

ALASKA LEGISLATURE COMMITTEE BILL FILES - 1987 - 1988 8879  
SB 335 thru SE 338 102/02

S B

3 3 5

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of waived 1/14/88 5-DAY NOTICE  
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER:

\*\*FISCAL NOTE(S) ATTACHED \*\*  
IN ACCORDANCE WITH AS 24.08.025  
(see below)

1/12/88  
Mr. President:

DATE TURNED INTO OFFICE 1/18/88

Finance Committee considered SB 335

making, amending, lapsing, and repealing appropriations pertaining  
to permanent fund dividends; efd

and recommended:

replace with CS \_\_\_\_\_  same title  
 new title

attached amendment(s) and

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

Paul Goble  
Jim Duncan  
Rich Hehl  
W. Hardy  
John R. ...

Rich Hehl do pass  
Chairman signature and recommendation

Committee Backup Attached

*Adopted*  
*1/18/88*

PROPOSED AMENDMENT TO SENATE BILL 335

(Making, amending, lapsing, and  
repealing appropriations pertaining  
to permanent fund dividends)

Section 5 - Delete language and replace with:

\*Sec. 5. "This Act takes effect on the effective date of  
An Act amending the method for computation of  
permanent fund dividends to include additional  
money appropriated to the dividend fund in the  
total amount available for dividend payments.

Senator Paul Fischer  
1-18-88

STATE OF ALASKA  
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

January 15, 1988

SUBJECT: Suggested Effective Date Clause for SB 335  
TO: Senator Paul Fischer  
FROM: George Utermohle *GU*  
Legislative Counsel

The following language is offered for your consideration as a new effective date clause for SB 335.

This Act takes effect on the effective date of an Act amending the method for computation of permanent fund dividends to include additional money appropriated to the dividend fund in the total amount available for dividend payments.

This proposed language is more precise than the language currently in SB 335. The current language of SB 335 conditions its effective date on the effective date of a bill with a certain title. The bill need not pass to cause SB 335 to take effect; this is not the intent of the conditional effective date. Also, it is not important what the Act triggering SB 335 is entitled; what is important is that the Act allows the appropriations made by SB 335 to be included in the permanent fund dividend for 1988. Thus the substance of the bill is more important than the title.

Please contact me if you would like to discuss this proposed language further.

GU:lmb  
L6/035

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: An Act making, amending, lapsing, and repealing appropriations pertaining to permanent fund dividends.  
Sponsor: Senators Fischer and Faiks  
Requestor: Senate Finance

Agency Affected: Revenue  
BRU: Permanent Fund Dividend  
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	-	-	-	-	-	-
LANDS & 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	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

See attachment.

Prepared By: Royce B. Weller *RW* Phone: 465-2300  
Division: Commissioner's Office Date: January 15, 1988

Approved by Commissioner: Hugh Malone *H Malone* Date: January 15, 1988  
Agency: Department of Revenue

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

Prior Year Permanent Fund Dividend Payment History  
as of January 14, 1988

AR #	Appropriation Cite	Dividend Year	Appropriation Amount	Expended to date	Encumbered Balance	Unencumbered Balance	Amount to Reserve for Potential Liabilities	Balance
15720	Ch. 101 SLA 82 General Fund	1982	\$421,032,500.00	\$416,217,256.53	\$4,676,890.61	\$ 138,575.89	\$408,000.00	\$4,407,466.50
15795	Ch. 6 SLA 83 PFD Fund	1982 Supplemental	\$ 41,000,000.00	\$ 34,422,432.80	\$6,577,567.20	0.00	0.00	6,577,567.20
15800	Ch. 107 SLA 83 PFD Fund	1983	\$175,935,300.00	\$174,254,300.19	\$ 192,302.70	\$1,488,697.11	59,853.25	1,621,146.55
15805	Ch. 44 SLA 84 PFD Fund	1983 Reopening	\$ 11,584,500.00	\$ 2,354,530.03	0.00	\$9,229,969.97	0.00	9,229,969.97
15765	Ch. 122 SLA 84 PFD Fund	1984	160,100,171.00	158,654,315.65	\$ 164,319.84	\$1,281,535.51	42,405.12	1,403,450.23
15502	Ch. 98, SLA 85 PFD Fund	1985	208,910,043.58	206,790,675.16	\$2,119,368.42	0.00	119,988.00	1,999,380.42

1 IN THE SENATE

BY FISCHER, FAIKS

2

SENATE BILL NO. 335

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act making, amending, lapsing, and repealing  
7 appropriations pertaining to permanent fund divi-  
8 dends; and providing for an effective date."

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

10 \* Section 1. The unexpended and unobligated balances of the following  
11 appropriations lapse into the general fund June 30, 1988:

12 (1) sec. 17, ch. 101, SLA 1982, as amended by sec. 122, ch. 105,  
13 SLA 1985;

14 (2) sec. 18, ch. 101, SLA 1982.

15 \* Sec. 2. The unexpended and unobligated balances of the following  
16 appropriations are repealed and an amount equal to the sum of the appro-  
17 priations repealed by this section is appropriated from the dividend fund  
18 to the Department of Revenue to pay permanent fund dividends in 1988:

19 (1) sec. 1, ch. 6, SLA 1983;

20 (2) sec. 2, ch. 44, SLA 1984;

21 (3) sec. 3, ch. 44, SLA 1984;

22 (4) sec. 26, ch. 98, SLA 1985, page 26, line 5 (permanent fund  
23 dividend);

24 (5) sec. 26, ch. 98, SLA 1985, page 35, line 7 (permanent fund  
25 dividend hold harmless).

26 \* Sec. 3. The unexpended and unobligated balances of the following  
27 appropriations are repealed and an amount equal to the sum of the appro-  
28 priations repealed by this section is appropriated from the earnings re-  
29 serve account of the permanent fund to the dividend fund:

1 (1) sec. 32, ch. 107, SLA 1983, page 14, line 11 (permanent fund  
2 dividend);

3 (2) sec. 14, ch. 122, SLA 1984;

4 (3) sec. 15, ch. 122, SLA 1984;

5 (4) sec. 14, ch. 98, SLA 1985, as amended by sec. 763, ch. 105,  
6 SLA 1985.

7 \* Sec. 4. An amount equal to the amount appropriated to the dividend  
8 fund by sec. 3 of this Act is appropriated from the dividend fund to the  
9 Department of Revenue to pay permanent fund dividends in 1988.

*Amende 6*  
10 → \* Sec. 5. This Act takes effect on the effective date of a version of a  
11 bill entitled, An Act relating to computation of permanent fund dividends.

SECTIONAL ANALYSIS (Senator Paul Fischer)

SENATE BILL 335 (Making, amending, lapsing, and repealing appropriations pertaining to permanent fund dividends)

This bill provides for the transfer of the unexpended and unobligated balances of permanent fund dividend appropriations for what are known as "prior year dividends" for the years 1982 through 1985.

Section 1 lapses the unexpended and unobligated balances of the 1982 appropriations originally made from the general fund back to the the general fund (approximately \$4 million).

