

LEGISLATIVE FINANCE - HOUSE / SENATE FINANCE COMM. FILES 8879

HB 29 cont. - 34 431 22

of the race meet. A person convicted of a felony or a gambling offense may not receive a license to conduct a race meet.

Sec. 05.04.110 provides that a person may not participate in a race meet as an animal owner, trainer, jockey, driver, attendant, groom, stable hand, veterinarian, employee of the race meet operator, concessionaire, or concession employee without receiving a special permit issued by the commission. A special permit is valid for one year unless revoked or suspended.

Sec. 05.40.120 prohibits the commission from sanctioning a race within a municipality unless the voters of the municipality have approved a referendum authorizing parimutuel wagering on horse races within the municipality and the municipality, after holding a public hearing, approves issuance or renewal of the license.

Sec. 05.40.130 provides that the parimutuel pool shall be distributed 65 percent to the holders of winning tickets, 15 percent to the race meet operator, 10 percent as purse money, and 10 percent to the commission. The amount of the pool distributed to holders of winning tickets shall be at least 65 percent and may be increased by the commission if the commission finds that it is necessary to promote efficient and successful race meets. The commission may adjust the distribution of the remaining 35 percent of the pool among purse money, the race meet operator, and the commission as necessary.

Sec. 05.40.140 provides that the race meet operator shall report to the commission within 30 days after each race on the distribution of the parimutuel pool. The race meet operator shall report to the commission on the operation and proceeds of concessions at the site of the race meet within 30 days after the end of the race meet.

Sec. 05.40.150 provides that the commission may appoint persons, including members of the commission, to serve as observers of race meets. An observer shall be present at the site of a race meet on the day before, the day after, and during the race meet.

ARTICLE 3. GENERAL PROVISIONS.

Sec 05.40.900 provides that the commission is subject to the Administrative Procedure Act.

Sec. 05.40.910 provides that members of the commission are subject to the prohibitions against conflict of interest.

Sec. 05.40.950 establishes prohibited acts and penalties. It is a class A misdemeanor to

1) violate a regulation of the commission if no effect on the outcome of a race licensed by the commission was intended;

2) record, report, register, or place a wager on a horse race except as provided under the authority of the commission;

3) permit a person under 21 years of age to place a wager.

A class A misdemeanor is punishable by imprisonment of not more than one year or a fine of not more than \$5,000 or both.

It is a class C felony to violate a provision of AS 05.40 or a regulation of the commission with the intent to affect the outcome of a race. A class C felony is punishable by imprisonment of not more than five years or a fine of not more than \$50,000, or both.

Sec. 05.40.990 establishes definitions for "breakage", "commission", "harness race", "horse race", "parimutuel", "race meet", "race meet operator", and "special permit".

Sec. 2. Section 2 of the bill amends AS 18.65.080 by providing that the Department of Safety shall investigate whether a person appointed to the commission, a person employed by the commission, a race official, a race meet operator, or a person required to obtain a special permit has been charged with a felony or a gambling offense.

Sec. 3. Section 3 of the bill amends AS 39.25.120(c) to include commission employees in the partially exempt service.

Sec. 4. Section 4 of the bill amends AS 39.50.200(b) to include the Alaska Racing Commission within the definition of "state commission or board" so that members of the commission are subject to prohibitions against conflict of interest.

Representative Ron Larson
Page 5
February 28, 1989

Sec. 5. Section 5 of the bill amends AS 44.62.330(a) so that the Alaska Racing Commission is subject to the procedures applicable to administrative adjudication under AS 44.62.330 - 44.62.630.

Sec. 6. Section 6 of the bill imposes a duty on the governor to appoint the initial members of the commission within 120 days after the effective date of this Act.

Sec. 7. Section 7 of the bill gives the bill an effective date of July 1, 1990.

TL:kb
WKK2/072

Alaska State Legislature



Session Address:
STATE CAPITOL BUILDING
BOX V
JUNEAU, ALASKA 99811
(907) 465-3727

Interim Address:
BOX 53
PALMER, ALASKA 99645
(907) 745-3828 - Palmer
(907) 376-8828 - Wasilla

Representative Ronald L. Larson
District 16B

TO: House Finance Committee Members
FROM: Ronald L. Larson *R.L.*
DATE: February 7, 1989
RE: HB 29, Establishing the Alaska Racing Commission

On Thursday, February 16, HB 29 is scheduled to come before the House Finance Committee for hearing. I would like to take this opportunity to share with you some of my thoughts on the contents of this proposal.

HB 29, an Act establishing the Alaska Racing Commission and authorizing Parimutuel Wagering, is basically the same as the final form of HB 32 from the Fifteenth Legislative Session. Last year, HB 32 was held in the Senate Finance Committee upon adjournment. HB 32, after eight committee hearings and over seventy five (75) amendments, had grown from a good bill to a better bill. It is my hope that we will be successful in passing this legislation (now HB 29) during this current legislative session.

Enclosed are some questions and corresponding answers relating to parimutuel wagering. These were prepared to give you and your staff some general information on the subject before presenting it to you in committee.

I ask and urge for your support of HB 29 during the Sixteenth Legislative Session. If I or my staff can be of any assistance to you, please do not hesitate to contact my office. We would appreciate any opportunity to chat with you.

Thank you for your time.

BILL NO: HB 29

DATE: January 18, 1989

TITLE: "An Act establishing the
Alaska Racing Commission
and authorizing parimutuel
wagering..."

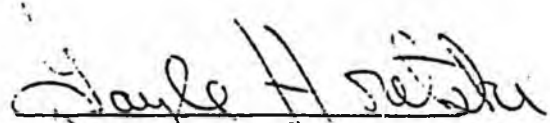
CONTACT: Gayle A. Horetski
Deputy Commissioner
465-4322

DEPARTMENT OF
PUBLIC SAFETY
COMMUNICATIONS CENTER

House Bill 29 will legalize parimutuel betting at horse races and regulate horse racing at sanctioned events for the purpose of allowing parimutuel wagering.

Under Section 2 of the bill, the Department of Public Safety will be required to run criminal history checks on certain individuals. Because the number of persons whose records must be checked is expected to be very small, the Department believes that this impact can be absorbed using existing staff and resources.

The Department of Public Safety has no position on this bill.


for Arthur English
Commissioner

SAMPLE BALLOT

To Be Removed by Election Judge

To Be Removed by Election Judge

FOLD TO THIS LINE

CITY OF PALMER GENERAL ELECTION

October 7, 1986

-
- Mark only by use of cross marks, "X" marks, check or plus signs. Place marks in squares.
 - marks must be inside or touching the squares so as to indicate the intent of the voter. Erasures and corrections will invalidate only that part of the ballot on which it appears.
 - If you spoil or mar your ballot you may return it to the election judge and receive another ballot.
-

Mayor

Three Year Term
(Vote for not more than One)

GEORGE W. CARTE'

Council

Three Year Term
(Vote for not more than Two)

ROBERT M. "RED" HENDERSON

JEANNINE L. JOHNSON

Advisory Proposition No. 1

"Do You Support the Concept of Local Option Pari-Mutuel Horse Racing?"

Yes

No

CITY OF PALMER SPECIAL CITY COUNCIL MEETING MINUTES - OCTOBER 9, 1986

June Tull	Council	1	0	1
Eve Hermon	Council	1	0	1
Roger Saunders	Council	1	0	1
S. Luse	Council	1	0	1
Dorothy Saxton	Council	1	0	1
Jerry Hann	Council	3	0	3
ADVISORY PROPOSITION NO. 1	YES	264	6	270
	NO	155	1	156

There was a total of 464 votes cast.

MOVED BERBERICH, SECONDED JOHNSON to certify the election results as presented. MCU.

2. Award Bid - Water Well.

On October 3, 1986 bids were opened for the new water well located at the southwest corner of the airport. Two bids were received, one from RG&B Contractor for \$74,400 and the other from M-W Drilling for \$44,428. The administration recommended award to M-W Drilling as the low bidder. There were no irregularities in either of the bids.

MOVED BERBERICH, SECONDED PIPPEL to award the bid for the new water well to M-W Drilling, the low bidder in the amount of \$44,428. MCU.

3. Award Bid - Runway Paving.

Bids were opened at 10:30 A.M. today for the runway paving project. Three bids were received as follows: Hermon Brothers for \$159,166.80; Wilder Construction for \$163,300 and Rasco for \$309,630. The engineer's estimate was \$185,350. The administration recommended award to the low bidder, Hermon Brothers in the amount of \$159,166.80. These bids were reviewed by both the engineer and attorney and there were no irregularities.

MOVED BERBERICH, SECONDED LONG to award the Runway Paving bid to the low bidder, Hermon Brothers in the amount of \$159,166.80. MCU.

4. Award Bid - Town Square Project.

Four bids were received and opened at 11 A.M. today on the town square earthwork project which entails contouring the land and building terms. Bids were received from: Alaska Central Construction for \$12,800; Kopperud Transportation for \$21,695; Hermon Brothers for \$27,758; and Ohno Construction for \$35,280. The engineer's estimate was \$17,500. The administration recommended awarding this bid to the low bidder, Alaska Central Construction in the amount of \$12,800. These bids were also reviewed by the attorney.

MOVED LONG, SECONDED JOHNSON to award the Town Square Earthwork to the low bidder, Alaska Central Construction in the amount of \$12,800. MCU.

CITY OF PALMER
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D. ADJOURN

DAVID L. SO

ATTACHMENT "A"

ELECTION WORKSHEET REGULAR ELECTION 10-7-76

ELECTION OF 1976

SEAT "C" CANDIDATES	REGULAR		ABSENTEE		QUESTIONED		TOTAL	%
	037	038	037	038	037	038		
MOSLEY, VINCENT T.	168	108	12	11	0	0	299	47.54%
PATTERSON, DONALD C.	172	130	11	7	0	0	325	51.67%
WRITEINS	3	2	0	0	0	0	5	.79%
TOTAL	348	240	23	18	0	0	629	100.00%

SEAT "D" CANDIDATES	REGULAR		ABSENTEE		QUESTIONED		TOTAL	%
	037	038	037	038	037	038		
BEUTLER, CLYDE	93	66	3	7	0	0	169	26.04%
CARNEY, DOMONIC	129	127	13	6	0	0	275	42.37%
GROB, DONALD (RICK)	125	63	7	8	0	0	203	31.28%
WRITEINS	2	0	0	0	0	0	2	.31%
TOTAL	349	256	23	21	0	0	649	100.00%

SEAT "E" CANDIDATES	REGULAR		ABSENTEE		QUESTIONED		TOTAL	%
	037	038	037	038	037	038		
HJELLEN, PAT	157	108	13	12	0	0	290	43.22%
KEMP, MICHAEL	207	151	10	10	0	0	378	56.33%
WRITEINS	2	1	0	0	0	0	3	.45%
TOTAL	366	260	23	22	0	0	671	100.00%

SEAT "F" CANDIDATES	REGULAR		ABSENTEE		QUESTIONED		TOTAL	%
	037	038	037	038	037	038		
CARTER, THOMAS L.	157	149	10	5	0	0	321	50.00%
MAW, TERRY R.	69	46	1	2	0	0	118	18.38%
POSEY, DONALD R.	118	59	12	12	0	0	201	31.31%
WRITEINS	2	0	0	0	0	0	2	.31%
TOTAL	346	254	23	19	0	0	642	100.00%

CANDIDATES	REGULAR		ABSENTEE		QUESTIONED		TOTAL	%
	037	038	037	038	037	038		
BUSHNELL, KILLET E.	51	37	2	2	0	0	101	14.15%
COTTE, COLLEEN G.	21	21	1	1	0	0	50	7.00%
DeCAMP, RICHARD J. (MR.)	27	43	2	5	0	0	117	16.39%
LANGILL, FRANK S.	12	1	0	0	0	0	23	3.22%
MCCARTHY, RAYMOND F.	15	10	0	0	0	0	25	3.50%
MARTIN, ED SR.	52	31	5	2	0	0	99	13.87%
NEWCOMB, HAROLD S.	52	59	7	7	0	0	129	18.47%
PAGE, DOROTHY B.	52	44	3	5	0	0	110	14.57%
WRITEINS	5	1	0	0	0	0	6	.84%
TOTALS	385	285	24	22	0	0	714	100.00%

ADVISORY QUESTIONNAIRE

PARI-MUTUEL HORSE RACING

	037	038	037	038	037	038	TOTAL	%
YES	181	181	15	16	0	0	393	61.99%
NO	130	99	6	6	0	0	241	38.01%
TOTAL							634	100.00%

Presented by: Silvers
Introduced: -03/03/87
Drafted by: G.L.S.

MATANUSKA-SUSITNA BOROUGH

Resolution Serial No. 87-~~032~~

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH SUPPORTING
HOUSE BILL 32 AND SENATE BILL 63.

WHEREAS, the Alaska State Legislature has pending before it House Bill 32 and Senate Bill 63 that would authorize state controlled parimutuel betting on horse and dog racing where approved at a local option election, and

WHEREAS, the voters in the cities of Palmer and Wasilla have previously approved in an advisory vote the conduct of certain parimutuel wagering within their boundaries, and

WHEREAS, parimutuel wagering would create a direct source of revenue for the state and thereby reduce the need for new or increased state taxes, and

WHEREAS, authorization of parimutuel wagering would make possible a new, non-polluting industry in Alaska, and

WHEREAS, horse and dog racing in the borough would create a demand for feed, pasture and other agricultural products and services related to animal husbandry that are readily available in the borough, and

WHEREAS, horse and dog racing in the borough would be a tourist attraction for Alaska, bringing visitors from other states as well as other areas of Alaska, and

WHEREAS, horse and dog racing in the borough would generate additional use of the Alaska Railroad, and

WHEREAS, construction and operation of a race track and associated facilities and concessions in the borough would provide new employment opportunity for Alaskans;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE MATANUSKA-SUSITNA BOROUGH:

1. That the Assembly supports the concept of state controlled parimutuel wagering on horse and dog racing when locally approved and as generally set out in House Bill 32 and Senate Bill 63 and strongly urges the legislature to adopt legislation authorizing parimutuel wagering on such racing.

2. That copies of this resolution be sent to The Honorable Steve Cowper, Governor of the State of Alaska, and to each member of the Alaska Legislature.

PASSED AND APPROVED by the Assembly of the Matanuska-Susitna Borough this 4th day of March, 1987.

Dorothy A. Jones
Dorothy A. Jones, Mayor

ATTEST:

Chris Seagraves
Chris Seagraves, Clerk

(SEAL)

File with 17B 5A

CITY OF PALMER, ALASKA

ORDINANCE NO. 321

AN ORDINANCE CREATING A NEW CHAPTER 3.32 OF TITLE 3 OF THE PALMER MUNICIPAL CODE ENTITLED PARI-MUTUEL WAGERING ON CERTAIN HORSE RACES.

THE CITY OF PALMER, ALASKA, ORDAINS:

Section 1. Classification. This ordinance shall be of a permanent nature and shall become a part of the City of Palmer Code of Ordinances.

Section 2. Severability. If any provisions of this ordinance, or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 3. Chapter 3.32-Pari-Mutuel Wagering of Title 3 of the Palmer Municipal Code is hereby created as follows:

3.32.010 General. Pari-mutuel betting on horse racing may be permitted under this chapter to the extent not prohibited by Alaska State Statutes.

3.32.020 Sales Tax Applicability. A two (2) percent sales tax shall be charged on all gate admissions, concessions and gross monies deposited in the pari-mutuel system, to the extent not prohibited by Alaska State Statutes.

Section 4. Publication and Effective Date. This ordinance shall become effective immediately upon its adoption and publication shall be by posting a copy hereof on the City Hall bulletin board for a period of ten (10) days following its adoption, and it shall be published by being printed and included in the Palmer Municipal Code at its next regular supplementation and printing.

A notice of public hearing shall be given by such posting at least five (5) days before final passage.

