elect to have money subtracted from the dividend check and contributed to the treasurer or central committee of the political party designated by the applicant."

Current state law (AS15.13.120(a)(4)) prohibits an individual from making a political contribution in the name of another person. Since the child's permanent fund dividend application is filed on behalf of the child by the parent or other sponsor, it is arguable that an election on the PFD Child's application, executed by the parent, may be contrary to the above referenced statute.

2. Sec. 1, line 24-25 is amended to read:

". . . except the department shall use money in the account to pay administrative costs incurred under this section [.] as appropriated by the legislature."

Attachments: Attachment A: "Summary of DP Needs"

**STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE**

**REQUEST:** \_\_\_\_\_

Bill Version : SB 156  
Publish Date : \_\_\_\_\_

Revision Date: \_\_\_\_\_  
Title: An act relating to contributions from permanent fund...  
Sponsor: Hensley, Cochill, et. al.  
Requestor: Senate State Affairs

Agency Affected: Administration  
BRU: Alaska Public Offices Commission

Components : \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0	0	0	0	0	0
<b>CAPITAL</b>	0	0	0	0	0	0
<b>REVENUE</b>	0	0	0	0	0	0

**FUNDING: (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	0	0	0	0	0	0

**POSITIONS:**                      0                      0                      0                      0                      0                      0

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

Prepared by: Theda Pittman *Theda Pittman* Phone: 276-4176  
Division: Alaska Public Offices Commission Date: 3/20/87

Approved by Commissioner: Jean Rogers *Jean Rogers* Date: 3-23-87  
Agency: Chairman, Alaska Public Offices Commission

Distribution (by preparer):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)  
Senate Secretary

**RECEIVED**

MAR 23 1987

page 1 of 1

LEGISLATIVE FINANCE

SB 156

# Alaska State Legislature

INTERIM OFFICE  
1024 WEST SIXTH AVENUE  
ANCHORAGE, ALASKA 99501  
(907) 274-2843

IN SESSION:  
POUCH V  
JUNEAU, ALASKA 99811  
(907) 465-4714



Senator Mitch Abood  
CHAIRMAN

## Senate Committee on State Affairs

CSSB 156 SA  
CSSB 180 SA  
CSSB 173 SA

### LETTER OF INTENT

The Senate Committee on State Affairs has considered CSSB 156 (State Affairs) "An Act relating to contributions from permanent fund dividends for political parties; and providing for an effective date"; CSSB 173 (State Affairs), "An Act relating to contributions from permanent fund dividends to the community school grant fund; and providing for an effective date"; and SB 180 (State Affairs), An Act relating to contributions from permanent fund dividends for the World Eskimo-Olympics; and providing for an effective date.

It is the intent of the Senate Committee on State Affairs that language be inserted in all of the permanent fund dividend check-off bills which would devise a system of prioritizing the check-off programs to provide for instances where garnishments or assignments reduce the dividend, leaving insufficient funds to honor all of the programs which the individual has selected. The Committee proposes that the order of prioritization be based on date of enactment. In cases where two bills have the same date of enactment, it is the intent of the Committee that the bills be listed in alphabetical order.

*Judiciary Adopted 4/14/87*

Original sponsors: Hensley, Coghill,  
Duncan, et al.

1 IN THE SENATE BY THE STATE AFFAIRS COMMITTEE  
2 US FOR SENATE BILL NO. 156 (State Affairs)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to contributions from permanent fund  
7 dividends for political parties; and providing for an  
8 effective date."

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

10 \* Section 1. AS 43.23 is amended by adding a new section to read:

11 Sec. 43.23.016. CONTRIBUTIONS FROM DIVIDENDS. (a) The depart-  
12 ment shall prepare the permanent fund dividend application to allow an  
13 applicant to elect to have money subtracted from the dividend check  
14 and contributed to the treasurer or central committee of the political  
15 party designated by the applicant. In this subsection, "political  
16 party" means an organized group of voters that represents a political  
17 program and that nominated a candidate for governor who received at  
18 least three percent of the total votes cast at the preceding general  
19 election for governor.

20 (b) The amount of each contribution elected under (a) of this  
21 section is \$5. Contributions shall be deposited in a special dividend  
22 contribution account in the general fund and allocated by the depart-  
23 ment in accordance with the contribution elections made by applicants  
24 except that the department shall use money in the account to pay  
25 administrative costs incurred under this section.

26 \* Sec. 2. This Act takes effect July 1, 1987.

# Alaska State Legislature

INTERIM OFFICE  
1024 WEST SIXTH AVENUE  
ANCHORAGE, ALASKA 99501  
(907) 274-2843

IN SESSION:  
POUCH V  
JUNEAU, ALASKA 99811  
(907) 465-4714



Senator Mitch Abood  
CHAIRMAN

## Senate Committee on State Affairs

### MEMORANDUM

TO: Members of the Committee on State Affairs  
FROM: Senator Mitch Abood, Chairman *M.A.*  
DATE: March 27, 1987  
SUBJECT: CS for Senate Bills 156; 173 and 180

I have prepared committee substitutes for three bills that provide for contributions from permanent fund dividends for various uses - SB 156, SB 173 and SB 180. All the programs have been placed under the administration of the Department of Revenue and each bill is identical, so that all the contribution provisions that pass can be placed in the same section of the law, instead of being scattered throughout the statutes as is presently the case.

If more than one of these committee substitutes are enacted, the revisor of statutes will simply renumber the paragraphs listing check-offs to accommodate all that are enacted.

The Department of Revenue has also suggested that language be inserted in all of the check-off bills that would provide for a system of prioritization among the dividend programs in cases where there are insufficient funds to honor all of the programs which an individual has chosen to contribute through his or her dividend.

Our legislative legal counsel has advised the committee that providing a system for prioritization is not possible in the current individual committee substitutes unless the three check-off plans are incorporated into one bill and presented as a list which can then be prioritized.

The Committee may want to transmit a letter to either the Finance Committee or the Rules Committee along with CSSB 156, 173 and 180, requesting that they provide a system for prioritizing the various dividend plans which will ultimately reach them this session.

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

Bill Version <sup>OS</sup> SB 156 (SA)  
Publish Date: 3-31

REQUEST \_\_\_\_\_  
Revision Date: \_\_\_\_\_  
Title: Contributions from PFD's to  
political parties  
Sponsor: Hensley, et al  
Requestor: Senate State Affairs

Agency Affected: Revenue  
BRU: Administrative Services  
Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
<b>OPERATING</b>						
PERSONAL SERVICES	-	21.9	10.7	10.7	10.7	10.7
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	11.0	11.0	11.0	11.0	11.0
SUPPLIES	-	0.2	0.2	0.2	0.2	0.2
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
<b>TOTAL OPERATING</b>	-	33.1	21.9	21.9	21.9	21.9
<b>CAPITAL</b>	-	-	-	-	-	-
<b>REVENUE</b>	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	33.1	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (political party acct)	-	-	21.9	21.9	21.9	21.9
<b>TOTAL</b>	-	33.1	21.9	21.9	21.9	21.9

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	3	2	2	2	2
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page if necessary

(See attached)

Prepared By: Ervin B. Jones  
Division: Administrative Services

Phone: 465-2313  
Date: 3/19/87

Approved by Commissioner: [Signature]  
Agency: Revenue

Date: 3/20/87

Distribution (by Agency preparing fiscal notes)  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)  
Senate Secretary

**RECEIVED**

MAR 23 1987

page 1 of 5

LEGISLATIVE FINANCE

Department of Revenue  
Administrative Services Division  
-Fiscal Note Analysis  
SB 156  
3/19/87

Assumptions:

- 1) The bill will take effect for the 1988 permanent fund dividend year and application. The 1987 dividend application has already been printed.
- 2) There are nine other bills which if signed into law, would result in some form of "check-off" on the 1988 dividend application. The Department of Revenue has no insight as to which, and how many, of these bills will become law. This fiscal note, and all related fiscal notes, is prepared on the assumption that the subject bill is the only bill of this nature which will become law. The passage of multiple bills with varying formulas (\$5, \$25, half of dividend, all or part of dividend, etc.) will inevitably have a compounding effect. Whereas there may be savings in some areas, there will be increased costs in others.
- 3) All FY88 costs of administering this law will be borne by the general fund, since no funds will be available to the political party account until October 1, 1988. Funding for administrative costs in FY89 and thereafter will be taken from the political party account as appropriated by the legislature.
- 4) The incremental cost of computer resources will result in a chargeback by the Department of Administration.
- 5) Whereas the cost of programming changes will be a one-time cost, the cost of document review, data capture, data processing chargeback, and the extra page in the dividend application will be continuing.
- 6) Contributions will only be honored to the extent of available funds. Garnishments and assignments will take precedence in the order established by statute. Contributions will then be honored in the order listed on the form schedule, which will be in the order they become law.
- 7) The Department of Revenue will determine qualifying political parties in cooperation with the Division of Elections and will list the parties by name on the PFD application.
- 8) It is assumed that each applicant will contribute to only one political party.

