

LEGISLATIVE FINANCE-HOUSE / SENATE FINANCE COMM. FILES 8879

SB 56 cont. - SB 65 600

OFFICE OF THE PRESIDENT

MEMBER

TENTH ALASKA LEGISLATURE
ELEVENTH ALASKA LEGISLATURE
TWELFTH ALASKA LEGISLATURE
THIRTEENTH ALASKA LEGISLATURE
FOURTEENTH ALASKA LEGISLATURE
FIFTEENTH ALASKA LEGISLATURE
SIXTEENTH ALASKA LEGISLATURE



SENATOR TIM KELLY

P.O. BOX V
JUNEAU, ALASKA 99811
(907) 485-3822

P.O. BOX 210001
ANCHORAGE, ALASKA 99521
(907) 561-7612

April 5, 1989

Senator Rick Uehling, Co-chairman
Senate Finance Committee
Alaska State Senate
Box V
Juneau, Ak 99811

Re: SB 56, National Guard employment preference.

Dear Senator Uehling,

I would appreciate a committee hearing of SB 56 at your earliest convenience. Attached is a rationale and discussion of this legislative proposal.

The state currently rewards, gratefully, veterans who have served in the armed forces of the nation in a number of ways; preferences in employment, loan programs, and land selection to name a few. It would seem that the service of Alaska National Guard veterans should similarly and most appropriately be recognised and rewarded.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Tim".

TIM KELLY
Alaska State Senate

ALASKA NATIONAL GUARD
OFFICER'S ASSOCIATION
200 W. 34th Street, Suite 727
Anchorage, Alaska 99503

28 November 1988

3. STATE VETERAN'S HIRING PREFERENCE FOR ALASKA NATIONAL GUARD VETERANS

A. PROPOSAL: This proposal would enact legislation to grant Alaska National Guard members, who have successfully completed **5** years of Alaska National Guard Membership, the same State veteran's hiring preference currently granted to active duty veterans.

B. DISCUSSION: Members of the Alaska National Guard who have never served with the armed forces on extended active duty (non-prior service) do not receive veteran's hiring preference points for Federal civil service jobs. Prior-service veterans do. Prior-service veterans DO receive hiring preference for State jobs. Non-prior service State veterans do NOT. It seems equitable that non-prior service STATE veterans should receive hiring preference for State jobs in their own State of Alaska.

There is an unknown number of State veterans interested in State jobs who would benefit from State veteran's hiring preference.

Members of the Alaska National Guard (approximately 4000) and their spouses (approximately 3000) support this initiative.

C. COST: There is no known cost.

D. PRECEDENTS:

OHIO: Veterans honorably discharged from active service or transferred to a Reserve Component are entitled to 20% added credit on State civil service exam.

THE AMERICAN LEGION
SOUTHEAST DISTRICT

SUBJECT; Veterans Preference

WHEREAS; A grateful nation has, following each war indicated its thanks to those who bore the battle by providing certain rights and benefits, one of which has been a small advantage when seeking state employment; and

WHEREAS; Alaska Statutes (39.25.150) does not provide for veterans preference on subsequent employment or promotions, now therefore, be it

RESOLVED; by The American Legion, Southeast District, The Department of Alaska in convention assembled in Wrangell, Alaska February 2,3, and 4th 1989, that The American Legion urges the 20th State Legislature to amend AS 39.25.150, to reflect that veteran applicants for State classified employment be granted preference rights in any subsequent employment or promotion.



THE AMERICAN LEGION

DEPARTMENT OF ALASKA
P. O. BOX 201949
ANCHORAGE, ALASKA 99520-1949
(907) 276-8211

JAMES H. MALONE
Department Commander
235 East 8th Avenue, Anchorage, Alaska 99501

WILLIAM M. HINDUP
National Executive Committeeman
302 Marine Way
Kotlik, Alaska 99615

JOSEPH I. CRAIG
Alternate NEC
2123 First Ave
Ketchikan, AK 99901

Warren C. Colver
Department Adjutant/Service Officer
235 East 8th Avenue, Anchorage, AK 99501

February 24, 1989

Senator Tim Kelly
P. O. Box V
Juneau, Alaska 99811

Subj: HB 56

Dear Senator Kelly:

Attached as requested by Dave Gray copies of the Federal Personnel Manual pertaining to Veterans preference. The original Legislation is the Veterans Preference Act of 1944 as amended and now codified in various provisions of Title 5, United States Code.

Restoring the previous language to the State Veterans Preference Law; being able to continue using the 5 or 10 points on promotions, or a new job will certainly aid any Alaskan Veteran who has used his preference for a temporary State job since the Legislation was amended in 1982.

Your continuing support on Legislation aiding and assisting all Veterans is certainly appreciated.

Reference is made to our meeting on February 14th pertaining to employment preference for service in the National Guard. The American Legion will only endorse this Legislation if a minimum of eight years service in the "Active" National Guard: Attending Regular scheduled drills (or at other approved times) and two week annual training.

Ray Perkins Past Department Commander of the American Legion, Department of Alaska will testify on this Legislation. He can be contacted through Sitka Post #13, Phone #747-8629 if the hearings are to be held other than Wednesday March 1st between 3:30 - 5:30 P.M.