Section 2 of the bill repeals the unexpended and unobligated balances of 1983, 1984, and 1985 appropriations from the dividend fund to the Department of Revenue for the payment of dividends.

Section 3 repeals the unexpended and unobligated balances in several appropriations from the permanent fund earnings reserve account to pay permanent fund dividends in the years 1983 through 1985. This would allow the Department of Revenue to "sweep" all their accounts and deposit the balances in one account.

Section 4 appropriates the sum of money appropriated to the dividend fund by section 3 of this bill out of the dividend fund to the Department of Revenue for payment of permanent fund dividends.

Section 5 is the effective date and is contingent upon passage of Senate Bill 336 or a similar version. However, an amendment will be offered by the sponsor to replace this section.

1-15-88

**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_ Agency Affected: Department of  
 Title: Making, amending, lapsing & BRU: Revenue  
repealing appropriations to PFDs;efd  
 Sponsor: Senators Fischer & Faiks Components: \_\_\_\_\_  
 Requestor: Senate Finance Committee

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

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CAPITAL</b>						
<b>REVENUE</b>						

**FUNDING: (Thousands of Dollars)**

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

**POSITIONS:**

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

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

Prepared by: \_\_\_\_\_ Phone: 465-4958  
 Division: Senator Rick Halford, Co-chairman Date: \_\_\_\_\_  
Senate Finance Committee

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

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

988

85

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of Waived 1/14/88 5-DAY NOTICE  
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: FINANCE

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

1/12/88  
Mr. President:

DATE TURNED INTO OFFICE 1/18/88

Finance

Committee considered SB 336

computation of permanent fund dividends; efd

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

\_\_\_\_\_  
*Paul Frisk*  
 \_\_\_\_\_  
*Joan Dunca*  
 \_\_\_\_\_  
*Julie Vek*  
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*Walter H...*  
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*John Berry*  
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Rick Halford do pass  
Chairman signature and recommendation

Committee Backup Attached

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: An Act relating to computation of PFD Dividends and an effective date.  
Sponsor: Senators Fischer and Faiks  
Requestor: Senate Finance

Agency Affected: Revenue  
BRU: Permanent Fund Dividend  
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	-	-	-	-	-	-
LANDS & 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	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Royce B. Weller *RW* Phone: 465-2300  
Division: Commissioner's Office Date: January 15, 1988

Approved by Commissioner: Hugh Malone *H Malone* Date: January 15, 1988  
Agency: Department of Revenue

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

1 IN THE SENATE

BY FISCHER

2

SENATE BILL NO. 336

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to computation of permanent fund  
7 dividends; and providing for an effective date."

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

9 \* Section 1. AS 43.23.025 is amended to read:

10 Sec. 43.23.025. AMOUNT OF DIVIDEND. By October 1 of each year  
11 the commissioner shall give public notice of the value of each perma-  
12 nent fund dividend for that year. The public notice shall contain a  
13 statement disclosing the amount by which each individual dividend has  
14 been reduced in order to pay the costs of administering the program  
15 and the hold harmless provisions of AS 43.23.075. The commissioner  
16 shall also include the statement on the stub attached to each indi-  
17 vidual dividend check. The commissioner shall determine the value of  
18 a permanent fund dividend by

19 (1) determining the total amount available for dividend  
20 payments, which equals

21 (A) the amount of income of the Alaska permanent fund  
22 transferred to the dividend fund under AS 43.23.045(b) during the  
23 current year;

24 (B) plus the unexpended and unobligated balances of  
25 prior fiscal year appropriations that lapse into the dividend  
26 fund under AS 43.23.045(d);

27 (C) plus any additional amount appropriated to the  
28 dividend fund for distribution as dividends during the current  
29 year;

1                    (D) less the amount necessary to pay dividends from  
2 the dividend fund in the current year under AS 43.23.055(3);

3                    (E) [(D)] less the amount necessary to pay dividends  
4 from the dividend fund due to eligible applicants who, as deter-  
5 mined by the department, filed for a previous year's dividend by  
6 the filing deadline but who were not included in a previous  
7 year's dividend computation;

8                    (2) determining the number of individuals eligible to re-  
9 ceive a dividend payment for the current year; and

10                    (3) dividing the amount determined under (1) of this sec-  
11 tion by the amount determined under (2) of this section.

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

SECTIONAL ANALYSIS (Senator Paul Fischer)

SENATE BILL 336 (Relating to computation of permanent fund dividends)

The purpose of this bill is to revise the method of calculation and allow for including the additional unexpended and unobligated balances of past appropriations in this year's dividend formula.

This bill will also allow for future unexpended and unobligated balances of appropriations to lapse into the dividend fund for which the appropriation was made and shall be used in determining the amount of and paying the subsequent year's dividend.

1-15-88

58

337

SENATE COMMITTEE REPORT

FURTHER

DATE TURNED INTO OFFICE 3/23/88

3/21/88  
Mr. President:

FINANCE Committee considered SB 337

amending notice requirements relating to the municipal assistance program; efd

and recommended

replace with \_\_\_\_\_ CS \_\_\_\_\_ )  same title  
 or adopt \_\_\_\_\_ CS SB 337 (Finance)  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

*[Handwritten signatures]*  
\_\_\_\_\_  
Paul Frank  
\_\_\_\_\_  
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*Rick Halford*  
Chairman signature and recommendation

Committee Backup attached

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: "An act amending notice requirements  
..municipal assistance program.."  
Sponsor: Jones  
Requestor: \_\_\_\_\_

Agency Affected: Community & Regional Affairs  
BRU: Municipal Assistance  
Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPEKATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
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)

Prepared by: Jim Plisman, Deputy Director  
Division: Municipal & Regional Assistance

Phone: 465-4750  
Date: 3/10/88

Approved by Commissioner: [Signature]  
Agency: Community & Regional Affairs

Date: 3-10-88

Distribution (by preparer):

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

Original sponsor: Jones

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 337 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act amending notice requirements relating to  
7 payments from the municipal assistance fund appli-  
8 cable to municipalities with a population of less  
9 than 20,000; and providing for an effective date."

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

11 \* Section 1. AS 29.60.370(b) is amended to read:

12 (b) The intent of (a) of this section is that a municipality  
13 that levies property taxes reduce those levies in reasonable propor-  
14 tion to the amount of increased state aid received by the municipal-  
15 ity. [THE GOVERNING BODY OF EACH MUNICIPALITY SHALL FURNISH A NOTICE  
16 WITH EACH TAX STATEMENT DESCRIBING ITS USE OF THIS STATE AID.]

17 \* Sec. 2. AS 29.60.370 is amended by adding new subsections to read:

18 (c) The governing body of a municipality with a population of  
19 20,000 or more that levies a property tax shall furnish a notice  
20 describing use of the state aid provided under (a) of this section.  
21 Notice under this subsection shall be provided by furnishing a copy of  
22 the notice with each tax statement mailed for the fiscal year for  
23 which aid is received.