Program Summary:

The provision of a new contribution decision on the dividend application will cause additional administrative cost in several areas:

- a) An additional page added to each application, a schedule of contribution decisions.
- b) The computer system will need to be changed to account for the change in the program, to establish new accounting controls and to provide for the transfer of funds to the trust account (see Attachment A).

- c) Each of approximately 540,000-PFD applications will need to be visually reviewed and coded as to decision on the contribution decision. Each application will be data captured with additional attention and keystrokes expended on each positive decision.
- d) The accounting for the political party account will be performed by existing staff in the Fiscal Section of Administrative Services.

1. Positions

1 PPT Analyst/Programmer V, R21  
 @ \$5,638.47/Mo including salary  
 and benefits for 2 months = \$11.2

PCN 04-1125 would be funded for an additional two months, in accordance with Attachment A. Ongoing maintenance of new programs would be accomplished by existing staff.

1 PPT Document Processor I, R7  
 @ \$2,117.76/Mo, including salary and  
 benefits for 3 months = \$6.3

This position would assist in the manual review and coding of 540,000 applications for the new contribution decision. This position represents the equivalent of the additional time and effort.

1 PPT Data Processing Clerk I, R8,  
 @ \$2,221.64/Mo, including salary and  
 benefits for 2 months = \$4.4

This position would assist in the data capture of the additional contribution decisions. The position represents the equivalent value of the additional time and effort.

TOTAL Personal Services \$21.9

2. Other Expenditures:

a) Travel: None.

b) Contractual:

Data Processing Chargeback \$5.0  
 Add additional page to PFD  
 booklet \$6.0

c) Supplies: \$0.2

d) Equipment: Use existing equipment 0.0

TOTAL COST \$33.1

3. Funding: General Fund.

4. Section Cost Analysis: N/A.

Computations: N/A.

Economic Impact: N/A.

Impact on Local Government: N/A.

Suggested Amendments: The following amendment #1 should be considered.

1. Sec. 1, line 12-16 is amended to read:

" . . . The Department of Revenue shall prepare the permanent fund dividend application to allow [AN APPLICANT] individuals who are 18 years of age or older to direct that \$25 of their dividend be subtracted from the check and contributed to the political party designated by the applicant."

Current state law (AS15.13.120(a)(4)) prohibits an individual from making a political contribution in the name of another person. Since the child's permanent fund dividend application is filed on behalf of the child by the parent or other sponsor, it is arguable that an election on the PFD Child's application, executed by the parent, may be contrary to the above referenced statute.

2. Sec. 1, line 18-20 is amended to read:

" . . . The Department of Revenue [MAY] shall use money in the account to pay administrative costs incurred under this section [.] as appropriated by the legislature. . . ."

Attachments: Attachment A: "Summary of DP Needs"

Department of Revenue  
Administrative Services Division  
Fiscal Note Analysis  
SB 156  
Summary of Data Processing Requirements  
3/19/87

Wang data entry processing	75.0 hours
Includes:	Data entry Batch lists Corrections Wang to IBM transfer
IBM Update jobs	30.0 hours
Includes:	Edits Batch listings Log sheets
DMS Online programs for lookup and changes	37.5 hours
Nightly Update of Changes	22.5 hours
Warrant Jobs	90.0 hours
Includes:	Printing warrants with different amounts. Include check stub messages. Modify warrant registers as needed for balancing. Create new program(s) for transferring accumulated contributions to the Political Party Account, and to account for the reserve necessary due to returned and cancelled PFD warrants.
Miscellaneous	45.0 hours
Includes:	Setting up test files on IBM Systems testing Administrative functions, i.e. paper work required by Admin. DP to add files and programs to tables.

TOTAL HOURS 300.0 hours

BY HENSLEY, COGHILL, DUNCAN, ELIASON,  
FAHRENKAMP, FISCHER, JONES, JOSEPHSON,  
KERTTULA, RODEY, STURGULEWSKI, UEHLING  
AND ZHAROFF

1 IN THE SENATE

2

SENATE BILL NO. 156

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to contributions from permanent fund  
7 dividends to political parties; and providing for an  
8 effective date."

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

10 \* Section 1. AS 43.23 is amended by adding a new section to read:

11 Sec. 43.23.016. CONTRIBUTIONS TO POLITICAL PARTIES. (a) There  
12 is created in the general fund a political party account. The Depart-  
13 ment of Revenue shall prepare the permanent fund dividend application  
14 to allow an applicant to direct that \$25 of the dividend be subtracted  
15 from the check and contributed to the political party designated by  
16 the applicant. Permanent fund dividend contributions shall be depos-  
17 ited in the account by the Department of Revenue and allocated to  
18 appropriate political parties. The Department of Revenue may use  
19 money in the account to pay administrative costs incurred under this  
20 section. Money to pay administrative costs shall be taken from allo-  
21 cations to each political party on a pro rata basis.

22 (b) The political party account shall be held in trust by the  
23 Department of Administration for distribution as allocated to the  
24 treasurer or central committee of each political party for which  
25 contributions have been made under this section.

26 (c) In this section, "political party" means an organized group  
27 of voters that represents a political program and that nominated a  
28 candidate for governor who received at least three percent of the  
29 total votes cast at the preceding general election for governor.

1 \* Sec. 2. This Act takes effect July 1, 1987.

# The Republican Party of Alaska



Jim Crawford  
Chairman

Maryln Palne  
National Committeewoman

Eldon Ulmer  
National Committeeman

Jack Wilbur  
Vice Chairman

Gall Phillips  
Secretary

Tim McKeever  
Treasurer

Charlot Thickett  
Asst. Secretary

Lloyd Hames  
Asst. Treasurer

Dave Harbour  
Finance Chairman

Cliff Groh  
Legal Counsel

750 E. Fireweed Lane, Suite 102  
Anchorage, Alaska 99503  
(907) 276-4467

March 25, 1987

Senator Willie Hensley  
P.O. Box V  
Juneau, AK 99811

Dear Senator Hensley:

Thank you for your request for comments from the Republican Party of Alaska in regard to SB 156. This bill would provide a check off on Permanent Fund applications that would allow Alaskans to direct a portion of their dividend to support political parties.

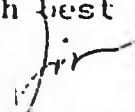
We appreciate your recognition that political parties deserve financial support from the citizenry because of their role in charting the future of our state. We want to thank you and your fellow sponsors for their intentions.

The most important part of the bill as we read it is that it protects the Permanent Fund from administrative charges that would be incurred by the establishment of this new program. Our party has spoken strongly about defending the Permanent Fund. We believe that, even if our party benefits from a program, the program should not impair the ability of the Fund to provide for future needs of our state's citizens.

Current Alaska law forbids the contribution of money to a political party in the name of another. We strongly urge you to continue to honor that principle by slightly revising the current bill. Political parties should be given the names of those who direct a portion of their dividend to the party of their choice. That way we could thank each donor and report their contribution according to the APOC regulations.

Thank you for your efforts, and thank you for offering us the opportunity to comment on your bill.

With best regards,

  
Jim Crawford  
Chairman, Republican Party of Alaska

Committee Backley  
SB 156



# Democratic Party of Alaska

MAR 23 1987

Jack Roderick  
State Chair

March 20, 1987

Virgie King  
1st Vice Chair

State Affairs Committee  
Pouch V  
Juneau, AK 99811

Hilda Woods  
Treasurer

Dear Committee Members;

Carolyn Covington  
Secretary

This letter is in support of SB #156, which would allow individuals to donate to political parties by a "check off" system from one's Permanent Fund Dividend application.

Pegge Begich  
Finance Director

Bob Goldberg  
Legal Counsel

There seems to be public concern with the way political campaigns are financed. The common thread that runs through legislation pending before the 15th Session of the Alaska Legislature is that too much "special interest" money is bankrolling campaigns in Alaska. I see much of the campaign related legislation as intending to strengthen the political parties as a way of negating the affects of the "special interest" contributions. Senate Bill #156 works toward the goal of strengthening political parties in Alaska. This is a step in the right direction towards lessening the influence of "special interest" contributions, thereby helping to reform campaign practices in Alaska.