For God and Country

James H. Malone
James H. Malone
Department Commander

cc: Ray Perkins (PDC)

Subchapter 1. General Provisions

1-1. LEGAL BASIS

The legal basis for veterans' preference is the Veterans' Preference Act of 1944, as amended, now codified in various provisions of title 5, United States Code. Preference applies to civilian positions, permanent or temporary, in the competitive service, the Excepted Service, and in a temporary or emergency establishment, agency, bureau, administration, project and department of the Federal Government. Preference does not apply in the Senior Executive Service. All positions in the legislative or judicial branches of the Government, and positions in the Executive Branch which are required to be confirmed by the Senate are exempt from the provisions of the Act. Preference is given in competitive examinations, in appointments to positions, and in retention during reductions-in-force. Other benefits to which veterans are entitled include reinstatement and reemployment

(restoration). To receive preference, a veteran of the U.S. Armed Forces must be a United States citizen. See FPM chapter 315, Subchapter 4 and FPM chapter 353. Provisions for veterans' preference appear in the following sections of title 5, United States Code:

<i>Sections</i>	<i>Provision</i>
2108.	Veteran; disabled veteran; preference eligible.
3309-3319.	Examination, selection, appointment, and reinstatement of preference eligibles.
3351.	Preference eligibles; Transfer; Physical Qualifications; Waiver.
3363.	Preference eligibles; Promotion; Physical Qualifications; Waiver.
3501-3504.	Retention of preference eligibles.
7511-7514.	Suspension and removal.

Subchapter 2. Entitlement to Preference

2-1. DEFINITIONS

The following definitions are used for the purposes of preference in Federal employment:

(1) "Veteran" means a person who was separated with an honorable discharge or under honorable conditions from active duty in the armed forces performed

- (a) in a war; *or*,
- (b) in a campaign or expedition for which a campaign badge has been authorized; *or*,
- (c) during the period beginning April 28, 1952, and ending July 1, 1955; *or*,
- (d) for more than 180 consecutive days, other than for training, any part of which occurred during the period beginning February 1, 1955 and ending October 14, 1976.¹

Persons who lost their lives under honorable conditions while serving in the armed forces during a period named in (1)(a) through (d) are also referred to as veterans for the purposes of this chapter only. (Refer to FPM Supplement 296-33 for a list of recognized wars, campaigns, and expeditions).

(2) "Active duty," or "active military duty," means full-time duty with military pay and allowances in the armed forces, except for training or for determining physical fitness and except for service in the Reserves or National Guards.

(3) "Armed Forces" means the United States Army, Navy, Air Force, Marine Corps, and Coast Guard.

(4) "Uniformed services" means the armed forces, the commissioned corps of the Public Health Service, and the commissioned corps of the National Oceanic and Atmospheric Administration, (formerly the Environmental Science Services Administration, Coast and Geodetic Survey).

(5) "Discharge under honorable conditions" means either an honorable or a general discharge from the

¹ Section 702 of Public Law 94-502, enacted October 15, 1976 abolishes peacetime preference for those entering active duty after October 14, 1976, unless they serve in a campaign or war or meet the definition of "disabled veteran" described in subchapter 2-1(6) of this chapter.

armed forces. The Department of Defense has responsibility for administering and defining military discharges. (An amnesty or clemency discharge does not meet the Veterans' Preference Act requirement for discharge under honorable conditions. Accordingly, no preference may be granted to applicants with such discharges.)

(6) "Disabled veteran" means a person who was separated under honorable conditions from active duty in the armed forces performed at any time and who has established the present existence of a service-connected disability or is receiving compensation, disability retirement benefits, or pension because of a public statute administered by the Veterans Administration or a military department.² (Refer to FPM Supplement 296-33 for a list of acceptable evidence).

(7) "Ex-serviceperson" means a person who was separated from active duty performed in peace or war. (A person on active duty may be an ex-serviceperson because of separation from previous active duty.)

(8) "Spouse" means legal husband or wife. Common law marriage is recognized for preference, if valid under the laws of the place where the parties lived at the time of the marriage.

(9) "Separation" from a spouse means living apart. A separation need not be approved by a court of law but must be bona fide and permanent.

(10) "Legal separation" from a spouse means a separation *a mensa et thoro* (from bed and board) by court decree, which frees the parties but does not dissolve the marriage tie.

² If the Veterans Administration recognizes the existence of a service-connected disability arising from an injury or disease incurred while enroute to, at, or returning from, a place of induction or entry into duty, the person is considered to be a disabled veteran. However, even an individual who is receiving compensation, disability retirement benefits, or pension by reason of laws administered by the Veterans Administration is not eligible for preference, unless he or she has met the requirement of having served on active duty, other than for training, as defined in 2-1(2) of this section. Furthermore, the spouse, widow, widower, or mother of such a disabled veteran is not entitled to preference.

An individual who is disabled while undergoing training with a military reserve unit is not considered to be a disabled veteran and is not entitled to preference.

2-2. TYPES OF PREFERENCE

There are 7 different types of preference, each with a separate set of requirements. When used for competitive civil service examination purposes, the applicant must first make a passing grade before preference points may be added to the rating score.