First Reading: August 1, 1985

Public Hearing & Second Reading: August 13, 1985

Adopted by the City Council of the City of Palmer, Alaska, this 13th day of August, 1985.



GEORGE W. CARVE, MAYOR

DAVID L. SOULAK, CITY CLERK



CITY OF WASILLA

P.O. BOX 870430
WASILLA, ALASKA 99687
PHONE: 376-5227

Requested by: Mayor Bump
Prepared by: Mayor's Off

RESOLUTION NO. W85-J-6

A RESOLUTION OF THE CITY OF WASILLA SUPPORTING LOCAL OPTION FOR PARI-MUTUEL GAMBLING.

WHEREAS, the State of Alaska no longer has the funds to support local Capital Improvements that accomodates current growth patterns; and

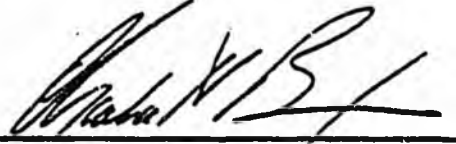
WHEREAS, it is the City of Wasilla's goal to become financially independent, if possible; and

WHEREAS, Pari-Mutuel Gambling would enhance economic development and provide a major tax revenue source for the City of Wasilla;

NOW, THEREFORE BE IT RESOLVED that the City of Wasilla supports local option for pari-mutuel gambling.

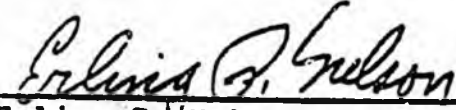
I certify that a resolution in substantially the above form was passed by a majority of those voting at a duly called and conducted meeting of the governing body of the City of Wasilla this 12th day of AUGUST, 1985.

APPROVED:



Charles H. Bumpus, Mayor

ATTEST:



Erling P. Nelson, City Clerk, CMC

(SEAL)

File with 17654

CITY OF PALMER, ALASKA

ORDINANCE NO. 321

AN ORDINANCE CREATING A NEW CHAPTER 3.32 OF TITLE 3 OF THE PALMER MUNICIPAL CODE ENTITLED PARI-MUTUEL WAGERING ON CERTAIN HORSE RACES.

THE CITY OF PALMER, ALASKA, ORDAINS:

Section 1. Classification. This ordinance shall be of a permanent nature and shall become a part of the City of Palmer Code of Ordinances.

Section 2. Severability. If any provisions of this ordinance, or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

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3.32.020 Sales Tax Applicability. A two (2) percent sales tax shall be charged on all gate admissions, concessions and gross monies deposited in the pari-mutuel system, to the extent not prohibited by Alaska State Statutes.

Section 4. Publication and Effective Date. This ordinance shall become effective immediately upon its adoption and publication shall be by posting a copy hereof on the City Hall bulletin board for a period of ten (10) days following its adoption, and it shall be published by being printed and included in the Palmer Municipal Code at its next regular supplementation and printing. A notice of public hearing shall be given by such posting at least five (5) days before final passage.

First Reading: August 1, 1985

Public Hearing &
Second Reading: August 13, 1985

Adopted by the City Council of the City of Palmer, Alaska, this 13th day of August, 1985.



GEORGE W. CARVE, MAYOR

DAVID L. SOULAK, CITY CLERK

Horse Racing At The Fair



TRIPLE TUFF leads the field in one of last year's races at the new Alaska State Fair race track south of Palmer.

Riding is Bobby McCarthy Jr. Triple Tuff is now owned by Len and Marsha Melton.

Photo Finish At State Fair

Nearly 1,000 people gathered at the Alaska State Fair race track in Palmer over the weekend to watch 22 horses charge across the finish line with one race so close only the photo finish camera could tell the winner. Great interest has generated among the crowd in racing.

Friday night the 220 winner was Pow Wow Gidget owned by Ellis Enterprises and ridden by Dana Richmond; second Thanks Doc, owner Jinx Coster, jockey Sissy Melton; third was Dungaree ridden by Steve Clark and owned by Dennis Clark. In the 350, Doc won over Pow Wow Gidget.

The 440 saw Babe's Twig owned and ridden by Cecil Premus take the race with Triple Tuff owned by Len Melton, ridden by Hoot Melton, hot on his heels and Moon's Hotshot, Ellis Enterprises and jockey Dana Richmond taking third. Just a Bird and Mac's Little Kid also ran.

General Bars ridden by Bob McCarthy, owner Dennis Clark, won over Nile Queen ridden by Kris Ruetman, owned by Emmett Roetman. Both are thoroughbreds.

An exciting cow pony race

with eight entries had only a third place winner, Danny owned and ridden by Kelly Wilson. The first and second place animals were disqualified for fouls.

Outstanding weather contributed to standing room only for Saturday afternoon racing. Pow Wow Gidget took Thanks Doc and Ragged Ann owned by Esther Erikson and ridden by Terry Erickson in the 220.

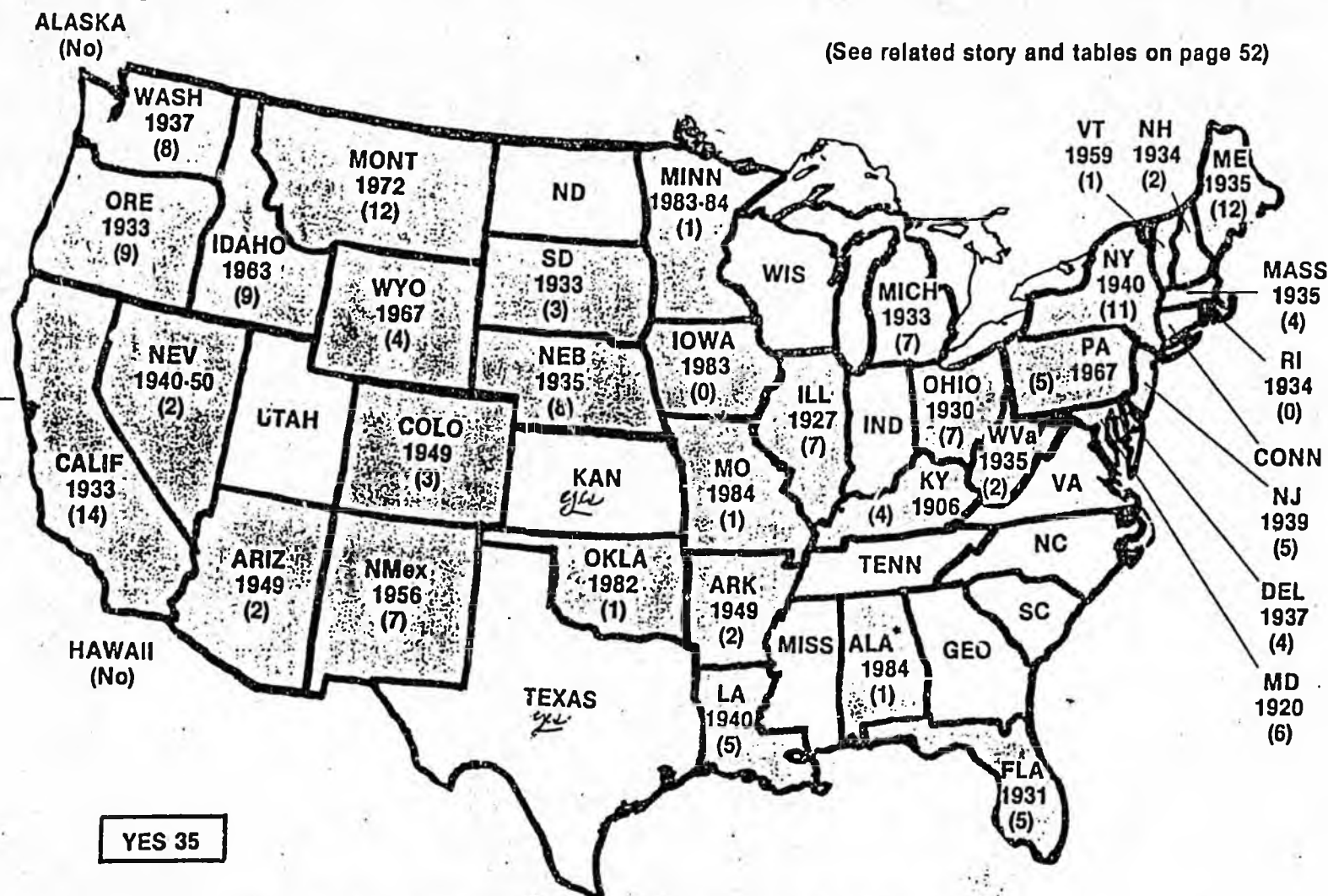
The next racing date will be Saturday and Sunday at 2 p.m. on July 6 and 7. Race horse owners may practice at the Alaska State Fair. In race track one mile from Palmer on Tuesday and Thursday evenings, 7:30-9:30 p.m. and Sunday afternoon from 2-4 p.m. (except on racing days). Ed Premus will be the gate keeper while Vernon France is on vacation.

Performance horse racing

Parimutuel wagering: A look at where it's at

racing

(See related story and tables on page 52)



YES 35

NO 15

() number of licensed parimutuel horse tracks including fairs

OPENING MARCH 1, 1989 IN ALTOONA Iowa's First Horse Racetrack



FIRST RACE DATE: March 1, 1989, the racetrack is scheduled to open.

ARCHITECTURAL STYLE: Exterior will have the flavor of an old English lodge or club.

THE GRANDSTAND WILL FEATURE:

- Three public levels: grandstand seating 2,520; clubhouse level 2,000; including dinner seating for 774. Several additional lounge areas.
- Closed circuit TV system, 180 screens to watch the races.
- Dining facilities and grandstand seating overlook the track; lounges have a view of the track or paddock area. Concessions at convenient locations at different levels.
- Outdoor bleachers at track level.

TOTAL PROJECT COST: \$51 million project for land, equipment and construction.

TOURISM: Tourism related to the track will generate \$5 1/2 million in business. This will include transportation, lodging, restaurants, and retail sales.

COSTS, BUSINESS AND JOBS;

- Total jobs estimated once the track is operational - 1,457.
- Activity of horse breeders, trainers, and boarding, raise total business activity to \$46 million a year - with turnover estimated at \$92 million.
- During construction at times 300 to 500 people will be working at the site; payroll will run \$2 1/2 million a month.

TRACK SURFACE: Dirt Track.

TYPES OF RACING TO BE CONDUCTED

AT THE TRACK: Thoroughbred, Quarter Horse, and Standardbreds will be raced.

HORSE BOARDING AND BREEDING:

More than 1,000 horses will board and be trained at the track during the racing season. This activity, plus horse breeding produces about 1,000 jobs and \$29 million in payments.

PROJECTED FIRST SEASON:

March 1, 1989, to November 15, 1989.



**IOWA STATE
RACING COMMISSION**



Lucas State Office Building
Des Moines, Iowa 50319 515/281-7352

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act establishing the Alaska
Racing Commission . . ."
Sponsor: Representative Larson
Requestor: House Labor & Commerce

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	-0-	75.0	-0-	-0-	-0-	-0-
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	75.0	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

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

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	75.0	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Please see the attached analysis.

Richard I. Pegues

Prepared by: Richard I. Pegues, Director Phone: 465-3672
Division: Administrative Services,) Date: January 18, 1989

Richard I. Pegues

Approved by Commissioner: Grace Berg Schaeble, Atty General Date: January 18, 1989
Agency: Department of Law

Distribution (by preparer):

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

CONTINUATION of FISCAL NOTE ANALYSIS

No. 2
CSHB 29 (L&C)
HOUSE 2/3/89

This bill amends AS 05 by establishing the Alaska Racing Commission and by authorizing parimutuel wagering at sanctioned horse race events. The bill provides that the commission, and its staff, would be responsible for regulating all sanctioned events under a comprehensive regulatory scheme that covers nearly every aspect of race operations and wagering. It is our view that a substantial body of regulations will need to be drafted and adopted to carry out the purposes of this bill. We are therefore requesting \$75,000, as a one-time expense, to handle the drafting effort. We believe that this is the minimum amount necessary to insure proper regulatory oversight, if this form of legalized wagering is authorized in the state.

Unfortunately, we cannot predict future legal costs that may occur once sanctioned racing is established, because of our total lack of experience in this area. It is conceivable, however, that if racing becomes well established that at least one civil attorney and one criminal attorney, plus support costs, could be required on a continuing basis due to racing activity. Because of the severe budget constraints that have already been felt by the department, and because of further budget reductions that may take place in FY 90, it will be necessary to request additional funds when and if racing activities so warrant.

HB 29, is an Act establishing the Alaska Racing Commission and Authorizing parimutuel wagering at sanctioned events and providing for an effective date.

HB 29 is basically the same as HB 32 which passed the House but was held in the Senate Finance Committee last year. The bill would establish the Alaska Racing Commission in the Department of Commerce and Economic Development. The Commission would consist of five members appointed by the Governor. It will adopt regulations concerning the issuance, renewal, suspension, and revocation of licenses and permits, the appointment of race officials, the distribution of the parimutuel pool, etcetera.

The Commission is not allowed to sanction race meets within municipalities unless a majority of the voters in the municipality have approved a referendum authorizing parimutuel wagering and provided for municipal licensing of race meets within the municipality.

There are three fiscal notes which accompany the bill:

1. Commerce and Economic Development, \$85.7
2. Law, \$75.0
3. Public Safety, 0

The bill would take effect July 1, 1990.

Available to answer questions: Jeff Bush - Commerce

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: CSHB 29 (L&C)
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: February 16, 1989 Agency Affected: Commerce & Econ. Dev.
Title: An Act establishing the Alaska Racing Commission and authorizing parimutuel wagering. BRU: Alaska Racing Commission
Sponsor: Representative Larson Components: _____
Requester: House Finance

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	43.6	91.8	141.4	141.4	141.4
TRAVEL	0	7.8	14.4	15.2	15.2	15.2
CONTRACTUAL	0	20.4	35.4	20.4	20.4	20.4
SUPPLIES	0	2.5	2.5	2.5	2.5	2.5
EQUIPMENT	0	11.4				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	85.7	144.1	179.5	179.5	179.5

CAPITAL						
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REVENUE	0	68.4	261.2	522.8	522.8	522.8
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FUNDING: (Thousands of dollars)

GENERAL FUND	0	85.7				
FEDERAL FUNDS						
OTHER	0		144.1*	179.5*	179.5*	179.5*
TOTAL	0	85.7	144.1*	179.5*	179.5*	179.5*

POSITIONS:

*Estimated General Fund Program Receipts

FULLTIME		2	2	2	2	2
PARTTIME		0	0	2	2	2
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

See attached for analysis.

Prepared by: Kathy Marshall, Director Phone: 465-2505
Division: Administrative Services Date: _____

Approved by Commissioner: Larry Mercurieff Phone: _____
Agency: Department of Commerce & Economic Development Date: 2/16/89

Distribution (by preparer):

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

ИВ

ВВ

22

99

SENATE FINANCE COMMITTEE REPORT

DATE: 5/8/90

FURTHER:

DATE TURNED INTO OFFICE: _____

The Finance Committee considered

CSHB 29 (L&C) am

Alaska Racing Commission and authorizing parimutuel wagering at sanctioned eventd; efd.

NO ACTION TAKEN BY SFC

and recommended:

- replace with _____ CS _____
- or adopt _____ CS _____
- attached amendment(s)
- _____ letter of intent adopted
- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____

- same title
- new title
- technical title change (HB only)

ATTACHES NEW FISCAL NOTE(S):

- fiscal note(s) _____ Dept/Date: _____
- zero fiscal note(s) _____
- appropriation-no fiscal note

APPROVES PREVIOUS:

- fiscal note(s) _____ Dept/Date: _____
- zero fiscal note(s) _____

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

1. _____ 2. _____
 Co-Chairs: Signatures and Recommendations

Original sponsor(s): REP. LARSON, Zawacki, Menard

IN THE HOUSE

BY THE JUDICIARY COMMITTEE

SENATE CS FOR CS FOR HOUSE BILL NO. 29 (Judiciary)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SIXTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act establishing the Alaska Racing Commission and authorizing parimutuel wagering at sanctioned events; and providing for an effective date."