Doris Volske  
National Committeewoman

Vander Pearson  
National Committeeman

Chancy Croft  
Policy Commission

Peg Tileston  
Alaska Democrat

The Alaska Democratic Party is solidly behind this legislation. Thank you.

Sincerely,

*Jack Roderick*  
Jack Roderick,  
Party Chair

WDB

Bill Bobrick  
Exec. Director

Susie Barnett  
Office Manager

(907) 562-3050

P.O. Box 10-4199 • Anchorage, AK 99510

Effect of amendments. — The 1981 amendments in the introductory language of subsection (b), and the 1984 amendments changed the internal reference to section (b).

## Chapter 21. Oil and Gas Corporate Income Tax.

(Repealed, § 19 ch 116 SLA 1981.)

Editor's notes. — This chapter repeal line is set out above to correct a minor error in the main pamphlet.

## Chapter 23. Permanent Fund Dividends.

Section	Section
25. Amount of dividend	65. Exemption of permanent fund dividends
45. Dividend fund	
65. Duties of the department	

Cross references. — For 1982 permanent fund dividend distribution, see § 19, ch. 102, SLA 1982, in the Temporary and Special Acts; for extension of application period for 1982 and 1983 dividends, see § 4, ch. 65, SLA 1983 and § 1, ch. 43, SLA 1984, respectively, in the Temporary and Special Acts.

Opinions of attorney general. — If

### Sec. 43.23.005. Eligibility.

Revisor's notes. — Sections 2 and 3, ch. 99, SLA 1985, amend (c) and (d) of this section respectively. The amendments are effective if § 1, ch. 99, SLA 1985 is repealed (see § 25, ch. 99, SLA 1985). If the amendments become law, the subsections will read: "(c) A parent, guardian, or other authorized representative may claim a permanent fund dividend on behalf of an unemancipated minor or on behalf of an incompetent individual who is eligible to receive a dividend under this section.

"(d) A person who is eligible to receive a permanent fund dividend under this section, or who is authorized to claim a divi-

the legislature enacts any other distribution program which is consistent with the intent of the permanent fund dividend law (AS 43.23), any appropriation to implement that program will be exempt from the appropriation limit of § 16, art. IX, of the state constitution. 1983 Op. Att'y Gen. No. 01.

depend on behalf of another under (e) of this section, may elect to receive the dividend either in cash or as an annuity credit. Alternatively, a person may elect to receive 25 percent, 50 percent, or 75 percent of the dividend in cash and the remainder as an annuity credit. A person who is 65 years of age on or before January 1, 1988 may only receive the permanent fund dividend in cash and may not elect to receive an annuity credit."

Section 22, ch. 99, SLA 1985 provides for an advisory vote to be held at the general election in 1986. For the text of that provision, see § 22, ch. 99, SLA 1985 in the Temporary and Special Acts.

### NOTES TO DECISIONS

Stated in *Alaska Oil Co. v. Alaska, 15 Bankr. 358 (D. Alaska 1985)*

### Sec. 43.23.015. Application and proof of eligibility.

Revisor's notes. — Sections 4 — 8, ch. 99, SLA 1985, amend (a), (b), (c) and (f) of this section, and add a new (i). The amendments are effective if § 1, ch. 99, SLA 1985 is repealed (see § 25, ch. 99, SLA 1985). If the amendments become law, the section will read: "(a) The commissioner shall adopt regulations under the Administrative Procedure Act (AS 44.62) establishing the process for determining the eligibility of individuals for permanent fund dividends. The commissioner may require an individual to provide proof of eligibility, and the commissioner may use other information available from other state departments or agencies to determine the eligibility of an individual.

"(b) The department shall prescribe and furnish an application form for claiming a permanent fund dividend. The application must contain a statement of eligibility and a certification of residency in substantially the following form:

I certify that

(1) I am a state resident on the date of this application and I have been a state resident for at least six months immediately preceding the date of this application; or

(2) (name), the individual on whose behalf I am applying, is a state resident and has been a state resident for at least six months immediately preceding the date of this application.

I understand that a false claim of residency to obtain a permanent fund dividend for myself or for another is a criminal offense and that if convicted I will forfeit future permanent fund dividends and

that I will lose or must repay all permanent fund dividends that have been credited or paid to me, and any amount interest in my annuity account. I understand that this penalty is in addition to any criminal penalties imposed.

(signature of individual, parent, guardian, or other authorized representative)

"(c) If a public agency claims a dividend on behalf of an individual under this section, the public agency shall elect 100 percent cash under AS 43.23.005(d), and hold the dividend in trust for the individual. Money held in trust under this subsection shall be invested by the commissioner in accordance with AS 37.10.070.

"(f) A minor or an incompetent individual may not maintain a claim against the state or an officer or employee of the state based either on the manner in which the parent, guardian, or authorized representative other than a public agency of the state managed or disposed of permanent fund dividends received on behalf of the minor or incompetent, or an election made or not made on that individual's behalf under AS 43.23.005(d).

"(i) The permanent fund dividend application form shall be prepared to allow an applicant, other than a person who is exempt under AS 17.45.015(b), to elect to receive the dividend either in cash or as an annuity credit."

Section 22, ch. 99, SLA 1985 provides for an advisory vote to be held at the general election in 1986. For the text of that provision, see § 22, ch. 99, SLA 1985 in the Temporary and Special Acts.

Sec. 43.23.025. Amount of dividend. By October 1 of each year the commissioner shall give public notice of the value of each permanent fund dividend for that year. The commissioner shall determine the value of a permanent fund dividend by

(1) determining the amount of income of the Alaska permanent fund transferred to the dividend fund under AS 43.23.015(b) during the current year;

SENATE COMMITTEE REPORT

FURTHER:

FINANCE

DATE TURNED INTO OFFICE

4/14/87

Mr. President:

JUDICIARY

Committee considered

SB 156

contributions from permanent fund dividends to political parties; efd.

and recommended:

[ ] replace with

[x] or adopt

adopt State Affairs 05

CS FOR

CS FOR

SB 156 (SA)

[x] same title

[ ] new title

[ ] attached amendment(s) and

[ ] do pass

[ ] do not pass

[ ] no recommendation

[x] individual recommendations

[ ] further referral to

[x] letter of intent adopted

Capitol S.A.'s letter adopted by Judic.

Committee [ ] attached or [x] adopted fiscal note(s)

[ ] new

[ ] updated or

[x] previous

[ ] zero

[x] fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Ardis Stankovich  
Rick Hall  
Jul. Cheshner

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Chairman signature and recommendation  
J. Lattin Dorman

[ ] Committee Backup Attached

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 3/18/86 5-DAY NOTICE  
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: JUDICIARY  
FINANCE

\*\*FISCAL NOTE(S) ATTACHED 1 \*\*  
IN ACCORDANCE WITH AS 24.08.035  
(see below)

3/3/87

DATE TURNED INTO OFFICE 3/31/87

Mr. President:

STATE AFFAIRS Committee considered SB 156

contributions from permanent fund dividends to political parties; efd.

and recommended:

replace with CS SB 156 (S.A.)  same title  
 attached amendment(s) and  new title

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

letter of intent adopted and attached

\*\* Committee  attached or  adopted fiscal note(s)  
 zero  fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Signature] (DO PASS)  
[Signature]  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Signature] NO Rec  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Signature]  
Chairman signature and recommendation

Committee Backup Attached

SB

156-H

# HOUSE COMMITTEE REPORT

(11)

Date referred: 5/14/87

FURTHER REFERRALS:

DATE: 5-17-87

The Finance Committee has considered CSSB 156(SA)

"An Act relating to contributions from permanent fund dividends for political parties; and providing for an effective date."

**RECOMMENDS:**

- replace with \_\_\_\_\_  the same title
- attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

**ADOPTS:**  \_\_\_\_\_ letter of intent

**ATTACHES NEW FISCAL NOTE(S):**

- fiscal impact  same as previous fiscal note published \_\_\_\_\_
- zero fiscal note  same as previous zero fiscal note published \_\_\_\_\_
- zero with analysis

**SIGNING DO PASS:**

~~Robert L. Baker~~  
 \_\_\_\_\_  
 Mark Sayer  
 \_\_\_\_\_  
 Jay Brown  
 \_\_\_\_\_  
 Peter J. ...  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**SIGNING OTHER RECOMMENDATIONS:**

Carl ... - Do NOT Pass  
 \_\_\_\_\_  
 Fred ... no rec  
 \_\_\_\_\_  
 Ronald ... no rec  
 \_\_\_\_\_  
 ... No Recommendation  
 \_\_\_\_\_  
 ... no rec  
 \_\_\_\_\_  
 ... No REC  
 \_\_\_\_\_  
 \_\_\_\_\_

*Chairman's Signature*  
 \_\_\_\_\_  
 Chairman's signature

No. 302

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

Bill Version: CSSB 156 (SA)  
Publish Date: \_\_\_\_\_

REQUEST: \_\_\_\_\_  
Revision Date: \_\_\_\_\_  
Title: Contributions from PFD's to political parties  
Sponsor: Hensley, et al  
Requestor: Senate Finance

Agency Affected: Revenue  
BRU: Administrative Services  
Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: John Binkley  
Division: Senator John Binkley, Co-chairman  
Senate Finance Committee

Phone: 465-4985  
Date: April 29, 1987

Approved by Commissioner: \_\_\_\_\_  
Agency: \_\_\_\_\_

Date: \_\_\_\_\_

- Distribution (by preparer):
- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

Original sponsors: Hensley, Coghill,  
Duncan, et al.