(1) Five-point. Every veteran as defined in subchapter 2-1(1) of this chapter is entitled to a 5-point preference.³ However, veterans who are eligible for and take advantage of 10-point preference are not entitled to an additional 5-point preference.

(2) Ten-point (disability). Every disabled veteran as defined in subchapter 2-1(6) of this chapter is entitled to 10-point (disability) preference.

(3) Ten-point (compensable disability). A disabled veteran who was separated under honorable conditions from active duty in the armed forces performed at any time and who has a compensable service-connected disability rating of 10 percent or more is entitled to 10-point (compensable disability) preference rather than 10-point (disability) preference.

Because of certain provisions of the Civil Service Reform Act of 1978, employing offices must distinguish between:

- (a) those veterans entitled to 10 point preference due to a compensable service-connected disability of less than 30 percent; and
- (b) those veterans entitled to 10 point preference due to a compensable service-connected disability of 30 percent or more. (These persons are given additional passover and retention rights. They may also be appointed noncompetitively to positions for which they qualified.)

The following types of preference are referred to as derivative preference, because they are derived from the military service of a veteran who is not using the preference:

(4) Ten-point (spouse). The spouse of a disabled veteran is entitled to 10-point (spouse) preference provided that the veteran is disqualified by reason of a service-connected disability for a Federal civil service position along the general lines of his or her usual occupation.

(5) Ten-point (widow or widower). The widow or

widower of a veteran is entitled to 10-point (widow or widower) preference under the following conditions:

- (a) he or she was not divorced from the veteran;
- (b) he or she has not remarried, or the remarriage was annulled; *and*,
- (c) the veteran
 - served during a war; *or*,
 - served during the period April 28, 1952 through July 1, 1955; *or*,
 - served in a campaign or expedition for which a campaign badge has been authorized; *or*,
 - died while on active duty that included service specified above provided that the conditions surrounding the death would not have been cause for other than honorable separation.

(6) Ten-point (mother, deceased veteran). The mother of a deceased veteran is entitled to 10-point (mother) preference under the following conditions:

- (a) she is the mother of the veteran who died under honorable conditions when on active duty—
 - during a war; *or*,
 - during the period April 28, 1952 through July 1, 1955; *or*,
 - in a campaign or expedition for which a campaign badge is authorized; *and*,
- (b) she is, or was, married to the father of the veteran; *and*,
- (c) she—lives with her totally and permanently disabled husband (either the veteran's father or her husband through remarriage); *or*,
 - is widowed, divorced, or separated from the veteran's father but has not remarried; *or*,
 - remarried but is now widowed, divorced, or legally separated from her husband.

(7) Ten-point (mother, disabled veteran). The mother of a living disabled veteran is entitled to 10-point (mother) preference under the following conditions:

- (a) she is the mother of the veteran who was separated under honorable conditions from active duty performed at any time; *and*
- ♦ (b) the veteran is permanently and totally disabled from a service-connected injury or illness; *and* ♦
- (c) she is, or was, married to the father of the veteran; *and*
- (d) she
 - lives with her totally and permanently disabled husband (either the veteran's father or husband through remarriage); *or*,

³ Under section 307 of Public Law 95-454, signed October 13, 1978, as of October 1, 1980 "preference eligible" will no longer include a retired member of the armed forces, unless the individual is a disabled veteran as defined in subchapter 2-1(6) of this chapter or the individual retired below the rank of major or its equivalent.

- is widowed, divorced, or separated from the veteran's father and has not remarried; *or*,
- did remarry but is now widowed, divorced, or legally separated from her husband.

2-3. DUAL PREFERENCE

Both a mother and a spouse (including widow or widower) may be entitled to preference on the basis of one veteran's service if they both meet the requirements. However, no derivative preference is available if the veteran is living and is qualified for Federal employment.

2-4. PREFERENCE PRESERVED

(1) Service before June 27, 1944. Preference authorized by any law, Executive order, rule, or regulation in effect on June 27, 1944 (the date of the Veterans' Preference Act of 1944) and based on peacetime military service is preserved. However, such peacetime ex-servicemen (or their spouses or

unmarried widows/widowers) have preference only for reduction-in-force purposes. Preserved preference eligibility depends upon the following:

- (a) the ex-servicemen (or the spouse or widow/widower) was a Federal employee on June 27, 1944, and has been a Federal employee continuously since that date without a break in service of more than one workday; *or*,
- (b) the ex-servicemen (or the spouse or widow/widower) was on a register of eligibles on June 27, 1944, was appointed from that register, and has been a Federal employee continuously since that appointment without a break in service of more than one workday.
- (2) Break in service. For preservation of preference based on peacetime service before June 27, 1944, the time between an employee's separation by reduction-in-force and reemployment from the reemployment priority list is not a break in service.