24 (d) The governing body of a municipality with a population of  
25 less than 20,000 that levies a property tax shall furnish a notice  
26 describing use of the state aid provided under (a) of this section.  
27 Notice under this subsection shall be provided

28 (1) by furnishing a copy of the notice with each tax state-  
29 ment mailed for the fiscal year for which aid is received; or

1 (2) by publishing in a newspaper of general circulation in  
2 the municipality a copy of the notice once each week for three succes-  
3 sive weeks, with the first publication to occur not later than 45 days  
4 after the final adoption of the municipality's budget.

5 \* Sec. 3. This Act takes effect immediately under AS 01.10.070(c).  
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STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: CSSB 337 (CRA)  
PUBLISH DATE: SENATE 3/21/88

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Community & Regional Affairs  
Title: "An act amending notice requirements  
..municipal assistance program.." BRU: Municipal Assistance  
Sponsor: Jones Components: \_\_\_\_\_  
Requestor: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
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	-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)

Prepared by: Jim Plisman, Deputy Director Phone: 465-4750  
Division: Municipal & Regional Assistance Date: 3/10/88  
Approved by Commissioner: Walter J. Hickman Date: 3-10-88  
Agency: Community & Regional Affairs

Distribution (by preparer):

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

Original sponsor: Jones

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 337 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act amending notice requirements relating to  
7 payments from the municipal assistance fund appli-  
8 cable to municipalities with a population of less  
9 than 20,000; and providing for an effective date."

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

11 \* Section 1. AS 29.60.370(b) is amended to read:

12 (b) The intent of (a) of this section is that a municipality  
13 that levies property taxes reduce those levies in reasonable propor-  
14 tion to the amount of increased state aid received by the municipal-  
15 ity. [THE GOVERNING BODY OF EACH MUNICIPALITY SHALL FURNISH A NOTICE  
16 WITH EACH TAX STATEMENT DESCRIBING ITS USE OF THIS STATE AID.]

17 \* Sec. 2. AS 29.60.370 is amended by adding new subsections to read:

18 (c) The governing body of a municipality with a population of  
19 20,000 or more that levies a property tax shall furnish a notice  
20 describing use of the state aid provided under (a) of this section.  
21 Notice under this subsection shall be provided by furnishing a copy of  
22 the notice with each tax statement mailed for the fiscal year for  
23 which aid is received.

24 (d) The governing body of a municipality with a population of  
25 less than 20,000 that levies a property tax shall furnish a notice  
26 describing use of the state aid provided under (a) of this section.  
27 Notice under this subsection shall be provided

28 (1) by furnishing a copy of the notice with each tax state-  
29 ment mailed for the fiscal year for which aid is received; or

1 (2) by publishing in a newspaper of general circulation in  
2 the municipality a copy of the notice once each week for three succes-  
3 sive weeks, with the first publication to occur not later than 45 days  
4 after the final adoption of the municipality's budget.

5 \* Sec. 3. This Act takes effect immediately under AS 01.10.070(c).  
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# Alaska State Legislature

ARLISS STURGULEWSKI, Chairman  
TIM KELLY, Vice Chairman  
RICK HALFORD  
MIKE SZYMANSKI  
FRED ZHAROFF



P. O. BOX V  
JUNEAU, ALASKA 99811  
(907) 465-4989

## Senate Community and Regional Affairs Committee

March 14, 1988

TO: Senate Community and Regional Affairs Committee Members

FROM: Senate C&RA Staff *MZ*

RE: CS for SB 337 (C&RA) - "An Act amending notice requirements relating to the municipal assistance program."

At the last meeting, the committee considered this bill. Progress stalled over discussion of a population threshold below which the new language would apply. The new CS would allow the alternate use of notification to taxpayers by advertisements in newspapers in municipalities with populations under 20,000.

Municipalities with populations greater than 20,000 would continue to be required to furnish notification of the use of state aid to each taxpayer.

# Alaska State Legislature

ARLISS STURGULEWSKI, Chairman  
TIM KELLY, Vice Chairman  
RICK HALFORD  
MIKE SZYMANSKI  
FRED ZHAROFF



P. O. BOX V  
JUNEAU, ALASKA 99811  
(907) 465-4989

## Senate Community and Regional Affairs Committee

March 10, 1988

TO: Senate Community and Regional Affairs Committee Members

FROM: Senate C&RA Staff *NEA*

RE: CS for SB 337 (C&RA) - "An Act amending notice requirements relating to the municipal assistance program."

Existing law requires municipalities which levy a property tax to include a statement of how state aid is used with each tax statement. SB 337 will allow the alternative use of newspaper advertisements to give the same message. The proposed CS clarifies that this applies only to communities that levy property taxes.

The bill is supported by Community and Regional Affairs, who suggested the proposed change. The bill is also supported by the Alaska Municipal League, the City of Wrangell, and the City of Petersburg. The bill has a zero fiscal note.

# STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

- P.O. BOX B  
JUNEAU, ALASKA 99811-2100  
PHONE: (907) 465-4700
- 949 E. 36TH AVENUE, SUITE 400  
ANCHORAGE, ALASKA 99508-4302  
PHONE: (907) 563-1073

January 21, 1988

## POSITION PAPER

RE: Senate Bill 337

SPONSOR: Senator Jones

### Program Effects of Bill

Under existing law, municipalities which levy a property tax must furnish a notice of the use of increased state aid received under the Municipal Assistance Program by including a statement of how the aid was used with each tax statement. This bill would allow such notice to be given alternatively by publication in a newspaper of general circulation in the municipality. This amendment would not have a fiscal effect on the program.

### Comments

The Department supports the bill, with one minor proposed change to make it consistent with the coverage of the existing requirement, as described below. The required notice was not a significant issue in the past because the requirement is not made a condition of receipt of municipal assistance entitlements. However, with the adoption of the state single audit regulations, failure to comply with the municipal assistance notice requirement gave rise to an audit finding of non-compliance for a municipality if it failed to meet the requirement.

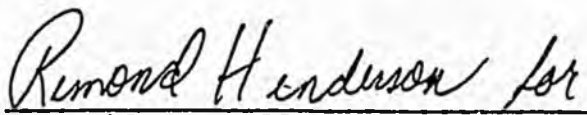
The requirement in its present form has caused problems because it does not give the option of publication in a local newspaper, which is allowed for the revenue sharing taxpayer notice. Strict compliance with the municipal assistance requirement of furnishing the notice with the tax statements has created hardship for municipalities in the following ways:

- inability to determine the amounts to be reported in time to include it with the tax statement;

- confusion over what the tax notice should include;
- confusion between the municipal assistance and revenue sharing requirements;
- hardship from interruption of automated tax statement procedures to include municipal assistance notice by hand; and
- difficulty in reporting by a city within a borough, where the city levies a separate tax, but the tax administration (including distribution of tax statements) and collection is by the borough.

The proposed bill, which would allow giving notice through publication in a local newspaper, in the manner of the revenue sharing taxpayer notice requirements at AS 29.45.020(b), would alleviate these problems and still serve the objective of the law of giving notice to residents of the direct benefits of the state assistance that they have received.