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

* Section 1. AS 05 is amended by adding a new chapter to read:

CHAPTER 45. HORSE RACING.

ARTICLE 1. ALASKA RACING COMMISSION.

Sec. 05.45.010. ALASKA RACING COMMISSION. (a) The Alaska Racing Commission is established in the Department of Commerce and Economic Development. The commission is composed of five members appointed by the governor. One member shall have experience in the regulation, supervision, or conduct of parimutuel wagering or horse racing; one member shall have experience in law enforcement; one member shall have experience in bookkeeping or accounting; two members shall be public members.

(b) Each member of the commission shall at the time of the member's appointment be a two-year resident of the state.

(c) A person may not serve as a member of the commission if that person has been convicted of

(1) a felony; or

(2) an offense defined in AS 05.45.950, AS 11.66.200 - 11.66.280, or a comparable provision of municipal, state, or federal law.

(d) A person may not serve as a member of the commission until

the investigation required under AS 18.65.080 is completed.

(e) The commission shall elect a chairman from its membership.

(f) Three members of the commission constitute a quorum for the transaction of business.

Sec. 05.45.020. TERM OF OFFICE. Members of the commission serve staggered terms of four years. A vacancy is filled by appointment for the unexpired term. A member of the commission holds office until a successor is appointed and qualifies.

Sec. 05.45.030. REMOVAL AND SUSPENSION OF MEMBERS. (a) The governor may remove a member for cause, including incompetence, neglect of duty, or misconduct in office. A member being removed for cause shall be given a copy of the charges and afforded an opportunity to publicly present a defense in person or by counsel upon not less than 10 days' notice. If a member is removed for cause, the governor shall file with the lieutenant governor a complete statement of all charges made against the member and the governor's findings based on the charges, together with a complete record of the proceedings.

(b) The governor may immediately suspend a member for a violation of law or for misconduct in office pending removal from office under (a) of this section.

Sec. 05.45.040. COMPENSATION AND PER DIEM. Members of the commission do not receive a salary for their service on the commission but are entitled to per diem and travel expenses authorized for state boards and commissions under AS 39.20.180.

Sec. 05.45.050. DUTIES AND POWERS OF THE COMMISSION. (a) The commission shall, in consultation with the attorney general,

(1) adopt regulations concerning

(A) the issuance, renewal, suspension, and revocation of licenses and special permits;

1 (B) the immediate suspension of a license or special
2 permit of a person subject to this chapter during an investiga-
3 tion of a violation of this chapter or a regulation adopted under
4 this chapter;

5 (C) the appointment of race officials, including race
6 meet observers, and their duties;

7 (D) the distribution of the parimutuel pool among the
8 race meet operator, purse money, winning tickets, and the commis-
9 sion;

10 (E) retention of breakage by a race meet operator;

11 (F) veterinary standards for race meets;

12 (G) parimutuel equipment to be used by race meet
13 operators;

14 (H) auditing procedures; and

15 (I) other matters directly related to horse racing and
16 parimutuel wagering;

17 (2) regulate and supervise all horse races;

18 (3) inspect and approve race tracks and race horses;

19 (4) establish racing dates and durations;

20 (5) sanction horse racing within municipalities at loca-
21 tions approved by the commission;

22 (6) set all license and special permit fees;

23 (7) make an annual report to the commissioner of commerce
24 and economic development and the legislature of its administration of
25 this chapter before February 15 of each year;

26 (8) keep detailed records of all race meets and of all col-
27 lections and disbursements;

28 (9) supervise the making and distribution of parimutuel
29 pools.

(b) The commission may

(1) hire staff, and appoint persons as race meet observers, as needed to administer this chapter, if the investigation required under AS 13.65.080 finds that the person has not been convicted of a crime set out in AS 05.45.010(c);

(2) issue subpoenas to compel witnesses to appear before it;

(3) compel the production of documents showing the receipts and disbursements of a race meet operator;

(4) appoint a hearing officer to conduct a hearing required by this chapter or by a regulation adopted under it;

(5) by regulation, impose an admission surcharge for a race meet not to exceed \$1 without regard to whether the race meet operator charges an admission fee.

Sec. 05.45.060. EMPLOYEES OF THE COMMISSION. Employees of the commission are in the partially exempt service under AS 39.25.120.

Sec. 05.45.070. REGULATIONS OF THE COMMISSION. The attorney general shall enforce the regulations of the commission.

Sec. 05.45.080. RECORDS OF THE COMMISSION. All records of the commission are public records and subject to public inspection.

Sec. 05.45.090. PROCEEDS. Fees and other money received by the commission shall be paid into the general fund. The commissioner of administration shall separately account for money deposited in the general fund by the commission. The annual estimated balance in the account may be used by the legislature to make appropriations to the commission to implement this chapter.

ARTICLE 2. RACE MEETS.

Sec. 05.45.100. RACE MEET OPERATOR'S LICENSE. (a) A person may not conduct a race meet in the state without a race meet operator's

license issued by the commission. A race meet operator's license is valid for three years unless revoked or suspended by the commission.

(b) The race meet operator has the exclusive right to operate or contract for the operation of concessions at the site of the race meet.

(c) A race meet operator's license may not be issued until the investigation required under AS 18.65.080 is completed. A person convicted of a crime set out in AS 05.45.010(c) may not receive a race meet operator's license.

(d) A race meet may be conducted only within a municipality.

Sec. 05.45.110. SPECIAL PERMITS. (a) A person may not participate in a race meet as an owner of an animal participating in the race meet, trainer, jockey, driver, attendant, groom, stable person, veterinarian, employee of a race meet operator, concessionaire, or concession employee without a special permit issued by the commission.

(b) A special permit is valid for one year unless revoked or suspended by the commission. The commission may not issue a special permit under this section until the investigation required under AS 18.65.080 is completed. A person convicted of a crime set out in AS 05.45.010(c) may not receive a special permit.

Sec. 05.45.120. LOCAL OPTION. The commission may not sanction a race meet within a municipality unless the municipality

(1) by ordinance approved by the voters authorizes parimutuel wagering on horse races and provides for municipal licensing of race meets within the municipality; and

(2) after a public hearing on the license, has approved issuance or renewal of the municipal license for the race meet.

Sec. 05.45.130. DISTRIBUTION OF PARIMUTUEL POOL. (a) Except as provided in (b) and (c) of this section, the parimutuel pool shall be

distributed

- (1) 65 percent to the holders of winning tickets;
- (2) 15 percent to the race meet operator conducting the race meet;
- (3) 10 percent as purse money; and
- (4) 10 percent to the commission.

(b) The commission may by regulation adjust the distribution of the parimutuel pool as necessary to promote efficient and successful race meets. The percentage allocated to holders of winning tickets shall be at least 65 percent of the parimutuel pool.

(c) Notwithstanding AS 34.45, money that is owed to holders of winning tickets but not claimed within six months after the date for distribution of the parimutuel pool shall be paid to the commission for deposit into the general fund.

Sec. 05.45.140. REPORTS BY THE RACE MEET OPERATOR. (a) The race meet operator shall report to the commission within 30 days after each race on the distribution of the parimutuel pool.

(b) The race meet operator shall report to the commission within 30 days after the end of the race meet on the operation and proceeds of concessions at the site of the race meet.

Sec. 05.45.150. OBSERVATION OF RACE MEETS. (a) The commission may appoint a member of the commission or other person to observe the conduct of race meets. An observer shall be present at the site of each race meet on the day before, the day after, and during the race meet.

(b) A person who is not a member of the commission or an employee of the commission does not receive a salary but is entitled to per diem and travel expenses, for each day the person is engaged in the actual performance of duties as a race meet observer.

ARTICLE 3. GENERAL PROVISIONS.

Sec. 05.45.900. ADMINISTRATIVE PROCEDURE ACT. The operations of the commission are subject to the Administrative Procedure Act (AS 44.62).

Sec. 05.45.910. CONFLICT OF INTEREST ACT. The commission is subject to AS 39.50 (conflict of interest).

Sec. 05.45.950. PROHIBITED ACTS AND PENALTIES. (a) It is a class A misdemeanor to

(1) violate or fail to comply with a regulation of the commission or a provision of this chapter if no effect on the outcome of a horse race was intended;

(2) record, report, or register a wager on a horse in a horse race unless under the provisions of this chapter;

(3) place a wager upon the results of a horse race except by a parimutuel method of wagering conducted by a race meet operator licensed under this chapter, and upon the grounds or enclosure of the race meet operator;

(4) permit a person under the age of 21 to use the parimutuel system.

(b) Violation of a regulation or provision of this chapter with intent to affect the outcome of a horse race is a class C felony.

Sec. 05.45.990. DEFINITIONS. In this chapter

(1) "breakage" means the odd cents by which the amount payable on each dollar wagered exceeds a multiple of 10 cents; breakage may not exceed 20 percent of the total amount deposited in the pool;

(2) "commission" means the Alaska Racing Commission;

(3) "harness race" means a race where the horses are harnessed to a sulky, carriage, or similar vehicle and driven by a

driver;

(4) "horse race" means either a race where the horses are mounted and ridden by jockeys or a harness race;

(5) "parimutuel" means a form of wagering on the outcome of horse races in which those who wager personally purchase tickets of various denominations on a horse and all wagers for each race are pooled and held by the race meet operator for distribution; when the outcome of the race has been decided, the race meet operator distributes the percentage of the total wagers determined by the commission to holders of tickets on the winning horses;

(6) "race meet" means an exhibition that includes horse races, where the parimutuel system is used;

(7) "race meet operator" means the person who is authorized to conduct a race meet sanctioned by the commission;

(8) "special permit" means a permit issued by the commission to participants in a race meet, other than the race meet operator, under AS 05.45.110.

* Sec. 2. AS 18.65.089 is amended by adding a new subsection to read:

(b) The Department of Public Safety shall investigate and ascertain whether the following persons have been charged with a crime set out in AS 05.45.010(c):

(1) a person appointed by the governor to serve as a member of the Alaska Racing Commission;

(2) an applicant for employment with the Alaska Racing Commission;

(3) an applicant to serve as a race official or race meet observer;

(4) an applicant for a license under AS 05.45.100 or a special permit under AS 05.45.110.

1 * Sec. 3. AS 39.25.120(c) is amended by adding a new paragraph to read:
2 (21) employees of the Alaska Racing Commission.

3 * Sec. 4. AS 39.50.200(b) is amended by adding a new paragraph to read:
4 (50) Alaska Racing Commission (AS 05.45.010).

5 * Sec. 5. AS 44.62.330(a) is amended by adding a new paragraph to read:
6 (55) Alaska Racing Commission (AS 05.45.010).

7 * Sec. 6. INITIAL COMMISSION APPOINTMENTS. The governor shall make the
8 initial appointment of members of the Alaska Racing Commission within 120
9 days after the effective date of this Act.

10 * Sec. 7. This Act takes effect July 1, 1992.

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STATE OF ALASKA
1989 LEGISLATIVE SESSION

(a)
BILL VERSION: SCSHB 29 (Jud),
PUBLISH DATE: 5/7/90

FISCAL NOTE

REQUEST:

Revision Date: _____ Affected: Public Safety
Title: "An Act establishing the Alaska Racing Commission..." Bill: Alaska State Troopers
Sponsor: Representative Larson Component: _____
Requestor: House Labor & Commerce

EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not included)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
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-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of Dollars)

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

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)

Under Section 2 of the bill, the Department of Public Safety will be required to run criminal history checks on certain individuals. Because the number of persons whose records must be checked is expected to be very small, the Department believes that this impact can be absorbed using existing staff and resources.

This fiscal note applies to SCS CSHB29 (L+C)

*Shula Peterson
Senate L+C Committee*

Prepared by: Gavle A. Horetski, Deputy Commissioner Phone: 465-4322
Division: Office of the Commissioner Date: 1/18/89

Approved by Commissioner: A.H. Arthur English Date: 5-19-89
Agency: Department of Public Safety

Changes in SCS CSHB29 (Jud) have no fiscal impact. This fiscal note is appropriate. Projections of no fiscal impact would continue through 1996.

CF

FISCAL NOTE

REQUEST:

Revision Date: _____ Affected Agency: Commerce & Econ Dev
 Title: An Act establishing the Alaska Racing Commission . . . BRU: Alaska Racing Commission
 Sponsor: Rep. Larson Components: _____

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 91	FY 92	FY93	FY 94	FY 95	FY 96
Personal Services			50.6	101.1	150.7	150.7
Travel			7.6	9.2	9.8	9.8
Contractual			17.9	35.4	40.4	40.4
Supplies			2.5	2.5	3.0	3.0
Equipment			11.4			
Land & Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING	0	0	90.0	148.2	203.9	203.9

CAPITAL						
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REVENUE						
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FUNDING: (THOUSANDS OF DOLLARS)

General Fund						
Federal Fund						
Other			90.0*	148.2*	203.9*	203.9*
TOTAL	0	0	148.2	203.9	203.9	203.9

*Estimated general fund program receipts

POSITIONS:

Full-Time	0	0	2	2	2	2
Part-Time	0	0	0	2	2	2
Temporary						

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

The effective date of the Senate Judiciary CS is July 1, 1992; therefore, no costs would be incurred in FY 92. See attached fiscal analysis. As the commission will set licensing and permit fees by regulation it is not possible at this time to estimate revenues generated by those fees. The fees will be established

Prepared By: Senator Jan Faiks, Chairman Phone: 465-4523
 Division: Senate Judiciary Committee Date: 5/6/90

Approved By: _____ Date: _____
 Agency: _____

DISTRIBUTION (BY PREPARER)
 LEGISLATIVE FINANCE
 LEGISLATIVE SPONSOR

REQUESTOR
 OFFICE OF MANAGEMENT & BUDGET
 AGENCY(IES)

PAGE _____ OF _____

ANALYSIS: (continued)

a level sufficient to cover cost of regulation of the events. SCS CSHB 29(L&C) provides the department with program receipt authority, which will allow the department to use program receipts to fund the cost of regulation of parimutuel wagering.

FY 91 EXPENDITURE DETAIL

PERSONAL SERVICES

Executive Director, Range 24A, 6 months	\$36,700
Clerk-Typist III, Range 8A, 6 months	<u>13,867</u>

SUB-TOTAL: \$50,567

TRAVEL

Three commission meetings in the Anchorage area at 2 days each. This travel assumes three commissioners are appointed from the Anchorage area, one from Fairbanks, and one from Juneau. The staff positions are located in Anchorage.

4,194

Director's Travel (one trip to inspect and review small racing commission operations in Michigan, Maine and New Hampshire)

2,120

1 Event (8 days; 2 Anch. mem.) 1,280

SUB-TOTAL: \$ 7,594

CONTRACTUAL

Once race meets are authorized, contractual funds will be used for audits, inspections, clockers, veterinarians, judges, hearing officer, etc.