1 IN THE SENATE BY THE STATE AFFAIRS COMMITTEE  
2 CS FOR SENATE BILL NO. 156 (State Affairs)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL  
6 For an Act entitled: "An Act relating to contributions from permanent fund  
7 dividends for political parties; and providing for an  
8 effective date."

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

10 \* Section 1. AS 43.23 is amended by adding a new section to read:

11 Sec. 43.23.016. CONTRIBUTIONS FROM DIVIDENDS. (a) The depart-  
12 ment shall prepare the permanent fund dividend application to allow an  
13 applicant to elect to have money subtracted from the dividend check  
14 and contributed to the treasurer or central committee of the political  
15 party designated by the applicant. In this subsection, "political  
16 party" means an organized group of voters that represents a political  
17 program and that nominated a candidate for governor who received at  
18 least three percent of the total votes cast at the preceding general  
19 election for governor.

20 (b) The amount of each contribution elected under (a) of this  
21 section is \$5. Contributions shall be deposited in a special dividend  
22 contribution account in the general fund and allocated by the depart-  
23 ment in accordance with the contribution elections made by applicants  
24 except that the department shall use money in the account to pay  
25 administrative costs incurred under this section.

26 \* Sec. 2. This Act takes effect July 1, 1987.

SENATE  
Letter of Intent  
FOR  
CSSB 156 (SA)

The Senate Committee on State Affairs has considered CSSB 156 (SA) (contributions from permanent fund dividends for political parties; efd); CSSB 173 (SA), (contributions from permanent fund dividends to the community school grant fund; efd) and CSSB 180 (SA) (contributions from permanent fund dividends for the World Eskimo-Olympics; efd).

It is the intent of the Senate Committee on State Affairs that language be inserted in all of the permanent fund dividend check-off bills which would devise a system of prioritizing the check-off programs to provide for instances where garnishments or assignments reduce the dividend, leaving insufficient funds to honor all of the programs which the individual has selected. The committee proposes that the order of prioritization be based on date of enactment. In cases where two bills have the same date of enactment, it is the intent of the committee that the bills be listed in alphabetical order.

Adopted 4/30/87

SENATE LETTER of INTENT

M E M O R A N D U M

DATE: March 23, 1987

TO: Senator Josephson

FROM: - Terry Berman  
Senator Hensley's Office

Some statistics you may be interested in relative to political party campaign finance are:

State Party Expenditures in 1986

Democrats	\$ 235,000
Republicans	\$ 497,000

Source: APOC

Registered Voters by Affiliation as of March 3, 1987

Democrats	66,027
Republicans	62,216
Libertarians	2,657
Other	6,034
Non-partisan	<u>159,866</u>

TOTAL 296,800

Source: Division of Elections

TB/mjs.

POSITION PAPER  
SB 156

SB 156 creates an option on the Permanent Fund Dividend Application so applicants can direct that \$25 of their dividend be donated to the political party they indicate. The Department of Revenue may use a portion of the funds to pay administrative costs.

The Department of Administration must hold the funds in trust for distribution to the political parties.

The bill has no direct impact on the Alaska Public Offices Commission. The political parties would not receive a list of the individuals who donated through this method but that would not be particularly troublesome. Under the Commission's regulations, an organization may hold a fund-raiser at which the names of contributors are not recorded so long as there are 25 or more paying participants and no one contributes more than \$50. Since SB 156 would limit the maximum donation per individual to \$25, the proposal could be considered consistent with the regulation which was designed to alleviate some of the recordkeeping burdens associated with low cost fund-raisers where large numbers of people attended.

The Commission's position on SB 156 is neutral.

Sheda Pittman 3/20/87  
Exec. Director, Alaska Public Offices Commission Date

Stan Rogers / bnm 3-23-87  
Chairman, Alaska Public Offices Commission Date

# The Republican Party of Alaska



Jim Crawford  
Chairman

Marilyn Palne  
National Committeewoman

Eldon Ulmer  
National Committeeman

Jack Wilbur  
Vice Chairman

Gail Phillips  
Secretary

Tim McKeever  
Treasurer

Charlot Thickstun  
Asst. Secretary

Lloyd Hames  
Asst. Treasurer

Dave Harbour  
Finance Chairman

Cliff Groh  
Legal Counsel

750 E. Fireweed Lane, Suite 102  
Anchorage, Alaska 99503  
(907) 276-4467

March 25, 1987

Senator Willie Hensley  
P.O. Box V  
Juneau, AK 99811

Dear Senator Hensley:

Thank you for your request for comments from the Republican Party of Alaska in regard to SB 156. This bill would provide a check off on Permanent Fund applications that would allow Alaskans to direct a portion of their dividend to support political parties.

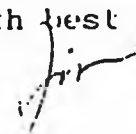
We appreciate your recognition that political parties deserve financial support from the citizenry because of their role in charting the future of our state. We want to thank you and your fellow sponsors for their intentions.

The most important part of the bill as we read it is that it protects the Permanent Fund from administrative charges that would be incurred by the establishment of this new program. Our party has spoken strongly about defending the Permanent Fund. We believe that, even if our party benefits from a program, the program should not impair the ability of the Fund to provide for future needs of our state's citizens.

Current Alaska law forbids the contribution of money to a political party in the name of another. We strongly urge you to continue to honor that principle by slightly revising the current bill. Political parties should be given the names of those who direct a portion of their dividend to the party of their choice. That way we could thank each donor and report their contribution according to the APOC regulations.

Thank you for your efforts, and thank you for offering us the opportunity to comment on your bill.

With best regards,

  
Jim Crawford  
Chairman, Republican Party of Alaska

Committee Backlog  
SB 156



# Democratic Party of Alaska

MAR 23 1987

Jack Roderick  
State Chair

March 20, 1987

Virgie King  
1st Vice Chair

State Affairs Committee  
Pouch V  
Juneau, AK 99811

Hilda Woods  
Treasurer

Dear Committee Members;

Carolyn Covington  
Secretary

This letter is in support of SB #156, which would allow individuals to donate to political parties by a "check off" system from one's Permanent Fund Dividend application.

Pegge Begich  
Finance Director

Bob Goldberg  
Legal Counsel

There seems to be public concern with the way political campaigns are financed. The common thread that runs through legislation pending before the 15th Session of the Alaska Legislature is that too much "special interest" money is bankrolling campaigns in Alaska. I see much of the campaign related legislation as intending to strengthen the political parties as a way of negating the affects of the "special interest" contributions. Senate Bill #156 works toward the goal of strengthening political parties in Alaska. This is a step in the right direction towards lessening the influence of "special interest" contributions, thereby helping to reform campaign practices in Alaska.

Doris Volske  
National Committeewoman

Vander Pearson  
National Committeeman

Chancy Croft  
Policy Commission

Peg Tileston  
Alaska Democrat

The Alaska Democratic Party is solidly behind this legislation. Thank you.

Sincerely,

*Jack Roderick*

Jack Roderick,  
Party Chair

WDB

Bill Bobrick  
Exec. Director

Susie Barnett  
Office Manager

(907) 562-3050

P.O. Box 10-4199 • Anchorage, AK 99510

Original sponsors: Hensley, Coghill,  
Duncan, et al.

1 IN THE SENATE BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 156 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to contributions from permanent fund  
7 dividends for political parties; and providing for an  
8 effective date."

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

10 \* Section 1. AS 43.23 is amended by adding a new section to read:

11 Sec. 43.23.016. CONTRIBUTIONS FROM DIVIDENDS. (a) The depart-  
12 ment shall prepare the permanent fund dividend application to allow an  
13 applicant to elect to have money subtracted from the dividend check  
14 and contributed to the treasurer or central committee of the political  
15 party designated by the applicant. In this subsection, "political  
16 party" means an organized group of voters that represents a political  
17 program and that nominated a candidate for governor who received at  
18 least three percent of the total votes cast at the preceding general  
19 election for governor.