It should be noted that the department has interpreted this requirement to apply only to those municipalities which levy a property tax, as those are the only ones which distribute a tax statement. The department suggests that the language in the bill clarify this point by adding language which would make this requirement applicable to municipalities that levy a property tax. To extend the requirement to all municipalities would greatly expand the coverage of the requirement with potential hardship to smaller municipalities which do not have ready access to a newspaper of general circulation.

  
\_\_\_\_\_  
David G. Hoffman, Commissioner

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: SB 337  
PUBLISH DATE: \_\_\_\_\_

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: "An act amending notice requirements  
..municipal assistance..effective date  
Sponsor: Senator Jones  
Requestor: \_\_\_\_\_

Agency Affected: Community & Regional Affairs  
BRU: Municipal Assistance  
Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
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	-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)

Prepared by: Jim Plasman, Deputy Director Phone: 465-4750  
Division: Municipal & Regional Assistance Date: \_\_\_\_\_  
Approved by Commissioner: Reynold Henderson per David Hoffman Date: \_\_\_\_\_  
Agency: Community & Regional Affairs

Distribution (by preparer):


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

Alaska  
MUNICIPAL  
League

TELEPHONE  
(907) 586-1325

105 MUNICIPAL WAY, SUITE 301  
JUNEAU, ALASKA 99801

TO: Senator Arliss Sturgulewski, Chair  
Members of the Senate Community and Regional Affairs Committee

FROM: Scott A. Burgess, Executive Director 

DATE: February 17, 1988

SUBJECT: SB 337 - Taxpayer Notice

On behalf of its 135 member municipalities, the Alaska Municipal League supports SB 337 allowing the options of individual notice or newspaper notice to taxpayers regarding municipal assistance program payments. This legislation will provide consistency within the Statute (Title 29) and substantial savings of time and money for the municipalities and the taxpayers while meeting the intent of adequate notice.

Amending AS 29.60.370 as proposed by SB 337 will bring it into conformance with AS 29.45.020. Taxpayer Notice (a). Publication in a "newspaper of general circulation" may be much more efficient than individual notices for some municipalities who choose that option and, therefore, less expensive. An added benefit of the newspaper notice is informing non-taxpayers the cost of government and the amount of state assistance.

I do not know if the inconsistency between the two sections is intentional or a result of the fact that municipal assistance use to be addressed in Title 43 under the Department of Revenue before it was brought under the Department of Community and Regional Affairs and Title 29 under the "Title 29 Rewrite" legislation in 1985. The subject section does deal with "Increased Assistance" but that does not seem to be critical to not allowing the option, and, unfortunately, municipal assistance has not increased in several years! Adequate notice, consistency and some cost savings would be achieved with the passage of SB 337.

Again, the Alaska Municipal League supports SB 337 and the taxpayer notice options it would allow or clarify.

SAB:ph1

cc: Senator Lloyd Jones



ADOPTED AUGUST 1972

# CITY of WRANGELL, ALASKA

INCORPORATED JUNE 15, 1903

BOX 531, 99929 (907) 874-2381

January 20, 1988

Senator Lloyd Jones  
Alaska State Legislature  
P. O. Box V M/S 3100  
Juneau, Alaska 99811

RE: Senate Bill No. 337, Municipal Assistance  
Amending Notice Requirements

Dear Senator Jones:

The City of Wrangell supports Senate Bill No. 337 which would amend the municipal assistance notice requirements.

We do not object to providing notice to the public of the use of municipal assistance funds, however, we do object to the manner in which the notice is given. The present notice requirements in AS 29.60.370(b) provides that notice be furnished with each (property) tax statement. This requirement not only increases the costs of preparing and mailing statements, it can be next to impossible when statements are prepared on a computer in sealed mailing envelopes. In addition, this manner of reporting reaches a select group of the public (taxpayers) when it appears the notice should be given to the general public. This amendment would not only provide notice to a greater number of people, it would also reduce costs.

Your continued support of this amendment will be appreciated.

Sincerely,

Joyce Rasler  
City Manager



*City of Petersburg*  
*P. O. Box 329*  
*Petersburg, Alaska 99833*

January 26, 1988

Senator Lloyd Jones  
Room 9, Capital Building  
P. O. Box V  
Juneau, Ak. 99811

RE: Comments on Senate Bill 337

Dear Senator Jones,

I have recently spoken with members of your staff concerning the proposed legislation, Senate Bill 337. My staff and I strongly support the action of this bill which would allow municipalities to notify taxpayers via local newspapers of the use of Municipal Assistance revenues rather than having to enclose this notice with the tax statements.

Some of the problems encountered in complying with the current law is that these revenues are not received until mid-June. The law does not state specifically but we have assumed that current revenues are the ones that should be addressed in the notice. When these revenues aren't received until so late in the fiscal year they are usually a part of our balance forward monies and are utilized in the next fiscal year. At this point, the budget for the new year may or may not be finalized, therefore it becomes a real time crunch to assemble and have printed accurate information for the taxpayer. Then these notices have to also be enclosed with tax statements which must be mailed by July 1. The provision of being able to print this notice in a local paper and within a given amount of time following the mailing of the tax statements would give municipalities the time needed to correctly assess the information needed and to send the paper this notice.

It would be helpful if there could be some clarification as to what the content of this notice should be. There is no mention in AS29.60.350---.375 that these revenues have any special use requirements other than in Sec. 29.60.370(b) which states "the intent is to reduce tax levies". It then goes on to state that the notice should "describe the use of this increased aid". In our municipality, property tax is a part of our general fund revenues and as such are used for general government operation. If the intent of municipal assistance is to reduce tax levies then that money also becomes a part of the city's operation of general government and as such would have no specific identifiable use. The

Senator Jones  
Page 2

term "increased aid" is also hard to positively interpret. Does this mean the total municipal assistance revenues received or the difference between the base amount of assistance(1978) and the current receipts?

One last comment in favor of being able to publish the notice in the newspaper. We received a lot of questions from the public on the notice that we included in the tax statements. They were confused as to what to do about or with it. Even though it was titled "Notice To Taxpayer" and mentioned that it was "to inform the taxpayer of the use of monies received from the State for municipal assistance" people still felt that there was something that they needed to do about it but didn't know what. Being able to publish the notice would certainly help this situation.

I appreciate this opportunity to comment on this legislation.

Sincerely,

A handwritten signature in cursive script that reads "Jodell Jones". The signature is written in dark ink and is positioned above the typed name.

Jodell Jones, City Treasurer

1 IN THE SENATE

BY JONES

2

SENATE BILL NO. 337

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act amending notice requirements relating to the

7

municipal assistance program; and providing for an

8

effective date."

9

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

10

\* Section 1. AS 29.60.370(b) is amended to read:

11

(b) The intent of (a) of this section is that a municipality

12

that levies property taxes reduce those levies in reasonable propor-

13

tion to the amount of increased state aid received by the municipal-

14

ity. [THE GOVERNING BODY OF EACH MUNICIPALITY SHALL FURNISH A NOTICE

15

WITH EACH TAX STATEMENT DESCRIBING ITS USE OF THIS STATE AID.]