\$ 7,500

Postage, Communications, Printing, Advertising, etc. \$ 5,000

Office Space rent 5,400

SUB-TOTAL: \$17,900

SUPPLIES \$ 2,500

EQUIPMENT (one time costs only)

Desk, double pedestal, 70" x 36"	\$ 705	
Chair, swivel with arms	653	
Typewriter, IBM Selectric III	1,201	
Chair, side without arms	187	
Desk Calculator	138	
File Cabinet, 5-drawer, legal w/lock	402	
Table, 72" x 36"	325	
Wang terminal	<u>2,100</u>	
	\$5,711 x 2	\$11,422

FY 91 TOTAL GENERAL FUND EXPENDITURES \$90,000

FY 91 REVENUE DETAIL

- One six day event:	
18,000 players (estimate based on 3,000 per day for six days)	
Handle of \$504.0 in total receipts based on an average wager of \$28 (Montana's average)	
A takeout of 35%, with a State share of 10%, equals state revenues of \$50.4 per event.	\$50,400
- \$1.00 per person gate fee equals \$18,000 in State Revenues (\$1.00 times 18,000 players)	<u>18,000</u>
FY 91 ESTIMATED TOTAL REVENUE	\$68,400

FY 92 EXPENDITURE DETAIL

PERSONAL SERVICES

Executive Director, PX, Range 24A, 12 months \$ 73,400
Clerk-Typist III, PX, Range 8A, 12 months 27,736

SUB-TOTAL: \$101,136

TRAVEL

Four Commission meetings in Anchorage area \$ 5,600
2 - Events (8 days; 2 Anch area Commissioners @ \$1280 ea.) 2,560
Director's travel 1,000

SUB-TOTAL: \$ 9,160

CONTRACTUAL

Postage, Communications, Printing, Advertising, etc. \$ 5,000
Office Space rent 5,400
Contractual costs to provide services of an auditor
and investigator, inspections, hearing officer, etc. 25,000

SUB-TOTAL: \$ 35,400

SUPPLIES \$ 2,500

FY 92 TOTAL EXPENDITURES: \$158,196

FY 92 REVENUE DETAIL:

- Two (2) six day events

34,400 players per event (estimate based
on approximately 5,700 players per day
during each six day event)

Handle of \$963.2 in total receipts at each
six-day event based on an average wager of
\$28 (Montana's average)

A takeout of 35%, with State share at 10%,
generates State Revenues of \$96.3 per event,
or \$192.6 for the two events.

\$192,600

- \$1.00 per person for the two events equals
\$68.6 in revenue (\$1.00 times 68,800 people
equals \$68.8)

68,800

FY 92 ESTIMATED REVENUE TOTAL: \$261,400

FY 93 EXPENDITURE DETAIL

PERSONAL SERVICES

Executive Director, PX, Range 24A, 12 months	\$ 73,400
Clerk-Typist III, PX, Range 8A, 12 months	27,736
Race Stewards, Range 18A, 2 @ 6 months each	<u>49,575</u>

SUB-TOTAL: \$150,711

TRAVEL

Four Commission meetings in Anchorage area	\$ 5,600
4 - Events (8 days; by 3 members from Anchorage area and one from Fairbanks)	3,184
(2 Anch. mbrs.: \$80 x 8 x 2 = 1280)	
(1 Anch. mbr: \$80 x 8 x 2 = \$1,280 +	
1 Fbx. mbr: \$232 + \$80 x 9 (extra day)	
x 2 = 1,904)	
Director's travel	<u>1,000</u>

SUB-TOTAL: \$ 9,784

CONTRACTUAL

Audits, investigations, inspectors, hearing officer, etc.	\$ 30,000
Postage, Communications, Printing, Advertising, etc.	5,000
Office Space rent	<u>5,400</u>

SUB-TOTAL: \$ 40,400

SUPPLIES \$ 3,000

FY 93 TOTAL EXPENDITURES: \$203,895

FY 93 REVENUE DETAIL:

- Four (4) six day events
 - 34,400 players per event (estimate)
 - Handle of \$963.2 in total receipts per event based on average wager of \$28 (Montana's average)
 - A takeout of 35%, with State share of 10% of the revenues generated, equals State Revenues of \$96.3 per event, or \$385.2 for the four estimated events. \$385,200
- \$1.00 per person per event generates \$137.6 in revenue (\$1.00 times 34,400 times four events) 137,600

FY 93 Estimated Revenue \$522,800

FISCAL NOTE

REQUEST:

Revision Date: _____ Affected Agency: Department of Law
 Title: "An Act establishing the Alaska Racing Commission" BRU: Legal Services
 Sponsor: Rep. Larson Components: Operations

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 91	FY 92	FY93	FY 94	FY 95	FY 96
Personal Services						
Travel						
Contractual	0	75.0	0	0	0	0
Supplies						
Equipment						
Land & Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING	0	75.0	0	0	0	0

CAPITAL						
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REVENUE						
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FUNDING: (THOUSANDS OF DOLLARS)

General Fund	0	75.0	0	0	0	0
Federal Fund						
Other						
TOTAL	0	75.0	0	0	0	0

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

Please see the attached analysis.

Prepared By: Senator Jan Faiks, Chairman Phone: 465-4523
 Division: Senate Judiciary Committee Date: 5/6/90

Approved By: _____ Date: _____
 Agency: _____

DISTRIBUTION (BY PREPARER)
 LEGISLATIVE FINANCE
 LEGISLATIVE SPONSOR

REQUESTOR
 OFFICE OF MANAGEMENT & BUDGET
 AGENCY(IES)

CONTINUATION of FISCAL NOTE ANALYSIS

This bill amends AS 05 by establishing the Alaska Racing Commission and by authorizing parimutuel wagering at sanctioned horse race events. The bill provides that the commission, and its staff, would be responsible for regulating all sanctioned events under a comprehensive regulatory scheme that covers nearly every aspect of race operations and wagering. It is our view that a substantial body of regulations will need to be drafted and adopted to carry out the purposes of this bill. We are therefore requesting \$75,000, as a one-time expense, to handle the drafting effort. We believe that this is the minimum amount necessary to insure proper regulatory oversight, if this form of legalized wagering is authorized in the state.

Unfortunately, we cannot predict future legal costs that may occur once sanctioned racing is established, because of our total lack of experience in this area. It is conceivable, however, that if racing becomes well established that at least one civil attorney and one criminal attorney, plus support costs, could be required on a continuing basis due to racing activity. Because of the severe budget constraints that have already been felt by the department, and because of further budget reductions that may take place in FY 90, it will be necessary to request additional funds when and if racing activities so warrant.

CORRECTED

**STATE OF ALASKA
1989 LEGISLATIVE SESSION**

BILL VERSION: CSHB 29 (L&C)
PUBLISH DATE: HOUSE 2/17/89

FISCAL NOTE

REQUEST:

Revision Date: February 16, 1989 Agency Affected: Commerce & Econ. Dev.
Title: An Act establishing the Alaska Racing Commission and authorizing parimutuel wagering. BRU: Alaska Racing Commission
Sponsor: Representative Larson Components: _____
Requester: House Finance

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	43.6	91.8	141.4	141.4	141.4
TRAVEL	0	7.8	14.4	15.2	15.2	15.2
CONTRACTUAL	0	20.4	35.4	20.4	20.4	20.4
SUPPLIES	0	2.5	2.5	2.5	2.5	2.5
EQUIPMENT	0	11.4				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	85.7	144.1	179.5	179.5	179.5

CAPITAL						
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REVENUE	0	68.4	261.2	522.8	522.8	522.8
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FUNDING: (Thousands of dollars)

GENERAL FUND	0	85.7				
FEDERAL FUNDS						
OTHER	0		144.1*	179.5*	179.5*	179.5*
TOTAL	0	85.7	144.1*	179.5*	179.5*	179.5*

POSITIONS:

*Estimated General Fund Program Receipts

FULLTIME		2	2	2	2	2
PARTTIME		0	0	2	2	2
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

See attached for analysis.

Prepared by: Kathy Marshall, Director Phone: 465-2505
Division: Administrative Services Date: _____

Approved by Commissioner: Larry Merculieff *Kathy Marshall* Phone: _____
Agency: Department of Commerce & Economic Development Date: 2/16/89

Distribution (by preparer):

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

FY 90 EXPENDITURE DETAIL

PERSONAL SERVICES

Executive Director, PX, Range 22A, 6 months	\$32,020.00
Clerk-Typist III, PX, Range 8A, 5 months	<u>11,556.60</u>
SUB-TOTAL:	\$43,576.60

TRAVEL

FY 90: Three commission meetings in the Anchorage area at 2 days each. This travel assumes three commissioners are appointed from the Anchorage area, one from Fairbanks, and one from Juneau. The staff positions are located in Anchorage.

	TRAVEL	PER DIEM
3 Anchorage members (160x3x3)	\$ 0.00	\$1,440.00
1 Juneau to Anchorage (366x3)	1,098.00	480.00
1 Fairbanks to Anchorage (232x3)	696.00	480.00
1 Staff person	0.00	0.00
Director's Travel (one trip to inspect and review small racing commission operations in Michigan, Maine and New Hampshire)	1,000.00	1,120.00
1 Site inspection (2 Anch. mbrs)	0.00	160.00
1 Event (8 days; 2 Anch. mbrs)	<u>0.00</u>	<u>1,280.00</u>
	\$2,794.00	\$ 4,960.00
SUB-TOTAL:		\$ 7,754.00

CONTRACTUAL

Postage, Communications, Printing, Advertising and other operating costs.	\$15,000.00
Office Space rent	<u>5,400.00</u>
SUB-TOTAL:	\$20,400.00

SUPPLIES \$ 2,500.00

EQUIPMENT (one time costs only)

Desk, double pedestal, 70" x 36"	\$ 704.63	
Chair, swivel with arms	653.26	
Typewriter, IBM Selectric III	1,201.46	
Chair, side without arms	187.16	
Desk Calculator	137.65	
File Cabinet, 5-drawer, legal w/lock	401.61	
Table, 72" x 36"	324.82	
Wang terminal	2,100.00	
	\$5,710.59 x 2	\$11,421.18

FY 90 TOTAL GENERAL FUND EXPENDITURES \$85,651.78

FY 90 REVENUE DETAIL

- One six day event:

18,000 players (estimate based on 3,000 per day for six days)

Handle of \$504.0 in total receipts based on an average wager of \$28 (Montana's average)

A takeout of 35%, with a State share of 10%, equals generated State Revenues of \$50.4 per event.

- \$1.00 per person gate fee equals \$18.0 in State Revenues (\$1.00 times 18,000 players)

- Various permit fees will also be charged based on regulations set by the Racing Commission, but it is not possible to estimate the revenues that will be generated by those fees at this time.

FY 90 ESTIMATED REVENUE TOTAL: \$68,400.00

FY 91 EXPENDITURE DETAIL

PERSONAL SERVICES

Executive Director, PX, Range 22A, 12 months	\$ 64,040.00
Clerk-Typist III, PX, Range 8A, 12 months	<u>27,735.88</u>
SUB-TOTAL:	\$ 91,775.88

TRAVEL

Four Commission meetings in Anchorage area	\$ 11,264.00
2 - Site inspections (two Anchorage Area members)	320.00
2 - Events (8 days; 2 Anch area Commissioners @ \$1280 ea.)	<u>2,560.00</u>
SUB-TOTAL:	\$ 14,144.00

CONTRACTUAL

Postage, Communications, Printing, Advertising and other operating costs.	\$ 15,000.00
Office Space rent	5,400.00
Contractual costs to provide services of an auditor and Investigator.	<u>15,000.00</u>
SUB-TOTAL:	\$ 35,400.00

SUPPLIES \$ 2,500.00

FY 91 TOTAL GENERAL FUND EXPENDITURES: \$143,819.88

FY 91 REVENUE DETAIL:

- Two (2) six day events

34,400 players per event (estimate based on approximately 5,700
players per day during each six day event)

Handle of \$963.2 in total receipts at each six-day event based on an
average wager of \$28 (Montana's average)

A takeout of 35%, with State share at 10%, generates State Revenues
of \$96.3 per event, or \$192.6 for the two events.

- \$1.00 per person for the two events equals \$68.6 in revenue (\$1.00 times
68,800 people equals \$68.8)

- Various licensing fees will be charged by the Racing Commission; pending
the adoption of regulations setting those fees, it is not possible to estimate
that additional revenue for this fiscal note.

FY 91 ESTIMATED REVENUE TOTAL: \$261,200.00

FY 92 EXPENDITURE DETAILCSHB 29 (L&C)
HOUSE 2/17/89**PERSONAL SERVICES**

Executive Director, PX, Range 22A, 12 months	\$ 64,040.00
Clerk-Typist III, PX, Range 8A, 12 months	27,735.88
Auditor, PX, Range 18A, 6 months	24,787.25
Investigator III, PX, Range 18A, 6 months	<u>24,787.25</u>

SUB-TOTAL: \$141,350.38

TRAVEL

Four Commission meetings in Anchorage area	\$ 11,264.00
3 - Site inspections (by 3 members from Anchorage area and one from Fairbanks)	712.00
(2 Anch. P/D = 160 x 2 inspections = 320)	
(1 Anch. P/D = 80 + FBX Airfare = \$232 + 80 = 392)	
4 - Events (8 days; by 3 members from Anchorage area and one from Fairbanks)	<u>\$ 3,184.00</u>
(2 Anch. mbrs.: \$80 x 8 x 2 = 1280)	
(1 Anch. mbr: \$80 x 8 x 2 = \$1,280 +	
1 Fbx. mbr: \$232 + \$80 x 9 (extra day)	
x 2 = 1,904)	

SUB-TOTAL: \$ 15,160.00

CONTRACTUAL

Postage, Communications, Printing, Advertising and other operating costs.	\$ 15,000.00
Office Space rent	<u>5,400.00</u>

SUB-TOTAL: \$ 20,400.00

SUPPLIES \$ 2,500.00

FY 92 TOTAL GENERAL FUND EXPENDITURES: \$179,410.38

FY 92 REVENUE DETAIL:

- Four (4) six day events
 - 34,400 players per event (estimate)
 - Handle of \$963.2 in total receipts per event based on average wager of \$28 (Montana's average)
 - A takeout of 55%, with State share of 10% of the revenues generated, equals State Revenues of \$96.3 per event, or \$385.2 for the four estimated events.
- \$1.00 per person per event generates \$137.6 in revenue (\$1.00 times 34,400 times four events)

Various licensing fees will also be assessed and generate revenue; however, pending the adoption of regulations setting those fees, it is not possible to identify or estimate those revenues for this fiscal note.

FY 92 ESTIMATED REVENUE TOTAL: \$522,800.00

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act establishing the Alaska
Racing Commission . . ."
Sponsor: Representative Larson
Requestor: House Labor & Commerce

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	-0-	75.0	-0-	-0-	-0-	-0-
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	75.0	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	75.0	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Please see the attached analysis.

Prepared by: Richard I. Pegues, Director
Division: Administrative Services,)
Richard I. Pegues
Approved by Commissioner: Grace Berg Schauble, Atty General
Agency: Department of Law

Phone: 465-3672
Date: January 18, 1989
Date: January 18, 1989

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

CONTINUATION of FISCAL NOTE ANALYSIS

No. 2
CSHB 29 (L&C)
HOUSE 2/3/89

This bill amends AS 05 by establishing the Alaska Racing Commission and by authorizing parimutuel wagering at sanctioned horse race events. The bill provides that the commission, and its staff, would be responsible for regulating all sanctioned events under a comprehensive regulatory scheme that covers nearly every aspect of race operations and wagering. It is our view that a substantial body of regulations will need to be drafted and adopted to carry out the purposes of this bill. We are therefore requesting \$75,000, as a one-time expense, to handle the drafting effort. We believe that this is the minimum amount necessary to insure proper regulatory oversight, if this form of legalized wagering is authorized in the state.

Unfortunately, we cannot predict future legal costs that may occur once sanctioned racing is established, because of our total lack of experience in this area. It is conceivable, however, that if racing becomes well established that at least one civil attorney and one criminal attorney, plus support costs, could be required on a continuing basis due to racing activity. Because of the severe budget constraints that have already been felt by the department, and because of further budget reductions that may take place in FY 90, it will be necessary to request additional funds when and if racing activities so warrant.

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SSCSHB 29 (L+C) ^(a)
PUBLISH DATE: HOUSE 2/3/89

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Public Safety
Title: "An Act establishing the Alaska Racing Commission..." BRU: Alaska State Troopers
Sponsor: Representative Larson Component: _____
Requestor: House Labor & Commerce

EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not included)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
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-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

FUNDING: (Thousands of Dollars)

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

CF

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)

Under Section 2 of the bill, the Department of Public Safety will be required to run criminal history checks on certain individuals. Because the number of persons whose records must be checked is expected to be very small, the Department believes that this impact can be absorbed using existing staff and resources.