20 (b) The amount of each contribution elected under (a) of this  
21 section is \$5. Contributions shall be deposited in a special dividend  
22 contribution account in the general fund and allocated by the depart-  
23 ment in accordance with the contribution elections made by applicants  
24 except that the department shall use money in the account to pay  
25 administrative costs incurred under this section.

26 \* Sec. 2. This Act takes effect July 1, 1987.

Introduced: 3/3/87  
Referred: State Affairs, Judiciary  
and Finance

5-0747A

1 IN THE SENATE

BY HENSLEY, COGHILL, DUNCAN, ELIASON,  
FAHRENKAMP, FISCHER, JONES, JOSEPHSON,  
KERTTULA, RODEY, STURGULEWSKI, UEHLING  
AND ZHAROFF

2

SENATE BILL NO. 156

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to contributions from permanent fund  
7 dividends to political parties; and providing for an  
8 effective date."

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

10 \* Section 1. AS 43.23 is amended by adding a new section to read:

11 Sec. 43.23.016. CONTRIBUTIONS TO POLITICAL PARTIES. (a) There  
12 is created in the general fund a political party account. The Depart-  
13 ment of Revenue shall prepare the permanent fund dividend application  
14 to allow an applicant to direct that \$25 of the dividend be subtracted  
15 from the check and contributed to the political party designated by  
16 the applicant. Permanent fund dividend contributions shall be depos-  
17 ited in the account by the Department of Revenue and allocated to  
18 appropriate political parties. The Department of Revenue may use  
19 money in the account to pay administrative costs incurred under this  
20 section. Money to pay administrative costs shall be taken from allo-  
21 cations to each political party on a pro rata basis.

22 (b) The political party account shall be held in trust by the  
23 Department of Administration for distribution as allocated to the  
24 treasurer or central committee of each political party for which  
25 contributions have been made under this section.

26 (c) In this section, "political party" means an organized group  
27 of voters that represents a political program and that nominated a  
28 candidate for governor who received at least three percent of the  
29 total votes cast at the preceding general election for governor.

1 \* Sec. 2. This Act takes effect July 1, 1987.

SB

157

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 3/9/87 <sup>waived</sup> 5-DAY NOTICE  
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER:

\*\*FISCAL NOTE(S) ATTACHED  
IN ACCORDANCE WITH AS 24.08.035 <sup>\*\*</sup> gmr's attached  
(see below)

3/3/87

DATE TURNED INTO OFFICE 3/10/87

Mr. President:

FINANCE

Committee considered SB 157

appropriating from the earnings reserve account of the Alaska permanent fund to the general fund; efd.

and recommended:

replace with CS SB 157 (FINANCE)  same title  
 attached amendment(s) and  new title

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

letter of intent adopted and attached

\*\* Committee  <sup>SFC</sup> attached or  adopted fiscal note(s)  
 zero  fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Signature]  
[Signature]  
[Signature]  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Paul Frisk. NO Rec  
J. H. Kelly NO REC.  
\_\_\_\_\_  
\_\_\_\_\_

[Signature] DO PASS  
Chairman signature and recommendation

Committee Backup Attached

**STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE**

Bill Version: CS SB 157 (Fin)  
Publish Date: \_\_\_\_\_

REQUEST: \_\_\_\_\_

Revision Date: 3/10/87  
Title: Appropriating from earnings  
reserve acct of AK PF to General Fd  
Sponsor: Governor  
Requestor: \_\_\_\_\_

Agency Affected: Permanent Fund Corporatio  
BRU: \_\_\_\_\_  
Components: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	-	-	-	-	-	-
<b>CAPITAL</b>	-	-	-	-	-	-
<b>REVENUE</b>	0-154M	-	-	-	-	-

**FUNDING: (Thousands of Dollars)**

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	0-154M	-	-	-	-	-
<b>TOTAL</b>	0-154M	-	-	-	-	-

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

Prepared by: Senator John Binkley co-chairman Phone: 465-4985  
Division: Senate Finance Committee Date: 3/10/87

Approved by Commissioner: *John Binkley* Date: \_\_\_\_\_  
Agency: \_\_\_\_\_

- Distribution (by preparer):
- Legislative Finance
  - Legislative Sponsor
  - Requestor
  - Office of Management and Budget
  - Impacted Agency(ies)
  - Senate Secretary

Original sponsor: Rules/Governor

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 157 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating from the earnings reserve  
7 account of the Alaska permanent fund to the general  
8 fund."

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

10 \* Section 1.: (a) An amount calculated under (b) of this section is  
11 appropriated from the earnings reserve account in the permanent fund  
12 (AS 37.13.145) to the general fund.

13 (b) The amount that may be appropriated under (a) of this section is  
14 the lesser of:

15 (1) \$154,000,000; or

16 (2) \$882,000,000 less the total of

17 (A) the sum transferred from the budget reserve fund  
18 (AS 37.05.156) to the general fund by legislation enacted by the First  
19 Session of the Fifteenth Legislature;

20 (B) the total of appropriations made from the Railbelt  
21 energy fund (AS 37.06.153) by legislation enacted by the First Session  
22 of the Fifteenth Legislature that were formerly funded by the general  
23 fund; and

24 (C) the amount obtained by subtracting the January 1987  
25 <sup>Yendley:</sup> revenue forecast <sup>for fiscal year 1987</sup> prepared by the Department of Revenue from the March  
26 1987 revenue forecast.

1 IN THE SENATE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2

SENATE BILL NO. 157

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act appropriating from the earnings reserve  
7 account of the Alaska permanent fund to the general  
8 fund; and providing for an effective date."

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

10 \* Section 1. The lesser of the following two amounts is appropriated  
11 from the earnings reserve account of the Alaska permanent fund to the  
12 general fund: (1) an amount sufficient to offset any negative amount in  
13 the "Available Fund Equity/Balance" for the general fund as reported for  
14 June 30, 1987 on the "State of Alaska, All Fund Types and Account Groups,  
15 Combined Balance Sheet" in the State of Alaska's "Annual Financial Report"  
16 for fiscal year 1987, published under AS 37.05.210(2); or (2) the amount in  
17 the earnings reserve account of the Alaska permanent fund as of July 1,  
18 1987.

19 \* Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

REQUEST \_\_\_\_\_

Bill Version: \_\_\_\_\_  
Publish Date: \_\_\_\_\_

Revision Date: 3/15/87  
Title: Appropriation of Earnings Reserve  
Account of P.F. to the General Fund  
Sponsor: Governor  
Requestor: \_\_\_\_\_

Agency Affected: Permanent Fund Corp.  
BRU: Permanent Fund Corporation  
Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
<b>OPERATING</b>						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
<b>TOTAL OPERATING</b>	-	-	-	-	-	-
<b>CAPITAL</b>	-	-	-	-	-	-
<b>REVENUE</b>	0-555M	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	0-555M	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

It is estimated, at this time, that approximately 200 million in earnings will be necessary to meet FY 87 budget requirements. See attachment - Financial projections provided by the Alaska Permanent Fund Corporation.

Prepared By: Royce Weller Phone: 455-2300  
Division: Revenue/Commissioner's Office Date: 3/2/87  
Approved by Commissioner: Hugh Malone Date: 3/2/87  
Agency: Department of Revenue

Distribution (by Agency preparing fiscal note):