16

\* Sec. 2. AS 29.60.370 is amended by adding a new subsection to read:

17

(c) The governing body of each municipality shall furnish a

18

notice describing use of the state aid provided under (a) of this

19

section. Notice shall be provided

20

(1) by furnishing a copy of the notice with each tax state-

21

ment mailed for the fiscal year for which aid is received; or

22

(2) by publishing in a newspaper of general circulation in

23

the municipality a copy of the notice once each week for three succes-

24

sive weeks, with the first publication to occur not later than 45 days

25

after the final adoption of the municipality's budget.

26

\* Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

Original sponsor: Jones

1 IN THE SENATE  
2  
3 CS FOR SENATE BILL NO. 337 (C&RA)  
4 IN THE LEGISLATURE OF THE STATE OF ALASKA  
5 FIFTEENTH LEGISLATURE - SECOND SESSION  
6 A BILL  
7 For an Act entitled: "An Act amending notice requirements relating to the  
8 municipal assistance program; and providing for an  
9 effective date."  
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
11 \* Section 1. AS 29.60.370(b) is amended to read:  
12 (b) The intent of (a) of this section is that a municipality  
13 that levies property taxes reduce those levies in reasonable propor-  
14 tion to the amount of increased state aid received by the municipal-  
15 ity. [THE GOVERNING BODY OF EACH MUNICIPALITY SHALL FURNISH A NOTICE  
16 WITH EACH TAX STATEMENT DESCRIBING ITS USE OF THIS STATE AID.]  
17 \* Sec. 2. AS 29.60.370 is amended by adding new subsections to read:  
18 (c) The governing body of a municipality with a population of  
19 20,000 or more that levies a property tax shall furnish a notice  
20 describing use of the state aid provided under (a) of this section.  
21 Notice under this subsection shall be provided by furnishing a copy of  
22 the notice with each tax statement mailed for the fiscal year for  
23 which aid is received.  
24 (d) The governing body of a municipality with a population of  
25 less than 20,000 that levies a property tax shall furnish a notice  
26 describing use of the state aid provided under (a) of this section.  
27 Notice under this subsection shall be provided  
28 (1) by furnishing a copy of the notice with each tax state-  
29 ment mailed for the fiscal year for which aid is received; or  
(2) by publishing in a newspaper of general circulation in

1 the municipality a copy of the notice once each week for three succes-  
2 sive weeks, with the first publication to occur not later than 45 days  
3 after the final adoption of the municipality's budget.

4 \* Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

SENATE COMMITTEE REPORT

5-1370B

(b)

FIRST COMMITTEE OF REF. RAL

Date of 3/10/88 5-DAY NOTICE  
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER FINANCE

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

1/12/88  
Mr. President:

DATE TURNED INTO OFFICE 3/18/88

C&RA Committee considered SB 337

amending notice requirements relating to the municipal  
assistance program; efd

*majority*  
and recommended:

- replace with CS for SB 337 (C&RA)  same title
- attached amendment(s) and + do pass  new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to \_\_\_\_\_
- letter of intent adopted and attached

*OFN*

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

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

*Mr. Stankiewicz*  
*Tim Kelly*

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

*Artis Stankiewicz Do Pass*  
Chairman signature and recommendation

Committee Backup Attached

S R

3 3 8

SENATE COMMITTEE REPORT

FURTHER

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

4/20/88  
Mr. President:

Finance Committee considered SB 338

rights and responsibilities created under the Uniform Common Interest Ownership Act; efd

and recommended

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

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

\_\_\_\_\_  
Chairman signature and recommendation



1 IN THE SENATE

BY FAIKS

2 SENATE BILL NO. 338

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to rights and responsibilities  
7 created under the Uniform Common Interest Ownership  
8 Act; and providing for an effective date."

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

10 \* Section 1. AS 34.03.070 is amended by adding a new subsection to  
11 read:

12 (h) A landlord who offers property within a common interest  
13 community described in AS 34.08 for rent shall provide the tenant with  
14 a copy of the declaration, bylaws, and rules and regulations of the  
15 common interest community. The failure of a landlord to provide the  
16 tenant with copies of the declaration, bylaws, or rules and regula-  
17 tions under this subsection does not preclude the executive board of  
18 the common interest community from enforcing provisions of the decla-  
19 ration, bylaws, or rules and regulations against the tenant.

20 \* Sec. 2. AS 34.03.130 is amended by adding a new subsection to read:

21 (d) The declaration, bylaws, and the rules and regulations of a  
22 common interest community described in AS 34.08 are enforceable  
23 against a tenant of a unit owner in the common interest community.  
24 The executive board of the common interest community shall provide the  
25 tenant with a copy of the provisions of each declaration, bylaw, or  
26 rule and regulation with which the common interest community seeks to  
27 have the tenant comply. A failure of a tenant to comply with a pro-  
28 vision of a declaration, bylaw, or rule and regulation after copies of  
29 the declaration, bylaws, or rules and regulations of the common  
S

1 interest community have been provided to the tenant is grounds for  
2 eviction of the tenant under AS 34.03.220.

3 \* Sec. 3. AS 34.03.220 is amended by adding a new subsection to read:

4 (d) The executive board of a common interest community described  
5 in AS 34.08.990 may evict a tenant of a unit owner in the common  
6 interest community for violation of the duties imposed on the tenant  
7 of a unit owner in a common interest community under AS 34.08.320.  
8 The executive board shall send notice of its intent to evict the  
9 tenant to the last known address of the unit owner.

10 \* Sec. 4. AS 34.03.310(a) is amended to read:

11 (a) Except as provided in (c) and (d) of this section, a land-  
12 lord may not retaliate by increasing rent or decreasing services or by  
13 bringing or threatening to bring an action for possession after the  
14 tenant has

15 (1) complained to the landlord of a violation of AS 34.03.-  
16 100;

17 (2) sought to enforce rights and remedies granted the  
18 tenant under this chapter;

19 (3) organized or become a member of a tenant's union or  
20 similar organization; [OR]

21 (4) complained to a governmental agency responsible for  
22 enforcement of governmental housing, wage, price or rent controls; or

23 (5) paid amounts due by the landlord to an association  
24 under AS 34.08.320 after demand by the association.

25 \* Sec. 5. AS 34.08.040 is amended to read:

26 Sec. 34.08.040. APPLICABILITY TO PREEXISTING COMMON INTEREST  
27 COMMUNITIES. Except as provided in AS 34.08.050, the provisions of  
28 AS 34.08.110, 34.08.120, 34.08.290, 34.08.320(a)(1) - (6), (11) -  
29 (14), and (16) - (18) [34.08.320(a)(1) - (6) AND (11) - (16)],

1 34.08.420, 34.08.470, 34.08.490, 34.08.510, 34.08.590, 34.08.670,  
2 34.08.720, 34.08.730, 34.08.740, and 34.08.990, to the extent neces-  
3 sary in construing any of those sections, apply to all common interest  
4 communities created in the state before January 1, 1986, except that  
5 the sections apply only with respect to events and circumstances  
6 occurring after January 1, 1986, and do not invalidate existing pro-  
7 visions of the declaration, bylaws, or plats or plans of the common  
8 interest communities.