This fiscal note applies to SCS CS HB 29 (L+C)

*Sheila Peterson
Senate L+C Committee*

Prepared by: Gavle A. Horetzki, Deputy Commissioner Phone: 465-4322
Division: Office of the Commissioner Date: 1/18/89

Approved by Commissioner: A. H. English Date: 2-19-89
Agency: Department of Public Safety

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: CSHB 29 (L&C)
PUBLISH DATE: HOUSE 2/3/89

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Public Safety
Title: "An Act establishing the Alaska Racing Commission..." BRU: Alaska State Troopers
Sponsor: Representative Larson Component: _____
Requestor: House Labor & Commerce

EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not included)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
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-
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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	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)

Under Section 2 of the bill, the Department of Public Safety will be required to run criminal history checks on certain individuals. Because the number of persons whose records must be checked is expected to be very small, the Department believes that this impact can be absorbed using existing staff and resources.

Prepared by: Gavle A. Horetski, Deputy Commissioner
Division: Office of the Commissioner

Phone: 465-4322
Date: 1/18/89

Approved by Commissioner: A.H. English
Agency: Department of Public Safety

Date: 1-19-89

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act establishing the Alaska
Racing Commission . . ."
Sponsor: Representative Larson
Requestor: House Labor & Commerce

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	-0-	75.0	-0-	-0-	-0-	-0-
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	75.0	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

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

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	75.0	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Please see the attached analysis.

This fiscal note applies
to SCS CSHB 29 (L+C)

Sheila Peterson
Senate L+C Committee

Prepared by: Richard I. Pegues, Director
Division: Administrative Services

Phone: 465-3672
Date: January 18, 1989

Approved by Commissioner: Grace Berg Schaittle, Atty General
Agency: Department of Law

Date: January 18, 1989

Distribution (by preparer):

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

CONTINUATION of FISCAL NOTE ANALYSIS

This bill amends AS 05 by establishing the Alaska Racing Commission and by authorizing parimutuel wagering at sanctioned horse race events. The bill provides that the commission, and its staff, would be responsible for regulating all sanctioned events under a comprehensive regulatory scheme that covers nearly every aspect of race operations and wagering. It is our view that a substantial body of regulations will need to be drafted and adopted to carry out the purposes of this bill. We are therefore requesting \$75,000, as a one-time expense, to handle the drafting effort. We believe that this is the minimum amount necessary to insure proper regulatory oversight, if this form of legalized wagering is authorized in the state.

Unfortunately, we cannot predict future legal costs that may occur once sanctioned racing is established, because of our total lack of experience in this area. It is conceivable, however, that if racing becomes well established that at least one civil attorney and one criminal attorney, plus support costs, could be required on a continuing basis due to racing activity. Because of the severe budget constraints that have already been felt by the department, and because of further budget reductions that may take place in FY 90, it will be necessary to request additional funds when and if racing activities so warrant.

STATE OF ALASKA
1989 LEGISLATIVE SESSION

(c)
BILL VERSION: SCS CSHB 29(L&C) am
PUBLISH DATE: 5/6/89

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Commerce & Econ. Dev.
Title: An Act establishing the Alaska Racing Commission & authorizing pari-mutuel wagering. BRU: Alaska Racing Commission
Sponsor: Representative Larson Components: _____
Requester: Senate Labor & Commerce

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES			50.6	101.1	150.7	150.7
TRAVEL			7.6	9.2	9.8	9.8
CONTRACTUAL			17.9	35.4	40.4	40.4
SUPPLIES			2.5	2.5	3.0	3.0
EQUIPMENT			11.4			
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	90.0	158.2	203.9	203.9

CAPITAL						
---------	--	--	--	--	--	--

REVENUE	0	0	68.4	261.4	522.8	522.8
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FUNDING: (Thousands of dollars)

GENERAL FUND			90.0			
FEDERAL FUNDS						
OTHER				158.2*	203.9*	203.9*
TOTAL	0	0	90.0	158.2	203.9	203.9

*Estimated General Fund Program Receipts

POSITIONS:

FULL-TIME	0	0	2	2	2	2
PART-TIME			0	0	2	2
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

The effective date of this legislation is July 1, 1990; therefore, no costs would be incurred until FY 91. See attached analysis. As the commission will set licensing and permit fees by regulation, it is not possible at this time to estimate revenues generated by those fees. The fees will be established at

Prepared by: Linda Wild, Special Assistant Phone: 465-2500
Division: Commissioner's Office Date: 5/06/89

Approved by Commissioner: Larry Mercier, Commissioner Phone: 465-2500
Agency: Dept. of Commerce & Economic Development Date: 5/6/89

Distribution (by preparer):

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

ANALYSIS: (continued)

a level sufficient to cover cost of regulation of the events. SCS CSHB 29(L&C) provides the department with program receipt authority, which will allow the department to use program receipts to fund the cost of regulation of parimutuel wagering.

FY 91 EXPENDITURE DETAIL

PERSONAL SERVICES

Executive Director, Range 24A, 6 months	\$36,700
Clerk-Typist III, Range 8A, 6 months	<u>13,867</u>

SUB-TOTAL: \$50,567

TRAVEL

Three commission meetings in the Anchorage area at 2 days each. This travel assumes three commissioners are appointed from the Anchorage area, one from Fairbanks, and one from Juneau. The staff positions are located in Anchorage.

4,194

Director's Travel (one trip to inspect and review small racing commission operations in Michigan, Maine and New Hampshire)

2,120

1 Event (8 days; 2 Anch. mem.) 1,280

SUB-TOTAL: \$ 7,594

CONTRACTUAL

Once race meets are authorized, contractual funds will be used for audits, inspections, clockers, veterinarians, judges, hearing officer, etc.

\$ 7,500

Postage, Communications, Printing, Advertising, etc. \$ 5,000

Office Space rent 5,400

SUB-TOTAL: \$17,900

SUPPLIES \$ 2,500

EQUIPMENT (one time costs only)

Desk, double pedestal, 70" x 36"	\$ 705	
Chair, swivel with arms	653	
Typewriter, IBM Selectric III	1,201	
Chair, side without arms	187	
Desk Calculator	138	
File Cabinet, 5-drawer, legal w/lock	402	
Table, 72" x 36"	325	
Wang terminal	<u>2,100</u>	
	\$5,711 x 2	\$11,422

FY 91 TOTAL GENERAL FUND EXPENDITURES \$90,000
mm0588t -2-

FY 91 REVENUE DETAIL

- One six day event:

18,000 players (estimate based on 3,000
per day for six days)

Handle of \$504.0 in total receipts based
on an average wager of \$28 (Montana's average)

A takeout of 35%, with a State share of
10%, equals state revenues of \$50.4 per event. \$50,400

- \$1.00 per person gate fee equals \$18,000 in
State Revenues (\$1.00 times 18,000 players) 18,000

FY 91 ESTIMATED TOTAL REVENUE \$68,400

FY 92 EXPENDITURE DETAIL

PERSONAL SERVICES

Executive Director, PX, Range 24A, 12 months \$ 73,400
Clerk-Typist III, PX, Range 8A, 12 months 27,736

SUB-TOTAL: \$101,136

TRAVEL

Four Commission meetings in Anchorage area \$ 5,600
2 - Events (8 days; 2 Anch area Commissioners @ \$1280 ea.) 2,560
Director's travel 1,000

SUB-TOTAL: \$ 9,160

CONTRACTUAL

Postage, Communications, Printing, Advertising, etc. \$ 5,000
Office Space rent 5,400
Contractual costs to provide services of an auditor
and investigator, inspections, hearing officer, etc. 25,000

SUB-TOTAL: \$ 35,400

SUPPLIES \$ 2,500

FY 92 TOTAL EXPENDITURES: \$158,196

FY 92 REVENUE DETAIL:

- Two (2) six day events

34,400 players per event (estimate based
on approximately 5,700 players per day
during each six day event)

Handle of \$963.2 in total receipts at each
six-day event based on an average wager of
\$28 (Montana's average)

A takeout of 35%, with State share at 10%,
generates State Revenues of \$96.3 per event,
or \$192.6 for the two events.

\$192,600

- \$1.00 per person for the two events equals
\$68.6 in revenue (\$1.00 times 68,800 people
equals \$68.8)

68,800

FY 92 ESTIMATED REVENUE TOTAL: \$261,400

FY 93 EXPENDITURE DETAIL

PERSONAL SERVICES

Executive Director, PX, Range 24A, 12 months	\$ 73,400
Clerk-Typist III, PX, Range 8A, 12 months	27,736
Race Stewards, Range 18A, 2 @ 3 months each	<u>49,575</u>

SUB-TOTAL: \$150,711

TRAVEL

Four Commission meetings in Anchorage area	\$ 5,600
4 - Events (8 days; by 3 members from Anchorage area and one from Fairbanks)	3,184
(2 Anch. mbrs.: \$80 x 8 x 2 = 1280)	
(1 Anch. mbr: \$80 x 8 x 2 = \$1,280 +	
1 Fbx. mbr: \$232 + \$80 x 9 (extra day)	
x 2 = 1,904)	
Director's travel	<u>1,000</u>

SUB-TOTAL: \$ 9,784

CONTRACTUAL

Audits, investigations, inspectors, hearing officer, etc.	\$ 30,000
Postage, Communications, Printing, Advertising, etc.	5,000
Office Space rent	<u>5,400</u>

SUB-TOTAL: \$ 40,400

SUPPLIES \$ 3,000

FY 93 TOTAL EXPENDITURES: \$203,895

FY 93 REVENUE DETAIL:

- Four (4) six day events
 - 34,400 players per event (estimate)
 - Handle of \$963.2 in total receipts per event based on average wager of \$28 (Montana's average)
 - A takeout of 35%, with State share of 10% of the revenues generated, equals State Revenues of \$96.3 per event, or \$385.2 for the four estimated events. \$385,200
- \$1.00 per person per event generates \$137.6 in revenue (\$1.00 times 34,400 times four events) 137,600

FY 93 Estimated Revenue \$522,800

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4

HOUSE COMMITTEE REPORT

(11)

Date Referred: March 8, 1989

FURTHER REFERRALS:

Date of Committee Action: 3/23/89

The FINANCE Committee considered:

HB 34

HOUSE BILL NO. 34

[DURATIONAL RESIDENCY REQUIREMENTS]

"An Act relating to durational residency requirements for certain state benefit programs; and providing for an effective date."

RECOMMENDATIONS:

- be replaced with CS HB 34 (Fin.) the same title
- have 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):
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- (2) fiscal impact Admin/Law fiscal note(s) _____
- zero fiscal note _____ zero fiscal note(s) _____
- zero with analysis Rev. zero fn/analysis _____

SIGNING DO PASS:

SIGNING:

(Check approp. column)

	Do Not Pass	No Rec	Amend

- Ronald J. Larson LARSON
- Steve Swack SWACK
- Fay Brown BROWN
- Harold Koponen KOPONEN
- John Ulmer ULMER
- Thomas Barnes BARNES
- Roll E. Phillips PHILLIPS
- Steve Rieger RIEGER
- Karl Wallis WALLIS
- Dick Shultz SHULTZ

Ronald J. Larson

CO-Chairman's signature

PROPOSED

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: CS HB 34 (Fin)
PUBLISH DATE: _____

FISCAL NOTE

REQUEST

Revision Date: March 21, 1989
Title: Durational residency require-
ments for state benefit programs
Sponsor: Donley, Boucher, Boyer et al.
Requestor: House Finance

Agency Affected: Revenue
BRU: Permanent Fund Dividend Division
Components: Permanent Fund Dividend
Division

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 89	FY 90	FY 91	FY 92	FY 92	FY 93
OPERATING						
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-
LANDS & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
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	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

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: See Attached

Prepared By: Ervin Jones Phone: 465-2323
Division: Permanent Fund Dividend Division Date: March 21, 1989

Approved by Commissioner: Hugh Malone Date: 3/21/89
Agency: Revenue

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

Adopted

Alaska Department of Revenue
Permanent Fund Dividend Division
CS HB 34 (Fin) Fiscal Note Analysis
March 21, 1989

Section 2 modifies one of the four general eligibility requirements to receive a permanent fund dividend. Under the law enacted in 1982, an individual must have been "a state resident for a period of at least six consecutive months immediately preceding April 1 of the current dividend year." For example, in addition to the other requirements, to be eligible for the 1990 dividend under current law, an individual must have been a state resident during the ELIGIBILITY PERIOD of October 1, 1989 through March 31, 1990. Section 2 extends the six month requirement to 24 months. In other words, the individual in the above example, in order to qualify for the 1990 dividend (see Section 9) must have been a state resident for the entire ELIGIBILITY PERIOD of April 1, 1988 through March 31, 1990.

Conservatively speaking, there are approximately 60,000 new dividend applicants each year. The first effect of Section 2 would be felt in 1990 when 60,000 new Alaskans who thought they would be eligible, find that they are not.

It will take considerable effort on the Department's part, in conjunction with the state demographer, to predict the final effect of this bill. Some of the factors to be considered include:

- 1) the length of the period (current proposal - 24 months);
- 2) the number of eligible individuals who leave Alaska each year;
- 3) the number of new person's arriving each year;
- 4) the percentage of individuals moving to Alaska who leave after six months, one year, eighteen months, etc.;
- 5) the seasonal distribution of new arrivals;
- 6) the relative birth rate of new arrivals versus individuals who have been in Alaska over two years; and
- 7) the reaction of military personnel to the new proposal, i.e. how do they respond to the new choice presented relative to overseas pay, overseas duty credit, etc.

The final effect on administrative costs of the Permanent Fund Dividend program would depend upon such factors as mentioned above. For the first two years, the additional costs would include informing, advising, and counseling the public; answering repeated questions as to their eligibility, plus the costs of denying the applicants who would file anyway and hearing their appeals; and the costs of assisting the Department of Law in defending the new requirement. These cost increases might be offset partially by the document processing cost savings of initially reducing the number of applicants by approximately 60,000.

Alaska Department of Revenue
Permanent Fund Dividend Division
CS HB 34 (Fin) Fiscal Note Analysis
March 21, 1989

The Department's primary concern with the bill is a clear policy call -- the likelihood of a successful legal challenge to the extended ELIGIBILITY PERIOD on constitutional grounds, i.e. durational residency tests, and the likelihood of a successful injunction request, prohibiting the Department of Revenue from distributing dividends in 1990 until the court has resolved any litigation. An effective date of 1990 does not allow much time for the courts to resolve any possible litigation, making an injunction more likely. A successful injunction request, preventing the timely distribution of the 1990 dividends, would have a definite negative effect on Alaska's economy. For those residents who depend upon the annual dividend for basic necessities, an injunction would have serious consequences. A successful injunction would also cause increased costs in the administration of the dividend program as we deal with the predictable outpouring of concern and complaints from 536,000 Alaskan residents. For the above reasons, the Department of Revenue strongly opposes changing the effective date to January 1, 1990. This issue should be carefully weighed before jeopardizing the existing dividend program.

FISCAL NOTE

REQUEST:

Revision Date: March 21, 1989 Agency Affected: Administration
Title: * See below BRU: Longevity Bonus
Sponsor: Donley Components: Administration, Grants
Requestor: State Affairs Committee

* An Act relating establishing durational residency requirements, not to exceed two years, for receipt of the permanent fund dividend and receipt of benefits under the longevity bonus program; and providing for an effective date

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
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	(210.0)	(1080.0)	(120.0)	(120.0)	(120.0)
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	(210.0)	(1080.0)	(120.0)	(120.0)	(120.0)
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	(210.0)	(1080.0)	(120.0)	(120.0)	(120.0)
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	(210.0)	(1080.0)	(120.0)	(120.0)	(120.0)

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)

See attached

Prepared By: James H. Chase *James H. Chase* Phone: 465-4400
Division: Pioneers' Benefits *James H. Chase* Date: 3/21/89
Approved by Commissioner: John M. Andrews *John M. Andrews* Date: 3/21/89
Agency: Department of Administration

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)
cc: "House Bills" Binder

Adopted

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSHB 34 (FIN)

In order to project the fiscal impact of the passage of CSHB 34 some assumptions had to be made. These assumptions were:

- 1) That the number of applicants for the Longevity Bonus who have a minimum of one year of residence in the state will remain at the same ratio to the total number of applicants.