2-5. MINIMUM SERVICE REQUIREMENT FOR PREFERENCE

a. ♦ Persons who entered on active duty in the armed forces after October 14, 1976—the closing date for performing peacetime service which qualifies for veterans' preference—do not qualify for preference unless they are disabled veterans under 5 U.S.C. 2108, or serve during a war or in a campaign or expedition for which a campaign badge has been authorized. The statutory minimum length of service requirement described in this section only applies to those ex-servicemen who may be entitled to preference based on service in a war, campaign, or expedition. It is an additional requirement to be met before an agency or OPM may award preference. A list of campaigns and expeditions appears in FPM supplement 296-33, subchapter 7.

b. Section 408 of Public Law 97-306, enacted October 14, 1982, amended 38 U.S.C. 2103A to clarify the application of the general minimum-service requirement established by Public Law 96-342 enacted September 8, 1980, for Veterans Administration and other veterans' benefits, to the definition of preference eligible under the civil service laws. ♦

c. Accordingly, to qualify for veterans' preference in Federal employment, a person who enlists after September 7, 1980, or ♦ enters on active duty¹ ♦ on or after October 14, 1982, and has not previously completed 24 months of continuous active duty must:

- (1) perform active duty in the armed forces during a war or in a campaign or expedition for which a campaign badge has been authorized, (the long-standing requirement for preference) *and*
- (2) serve continuously for 24 months or the full period called or ordered for active duty.

d. Exclusions. The law excepts a person who:

- (1) is discharged or released from active duty (a) for a disability incurred or aggravated in line of duty, or (b) under 10 USC 1171 or 1173 for hardship or other reasons, or
- (2) has a service-connected disability which the Veterans Administration determines is compensable.

e. The service requirement does not affect eligibility for veterans' readjustment appointment or for veterans' preference based on peacetime service exceeding 180 days from 1955 to 1976, or other qualifying service prior to September 8, 1980.

¹ ♦ The "enters on active duty" language was added by statutory amendment to make clear that officers and others who may begin active duty through means other than enlistment are subject to the minimum-service requirement. The original 1980 law only covered persons who enlist. ♦

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Department of Administration
 Title: State employment preference for BRU: Personnel
National Guard service.
 Sponsor: Kelly and Kerttula Components: Centralized Administrative
 Requestor: Senator Pourchot Services

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	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: (Attach a separate page if necessary)

This bill would not have a fiscal impact on the Division of Personnel.

Prepared By: David K. F. Otto, Director *DKFO* Phone: 465-4430
 Division: Personnel Date: 2-13-89
 Approved by Commissioner: John M. Andrews Date: 2/14/89
 Agency: Department of Administration

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

RECEIVED
 FEB 14 1989

LEGISLATIVE FINANCE

FISCAL NOTE

REQUEST:

Revision Date: February 14, 1989
Title: Relating to National Guard
hiring preference
Sponsor: Kelly
Requestor: Senate State Affairs

Agency Affected: Military & Veterans Affairs
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

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						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Jeff Morrison, Director
Division: Administrative & Support Services, DMVA
Approved by: for MG John Schaeffer
Commissioner: Department of Military & Veterans Affairs
Agency: _____

Phone: 465-4600
Date: February 14, 1989
Date: February 14, 1989

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

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B

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SENATE COMMITTEE REPORT

FURTHER

2/23/89

DATE TURNED INTO OFFICE _____

Mr. President:

FINANCE _____ Committee considered SB 57 _____

license plates for the organized militia and cretaing a militia support fund

and recommended

- replace with _____ CS _____) same title
- or adopt _____ CS _____) new title
- attached amendment(s) and technical title change (HB only)
- _____ letter of intent adopted

do pass

Bill died in committee.

do not pass

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) zero fiscal impact appropriation no FN
 new updated previous
 same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Chairman signature and recommendation

Committee Backup attached

SENATE COMMITTEE REPORT

6-0301e

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 2-9-89
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER

FINANCE

**FISCAL NOTE(S) MUST BE ATTACHED
IN ACCORDANCE WITH AS 24.08.035

DATE TURNED INTO OFFICE 2-22-89

1/9/89

Mr. President:

SA _____ Committee considered SB 57

license plates for the organized militia and creating a militia support fund

and recommended:

replace with CS SB 57 (St Aff) same title
 attached amendment(s) and new title
 _____ letter of intent adopted *+ map of do pass*

do pass

do not pass *FN*

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) attached zero
 appropriation no FN attached

fiscal impact
 Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

1 Tom Kelly

Paul ... DO PASS

2 Bill Adams - No Rec
2 Jan. Fink - No Rec

1 Pat ... do pass
Chairman signature and recommendation

Committee backup attached

Offered: 2/23/89
Referred: Finance

6-0301B

Original sponsor: Kelly

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 57 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to motor vehicle license plates for
7 Alaska National Guard personnel and creating an
8 Alaska National Guard support fund."

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

10 * Section 1. AS 26.05 is amended by adding a new section to read:

11 Sec. 26.05.195. COMMANDER'S SUPPORT FUND. There is established
12 as a separate fund in the Department of Military and Veterans' Affairs
13 the commander's support fund. The fund consists of private contribu-
14 tions and money appropriated to it. The custodian of the fund is the
15 adjutant general. Money in the fund may be expended to promote the
16 morale, welfare, and recreational activities of members of the Alaska
17 National Guard.