9 \* Sec. 6. AS 34.08.040 is amended by adding a new subsection to read:

10 (b) Except as provided in AS 34.08.050, the provisions of  
11 AS 34.08.255(c), 34.08.320(a)(15), 34.08.375, 34.08.380(d) - (h),  
12 34.08.405, 34.08.470(b), and 34.08.485, to the extent necessary in  
13 construing any of those sections, apply to all common interest commu-  
14 nities created in the state before the effective date of this Act,  
15 except that the sections apply only with respect to events and circum-  
16 stances occurring after the effective date of this Act, and do not  
17 invalidate existing provisions of the declaration, bylaws, or plats or  
18 plans of the common interest communities.

19 \* Sec. 7. AS 34.08.255(c) is amended to read:

20 (c) The court may, but is not required to, grant the petition if  
21 it finds that

22 (i) the petitioner has given not less than 15 days' written  
23 notice of the court hearing to

24 (A) each unit owner in the association;

25 (B) a mortgagee of a mortgage or beneficiary of a deed  
26 of trust that is entitled to notice under the provisions of the  
27 declaration; and

28 (C) the municipality in which the common interest  
29 community is located if it is entitled to notice under the

1            declaration;

2            (2) the balloting on the proposed amendment was conducted  
3 under each of the applicable provisions of the declaration, bylaws,  
4 and rules or regulations of the association;

5            (3) a reasonably diligent effort was made to permit each  
6 eligible unit owner to vote on the proposed amendment;

7            (4) in a common interest community with a single class  
8 voting structure, unit owners with more than 50 percent of the votes  
9 in attendance at a properly noticed meeting voted in favor of the  
10 amendment;

11           (5) in a voting structure with more than one class and  
12 where the declaration requires a majority of more than one class to  
13 vote in favor of the amendment, unit owners having more than 50 per-  
14 cent of the votes in each class required by the declaration to vote in  
15 favor of the amendment, who were in attendance at a properly noticed  
16 meeting, did vote in favor of the amendment;

17           (6) the amendment is reasonable; and

18           (7) granting the petition is appropriate considering the  
19 circumstances.

20 \* Sec. 8. AS 34.08.320(a) is amended to read:

21           (a) Except as provided in (b) of this section and subject to the  
22 provisions of the declaration, the association may [:]

23           (1) adopt and amend bylaws and rules and regulations;

24           (2) adopt and amend budgets for revenues, expenditures, and  
25 reserves and collect assessments for common expenses from unit owners;

26           (3) hire and discharge managing agents and other employees,  
27 agents, and independent contractors;

28           (4) institute, defend, or intervene in litigation or admin-  
29 istrative proceedings or seek injunctive relief for violations of its

1 declaration, bylaws, or rules and regulations in its own name on  
2 behalf of itself or two or more unit owners on matters affecting the  
3 common interest community;

4 (5) make contracts and incur liabilities;

5 (6) regulate the use, maintenance, repair, replacement, and  
6 modification of common elements;

7 (7) cause additional improvements to be made as a part of  
8 the common elements;

9 (8) acquire, hold, encumber, and convey in its own name any  
10 right, title, or interest to real estate or personal property, except  
11 that

12 (A) common elements in a condominium or planned commu-  
13 nity may be conveyed or subjected to a security interest only  
14 under AS 34.08.430; and

15 (B) part of a cooperative may be conveyed or all or  
16 part of a cooperative may be subjected to a security interest  
17 only under AS 34.08.430;

18 (9) grant easements, leases, licenses, and concessions  
19 through or over the common elements;

20 (10) impose and receive a payment, fee, or charge for the  
21 use, rental, or operation of the common elements, other than limited  
22 common elements described in AS 34.08.100(2) and (4), and for services  
23 provided to unit owners;

24 (11) impose a reasonable charge for late payment of assess-  
25 ments and, after notice and an opportunity to be heard, levy a reason-  
26 able fine for a violation of the declaration, bylaws, rules, and  
27 regulations of the association;

28 (12) impose a reasonable charge for the preparation and  
29 recording of an amendment to the declaration, resale certificate

1 required by AS 34.08.590, or a statement of unpaid assessments;

2 (13) provide for the indemnification of its officers and  
3 executive board and maintain directors' and officers' liability insur-  
4 ance;

5 (14) assign its right to future income, including the right  
6 to receive common expense assessments, but only to the extent the  
7 declaration expressly permits the assignment;

8 (15) evict the tenant of a unit owner for the failure of

9 (A) the tenant to comply with the declarations, by-  
10 laws, or rules and regulations of the association if the failure  
11 to comply with the declaration, bylaws, or rules and regulations  
12 continues for 30 days after the executive board has provided the  
13 tenant with notice of the section of the declaration, bylaws, or  
14 rules and regulations that was violated; or

15 (B) the unit owner to pay assessments due to the  
16 association if the tenant

17 (i) has been advised of the delinquency of the  
18 unit owner, that the tenant may offset from amounts due to  
19 the unit owner an amount paid to the association under this  
20 paragraph, and that the association may evict the tenant for  
21 a failure or refusal to pay the amount due from the unit  
22 owner; and

23 (ii) fails within 30 days to make the payment due  
24 from the unit owner;

25 (16) exercise any other powers conferred by the declaration  
26 or bylaws;

27 (17) [(16)] exercise any other power that may be exercised  
28 in the state by a legal entity of the same type as the association;  
29 and

1           (18) [(17)] exercise any other power necessary and proper  
2 for the governance and operation of the association.

3 \* Sec. 9. AS 34.08 is amended by adding a new section to read:

4           Sec. 34.08.375. DUTIES OF THE EXECUTIVE BOARD. (a) Unless the  
5 declaration or bylaws of an association impose more stringent stan-  
6 dards, the executive board shall review

7           (1) a current reconciliation of the operating accounts of  
8 the association on a quarterly basis;

9           (2) a current reconciliation of the reserve accounts of the  
10 association on a quarterly basis;

11           (3) the actual reserve revenues and expenses of the current  
12 year compared to the budget of the current year on a quarterly basis;

13           (4) an income and expense statement for the operating and  
14 reserve accounts of the association on a quarterly basis;

15           (5) the most recent account statement prepared by the  
16 financial institution where the association has its operating and  
17 reserve accounts at each meeting of the executive board.

18           (b) Unless the declaration or bylaws of an association impose  
19 more stringent standards on annual financial reporting, the executive  
20 board shall require

21           (1) a compilation as defined by the American Institute of  
22 Certified Public Accountants to be performed annually on the books of  
23 the association if the association has annual receipts of \$18,000 or  
24 less;

25           (2) a review to be performed annually on the books of the  
26 association and an audit as defined by the American Institute of  
27 Certified Public Accountants to be performed every third year if the  
28 association has annual receipts of \$100,000 or less;

29           (3) an annual audit as defined by the American Institute of

1 Certified Public Accountants to be performed on the books of the  
2 association if the association has an annual budget in excess of  
3 \$100,000.

4 (c) In (b) of this section, "annual receipts" includes each  
5 assessment of the association, whether regular, special, or for the  
6 operation of the association or for association reserves.