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



## Alaska Permanent Fund Corporation

### FINANCIAL PROJECTIONS (in millions)

as of January 31, 1987

FY	PRINCIPAL					INCOME				ASSETS			
	FY Begin Balance	Appropriations	Dedicated	Inflation	FY End Balance	Net Income	Distributions		Reserves		FY End Balance	FY	
			State Revenues*	Proofing			Per Capita Dividends	Inflation Proofing	Add (Delete)	FY End Balance			
78			54		54	2					55	78	
79	54		84		139	8					141	79	
80	139		344		483	32	12				503	80	
81	483	900	385		1,769	150	28			59	59	1,875	81
82	1,769	800	401		2,969	368	71	\$1000.00		185	244	3,302	82
83	2,969	400	421	231	4,021	471	108	\$386.15	231	110	354	4,593	83
84	4,021	300	366	151	4,838	530	175	\$331.29	151	204	557	5,531	84
85	4,838	300	368	235	5,741	658	217	\$404.00	235	206	763	6,723	85
86	5,741		323	216	6,281	1,021	303	\$556.26	216	501	1,264	7,866	86
87	6,281	1,264	103	147	7,795	1,097	395	\$734.22	147	555	555	8,745	87
88	7,795		137	317	8,249	793	429	\$799.70	317	47	602	9,280	88
89	8,249		160	505	8,913	842	462	\$857.68	505	( 125)	478	9,852	89
90	8,913		167	545	9,624	893	487	\$900.69	545	( 139)	339	10,450	90
91	9,624		162	587	10,373	947	480	\$883.43	587	( 121)	218	11,071	91
92	10,373		165	632	11,170	1,006	470	\$861.09	632	( 97)	122	11,762	92
93	11,170		166	680	12,016	1,072	500	\$911.21	680	( 108)	14	12,530	93
94	12,016		158	624	12,798	1,141	531	\$964.78	624	( 14)		13,329	94
95	12,798		153	648	13,599	1,213	565	\$1022.06	648			14,163	95
96	13,599		146	688	14,433	1,288	601	\$1082.90	688			15,033	96
97	14,433		144	728	15,305	1,367	639	\$1146.79	728			15,944	97
98	15,305		140	771	16,216	1,449	678	\$1213.16	771			16,894	98
99	16,216		136	815	17,167	1,535	720	\$1282.02	815			17,886	99
0	17,167		130	861	18,158	1,624	763	\$1353.45	861			18,920	0
1	18,158		123	909	19,190	1,717	808	\$1427.62	909			19,998	1
2	19,190		117	960	20,267	1,814	855	\$1504.48	960			21,121	2
3	20,267		112	1,012	21,391	1,915	904	\$1584.40	1,012			22,294	3
4	21,391		110	1,066	22,566	2,021	955	\$1667.28	1,066			23,521	4
5	22,566		104	1,124	23,794	2,132	1,008	\$1753.24	1,124			24,802	5

#### ASSUMPTIONS

1.92% Inflation Rate FY 87  
~~11.02%~~ Rate of Return FY 87  
 14.6%  
 4.00% Inflation Rate FY 88  
 9.00% Rate of Return FY 88

6% Average Inflation Rate FY 89-05  
 9% Average Rate of Return FY 89-05

\* SOURCE: Alaska Department of Revenue  
 30% Case Forecast - December 1986

STATUS QUO WITH AN INCREASE IN FY 87 NET INCOME

\*\* SOURCE: Population Projections From

STEVE COWPER  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

sk 157

March 3, 1987

The Honorable Jan Faiks  
President of the Senate  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Senator Faiks:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill appropriating money from the earnings reserve account (formerly called the "undistributed income account," AS 37.13.145) of the Alaska permanent fund to the general fund. This bill appropriates a sufficient amount of money to cover whatever deficit may exist after the end of fiscal year 1987 from the earnings reserve account of the permanent fund to the general fund. If an insufficient amount is available from the earnings reserve account, then the entire amount is appropriated to the general fund.

The deficit for fiscal year 1987 is identified in the bill by reference to the specific line in the state's annual financial report which reports that figure.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cowper", written over the typed name and title.

Steve Cowper  
Governor

CSSB

157

# HOUSE COMMITTEE REPORT

(11)

Date referred: 4/8/87

FURTHER REFERRALS:

DATE: 5-16-87

The Finance Committee has considered CSSB 157 (Fin)

"An Act appropriating from the earnings reserve account of the Alaska permanent fund to the general fund."

**RECOMMENDS:**

- replace with HCS CSSB 157 (FIN)  the same title
- attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

**ADOPTS:**  \_\_\_\_\_ letter of intent

**ATTACHES NEW FISCAL NOTE(S):**

- fiscal impact  same as previous fiscal note published \_\_\_\_\_
- zero fiscal note  same as previous zero fiscal note published \_\_\_\_\_
- zero with analysis

**SIGNING DO PASS:**

Al Adams  
Kat Kouchak  
Ronald J. Linn  
C. Small  
L. Mark Boyer  
Jay Brown  
Mike D...  
Peter...

**SIGNING OTHER RECOMMENDATIONS:**

Same Keys No Recommendations  
No No Rec.  
Keywellis "

Albert G. ...  
 Chairman's signature

Original sponsor: Rules/Governor

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 157 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating from the earnings reserve  
7 account of the Alaska permanent fund to the general  
8 fund."

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

10 \* Section 1. The sum of \$516,000,000 is appropriated from the earnings  
11 reserve account of the Alaska permanent fund (AS 37.13.145) to the budget  
12 reserve fund (AS 37.05.156); however, the amount appropriated shall be  
13 transferred from the earnings reserve account to the budget reserve fund  
14 only as necessary to meet the requirements of sec. 2 of this Act.

15 \* Sec. 2. The appropriation made in sec. 1 of this Act is appropriated  
16 from the budget reserve fund to the general fund. This appropriation may  
17 be transferred to the general fund for expenditure upon a determination by  
18 the Department of Revenue that the cash balance of the general fund in the  
19 state treasury is insufficient to pay obligations of the general fund under  
20 appropriations at any time during fiscal year 1988. Only the amount re-  
21 quired to pay those obligations may be transferred or expended.

22 \* Sec. 3. The amount appropriated by this Act that is not transferred  
23 under sec. 2 of this Act lapses into the earnings reserve account of the  
24 Alaska permanent fund (AS 37.13.145) June 29, 1988.

No. 1

**STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE**

**REQUEST:** \_\_\_\_\_

Bill Version: HCS CS SB 157  
Publish Date: HOUSE 4/8/87

Revision Date: \_\_\_\_\_

Agency Affected: Permanent Fund Corporation

Title: Appropriating from earnings  
reserve account of AK PF to GF

BRU: \_\_\_\_\_

Sponsor: Governor

Components: \_\_\_\_\_

Requestor: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL OPERATING</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

REVENUE	0-174.9M	-0-	-0-	-0-	-0-	-0-
---------	----------	-----	-----	-----	-----	-----

**FUNDING: (Thousands of Dollars)**

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	0-174.9M	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	<b>0-174.9M</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

**POSITIONS:**

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

**ANALYSIS :** (Attach a separate page if necessary)

Prepared by: Fran Ulmer, Chair

Phone: 465-4963

Division: House State Affairs Committee

Date: April 7, 1987

Approved by Commissioner: \_\_\_\_\_

Date: \_\_\_\_\_

Agency: \_\_\_\_\_

Distribution (by preparer):

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

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y STATE CAPITOL  
JUNEAU, ALASKA 99811  
907 465-3800

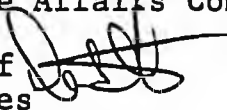
LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 2, 1987

SUBJECT: Title of HCS CSSB 157 (State Affairs)

TO: Representative Fran Ulmer  
Chair, House State Affairs Committee

FROM: David R. Dierdorff   
Revisor of Statutes

Enclosed is the draft committee substitute requested by Dennis Burns for your committee.

The bill passed the Senate without an effective date provision. Thus, to add an immediate effective date to the draft, it is necessary to add the standard effective date clause to the title of the bill. This raises a question under the Uniform Rules as to whether such a title change is allowed in the second house.

Uniform Rule 35 provides in part:

A motion or proposition on a subject that requires a change in the title of the bill as enacted in the house of origin, other than a clerical or technical change is not in order in the second house.

It is my opinion that a change in the title of a bill regarding the effective date is a technical change permitted under Rule 35. This has been the position taken by this office since 1984.

The vote on passage of a bill occurs separately from the vote on the effective date section. Failure to adopt a special effective date does not defeat the bill itself or serve to rescind action in passing the bill. This is because under Article II, Sec. 14 of the state constitution a bill may become law upon a majority vote of the membership of each house. Under Article II, Sec. 18 it is only the special effective date itself that requires a two-thirds vote.

Representative Ulmer  
Page 2  
April 2, 1987

Uniform Rule 39(f) provides

(f) If a bill or portion of a bill contains material which has an effective date other than the date which is 90 days after the bill becomes law, the bill must contain a section or sections setting out the proposed effective date or dates. The section or sections relating to the effective dates must be approved by an affirmative vote of two-thirds of the full membership of each house. If a section setting out an effective date fails to receive the required two-thirds vote in either house, the section is void and without effect and is deleted from the bill. The fact that a bill contains a section which sets out an effective date shall also be noted in the title of the bill.

It is clear that changing the title to reflect whether an effective date is adopted or fails is required as a technical matter. This conclusion appears to be further supported in Rule 35 itself which provides in part

When the amendments to the body of a bill affect the numbering of sections, or passage or failure of the effective date clause affects the title, the clerk or secretary may accomplish the necessary changes without formal motion, and the changes shall be noted in the journal.