18 * Sec. 2. AS 28.10.181(m) is amended to read:

19 (m) Special request plates for Alaska National Guard personnel.
20 Upon application by the owner of a passenger vehicle, noncommercial
21 van or pick-up truck, or motor home who presents satisfactory proof of
22 current membership in or of retirement from the Alaska National Guard,
23 the department may design and issue registration plates that identify
24 the vehicle as registered to an active or retired [A] member of the
25 Alaska National Guard. An [. THE] owner who is an active member of
26 the Alaska National Guard shall return the active member registration
27 plates to the department within 10 days following discharge from the
28 Alaska National Guard.

29 * Sec. 3. AS 28.10.421(d)(2) is amended to read:
S

1 (2) special request plates including those authorized for
2 use by Alaska National Guard personnel only: \$30;
3 plus the fee required for that vehicle under (b)(1) or (2) of this
4 section; the fee required by this paragraph shall be collected only on
5 the first issuance and on the replacement of special request plates;
6 the commissioner of administration shall separately account for \$20 of
7 each fee received under this paragraph that the department deposits
8 into the general fund; the annual estimated balance in the account may
9 be appropriated by the legislature to the commander's support fund
10 established under AS 26.05.195;

11 * Sec. 4. AS 28.10.421 is amended by adding a new subsection to read:

12 (g) In addition to the fees imposed under (b) and (d) of this
13 section, a special annual registration fee of \$10 is imposed upon
14 renewal of registration for a motor vehicle with special request
15 Alaska National Guard license plates. The commissioner of adminis-
16 tration shall separately account for the fees received under this
17 subsection that the department deposits into the general fund. The
18 annual estimated balance in the account may be appropriated by the
19 legislature to the commander's support fund established under AS 26.-
20 05.195.
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1 IN THE SENATE

BY KELLY

2 SENATE BILL NO. 57

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to license plates for the organized
7 militia and creating a militia support fund."

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

9 * Section 1. AS 26.05 is amended by adding a new section to read:

10 Sec. 26.05.195. COMMANDER'S SUPPORT FUND. There is established
11 as a separate fund in the Department of Military and Veterans' Affairs
12 the commander's support fund. The fund consists of private contribu-
13 tions and money appropriated to it. The custodian of the fund is the
14 adjutant general. Money in the fund may be expended to promote the
15 morale, welfare, and recreational activities of members of the or-
16 ganized Alaska militia.

17 * Sec. 2. AS 28.10.181(m) is amended to read:

18 (m) Special request plates for organized militia [ALASKA NATION-
19 AL GUARD] personnel. Upon application by the owner of a passenger
20 vehicle, noncommercial van or pick-up truck, or motor home who pre-
21 sents satisfactory proof of current membership in or of retirement
22 from the organized militia [ALASKA NATIONAL GUARD], the department may
23 design and issue registration plates that identify the vehicle as
24 registered to an active or retired [A] member of the Alaska National
25 Guard, Alaska Naval Militia, or Alaska State Militia. An [. THE]
26 owner who is an active member of the organized militia shall return
27 the active member registration plates to the department within 10 days
28 following discharge from the organized militia [ALASKA NATIONAL
29 S GUARD].

1 * Sec. 3. AS 28.10.421(d) is amended to read:

2 (d) The special registration fees under this subsection are
3 imposed annually, unless otherwise specified, for:

4 (1) an historic vehicle (one time only upon initial regis-
5 tration under AS 28.10.181) \$10;

6 (2) special request plates including those authorized for
7 use by organized militia [ALASKA NATIONAL GUARD] personnel only
8 \$30;

9 plus the fee required for that vehicle under (b)(1) or (2) of this
10 section; the fee required by this paragraph shall be collected only on
11 the first issuance and on the replacement of special request plates;
12 the commissioner of administration shall separately account for \$20 of
13 each fee received under this paragraph that the department deposits
14 into the general fund; the annual estimated balance in the account may
15 be appropriated by the legislature to the commander's support fund
16 established under AS 26.05.195;

17 (3) a vehicle owned by a disabled veteran or other handi-
18 capped person, and registered under AS 28.10.181 or a resident 65
19 years of age or older who files a written application for an exemption
20 on a form prescribed by the department none;

21 (4) a vehicle owned by the state none;

22 (5) a vehicle owned by an elected state official .. the fee
23 required for that vehicle under (b) of this section;

24 (6) a vehicle owned by a consular officer, unless waived
25 under AS 28.10.181 \$35;

26 (7) a vehicle owned by a rancher, farmer, or dairyman and
27 registered under AS 28.10.181 \$35;

28 (8) a snowmobile or off-highway vehicle \$5;

29 (9) an amateur mobile radio station vehicle,

1 (A) with a transceiver capable of less than 5-band
2 operation the fee
3 required for that vehicle under (b) or (c) of this section;

4 (B) in recognition of service to the public: a mobile
5 amateur radio station owned by an amateur with general class or
6 higher license, provided the station must be satisfactorily
7 proved capable of operating on at least five bands from 160
8 through 10 meters, must have an antenna, and must have a power
9 supply and wiring as a permanent part of the vehicle; the trans-
10 mitting unit may be removed from the car for service or dry
11 storage none
12 for a mobile amateur radio station vehicle included in (b)(1) or
13 (2) of this section;

14 (10) dealer registration plates,

15 (A) the initial set of plates \$45;

16 (B) each subsequent set of plates \$25;