7 (d) An association may not withdraw funds from a reserve account  
8 of the association except on the signatures of

9 (1) two members of the executive board; or

10 (2) a member of the executive board and an officer of the  
11 association who is not a member of the executive board.

12 (e) In this section

13 (1) an "audit" and a "review" are defined and performed by  
14 the standards issued by the American Institute of Certified Public  
15 Accountants; and

16 (2) "reserve account" means money that the executive board  
17 has identified from its annual budget for use to defray the future  
18 repair or replacement of or an addition to a limited common area or a  
19 common area of the association.

20 (f) This section applies to each common interest community  
21 organized under this chapter.

22 \* Sec. 10. AS 34.08.380 is amended by adding new subsections to read:

23 (d) A state law or regulation and a municipal ordinance regulat-  
24 ing health and safety apply to the operation of an association.  
25 Notwithstanding this subsection, a state law or regulation or a munic-  
26 ipal ordinance may not require an association to employ licensed or  
27 unlicensed staff in the operation of an amenity operated by the asso-  
28 ciation on its property if the amenity is available only to a unit  
29 owner or tenant and the guest of a unit owner or tenant of the

1 association.

2 (e) The association may, under AS 28.11, request the removal  
3 without notice of a vehicle parked in a marked fire lane, within 15  
4 feet of a fire hydrant, in a parking space designated for use by the  
5 handicapped, or in a manner that interferes with an entrance to or  
6 exit from the common elements of an association or a unit within the  
7 association.

8 (f) An association may remove a vehicle parked on the common  
9 elements of the association if a sign not less than 17 by 22 inches in  
10 size with lettering not less than one inch in height appears at each  
11 entrance to the common elements and contains

12 (1) a statement that public parking is prohibited and each  
13 vehicle not authorized to park on the common elements will be removed  
14 at the owner's expense;

15 (2) a statement that a citation may be issued for the  
16 violation; and

17 (3) the telephone number of the police department within  
18 the municipality in which the association is located or, if the asso-  
19 ciation is not located within a municipality, the telephone number of  
20 the state troopers.

21 (g) If the identity of the registered owner of the vehicle is  
22 known or readily ascertainable to the association, the association  
23 shall, in the case of a removal under (f) of this section, within a  
24 reasonable time, notify the registered owner of the removal by first-  
25 class mail. If the identity of the registered owner is not known or  
26 readily ascertainable, notice shall be furnished to the registered  
27 owner under AS 28.11.030(c). In a removal under (f) of this section  
28 by an association, the association shall immediately give notice of  
29 the removal to the police department of the municipality within which

1 the association is located or, if the association is not located  
2 within a municipality, to the state troopers. Notice shall include a  
3 description of the vehicle, the license plate number, the address from  
4 which the vehicle was removed, and the place to which the vehicle was  
5 removed.

6 (h) The association is not liable for damages incurred by the  
7 registered owner because of the removal of the vehicle in compliance  
8 with (e) - (g) of this section or for damages caused by the removal.  
9 Notwithstanding this subsection, the registered owner may recover for  
10 damages to the vehicle resulting from the intentional or negligent act  
11 of the association arising out of the removal of the vehicle.

12 \* Sec. 11. AS 34.08 is amended by adding a new section to read:

13 Sec. 34.08.405. VACANCIES IN THE EXECUTIVE BOARD. (a) If an  
14 association is unable to obtain a quorum in the membership of the  
15 executive board of the association because the executive board has  
16 failed to fill a vacancy in the executive board as it occurs or to  
17 call an election for a vacancy caused by the expiration of the term of  
18 a member of the executive board, an owner of a unit within the asso-  
19 ciation may advise the executive board that the member intends to  
20 exercise rights granted under (b) of this section. The notice to the  
21 board must be in writing and shall be posted in a conspicuous place  
22 within the association.

23 (b) If the executive board has not filled a vacancy or called a  
24 meeting of the association for the election of members of the execu-  
25 tive board within 30 days after the receipt of the notice given under  
26 (a) of this section, the owner of the unit within the association may  
27 apply to the superior court for the appointment of a receiver to  
28 manage the affairs of the association. The receiver appointed under  
29 this section has the powers of the executive board and serves until

1 the vacancies on the executive board sufficient to constitute a quorum  
2 are filled.

3 (c) If a receiver is appointed by the court under this section,  
4 the association is responsible for the compensation of the receiver  
5 and for court costs and attorney fees.

6 \* Sec. 12. AS 34.08.470(b) is amended to read:

7 (b) A lien under this section is prior to all other liens and  
8 encumbrances on a unit except (1) a lien and encumbrance recorded  
9 before the recordation of the declaration and, in a cooperative, a  
10 lien and encumbrance which the association creates, assumes, or takes  
11 subject to; (2) a first security interest on the unit recorded before  
12 the date on which the assessment sought to be enforced became delin-  
13 quent, or, in a cooperative, the first security interest encumbering  
14 only the interest of the unit owner and perfected before the date on  
15 which the assessment sought to be enforced became delinquent; and (3)  
16 a lien for real estate taxes and other governmental assessments or  
17 charges against the unit or cooperative. A lien under this section is  
18 also prior to all security interests described in (2) of this sub-  
19 section if the common expense assessments based on the periodic budget  
20 adopted by the association under AS 34.08.460(a) would have become due  
21 in the absence of acceleration during the six months immediately  
22 preceding institution of each action to collect the assessment or each  
23 [AN] action to enforce the lien. This subsection does not affect the  
24 priority of a mechanic's or materialman's lien, or the priority of a  
25 lien for other assessments made by the association. A lien under this  
26 section is not subject to the provisions of AS 09.38.010. For the  
27 purposes of this subsection, an "action to collect" includes notifica-  
28 tion by certified mail to a mortgagee of record who holds an interest  
29 in a unit of the association's claim for unpaid assessments.

1 \* Sec. 13. AS 34.08 is amended by adding a new section to read:

2       Sec. 34.08.485. CONTRACTOR AND MATERIALMAN LIENS. (a) A con-  
3 tractor performing work that requires licensing and bonding under  
4 AS 08.18, that has a contract amount of \$5,000 or more, and that  
5 involves the repair, improvement, or maintenance of real estate,  
6 personal property, common elements, or limited common elements of an  
7 association with a value of more than \$5,000 may not recover for the  
8 value of work performed unless, at that time,

9           (1) the contractor had a written agreement with the asso-  
10 ciation

11               (A) describing the work to be performed, the services  
12 to be rendered, and the materials to be used;

13               (B) the amount due for the work contracted for;

14               (C) the terms of the payment due from the association,  
15 including the amount expected to be due periodically for the  
16 contractor's payroll associated with the work to be performed;

17               (D) the time of performance; and

18               (E) other matters agreed to between the contractor and  
19 the association; and

20           (2) the contractor submits to the association proof of  
21 registration and bonding under AS 08.18.

22           (b) If the work performed is satisfactory to the association, it  
23 shall pay to the contractor an amount owed by the contractor for wages  
24 under a payroll certified by the contractor. The association shall  
25 pay the contractor or subcontractor before the end of the next busi-  
26 ness day after the submission of the payroll to the association by the  
27 contractor or subcontractor.