The issue has come up as to whether a bill passed by one house with an effective date and passed by the other with no effective date constitutes the same bill for purposes of determining whether identical legislation has passed each body of the legislature. Upon the advice of the attorney general that identical legislation had not passed both bodies, the governor returned SCSHB 207 am S (H failed eff. date) unsigned. (See 1980 House Journal, p. 2240 and 1980 Senate Journal, p. 1781) Legislative counsel advised that the bill became effective without the governor's signature as ch. 177, SLA 1980 and the superior court upheld the validity of the enactment. (Alaska Legislative Council v. Hammond, case no. 4FA-80-1689, Superior Court for the Fourth Judicial District.)

While we believe that the addition of effective date language to the title is permitted under the rules, I should point out that as a practical matter it may not be necessary to add an effective date to this bill. The amount to be

Representative Ulmer

Page 3

April 2, 1987

appropriated will not be certain (and the appropriation made by the bill can not be executed) until the annual financial report is published. Although the statute (AS 37.05.210(2)) requires publication by October 16, in the past two years it has not been published until early in the following year. I understand that the new commissioner promises to use every effort to meet the statutory deadline. Even if that occurs, it would be after the effective date of this bill without a special effective date. Consequently, the only advantage to an immediate effective date would be to encumber the necessary funds at an earlier date. That, of course, is a policy question for you to determine.

In any event, if you choose to add an effective date, we believe that that action is allowed under the Uniform Rules even though it may create some procedural delays.

DRD:mkr  
m10/088

Enclosure

# Alaska State Legislature

## House of Representatives

Al Adams  
Chairman  
Committee on Finance

April 14, 1987

WHILE IN SESSION  
P.O. Box V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-3706

OUT OF SESSION  
P.O. Box 333  
Kotzebue, Alaska 99752  
(907) 442-3320

1024 W. 6th  
Anchorage, Alaska 99501  
(907) 274-0615



Official Business

### MEMORANDUM

TO: House Finance Committee members  
FROM: Representative Al Adams, Chair  
SUBJ: Draft HCS CS SB 157 (FIN)

Attached is a draft Finance C.S. for SB 157. It appropriates \$139,500,000 from the earnings reserve account of the permanent fund to the general fund. This amount is what I calculate is still needed to erase the FY87 deficit. Here is how I arrived at this amount:

Deficit (per January revenue forecast)	(\$866.4M)
Appropriating balance of budget reserve fund to general fund (Ch. 2, SLA 87)	427.3
Changing the funding source for Bradley Lake from the general fund to the railbelt energy fund (SB 159)	50.0
Increase in FY 87 revenue (per March revenue forecast)	264.2
Amount needed to fund FY 87 supplementals (HB 127)	(14.6)
AMOUNT NEEDED FROM EARNINGS RESERVE TO ERASE FY 87 DEFICIT: DRAFT HCS CS SB 157 (FIN)	<hr/> \$139.5 <hr/>
FY 87 Balance	0

The language of the C.S. has also been altered. Since all amounts are now known to arrive at the calculation, no references to other documents are needed. A cap on the amount taken from the earnings reserve account is retained by keeping the phrase "An amount not to exceed ..." in the bill.

I urge your favorable consideration of the draft C.S.

w01387N ✓  
Dierdorff  
4/14/87

Original sponsor: Rules/Governor

Funding Information

General Fund	\$139,500,000)
Other Funds	<u>139,500,000</u>
	\$ -0-

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 157 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating from the earnings reserve

7 account of the Alaska permanent fund to the general

8 fund; and providing for an effective date."

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

10 \* Section 1. The sum of \$139,500,000 is appropriated from the earnings

11 reserve account of the Alaska permanent fund (AS 37.13.145) to the general

12 fund.

13 \* Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

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## Alaska Permanent Fund Corporation

### FINANCIAL PROJECTIONS (in millions) as of March 31, 1987

FY	PRINCIPAL					INCOME					Reserves		
	FY Begin Balance	Appropriations	Dedicated State Revenues*	Inflation Proofing	FY End Balance	Inflation Proofing Shortfall	Net Income	Per Capita Dividends	Inflation Proofing	General Fund	Add (Delete)	FY End Balance	FY
78			54		54		2			1			78
79	54		84		139		8			7			79
80	139		344		483		32	12		12			80
81	483	900	385		1,769		150	28		28	59	59	81
82	1,769	800	401		2,969		368	71	\$1,000.00	71	185	244	82
83	2,969	400	421	231	4,021		471	108	\$366.15	231	110	354	83
84	4,021	300	366	151	4,838		530	175	\$331.29	151	204	557	84
85	4,838	300	368	235	5,741		658	217	\$404.00	235	206	763	85
86	5,741		323	216	6,281		1,021	303	\$556.26	216	501	1,264	86
87	6,281	1,264	150	148	7,843		1,054	390	\$724.73	148	516	516	87
88	7,843		165	320	8,329		796	424	\$790.57	320	51	567	88
89	8,329		187	511	9,026		847	458	\$849.73	511	( 121)	446	89
90	9,026		206	554	9,787		902	484	\$894.66	554	( 135)	311	90
91	9,787		194	599	10,580		961	478	\$880.23	599	( 116)	195	91
92	10,580		211	647	11,438		1,025	476	\$871.19	647	( 98)	97	92
93	11,438		225	687	12,350	13	1,098	508	\$925.74	687	( 97)		93
94	12,350		230	633	13,213	122	1,175	542	\$984.82	633			94
95	13,213		230	677	14,120	130	1,256	579	\$1,048.31	677			95
96	14,120		229	722	15,071	139	1,341	619	\$1,116.58	722			96
97	15,071		231	770	16,072	149	1,431	662	\$1,188.95	770			97
98	16,072		231	819	17,121	159	1,526	707	\$1,264.83	819			98
99	17,121		228	871	18,220	170	1,624	754	\$1,344.20	871			99
0	18,220		223	924	19,367	182	1,728	803	\$1,426.98	924			0
1	19,367		217	980	20,564	195	1,835	855	\$1,513.29	980			1
2	20,564		215	1,039	21,818	208	1,948	909	\$1,603.09	1,039			2
3	21,818		210	1,100	23,128	222	2,066	966	\$1,696.39	1,100			3
4	23,128		208	1,164	24,499	236	2,199	1,026	\$1,793.60	1,164			4
5	24,499		205	1,231	25,936	251	2,319	1,088	\$1,894.48	1,231			5
-----													
Cumulative Totals:	3,964	6,742	15,229	25,936	2,175		30,361	13,639	\$25,490.07	15,229	229	1,264	
=====													

ASSUMPTIONS: 1.92% Inflation Rate FY 87  
14.03% Rate of Return FY 87

4.00% Inflation Rate FY 88  
9.00% Rate of Return FY 88

\* SOURCE: Alaska Department of Revenue  
30% Case Forecast - March 1987

STATUS QUO

6.00% Inflation Rate FY 89-05  
9.00% Rate of Return FY 89-05

\*\* SOURCE: Population Projections From  
DOR Revenue Source Book - Page 44



## Alaska Permanent Fund Corporation

### FINANCIAL PROJECTIONS (in millions)

as of March 31, 1987

FY	PRINCIPAL					INCOME					Reserves		FY		
	FY Begin Balance	Appropriations	Dedicated State Revenues*	Inflation Proofing	FY End Balance	Inflation Proofing Shortfall	Net Income	Per Capita Dividends**	Inflation Proofing	General Fund	Add (Delete)	FY End Balance			
78			54		54					1			78		
79	54		84		139					7			79		
80	139		344		483					12			80		
81	483	900	385		1,769					28	59	59	81		
82	1,769	800	401		2,969					71	185	244	82		
83	2,969	400	421	231	4,021					110	110	354	83		
84	4,021	300	366	151	4,838					151	204	557	84		
85	4,838	300	368	235	5,741					235	206	763	85		
86	5,741		323	216	6,281					216	501	1,264	86		
87	6,281	1,264	150	148	7,843					148	371	371	87		
88	7,843		165	320	8,329					320	39	410	88		
89	8,329		187	511	9,026					511	( 133)	277	89		
90	9,026		206	554	9,787					554	( 147)	130	90		
91	9,787		194	599	10,580					599	( 127)	3	91		
92	10,580		211	543	11,334	104				543	( 3)		92		
93	11,334		225	580	12,139	113				580			93		
94	12,139		230	622	12,992	120				622			94		
95	12,992		230	666	13,887	127				666			95		
96	13,887		229	711	14,827	136				711			96		
97	14,827		231	758	15,816	146				758			97		
98	15,816		231	806	16,853	156				806			98		
99	16,853		228	857	17,938	168				857			99		
0	17,938		223	910	19,071	179				910			0		
1	19,071		217	966	20,254	192				966			1		
2	20,254		215	1,024	21,493	205				1,024			2		
3	21,493		210	1,084	22,786	218				1,084			3		
4	22,786		208	1,147	24,141	233				1,147			4		
5	24,141		205	1,213	25,560	247				1,213			5		
-----															
Cumulative Totals:	3,964		6,742	14,853	25,560	2,344				29,947	13,456	\$25,155.88	14,853	374	1,264
=====															