17 (11) a vehicle owned by a municipality or charitable orga-
18 nization meeting the requirements of AS 28.10.181(e) \$5;

19 (12) an occasional use vehicle under AS 28.10.181(k)... \$15;

20 (13) a vehicle owned by a Pearl Harbor survivor or a former
21 prisoner of war none;

22 (14) special request Winter Olympics commemorative plates
23 \$70

24 plus the fee required for that vehicle under (b)(1) or (2) of this
25 section; the fee required by this paragraph shall be collected only on
26 the first issuance and on the replacement of special request plates;
27 the commissioner of administration shall separately account for the
28 fees received under this paragraph that the department deposits in the
29 general fund; the annual estimated balance in the account may be

1 appropriated by the legislature to the Alaska sports fund established
2 under AS 05.35.150.

3 * Sec. 4. AS 28.10.421 is amended by adding a new subsection to read:

4 (g) In addition to the fees imposed under (b) and (d) of this
5 section, the following special annual registration fee is imposed upon
6 renewal of registration for a motor vehicle with special request
7 Alaska National Guard, Alaska Naval Militia, or Alaska State Militia
8 license plates \$10;
9 the commissioner of administration shall separately account for the
10 fees received under this subsection that the department deposits into
11 the general fund; the annual estimated balance in the account may be
12 appropriated by the legislature to the commander's support fund estab-
13 lished under AS 26.05.195.

FISCAL NOTE

REQUEST:

Revision Date: February 22, 1989
 Title: Relating to organized militia
and Commanders Fund
 Sponsor: Senate State Affairs
 Requestor: Senate State Affairs

Agency Affected: Military & Veterans Affairs
 BRU: Alaska National Guard
 Components: Office of the Adjutant General

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS		0	10.0	7.0	7.0	7.0
TOTAL OPERATING		0	10.0	7.0	7.0	7.0

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND		0	10.0	7.0	7.0	7.0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary) Expenditures would be made by transferring funds to Commander's Support Fund created in this bill. Budgeted amounts are based on revenue received for issuance and renewal of special plates, separately accounted for as provided in this bill. Amounts projected as separately accounted revenue are based on Department of Public Safety fiscal note amounts shown for each preceding fiscal year.

Prepared by: Jeff Morrison, Director
 Division: Administrative & Support Services, DMVA

Phone: 465-4600
 Date: February 23, 1989

Approved by Commissioner: MG John Schaeffer
 Agency: Department of Military & Veterans Affairs

Date: February 23, 1989

Distribution (by preparer):

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

FISCAL NOTE

REQUEST:

Revision Date: February 14, 1989
 Title: Relating to license plates
for organized militia
 Sponsor: Kelly
 Requestor: Senate State Affairs

Agency Affected: Military & Veterans Affairs
 BRU: Alaska National Guard
Components Office of the Adjutant General

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS		10.0	7.0	7.0	7.0	7.0
TOTAL OPERATING		10.0	7.0	7.0	7.0	7.0

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND		10.0	7.0	7.0	7.0	7.0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)
 Expenditures would be made by transferring funds to Commander's Support Fund created in this bill. Budgeted amounts are based on revenue received for issuance and renewal of special plates, separately accounted for as provided in this bill. Amounts projected as separately accounted revenue are based on Department of Public Safety fiscal note.

Prepared by: Jeff Morrison, Director
 Division: Administrative & Support Services, DMVA

Phone: 465-4600
 Date: February 14, 1989

Approved by Commissioner: for MG John Schaeffer
 Agency: Department of Military & Veterans Affairs

Date: February 14, 1989

Distribution (by preparer):

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

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SB 57
PUBLISH DATE: 2/23/89

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Public Safety
Title: An Act relating to license plates
for the organized militia BRU: Division of Motor Vehicles
Sponsor: Senator Kelly Component: Field Services
Requestor: Senate State Affairs

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

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		16.3				
TRAVEL						
CONTRACTUAL		5.0	.5	.5	.5	.5
SUPPLIES						
EQUIPMENT		3.0				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	24.3	.5	.5	.5	.5

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

REVENUE	-0-	15.0	8.0	8.0	8.0	8.0
---------	-----	------	-----	-----	-----	-----

FUNDING: (Thousands of Dollars)

GENERAL FUND		24.3	.5	.5	.5	.5
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	24.3	.5	.5	.5	.5

POSITIONS:

FULL-TIME						
PART-TIME	0	1	0	0	0	0
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Please see attached page.

Jan
11/18/89

Prepared by: Charles R. Hosack
Division: Motor Vehicles

Phone: 269-5551
Date: 1/18/89

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

Date: 2-13-89

Analysis:

There are approximately 5,000 National Guard and Militia members that would be eligible for these plates. The Division estimates that only 10% or 500 members will apply for these plates. The low estimate is based on two factors. A large percentage of the National Guard members are assigned to the Scout Battalions in western Alaska. They live in the small villages where registration is not required and many do not even own a vehicle. The second factor is the added cost which will deter those who are eligible and do own vehicles.

The first year costs are broken down as follows:

Personnel

1 part-time Motor Vehicle Representative I/II, Range 9	\$16.3
---	--------

This position will work in the Anchorage Headquarters to handle the administrative tasks associated with the start-up of the program. This will include updating vehicle records and issuing the initial years plates.