28           (c) If the work performed is satisfactory to the association,  
29 the association shall pay to the contractor an amount owed by the

1 contractor to subcontractors and materialmen according to a list  
2 certified by the contractor. Each check prepared by the association  
3 in payment of the subcontractor or materialmen under the certified  
4 list shall list both the contractor and the subcontractor or  
5 materialman.

6 (d) On payment under (b) or (c) of this section by the associa-  
7 tion, a subcontractor, an employee of the contractor or a subcontrac-  
8 tor, or a materialman may not pursue against the association a right  
9 granted by AS 34.35. If the association complies with this section,  
10 an employee of a contractor, a subcontractor, or a materialman may not  
11 file a claim against the association.

12 (e) As a part of the bidding process, an association may require  
13 a contractor to submit a bid bond in the amount of five percent of the  
14 bid. On award of the contract, an association may require a contrac-  
15 tor to submit a payment and performance bond. An unpaid employee,  
16 subcontractor, or materialman may file a claim against the payment and  
17 performance bond but not against the association.

18 \* Sec. 14. AS 34.35.050 is amended to read:

19 Sec. 34.35.050. LIEN FOR LABOR OR MATERIALS FURNISHED. Except  
20 as provided in AS 34.08.485, a [A] person has a lien, only to the  
21 extent provided under this chapter, to secure the payment of the  
22 contract price if the person

23 (1) performs labor upon real property at the request of the  
24 owner or the agent of the owner for the construction, alteration, or  
25 repair of a building or improvement;

26 (2) is a trustee of an employee benefit trust for the  
27 benefit of individuals performing labor on the building or improvement  
28 and has a direct contract with the owner or the agent of the owner for  
29 direct payments into the trust;

1 (3) furnishes materials that are delivered to real property  
2 under a contract with the owner or the agent of the owner that are  
3 incorporated in the construction, alteration, or repair of a building  
4 or improvement;

5 (4) furnishes equipment that is delivered to and used upon  
6 real property under a contract with the owner or the agent of the  
7 owner for the construction, alteration, or repair of a building or  
8 improvement;

9 (5) performs services under a contract with the owner or  
10 the agent of the owner in connection with the preparation of plans,  
11 surveys, or architectural or engineering plans or drawings for the  
12 construction, alteration, or repair of a building or improvement,  
13 whether or not actually implemented on that property; or

14 (6) is a general contractor.

15 \* Sec. 15. AS 34.35.435 is amended to read:

16 Sec. 34.35.435. LIEN FOR WAGES. Except as provided in AS 34.-  
17 08.485, when [WHEN] a clerk, accountant, bookkeeper, waiter, waitress,  
18 cook, maid, porter, servant, employee, artisan, craftsman, factory  
19 operator, mill operator, mechanic, quarryman, common laborer, farm-  
20 hand, labors or performs a service in an office, store, hotel, rooming  
21 house, boardinghouse, restaurant, cafe, shop, newspaper plant, fac-  
22 tory, quarry, or mill, of any character, or upon a farm, under or by  
23 virtue of a contract or agreement, written or verbal, with a person or  
24 employer, or an agent, receiver or trustee of the person or employer,  
25 in order to secure the payment of the amount due or owing under the  
26 contract or agreement, written or verbal, the employee has a first  
27 lien upon all products, machinery, tools, fixtures, appurtenances,  
28 goods, wares, merchandise, chattels, wagons, carts, or things of  
29 value, of whatsoever character, that are created in whole or in part

1 by the labor or that may be used or useful by the person or may be  
2 necessarily connected with the performance of the labor or service,  
3 which may be owned by the employer, or an agent, receiver, or trustee  
4 of the employer.

5 \* Sec. 16. This Act takes effect January 1, 1989.  
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331

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

REVISED

BILL VERSION: SB 338  
PUBLISH DATE: SENATE 4/22/88

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: "An Act relating to rights ...  
Uniform Common Interest Ownership Act..."  
Sponsor: Senator Faiks  
Requestor: Senate Judiciary

Agency Affected: Department of Law  
BRU: Legal Services  
Components: Operations

APR 12 1988

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	-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)

This bill amends AS 34.03, AS 34.08, and AS 34.35 to provide certain new rights and responsibilities under the Uniform Common Interest Owners Act. The Act governs the transactions of condominium owners and owners associations. These are transactions between private parties and they will not have a fiscal impact on the Department of Law.

Prepared by: Richard I. Pegasus Director Phone: 465-3672  
Division: Administrative Services Date: April 12, 1988  
Approved by Commissioner: Grace Berg Schaible Date: April 12, 1988  
Agency: Department of Law

Distribution (by preparer):

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

B

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

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

Bill Version: SB 338  
Publish Date: April 19, 1988

Revision Date: \_\_\_\_\_  
Title: Uniform Common Interest  
Ownership Act  
Sponsor: Sen. Faiks  
Requestor: \_\_\_\_\_

Agency Affected: \_\_\_\_\_  
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						
MISCELLANECUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

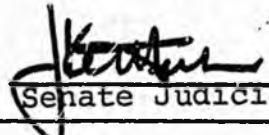
FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by:   
Division: Senate Judiciary

Phone: 465-3717  
Date: April 19, 1988

Approved by ~~COMMISSIONER~~: Senator Jay Kerttula  
Agency: Chairman, Senate Judiciary Committee

Date: April 19, 1988

Distribution (by preparer):

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

**ALASKA STATE LEGISLATURE**

. 15th . Legislature 2nd . . Session

SENATE . . . **BILL** . . . . . NO. **338** . . .

By . . . . **FAIKS** . . . . .

"An Act relating to rights and responsibilities created under the Uniform Common Interest Ownership Act; and providing for an effective date."

Introduced in the Senate: . . . . . **1/13** . . . . ., 19 **88** . . . . .

**HISTORY IN THE SENATE**

19 88

Read first time and referred to Committee on

1 13

**Judiciary**

Reported back with recommendation that

4 20

*Jud 1 do pass, 3 no rec, 0 n*  
*To Rules*  
*Fin ref added by Pres*

4 20

Read second time and

Read third time and

PASSED            Effective Date  
Yeas                Yeas  
Nays                Nays  
Excused            Excused  
Absent              Absent

Reconsideration  
Reconsideration not taken up

PASSED            Effective Date  
Yeas                Yeas  
Nays                Nays  
Excused            Excused  
Absent              Absent

Reported correctly engrossed  
Signed by President  
Sent to House

SECRETARY OF THE SENATE

**HISTORY IN THE HOUSE**

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASSED            Effective Date  
Yeas                Yeas  
Nays                Nays  
Excused            Excused  
Absent              Absent

Reconsideration  
Reconsideration not taken up

PASSED            Effective Date  
Yeas                Yeas  
Nays                Nays  
Excused            Excused  
Absent              Absent

Reported correctly engrossed  
Signed by Speaker  
Returned to Senate

CHIEF CLERK OF THE HOUSE

**HISTORY IN THE SENATE**

19

Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Chapter No. ....

Filed with Lt. Governor