Rationale: This ratio has remained constant for the past two years.

- 2) That the ratio of applicants for the Longevity Bonus who have a minimum of one year of residence in the state to the total number of applicants will remain at one in five.

Rationale: This is the ratio demonstrated in the last two years.

- 3) That the passage of CSHB 34 will impact only those applicants with less than two years of residence the year following its passage.

Rationale: Those applicant who would otherwise be qualified would have to wait another year for their applications to be accepted. Those who learn of the passage of CSHB 34 who do not have the one year of residence would apply two years after its passage and continue to do so in the following years.

- 4) That the average number of applicants for the Longevity Bonus who have a minimum of one year of residence in the state is 40 per month.

Rationale: Historical trend analysis result.

With these assumptions, the following calculations were made. Each month the number of applicants who only have the minimum of one year in the state is multiplied by \$250 to compute the projected savings. The first month would be 40 times \$250, the second month it would be 80 times \$250 and so forth until the original "40" became eligible by having the minimum of two years in the state a year after the effective date of the bill. From that point, the amount of savings would decrease until all of those originally affected would have become eligible. The savings then would level out at the initial monthly rate of 40 one year minimum applicants times the \$250.

FISCAL NOTE

REQUEST:

Revision Date: March 21, 1989
Title: "... for establishing durational residency requirements..."
Sponsor: House Judiciary
Requestor: House Finance

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL				30.0	30.0	
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	30.0	30.0	-0-

CAPITAL						
---------	--	--	--	--	--	--

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

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	30.0	30.0	-0-
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Please see the attached analysis.

Richard L. Pegues
Prepared by: Richard L. Pegues, Director Phone: 465-3672
Division: Administrative Services Division Date: March 21, 1989
Richard L. Pegues / FOR
Approved by Commissioner: Douglas B. Bailly, Attorney Gen. Date: March 21, 1989
Agency: Department of Law

Distribution (by preparer):

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

Adopted

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSHB 34 (Fin)

The committee substitute for HB 34 adds legislative findings, and it also provides for reduced durational residency requirements if a court finds that the bill's 24 month durational requirements are invalid. Specifically, Sections 3 and 6 appear to delegate the legislature's law making authority to the court, if a court finds either a two year or a one year residency requirement invalid. In the case of the Longevity Bonus Program, this delegation could conceivably result in a shorter durational residency requirement than currently exists. However, these changes do not alter the fact that state laws containing lengthy durational residency requirements come under legal attack in Alaska. Consequently, the fiscal impact noted in the Department of Law's fiscal note of February 8, 1989, are still appropriate. The department's previous comments regarding that impact are repeated below.

Section 2 of this bill amends AS 43.23.005(a)(2) to increase the residency requirement, for an individual to receive the state's annual permanent fund dividend, from six consecutive months' residence to 24 consecutive months' residence immediately preceding April 1 of the current dividend year.

Section 5 of the bill amends AS 47.45.010(a) to increase the residency requirement, for an individual to receive the state's longevity bonus, from one year's residency to two year's residency immediately preceding an individual's application for the longevity bonus.

Historically, state laws containing lengthy durational requirements have come under legal attack in Alaska. The department anticipates that if the bill is enacted it will be challenged in the courts, on federal constitutional grounds. Fiscal note funds, in the amount of 30.0, are therefore being requested to pay for outside counsel legal scholar costs, to assist in the preparation and review of arguments that will be needed by the department to defend the state.

In addition to these costs, the department also has a hidden cost whenever it has to divert existing staff resources from other work to defend against durational residency lawsuits. As an example, the longevity bonus lawsuit, Vest v. State, cost the department about \$70,000 in staff salaries and associated overhead expenses. Approximately ten weeks of attorney time was required to prepare for and defend the state at trial, on the constitutionality and retroactivity issues. Approximately eight weeks of attorney time was spent on the Alaska Supreme Court appeals, on the same issues. The average cost for the department's attorneys who handle this level of work, including normal office support costs, is \$96.00 per hour. The department also paid Professor Walter Dellinger \$8,200 to review and help prepare its briefs in the Vest trials. Professor Dellinger is a noted legal scholar and an expert on constitutional law. The department's outside legal expert costs in this matter would have been substantially greater had the case reached the U.S. Supreme Court. Because this particular

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSHB 34 (Fin)

dispute was settled on a request for a motion for summary judgement and did not require a trial on the facts, and because the dispute ended at the state supreme court level, the department's total costs were probably somewhat less than they would have been if the case had gone to the U.S. Supreme Court. Lastly, the costs, attorney fees, and interest that were awarded to the plaintiff by the court in Vest, and which were subsequently paid by the state, totalled \$149,383.88.

Although an opinion cannot be offered, it should also be noted that if the bill becomes law and then is subsequently overturned by the courts, the state might be exposed to the payment of damages for any injuries or loss suffered by any classes of persons, as a result of the bill's enactment.

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 34 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing durational residency require-
7 ments, not to exceed two years, for receipt of the
8 permanent fund dividend and receipt of benefits under
9 the longevity bonus program; and providing for an
10 effective date."

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

12 * Section 1. FINDINGS. (a) The legislature finds with respect to the
13 permanent fund dividend program that

14 (1) compared with other states, Alaska has one of the highest
15 ratios of transients to permanent state residents;

16 (2) a significant number of people from other states come to
17 Alaska to work in temporary or seasonal jobs or on short-term projects;

18 (3) because of the large number of transients it is very diffi-
19 cult for the state to determine whether a person is actually a resident
20 with the intent to remain in the state;

21 (4) the permanent fund dividend program is unique to the state
22 and provides generous benefits;

23 (5) the generous nature of this benefit program creates an
24 inducement for people to claim residency inaccurately;

25 (6) a two-year residency requirement is a reasonable way to
26 determine bona fide residency for the purposes of eligibility for this
27 benefit program;

28 (7) a two-year residency requirement will not discourage mi-
29 gration to the state or otherwise interfere with interstate travel;

1 (8) this program does not involve a basic right under the state
2 or federal constitutions or a basic necessity of life;

3 (9) a two-year residency requirement will more accurately indi-
4 cate actual domicile and the intent to remain a resident than the require-
5 ment under current law; and

6 (10) the interest of the state in determining bona fide residence
7 for purposes of this program is at least equal to the interest recognized
8 in *Andress v. Baxter*, U.S. District Court for the District of Alaska, No.
9 A82-307 Civ., September 8, 1983.

10 (b) The legislature finds with respect to the longevity bonus program
11 that

12 (1) the longevity bonus is immediately payable to an applicant
13 upon acceptance into the program;

14 (2) acceptance into the program is primarily based on a state-
15 ment from the applicant that the applicant is a resident for the purposes
16 of eligibility for this benefit program and that the applicant intends to
17 remain a resident of the state;

18 (3) a two-year residency requirement will more accurately indi-
19 cate actual domicile and the intent to remain a resident than the require-
20 ment under current law;

21 (4) the longevity bonus program is unique to the state and
22 provides generous benefits;

23 (5) the generous nature of this benefit program creates an
24 inducement for people to claim residency inaccurately;

25 (6) a two-year residency requirement is a reasonable way to
26 determine bona fide residency for the purposes of eligibility for this
27 benefit program;

28 (7) the two-year residency requirement will not discourage
29 migration to the state or otherwise interfere with interstate travel;

1 (8) this program does not involve a basic right under the state
2 or federal constitutions or a basic necessity of life; and

3 (9) the interest of the state in determining bona fide residence
4 for purposes of this program is at least equal to the interest recognized
5 in *Andress v. Baxter*, U.S. District Court for the District of Alaska, No.
6 A82-307 Civ., September 8, 1983.

7 * Sec. 2. AS 43.23.005(a) is amended to read:

8 (a) An individual is eligible to receive one permanent fund
9 dividend each year in an amount to be determined under AS 43.23.025 if
10 the individual applies to the department, and if

11 (1) on the date of application the individual is a state
12 resident;

13 (2) the individual was a state resident for a period of at
14 least 24 [SIX] consecutive months immediately preceding April 1 of the
15 current dividend year; and

16 (3) the individual has been physically present in the state
17 at some time during the period beginning July 1 two years before the
18 date of application and ending on the date of application.

19 * Sec. 3. AS 43.23.005 is amended by adding a new subsection to read:

20 (e) If a court finds the durational residency requirement under
21 (a)(2) of this section is invalid and no appeal is pending, the resi-
22 dency requirement is one year. If a court finds the one year resi-
23 dency requirement is invalid and no appeal is pending, the residency
24 requirement is the longest duration permitted by law. The department
25 shall change the statement of eligibility under AS 43.23.015(b) as
26 necessary to conform to this subsection.

27 * Sec. 4. AS 43.23.015(b) is amended to read:

28 (b) The department shall prescribe and furnish an application
29 form for claiming a permanent fund dividend. The application must

1 contain a statement of eligibility and a certification of residency in
2 substantially the following form:

3 I certify that

4 () I am a state resident on the date of this application, I have
5 been a state resident for at least 24 [SIX] months immediately preced-
6 ing April 1 of the current dividend year, and I have been physically
7 present in the State of Alaska at some time during the period begin-
8 ning July 1 t o years before the date of application and ending on the
9 date of this application; or

10 () (name), the individual on whose behalf I am applying, is a
11 state resident on the date of this application, has been a state
12 resident for at least 24 [SIX] months immediately preceding April 1 of
13 the current dividend year, and has been physically present in the
14 State of Alaska at some time during the period beginning July 1 two
15 years before the date of application and ending on the date of this
16 application.

17 I understand that a false claim of eligibility to obtain a perma-
18 nent fund dividend for myself or for another is a criminal offense,
19 that if convicted I will forfeit future dividends, and that I must
20 repay all dividends that have been paid to me. I understand that if I
21 wilfully misrepresent, exercise gross negligence, or recklessly disre-
22 gard a material fact regarding my eligibility for a permanent fund
23 dividend I will forfeit the dividend, be subject to a civil fine of up
24 to \$5,000, and lose my eligibility for the next five dividends. I
25 understand that these penalties are in addition to any criminal pen-
26 alties imposed.

27
28 _____
29 (signature of individual,
parent, guardian, or other

authorized representative)

1
2 * Sec. 5. AS 47.45.010(a) is amended to read:

3 (a) A person who is 65 years of age or over, who resides in the
4 state for at least two years [ONE YEAR] immediately preceding applica-
5 tion for a longevity bonus under this chapter may apply to the commis-
6 sioner of administration for qualification to receive a monthly bonus
7 of \$250.

8 * Sec. 6. AS 47.45.010 is amended by adding a new subsection to read:

9 (d) If a court finds the durational residency requirement under
10 (a) of this section is invalid and no appeal is pending, the residency
11 requirement is one year. If a court finds the one year residency
12 requirement is invalid and no appeal is pending, the residency re-
13 quirement is the longest duration permitted by law.

14 * Sec. 7. Notwithstanding the amendments to AS 43.23 made by secs. 2 -
15 4 of this Act, if an individual received a permanent fund dividend for 1989
16 the individual's eligibility to receive a dividend for 1990 shall be de-
17 termined under the law as it existed before those amendments.

18 * Sec. 8. Notwithstanding the amendment to AS 47.45 made by secs. 5 and
19 6 of this Act, if an individual received a longevity bonus payment for any
20 month during 1989, the individual's eligibility to receive bonus payments
21 during 1990 shall be determined under the law as it existed before that
22 amendment.

23 * Sec. 9. This Act takes effect January 1, 1990.
24
25
26
27
28
29

adopted

A M E N D M E N T

OFFERED IN THE HOUSE

BY DONLEY

TO: CSHB 34(Judiciary)

Page 5, line 15:

Delete "1990"

Insert "1989"

Page 5, line 16:

Delete "1991"

Insert "1990"

Page 5, line 20:

Delete "1990"

Insert "1989"

Page 5, line 21:

Delete "1991"

Insert "1990"

Page 5, line 23:

Delete "1991"

Insert "1990"

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

POSITION PAPER

HOUSE BILL NO. 34

An Act relating to durational residency requirements for certain state benefit programs.

I support the concept of a two-year residency requirement for Permanent Fund Dividends and Longevity Bonus Program eligibility.

A handwritten signature in black ink, appearing to read "Steve Cowper", written over a horizontal line.

Steve Cowper
Governor

REPRESENTATIVE DAVE DONLEY

ALASKA STATE LEGISLATURE
DISTRICT ELEVEN • SPENARD
SEAT A

HEATHER MEADOWS • NORTHWOOD • SPENARD • THOMPSON • FURNAGAIN • UPPER MIDTOWN • WINDEMERE

3111 "C" STREET, SUITE 450
ANCHORAGE, ALASKA 99503
(907) 561-7629



CHAIRMAN

LABOR AND COMMERCE COMMITTEE

MEMBER

STATE AFFAIRS COMMITTEE

HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

HOUSING AND BANKING SUBCOMMITTEE

FINANCE BUDGET SUBCOMMITTEE

DEPT. OF COMMERCE AND
ECONOMIC DEVELOPMENT

March 3, 1989

MEMORANDUM

To: Members, House Judiciary Committee

From: Representative Dave Donley

Re: **Proposed Judiciary CS to HB 34**

DOCUMENTATION IN SUPPORT OF THE LEGISLATIVE "FINDINGS" SECTION

HB 34 - DURATIONAL RESIDENCY REQUIREMENTS FOR CERTAIN STATE BENEFIT PROGRAMS

As requested by Representative Gruenberg, attached is documentation, provided by the Alaska Department of Labor, Division of Research and Analysis, in support of the Legislative "Findings" section of HB 34, specifically as they relate to the rate of transient population in Alaska and the number of workers who come to the state for short term or temporary projects.

The second paragraph on page three speaks specifically to the number of workers in Alaska who work on a short-term or temporary basis, as do the attached excerpts from the Department of Labor publication, Non-residents Working in Alaska 1987.

The current "findings" state that "Alaska has one of the highest rates of transients.....in the nation". As illustrated in this document, we have, in fact, the highest rate in the nation.

To better state the "finding" that "a significant portion of Alaska's population comes to the state to work in temporary jobs and on short-term projects", I suggest the addition of the phrase "seasonal" so that the sentence reads "a significant portion of Alaska's population comes to the state to work in temporary or seasonal jobs and on short-term projects".

Source: Alaska Population Overview: 1986 and Provisional 1987 Estimates, Alaska Department of Labor (Forthcoming, March 1989).

Greg Williams, State Demographer, Alaska Department of Labor

March 3, 1989

ALASKA'S POPULATION CHANGE

COMPONENTS OF CHANGE

Population change is composed of natural increase (births minus deaths), and migration as shown in Table 2.1 and Figures 2.2. In general, natural increase is the fairly stable component of population change. Death rates change very slowly, and while current fertility fluctuations depend on a variety of factors, the general trend in births does not change pace or direction too quickly. Migration is the most unstable component in Alaska's population change, often changing dramatically from one year to the next.

Between July 1, 1986 and July 1, 1987, 11,923 persons were born in Alaska and 2,086 persons died, resulting in a net natural increase of 9,837 persons. This translates into a growth of 1.8% per year as a result of natural increase. The Alaskan births each year are equivalent to about 2.2% of the population at the beginning of each year. Approximately 0.4% of Alaska's population dies each year.

Migration to Alaska has historically varied widely from year to year. As a result, it is difficult to talk of typical patterns of migration to the state. The highest post-World War II proportional growth due to migration occurred during the build up for the Korean War in 1950-51 (14.7%), 1951-52 (13.6%). Rapid growth also occurred during World War II represented here by the statistics for 1945-46 (12.3%). In part, these high percentages were a result of a small population base in these years. In contrast while the net migration for 1981-82 and 1982-83 was numerically larger than that for 1950-51 and 1951-52, proportionally, it was much smaller. In the peak growth period of 1981-83, the net influx of over 20,000 migrants each year was equivalent to a gain about equal to 5% of the population.