ASSUMPTIONS: 1.92% Inflation Rate FY 87  
 ----- 14.03% Rate of Return FY 87

4.00% Inflation Rate FY 88  
 9.00% Rate of Return FY 88

\* SOURCE: Alaska Department of Revenue  
 30% Case Forecast - March 1987



## Alaska Permanent Fund Corporation

### FINANCIAL PROJECTIONS

(in millions)

as of March 31, 1987

FY	PRINCIPAL					INCOME					Reserves		FY	
	FY Begin Balance	Appropriations	Dedicated State Revenues*	Inflation Proofing	FY End Balance	Inflation Proofing Shortfall	Net Income	Distributions			General Fund	Add (Delete)		FY End Balance
								Dividends	Per Capita Dividends**	Inflation Proofing				
78			54		54		2				1			78
79	54		84		139		8				7			79
80	139		344		483		32	12			12			80
81	483	900	385		1,769		150	28			28	59	59	81
82	1,769	800	401		2,969		368	71	\$1,000.00		71	185	244	82
83	2,969	400	421	231	4,021		471	108	\$386.15	231	110	110	354	83
84	4,021	300	366	151	4,838		530	175	\$331.29	151		204	557	84
85	4,838	300	368	235	5,741		658	217	\$404.00	235		266	763	85
86	5,741		323	216	6,281		1,021	303	\$556.26	216		501	1,264	86
87	6,281	1,264	150	148	7,843		1,054	390	\$724.73	148	516			87
88	7,843		165	320	8,329		747	419	\$780.87	320		8	8	88
89	8,329		187	355	8,871	156	794	447	\$829.47	355		( 8)		89
90	8,871		206	379	9,456	166	846	467	\$863.35	379				90
91	9,456		194	445	10,095	134	900	455	\$837.04	445				91
92	10,095		211	515	10,821	103	961	446	\$815.64	515				92
93	10,821		225	555	11,601	108	1,030	476	\$866.87	555				93
94	11,601		230	596	12,427	114	1,104	508	\$922.66	596				94
95	12,427		230	638	13,294	121	1,182	544	\$983.07	638				95
96	13,294		229	682	14,205	130	1,264	582	\$1,048.11	682				96
97	14,205		231	727	15,163	139	1,350	623	\$1,117.46	727				97
98	15,163		231	774	16,169	149	1,440	666	\$1,190.16	774				98
99	16,169		228	824	17,220	160	1,535	711	\$1,266.20	824				99
0	17,220		223	875	18,318	172	1,633	758	\$1,345.48	875				0
1	18,318		217	929	19,464	183	1,737	808	\$1,427.98	929				1
2	19,464		215	985	20,664	196	1,844	860	\$1,514.00	985				2
3	20,664		210	1,043	21,916	209	1,957	914	\$1,603.36	1,043				3
4	21,916		208	1,104	23,228	223	2,075	971	\$1,696.32	1,104				4
5	23,228		205	1,168	24,602	238	2,199	1,030	\$1,792.98	1,168				5
Cumulative Totals:														
	3,964	6,742	13,895	24,602	2,702		28,892	12,988	\$24,303.47	13,895	745	1,264		

ASSUMPTIONS: 1.92% Inflation Rate FY 87  
 ----- 14.03% Rate of Return FY 87

4.00% Inflation Rate FY 88  
 9.00% Rate of Return FY 88

\* SOURCE: Alaska Department of Revenue  
 30% Case Forecast - March 1987

STATUS QUO EXCEPT FOR FY 87 ONLY,  
 EARNINGS RESERVE TO GENERAL FUND

6.00% Inflation Rate FY 89-05  
 9.00% Rate of Return FY 89-05

\*\* SOURCE: Population Projections From  
 DOR Revenue Source Book - Page 44

STEVE COWPER  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

sb 157

March 3, 1987

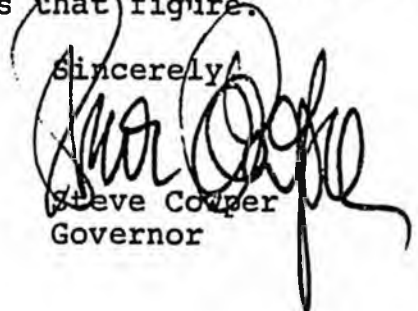
The Honorable Jan Faiks  
President of the Senate  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Senator Faiks:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill appropriating money from the earnings reserve account (formerly called the "undistributed income account," AS 37.13.145) of the Alaska permanent fund to the general fund. This bill appropriates a sufficient amount of money to cover whatever deficit may exist after the end of fiscal year 1987 from the earnings reserve account of the permanent fund to the general fund. If an insufficient amount is available from the earnings reserve account, then the entire amount is appropriated to the general fund.

The deficit for fiscal year 1987 is identified in the bill by reference to the specific line in the state's annual financial report which reports that figure.

Sincerely,

  
Steve Cooper  
Governor

Offered: 4/8/87  
Referred: Finance

wol387X

Original sponsor: Rules/Governor

Funding Information

General Fund	\$ (174,900,000)
Other Funds	<u>174,900,000</u>
	\$ -0-

1 IN THE SENATE BY THE STATE AFFAIRS COMMITTEE  
2 HOUSE CS FOR CS FOR SENATE BILL NO. 157 (State Affairs)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FIFTEENTH LEGISLATURE - FIRST SESSION  
5 A BILL  
6 For an Act entitled: "An Act appropriating from the earnings reserve  
7 account of the Alaska permanent fund to the general  
8 fund; and providing for an effective date."  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
10 \* Section 1. An amount not to exceed \$174,900,000 that is sufficient to  
11 offset any negative amount in the "Available Fund Equity/Balance" for the  
12 general fund as reported for June 30, 1987, on the "State of Alaska, All  
13 Fund Types and Account Groups, Combined Balance Sheet" in the annual finan-  
14 cial report for fiscal year 1987 published under AS 37.05.210(2), is appro-  
15 priated from the earnings reserve account of the Alaska permanent fund  
16 (AS 37.13.145) to the general fund.  
17 \* Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

Original sponsor: Rules/Governor

1 IN THE SENATE BY THE FINANCE COMMITTEE  
2 CS FOR SENATE BILL NO. 157 (Finance)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FIFTEENTH LEGISLATURE - FIRST SESSION  
5 A BILL  
6 For an Act entitled: "An Act appropriating from the earnings reserve  
7 account of the Alaska permanent fund to the general  
8 fund."  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
10 \* Section 1. (a) An amount calculated under (b) of this section is  
11 appropriated from the earnings reserve account in the permanent fund  
12 (AS 37.13.145) to the general fund.  
13 (b) The amount that may be appropriated under (a) of this section is  
14 the lesser of:  
15 (1) \$154,000,000; or  
16 (2) \$882,000,000 less the total of  
17 (A) the sum transferred from the budget reserve fund  
18 (AS 37.05.156) to the general fund by legislation enacted by the First  
19 Session of the Fifteenth Legislature;  
20 (B) the total of appropriations made from the Railbelt  
21 energy fund (AS 37.06.153) by legislation enacted by the First Session  
22 of the Fifteenth Legislature that were formerly funded by the general  
23 fund; and  
24 (C) the amount obtained by subtracting the January 1987  
25 revenue forecast for fiscal year 1987 prepared by the Department of  
26 Revenue from the March 1987 revenue forecast.

1 IN THE SENATE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2

SENATE BILL NO. 157

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act appropriating from the earnings reserve  
7 account of the Alaska permanent fund to the general  
8 fund; and providing for an effective date."

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

10 \* Section 1. The lesser of the following two amounts is appropriated  
11 from the earnings reserve account of the Alaska permanent fund to the  
12 general fund: (1) an amount sufficient to offset any negative amount in  
13 the "Available Fund Equity/Balance" for the general fund as reported for  
14 June 30, 1987 on the "State of Alaska, All Fund Types and Account Groups,  
15 Combined Balance Sheet" in the State of Alaska's "Annual Financial Report"  
16 for fiscal year 1987, published under AS 37.05.210(2); or (2) the amount in  
17 the earnings reserve account of the Alaska permanent fund as of July 1,  
18 1987.

19 \* Sec. 2. This Act takes effect immediately under AS 01.10.070(c).