Contractual

500 pair of license plates @ \$5.00	2.5
APSIN terminal charges	<u>2.5</u>
	5.0

Equipment

APSIN terminal and printer	3.0
----------------------------	-----

TOTAL	\$24.3
-------	--------

After the first year it is estimated that there will be 100 new requests for plates annually. The only cost will be for the purchase of the plates and the workload will be absorbed by existing personnel.

Revenue

The first year there will be 500 new requests at \$30.00 each for a total of \$15,000. After the first year there will be 500 renewals at \$10.00 each and 100 new requests at \$30.00 each for a total of \$8,000.

Position Title Motor Vehicle Representative I/II			No. of Positions 1	Range/Step 9B	Barg. Unit G
Time Status PPT	Staff Months 6		Location Anchorage	Election District 7-15	
Type of Expenditure			Justification		
		Amount	<p>This position will be assigned the administrative tasks associated with the start up and operation of the program during the first year. These tasks include design, and coordination with National Guard and Militia organizations to publicize the program. This position will also accept applications, update vehicle records, and account for the funds collected under this program. Due to the relatively small number of requests this program will be centralized at the Anchorage Headquarters office.</p>		
1	2	3			
Salary*	10.7	////////////////////			
Benefits*	5.6	////////////////////			
Premium Pay (Included in Above)	////////////////////	////////////////////			
Other	////////////////////	////////////////////			
Total Personal Services	////////////////////	16.3			
Travel					
Contractual					
Commodities		2.5			
Equipment		3.0			
Other					
Total Cost		21.8			
Funding Source for Total Cost					
Federal Receipts	1002				
G.F. Match	1003				
General Fund	1004	21.8			
Program Receipts/GF	1005				
I-A Receipts	1007				
CIP Receipts	1061				
Other					
* Personal Services Salary and Benefits Costs are from PACS Scenario #2.					

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
 BRU Division of Motor Vehicles
 COMPONENT Field Services

Page 3 of 3
 Revised Date

FY 90

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: CSSB 57(SA)
PUBLISH DATE: 2/28/89

FISCAL NOTE

REQUEST:

Revision Date: 02/24/89
Title: An Act relating to motor vehicle license plates for Alaska National Guard
Sponsor: Kelly
Requestor: Senate State Affairs

Agency Affected: Public Safety
BRU: Division of Motor Vehicles
Component: Field Services

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

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	-0-	16.3	-0-	-0-	-0-	-0-
TRAVEL						
CONTRACTUAL	-0-	5.0	.5	.5	.5	.5
SUPPLIES						
EQUIPMENT	-0-	3.0	-0-	-0-	-0-	-0-
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	24.3	.5	.5	.5	.5

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

REVENUE	-0-	15.0	8.0	8.0	8.0	8.0
---------	-----	------	-----	-----	-----	-----

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	24.3	.5	.5	.5	.5
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	24.3	.5	.5	.5	.5

POSITIONS:

FULL-TIME						
PART-TIME	-0-	1	-0-	-0-	-0-	-0-
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Please see attached page.

Prepared by: Charles R. Hosack
Division: Motor Vehicles

Phone: 269-5551
Date: 02/24/89

Approved by Commissioner: Arthur English
Agency: Department of Public Safety

Date: 2-27-89

Analysis

There are approximately 5,000 National Guard members that would be eligible for these plates. The Division estimates that only 10%, or 500 members, will apply for these plates. The low estimate is based on two factors. A large percentage of the National Guard members are assigned to the Scout Battalions in western Alaska. They live in the small villages where registration is not required and many do not even own a vehicle. The second factor is the added cost which will deter those who are eligible and do own vehicles.

The first year costs are broken down as follows:

Personnel

1 part-time Motor Vehicle Representative I/II, Range 9	\$16.3
---	--------

This position will work at Anchorage Headquarters to handle the administrative tasks associated with the start-up of the program. This will include updating vehicle records and issuing the initial years plates.

Contractual

500 pair of license plates @ \$5.00	2.5
APSIN terminal charges	<u>2.5</u>
	5.0

Equipment

APSIN terminal and printer	3.0
----------------------------	-----

TOTAL	\$24.3
-------	--------

After the first year it is estimated that there will be 100 new requests for plates annually. The only cost will be for the purchase of the plates; the workload will be absorbed by existing personnel.

Revenue

The first year there will be 500 new requests at \$30.00 each for a total of \$15,000. After the first year there will be 500 renewals at \$10.00 each and 100 new requests at \$30.00 each for a total of \$8,000.