The largest single numerical increase due to migration (30,222 or 8.7%), occurred during pipeline construction in 1974-75. The largest numerical loss (-19,637 or -3.6%), occurred in 1986-87. This loss was larger than the -13,414 or -3.2% loss which occurred at the end of the pipeline construction in 1977-78.

MIGRATION TO/FROM ALASKA

Migration statistics are derived from change of address on IRS Tax returns. The latest statistics available are the migration flows for 1985-86. While these statistics are prior to the down-turn in Alaska's economy, they serve to illustrate the magnitude and pattern of migration to and from the State.

Estimates of In, Out, Gross and Net migration for all states is shown in Table 3. The states at the top of the list have the least stable populations, those at the bottom have the most stable populations. In 1985-86, Alaska had the highest level of In, Out and Gross migration of any state in the union. During this period, 10.2% of Alaska's residents left the state and a number equivalent to 10.6% of Alaska's residents entered the state. Since 1985-86 was at the point of "stall" in the boom of the early 1980's, the net gain was only .4%. These turnover rates include rotation of military personnel in and out of the state. The military probably account for about 20% of the In, Out and Gross migration flow of the state.

The highest turnover is for persons in their 20's and children under 5. Statistically the average length of stay for a 21 year old in Alaska is 9.9 years for males and 13.6 years for females. This means that of a group of Alaska men currently age 21, one can expect 50% to have left the state by about the age of 31.

In general, people tend to more frequently move short distances as opposed to long distances. Table 4. shows the distribution of migration to and from Alaska by state. The Pacific Coast, Mountain States, Texas and overseas accounts for a substantial share of our total gross migration. Almost a third of the Alaska's migration is with Washington (14.0%) , California (11.4%), and Oregon (6.8%). This is followed by movement to/from Texas (6.4%) and movement to/from overseas (3.5%). The movement overseas is heavily military in character. The next largest movement is to a cluster of Mountain states which together account for another 13.6% of the total movement: Colorado (3.3%), Arizona (3.0%), Wyoming (2.7%), Idaho (2.4%), and Montana (2.2%). The sum of the movement to/from the places discussed above accounts for 55.8% of the Gross migration to/from Alaska. The remaining migration comes from the rest of the nation. Some of the remaining states with larger shares also reflect military movement, ie. Georgia, Virginia, North Carolina.

Given the regional distribution of migrants to Alaska, it is not surprising that while migration to and from the state is in part dependent upon federal military and program policies, it is also strongly dependent upon Alaska's economic opportunities relative to those in the other states, and in particular the Pacific and Mountain states. This has its strongest impact on the number in-migrants coming into Alaska.

More recent figures, when they become available, will show a rise in out-migrants and a decline in in-migrants. Somewhat surprisingly, changes in migration in Alaska are more a result of the decline in in-migrants to Alaska than an increase in the out-migrants from Alaska. A net loss can result from either an increase in the out-migrants or an decrease in the in-migrants, since the balance of migration depends in the balance of the two. When Gross migration or turnover is high, major changes in either in or out-migration can cause rapid changes in the population which appear to the observer to be out-migration. What appears as massive out-migration may be a normal 10% out-migration with only partial replacement.

A QUESTION OF RESIDENCE

The time frame for the estimates of resident population produced in this publication is July first of any given year. The July first estimate, however, reflects an average annual resident population. The midyear date serves as the midpoint in the population change in any given year for persons living in their usual place of residence. Our estimates are not intended to be a "de facto" population; that is, a count of all persons in a location on the day July first. The population on this date would be substantially above the annual average because of the seasonality of Alaska's population.

By U.S. Census Bureau definition, to be counted as a resident, a person must reside in a place for at least six months of the year and have no other usual place of residence. Residents of remote work sites are given the opportunity to list their place of residence as being somewhere other than the remote site. In 1980, for example, most North Slope oil workers listed their place of residence as being either some other part of Alaska or out of state. One of the systematic errors in statistics for Alaska involves residency. Employment in the state is highly seasonal in construction, fishing and seafood processing, logging, mining, and tourism. While the exact amount of seasonal population is currently unknown, in 1987, nearly 15.5% of the persons working at some time during the year in jobs covered by unemployment insurance or state employment were nonresidents. This means that there were at least 45,100 nonresident workers in Alaska for some period of time during the year.¹ This number, however, overstates the number of nonresidents in the state at any given time because these workers are present for varying periods of time. The best current estimate of the annual average number of nonresidents present in Alaska at any given time in 1987 would be about 14,300. This is down substantially from 1985. The seasonal high quarter usually occurs during the summer months, would add another 2,300 nonresidents over the annual average. Thus a statewide census taken in July 1, 1987 might have found some 17,600 nonresidents living in Alaska.

Since our resident population estimate for 1987 is 537,800 persons, the annual average number of persons (residents and nonresidents) present in the state may have been at least 555,200 and the midsummer non-tourist "de facto" population may be on the order of 557,500.

¹ Nonresidents Working in Alaska in 1987, Alaska Department of Labor, January 1989.

GLOSSARY

Migration - The movement of people across a specified boundary for the purpose of establishing a new permanent residence. Movement between countries, states or nations is considered migration, movement with a county is considered as "local movement".

In-migrant - a person who enters an area from some point outside the area for the purpose of establishing a permanent residence. The person may come from another nation, state or county.

Out-migrant - a person who leaves an area for some point outside the area for the purpose of establishing a permanent residence. The person may go to another nation, state or country.

Gross Migration - The sum of the in-migration and out-migration for a geographic area over a period of time. Gross migration is a measure of the total movement or turnover of population. Gross migration is of most interest to persons needing information on population turnover rather than overall gain or loss. For example, real estate and transportation industries.

Net-migration - the difference between in-migration and out-migration. It may be characterized as net in-migration if there are more persons moving into the area than out; or as net out-migration if there are more persons leaving the area than coming in.

De facto and de jure counts - In a census the enumeration is affected by the type of population count to be obtained. The census may be designed to count persons where they are found on census day (a de facto count) or according to their usual place of residence (a de jure count). The U.S. Census is a de jure count. Only transients who have no usual place of residence are counted on a de facto basis.

TABLE 2.1 ANNUAL COMPONENTS OF POPULATION CHANGE FOR ALASKA, 1945-1987.

June 30 TO July 1	End Of Period Population	Population Change	Average Annual Rate of Change	Components Of Change			
				Births	Deaths	Natural Increase	Net Migrants
1945-46	103,000			2,050	1,220	830	
1946-47	117,000	14,000	12.73	2,490	1,200	1,290	12,710
1947-48	126,000	9,000	7.41	2,890	1,180	1,710	7,290
1948-49	132,600	6,600	5.10	3,300	1,190	2,110	4,490
1949-50	137,100	4,500	3.34	3,620	1,220	2,400	2,100
1950-51	160,000	22,900	15.42	4,110	1,310	2,800	20,100
1951-52	185,500	25,500	14.76	5,130	1,310	3,820	21,680
1952-53	193,800	8,300	4.38	6,270	1,280	4,990	3,310
1953-54	200,100	6,300	3.20	6,910	1,240	5,670	630
1954-55	206,500	6,400	3.15	7,190	1,200	5,990	410
1955-56	212,400	5,900	2.82	7,480	1,220	6,260	-360
1956-57	218,600	6,200	2.88	7,730	1,240	6,490	-290
1957-58	220,100	1,500	0.68	7,450	1,200	6,250	-4,750
1958-59	224,000	3,900	1.76	6,830	1,170	5,660	-1,760
1959-60	230,400	6,400	2.82	7,290	1,250	6,040	360
1960-61	236,700	6,300	2.70	7,560	1,300	6,260	40
1961-62	242,800	6,100	2.54	7,610	1,290	6,320	-220
1962-63	249,900	7,100	2.88	7,670	1,320	6,350	750
1963-64	253,200	3,300	1.31	7,480	1,380	6,100	-2,800
1964-65	265,200	12,000	4.63	7,170	1,390	5,780	6,220
1965-66	271,500	6,300	2.35	6,810	1,320	5,490	810
1966-67	277,900	6,400	2.33	6,410	1,300	5,110	1,290
1967-68	284,900	7,000	2.49	6,350	1,317	5,033	1,967
1968-69	294,600	9,700	3.35	6,670	1,330	5,340	4,360
1969-70	308,500	13,900	4.61	7,230	1,370	5,860	8,040
1970-71	319,600	11,100	3.53	7,437	1,444	5,993	5,107
1971-72	329,800	10,200	3.14	7,129	1,462	5,667	4,533
1972-73	336,400	6,600	1.98	6,781	1,468	5,313	1,287
1973-74	348,100	11,700	3.42	6,847	1,467	5,380	6,320
1974-75	384,100	36,000	9.83	7,275	1,497	5,778	30,222
1975-76	409,800	25,700	6.47	7,694	1,570	6,124	19,576
1976-77	418,000	8,200	1.98	8,175	1,612	6,563	1,637
1977-78	411,600	-6,400	-1.54	8,668	1,654	7,014	-13414
1978-79	413,700	2,100	0.51	9,043	1,654	7,389	-5289
1979-80	419,800	6,100	1.46	9,398	1,649	7,749	-1649
1980-81	433,800	14,000	3.28	9,906	1,700	8,206	5,794
1981-82	463,400	29,600	6.60	10,781	1,755	9,026	20,574
1982-83	497,600	34,200	7.12	11,723	1,850	9,873	24,327
1983-84	522,000	24,400	4.79	12,308	1,938	10,370	14,030
1984-85	541,300	19,300	3.63	12,719	2,032	10,687	8,613
1985-86	547,600	6,300	1.16	12,555	2,107	10,448	-4148
1986-87	537,800	-9,800	-1.81	11,923	2,086	9,837	-19637

Alaska Department of Labor, Research & Analysis, Demographic Unit, 1988.

March 3, 1989

FIGURE 2.1

Alaska Components of Growth 1946 to 1987

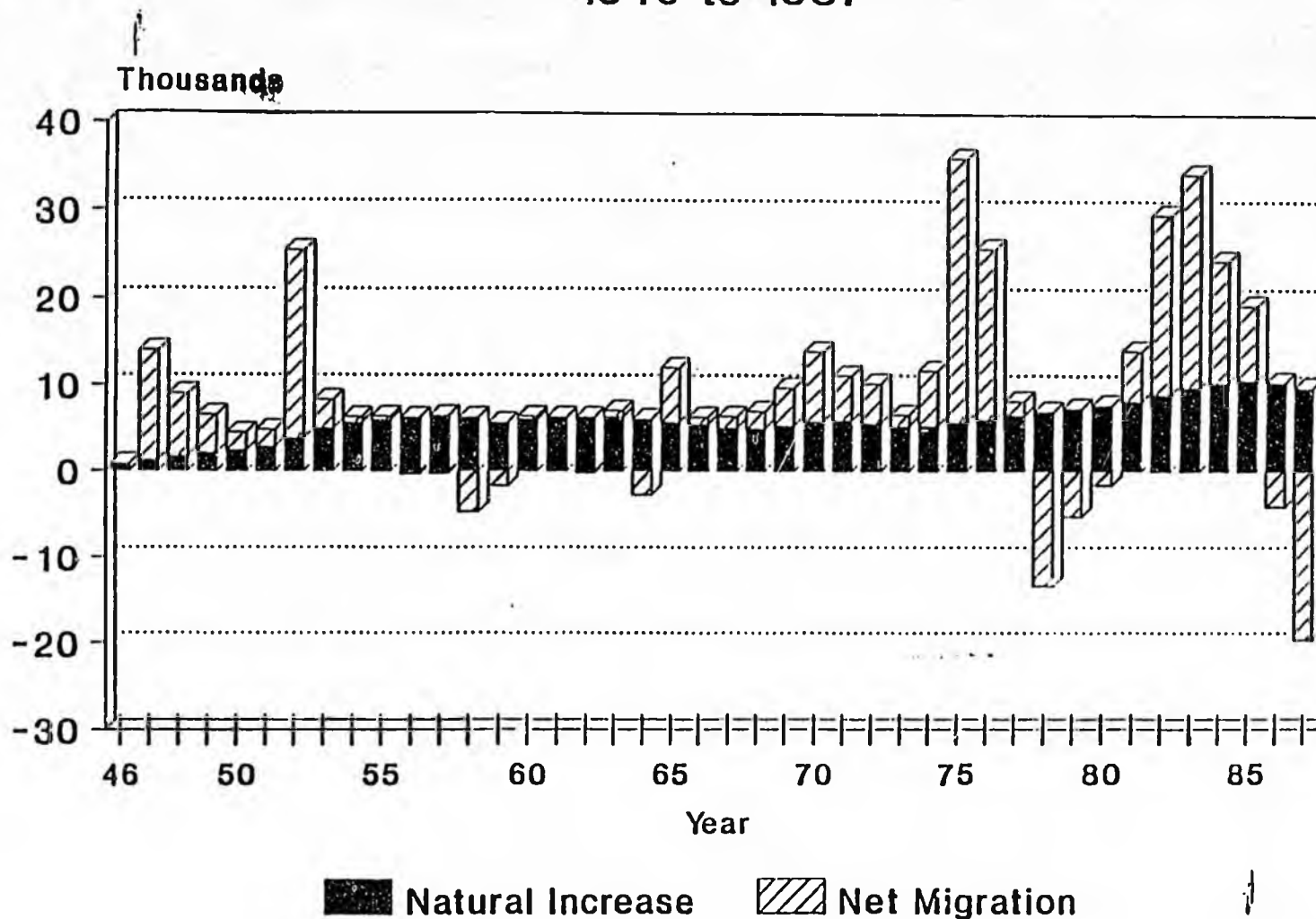


TABLE 3. RATES OF MIGRATION BY STATE, 1985-86

STATE TO STATE MIGRATION FLOWS 1985-86	IN MIGRANTS PER 100 POPULATION (%)	OUT MIGRANTS PER 100 POPULATION (%)	NET MIGRANTS PER 100 POPULATION (%)	GROSS MIGRANTS PER 100 POPULATION (%)
ALASKA	10.6	10.2	0.4	20.8
WASHINGTON D.C.	7.5	9.0	-1.4	16.5
NEVADA	8.9	6.7	2.2	15.6
WYOMING	6.5	8.2	-1.6	14.7
ARIZONA	8.3	5.0	3.3	13.3
NEW MEXICO	7.2	5.9	1.3	13.1
NEW HAMPSHIRE	7.8	5.1	2.7	12.8
HAWAII	5.9	6.8	-0.9	12.8
COLORADO	6.1	5.8	0.2	11.9
KANSAS	5.0	5.6	-0.7	10.6
FLORIDA	6.7	3.8	3.0	10.3
IDAHO	4.6	5.8	-1.3	10.4
NORTH DAKOTA	4.1	6.2	-2.1	10.2
VIRGINIA	5.4	4.6	0.8	10.0
SOUTH DAKOTA	4.3	5.5	-1.2	9.8
VERMONT	5.2	4.6	0.6	9.7
MONTANA	3.7	5.4	-1.6	9.1
DELAWARE	4.8	4.3	0.5	9.1
OKLAHOMA	4.1	4.9	-0.9	9.0
GEORGIA	5.1	3.5	1.6	8.6
WASHINGTON	4.3	4.1	0.2	8.4
SOUTH CAROLINA	4.4	3.7	0.7	8.2
MARYLAND	4.2	3.8	0.4	8.0
MAINE	4.3	3.7	0.6	8.0
UTAH	3.6	4.3	-0.6	7.9
ARKANSAS	4.0	3.8	0.2	7.9
RHODE ISLAND	3.9	3.7	0.2	7.7
OREGON	3.8	3.8	-0.0	7.7
NEBRASKA	3.2	4.4	-1.2	7.6
CONNECTICUT	3.6	3.8	-0.3	7.4
NORTH CAROLINA	4.1	3.3	0.7	7.4
KENTUCKY	3.4	3.7	-0.3	7.1
TENNESSEE	3.7	3.3	0.4	7.0
TEXAS	3.7	3.2	0.4	6.9
MISSISSIPPI	3.3	3.5	-0.2	6.8
MISSOURI	3.4	3.4	0.0	6.7
NEW JERSEY	3.2	3.4	-0.1	6.6
ALABAMA	3.4	3.1	0.3	6.5
IOWA	2.3	4.1	-1.8	6.4
WEST VIRGINIA	2.6	3.8	-1.2	6.3
INDIANA	2.8	3.4	-0.6	6.2
LOUISIANA	2.6	3.5	-0.9	6.1
MASSACHUSETTS	2.6	3.3	-0.6	5.9
ILLINOIS	2.3	3.5	-1.2	5.8
MINNESOTA	2.6	2.9	-0.4	5.5
OHIO	2.3	3.1	-0.8	5.5
MICHIGAN	2.4	2.9	-0.5	5.3
CALIFORNIA	2.8	2.3	0.5	5.1
WISCONSIN	2.2	2.9	-0.7	5.1
PENNSYLVANIA	2.1	2.7	-0.5	4.8
NEW YORK	1.8	3.0	-1.2	4.7

TABLE 4. MIGRATION RATES FOR ALASKA, 1985-86.

FROM/TO	1985-86				1985-86				1985-86				NET MIGRANTS PER 100 ALASKA POPULATION (%)
	IN MIGRANTS PER 100 ALASKA POPULATION (%)	% OF TOTAL	CUMULATIVE % OF TOTAL	OUT MIGRANTS PER 100 ALASKA POPULATION (%)	% OF TOTAL	CUMULATIVE % OF TOTAL	GROSS MIGRANTS PER 100 ALASKA POPULATION (%)	% OF TOTAL	CUMULATIVE % OF TOTAL	POPULATION			
WASHINGTON	1.31	12.4	12.4	1.60	15.7	15.7	2.91	14.0	14.0	-0.29			
CALIFORNIA	1.14	10.7	23.1	1.24	12.2	27.9	2.38	11.4	25.4	-0.10			
OREGON	0.74	7.3	30.1	0.68	6.7	34.5	1.42	6.8	32.3	0.06			
TEXAS	0.69	6.5	36.6	0.63	6.2	40.7	1.52	6.4	38.6	0.06			
FOREIGN	0.33	3.1	39.7	0.38	3.8	44.5	0.72	3.5	42.1	-0.05			
COLORADO	0.38	3.6	43.3	0.31	3.1	47.6	0.70	3.3	45.4	0.07			
ARIZONA	0.27	2.5	45.9	0.24	2.4	51.2	0.57	2.7	48.5	-0.10			
HYUNGUNG	0.23	2.2	48.9	0.22	2.2	55.8	0.50	2.4	51.2	0.08			
IDAHO	0.28	2.6	51.9	0.23	2.2	57.5	0.46	2.2	55.8	0.05			
MONTANA	0.29	2.7	54.2	0.17	1.7	59.7	0.45	2.2	58.0	0.11			
GEORGIA	0.23	2.2	56.4	0.22	2.2	59.7	0.44	2.2	58.0	0.00			
VIRGINIA	0.22	2.1	58.5	0.22	2.2	61.8	0.44	2.1	60.1	-0.00			
MINNESOTA	0.25	2.4	60.8	0.17	1.7	63.5	0.42	2.0	62.1	0.08			
MICHIGAN	0.22	2.3	62.9	0.19	1.9	65.3	0.40	1.9	64.1	0.03			
NORTH CAROLINA	0.21	2.0	64.9	0.19	1.8	67.1	0.40	1.9	66.0	0.03			
NEW YORK	0.19	1.9	66.7	0.20	2.0	69.1	0.39	1.9	67.9	-0.01			
OKLAHOMA	0.21	1.9	68.6	0.15	1.5	70.6	0.36	1.7	69.6	0.05			
ILLINOIS	0.20	1.9	70.5	0.15	1.5	72.1	0.35	1.7	71.3	0.05			
OHIO	0.16	1.5	72.1	0.16	1.6	75.2	0.31	1.5	74.3	0.01			
NEW MEXICO	0.15	1.4	73.4	0.16	1.6	75.2	0.31	1.5	74.3	-0.01			
ALABAMA	0.15	1.4	74.8	0.16	1.6	76.8	0.31	1.5	75.8	-0.01			
UTAH	0.15	1.4	76.3	0.13	1.3	78.1	0.28	1.4	77.2	0.02			
HAWAII	0.16	1.5	77.7	0.13	1.2	79.3	0.28	1.4	78.5	0.03			
LOUISIANA	0.16	1.5	79.3	0.12	1.1	80.5	0.28	1.3	79.8	0.05			
WEST VIRGINIA	0.17	1.6	80.8	0.11	1.1	81.6	0.28	1.3	79.8	0.05			
MISSOURI	0.13	1.2	82.0	0.14	1.4	83.0	0.27	1.3	81.2	-0.02			
PENNSYLVANIA	0.13	1.3	83.3	0.12	1.1	84.1	0.25	1.2	83.7	0.01			
MARYLAND	0.12	1.1	84.4	0.12	1.2	85.3	0.24	1.2	84.8	-0.01			
TENNESSEE	0.10	0.9	85.3	0.14	1.3	86.7	0.23	1.1	86.0	-0.04			
NEVADA	0.10	0.9	86.2	0.13	1.2	87.9	0.23	1.1	87.3	-0.00			
SOUTH CAROLINA	0.11	1.0	87.2	0.11	1.1	89.0	0.22	1.0	88.1	-0.00			
KENTUCKY	0.11	1.0	88.2	0.11	1.1	90.1	0.21	1.0	89.1	-0.00			
KANSAS	0.11	1.1	89.3	0.10	1.0	91.0	0.21	1.0	90.1	0.02			
ARKANSAS	0.11	1.0	90.3	0.09	0.9	91.9	0.20	1.0	91.1	0.02			
WISCONSIN	0.13	1.2	91.6	0.06	0.6	92.5	0.19	0.9	92.0	0.07			
MASSACHUSETTS	0.10	0.9	92.5	0.08	0.8	93.3	0.18	0.9	92.9	0.01			
INDIANA	0.10	0.9	93.4	0.08	0.8	94.1	0.18	0.9	93.7	0.02			
NEBRASKA	0.09	0.9	94.3	0.08	0.7	94.9	0.17	0.8	94.6	0.02			
NEW JERSEY	0.09	0.9	95.1	0.08	0.8	95.6	0.17	0.8	95.1	0.01			
MAINE	0.06	0.6	95.7	0.08	0.8	96.4	0.14	0.7	96.1	-0.02			
NORTH DAKOTA	0.08	0.7	96.5	0.06	0.6	97.0	0.14	0.7	96.7	0.02			
MISSISSIPPI	0.07	0.7	97.2	0.06	0.6	97.5	0.13	0.6	97.3	0.02			
SOUTH DAKOTA	0.07	0.7	97.9	0.05	0.5	98.1	0.13	0.6	98.0	0.02			
IOWA	0.06	0.6	98.4	0.04	0.4	98.5	0.10	0.5	98.5	0.02			
NEW HAMPSHIRE	0.05	0.4	98.9	0.04	0.4	98.9	0.09	0.4	98.9	0.00			
CONNECTICUT	0.04	0.3	99.2	0.03	0.3	99.2	0.07	0.3	99.2	0.00			
WASHINGTON D.C.	0.02	0.2	99.4	0.02	0.2	99.5	0.05	0.2	99.5	-0.06			
VERMONT	0.02	0.2	99.6	0.02	0.2	99.7	0.04	0.2	99.6	0.00			
FLORIDA	0.01	0.1	99.8	0.01	0.1	99.8	0.03	0.1	99.8	0.00			
DELAWARE	0.01	0.1	99.9	0.01	0.1	99.9	0.03	0.1	99.9	0.00			
RHODE ISLAND	0.01	0.1	100.0	0.01	0.1	100.0	0.02	0.1	100.0	0.00			
TOTAL	10.61	100.0		10.18	100.0		20.80	100.0		0.43			

Alaska Department of Labor
Research & Analysis, Demographic Unit
Greg Williams, State Demographer
02-Mar-89

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Nonresidents

Working in Alaska 1987

Nonresidents Working in Alaska 1987

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Department of Labor - Jim Sampson, Commissioner
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DISTRIBUTION OF QUARTERS WORKED IN ALASKA 1987

QUARTERS WORKED	PERCENT RESIDENT	PERCENT NONRESIDENT
1 QUARTER ONLY	12.4%	45.2%
QUARTER 1	3.9%	7.4%
QUARTER 2	1.9%	7.0%
QUARTER 3	3.1%	17.2%
QUARTER 4	3.5%	13.5%
2 QUARTERS ONLY	15.2%	29.8%
QUARTERS 1 & 2	5.1%	4.4%
QUARTERS 1 & 3	0.5%	0.4%
QUARTERS 1 & 4	0.7%	0.3%
QUARTERS 2 & 3	3.5%	10.4%
QUARTERS 2 & 4	0.5%	0.5%
QUARTERS 3 & 4	4.8%	13.7%
3 QUARTERS ONLY	16.0%	13.6%
QUARTERS 1, 2 & 3	5.3%	3.1%
QUARTERS 1, 2 & 4	1.8%	0.7%
QUARTERS 1, 3 & 4	1.6%	0.6%
QUARTERS 2, 3 & 4	6.8%	9.2%
4 QUARTERS ONLY		
QUARTERS 1, 2, 3 & 4	56.3%	11.4%

Table 3.4

**Resident and Nonresident Total Earnings and Workers
by Major Industrial Group
Alaska, 1987**

Industrial Group	Resident		Nonresident		Resident		Nonresident	
	Earnings (in thous.)	%	Earnings (in thous.)	%	Workers	%	Workers	%
Agriculture ^{1/}	\$15,947	84.4	\$2,950	15.6	1,976	81.5	450	16.6
Mining	497,898	88.5	64,979	11.5	12,374	83.4	2,462	16.6
Construction	359,732	88.9	44,819	11.1	22,837	84.8	4,086	15.2
Manufacturing	224,761	73.4	81,522	26.6	22,532	60.9	14,461	39.1
Transportation	506,659	93.2	37,178	6.8	24,986	89.1	3,057	10.9
Wholesale Trade	202,389	95.3	9,927	4.7	11,151	90.5	1,177	9.5
Retail Trade	493,045	94.5	28,961	5.5	61,858	87.3	8,981	12.7
Finance/Insurance/Real Estate	262,780	96.9	8,473	3.1	15,946	93.1	1,183	6.9
Services	766,704	93.3	55,327	6.7	67,339	87.8	9,334	12.2
Nonclassifiable	4,207	83.4	837	16.6	685	86.9	103	13.1
TOTAL PRIVATE BUSINESS ^{2/}	3,334,124	90.9	334,973	9.1	197,736	82.4	42,354	17.6
Local Government	850,991	98.2	15,396	1.8	42,188	95.4	2,017	4.6
State Government	626,754	97.7	14,613	2.3	24,575	95.0	1,296	5.0
TOTAL ^{3/}	\$4,820,554	93.0	\$365,147	7.0	246,489	84.5	45,148	15.5

Source: Alaska Department of Labor, Research & Analysis

^{1/} Data includes only nonagricultural wage and salary workers covered by unemployment insurance. Consequently, data provided for this industry may not be representative of the industry as a whole.

^{2/} Unduplicated count of workers within each industry.

^{3/} Unduplicated count of total workers.

Table 3.1

**Annual Earnings, Workers, and Average Earnings by Industry
Alaska, 1987**

Industry	Earnings			Workers			Average Earnings		
	Resident	Nonresident	% of Total	Resident	Nonresident	% of Total	Resident	Nonresident	As % of Res.
	Earnings (thous.)	Earnings (thous.)		no. of Workers	no. of Workers		Average Earnings	Average Earnings	
State Government	\$626,754	\$14,613	2.3	24,575	1,296	5.0	\$25,504	\$11,276	44.2
Local Government	858,991	15,396	1.8	42,188	2,017	4.6	20,361	7,633	37.5
Agriculture "									
Crops	1,161	95	7.6	301	34	10.1	3,857	2,801	72.6
Livestock	585	68	10.4	45	15	25.0	12,989	4,509	34.7
Agricultural Services	5,600	403	6.7	854	112	11.6	6,557	3,602	54.5
Forestry	2,438	101	4.0	85	5	5.6	28,682	20,118	70.7
Fishing/Hunting/Trapping "	6,164	2,283	27.0	698	285	29.0	8,831	8,011	90.7
Mining									
Metal "	15,186	8,700	36.4	954	377	28.3	15,918	23,076	145.0
Coal	x	x	2.9	x	x	3.3	x	x	89.0
Oil & Gas	472,466	55,685	10.5	11,097	2,051	15.6	42,576	27,150	63.0
Nonmetal/Nonfuel	x	x	11.5	x	x	12.3	x	x	92.0
Construction									
Building	100,672	10,785	9.7	8,271	1,254	13.2	12,172	8,601	70.0
Heavy	122,103	20,259	14.2	7,539	1,328	15.0	16,196	15,255	94.0
Special Trades	136,957	13,776	9.1	10,309	1,692	14.1	13,285	8,142	61.0
Manufacturing									
Food Processing	73,155	60,044	45.1	14,198	12,364	46.5	5,152	4,856	94.3
Textiles	x	x	4.9	x	x	11.8	x	x	38.8
Apparel	474	60	11.3	82	14	14.6	5,779	4,300	74.4
Lumber/Wood	12,988	3,057	19.1	952	333	25.9	13,643	9,179	67.3
Logging	38,847	12,740	24.7	2,071	1,231	37.3	18,758	10,349	55.2
Furniture	x	x	0.0	x	x	0.0	x	x	0.0
Paper	x	x	7.7	x	x	16.8	x	x	41.5
Printing	33,848	1,052	3.0	2,778	242	8.0	12,184	4,349	35.7
Chemicals	x	x	8.1	x	x	6.7	x	x	124.0
Petro Refining	5,439	169	3.0	170	13	7.1	31,995	12,986	40.6
Rubber/Miscellaneous	756	52	6.5	143	18	11.2	5,287	2,903	54.9
Concrete	10,749	202	1.8	616	37	5.7	17,449	5,466	31.3
Primary Metals	238	47	16.4	24	3	11.1	9,937	15,640	157.4
Fabricated Metals	3,222	256	7.4	227	29	11.3	14,196	8,821	62.1
Machinery	848	0	0.0	30	0	0.0	28,276	0	0.0
Electrical Machinery	370	39	9.6	22	5	18.5	16,796	7,820	46.6
Transportation Equipment	2,529	500	16.5	232	78	25.2	10,901	6,416	58.9
Measuring	x	x	0.6	x	x	7.1	x	x	7.9
Miscellaneous	949	0	0.0	82	0	0.0	11,572	0	0.0
Trans., Comm., & Public Utilities									
Local Transit	x	x	11.8	x	x	13.7	x	x	84.7
Motor Freight	52,763	2,951	5.3	3,543	454	11.4	14,892	6,500	43.6
Water Transportation	29,557	5,663	16.1	2,417	459	16.0	12,229	12,337	100.9
Air Transportation	133,421	16,229	10.8	7,057	1,023	12.7	18,906	15,864	83.9
Pipelines	x	x	2.4	x	x	3.1	x	x	78.4
Transportation Services	17,305	1,054	5.7	1,574	193	10.9	10,995	5,461	49.7
Communications	118,022	5,822	4.7	4,561	339	6.9	25,876	17,175	66.4
Utilities	81,624	2,075	2.5	3,080	192	5.9	28,501	10,806	40.8

(cont. on page 30)