Position Title Motor Vehicle Representative I/II			No. of Positions	Range/Step 9B	Barg. Unit G
Time Status PPI	Staff Months 6		Location Anchorage		Election District 7-15
Type of Expenditure			Amount		
1			2		3
Salary*			10.7		////////////////////
Benefits*			5.6		////////////////////
Premium Pay (Included in Above)			////////////////////		////////////////////
Other			////////////////////		////////////////////
Total Personal Services			////////////////////		16.3
Travel					
Contractual					
Commodities					2.5
Equipment					3.0
Other					
Total Cost					21.8
Funding Source for Total Cost					
Federal Receipts 1002					
G.F. Match 1003					
General Fund 1004					21.8
Program Receipts/GF 1005					
I-A Receipts 1007					
CIP Receipts 1061					
Other					
* Personal Services Salary and Benefits Costs are from PACS Scenario #2.					
Justification This position will be assigned the administrative tasks associated with the start up and operation of the program during the first year. These tasks include design, and coordination with National Guard and Militia organizations to publicize the program. This position will also accept applications, update vehicle records, and account for the funds collected under this program. Due to the relatively small number of requests this program will be centralized at the Anchorage Headquarters office.					

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
BRU Division of Motor Vehicles
COMPONENT Field Services

Page 3 of 3
Revised Date

FY 90

S

B

G

O

SENATE COMMITTEE REPORT

FURTHER

4/4/89

DATE TURNED INTO OFFICE _____

Mr. President:

FINANCE Committee considered SB 60

making a special appropriation to the Office of the Governor for activities to encourage the federal government to permit export of oil from the state; efd and recommended

- replace with _____ CS _____) same title
- or adopt _____ CS _____) new title
- attached amendment(s) and technical title change (HB only)
- _____ letter of intent adopted

do pass

do not pass

Bill Died in Committee.

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) zero fiscal impact appropriation no FN
 new updated previous
 same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Chairman signature and recommendation

Committee Backup attached

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

6-03784

Date of 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER

FINANCE

**FISCAL NOTE(S) MUST BE ATTACHED
IN ACCORDANCE WITH AS 24.08.035

DATE TURNED INTO OFFICE 4/3/89

1/9/89

Mr. President:

RESOURCES Committee considered SB 60

making a special appropriation to the Office of the Governor for activities to encourage the federal government to permit export of oil from the state; efd.

and recommended:

- replace with CS SB 60 (Resources) same title new title
- attached amendment(s) and
- and majority do pass letter of intent adopted
- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____

FN

4/4
FN - forthcoming
on CS
[Signature]
IS FUTURE
on CS

FISCAL NOTE(S) attached zero fiscal impact
 appropriation no FN attached Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

1 Rick Halford
1 [Signature]
1 [Signature] Frank

OTHER RECOMMENDATIONS

2 Arthur Sturgulewski No Rec.
2 Fred T. Zhauff No Rec.

[Signature] Do Pass
Chairman signature and recommendation

Committee backup attached

Offered: 4/4/89
Referred: Finance

6-0378H

Original sponsors: Fahrenkamp, Kelly,
and Kerttula

Funding Information

General Fund	\$150,000
Other Funds	-0-
	<u>\$150,000</u>

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 60 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the legis-
7 lative council for activities to encourage the fed-
8 eral government to permit export of oil from the
9 state; and providing for an effective date."

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

11 * Section 1. The sum of \$150,000 is appropriated from the general fund
12 to the legislative council for activities to encourage the federal govern-
13 ment to enact legislation to permit the export of oil from the state to
14 foreign countries.

15 * Sec. 2. The unexpended and unobligated portion of the appropriation
16 made by this Act lapses into the general fund June 30, 1990.

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

29
S

Funding Information

General Fund	\$1,500,000
Other Funds	-0-
	<u>\$1,500,000</u>

1 IN THE SENATE

BY FAHRENKAMP, KELLY
AND KERTTULA

2 SENATE BILL NO. 60

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Office
7 of the Governor for activities to encourage the
8 federal government to permit export of oil from the
9 state; and providing for an effective date."

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

11 * Section 1. The sum of \$1,500,000 is appropriated from the general
12 fund to the Office of the Governor for activities to encourage the federal
13 government to enact legislation to permit the export of oil from the state
14 to foreign countries.

15 * Sec. 2. The unexpended and unobligated portion of the appropriation
16 made by this Act lapses into the general fund June 30, 1990.

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

FISCAL NOTE

REQUEST:

Revision Date: 1/14/89
Title: Removal of Export Ban on Alaska Oil

Agency Affected: Department of Revenue
BRU: Oil and Gas Audit

Sponsor: Senator Fahrenkamp
Requestor: Senate Resources Committee

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
OPERATING						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LANDS & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING						
CAPITAL						
REVENUE	\$35 to \$100 Million					

FUNDING: (Thousands of Dollars)

	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

The above numbers reflect the savings in transportation costs and thus the gain to the state. The numbers assume no upward movement in West Coast prices due to competitive factors.

Prepared By: Chuck Loqsdon
Division: Oil and Gas Audit Division

Phone: 277-5627
Date: 2/14/89

Approved by Commissioner: Hugh Malone
Agency: Department of Revenue

Date: 2/14/89

Distribution (by preparer):

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

Analysis of SB60

Removal of the export ban on ANS (Alaska North Slope) crude oil would have a significant impact on State severance tax and royalties through the enhancement of the value of our oil resource. The increased value would derive from two sources: 1. reduction of the transportation costs of moving our oil to market and 2. bringing the price of ANS sold on the West Coast up to world market levels.

It is not clear what the exact transport cost savings would be since the oil might or might not be eligible to be moved in foreign tankers. It is also not clear how close to the world market price the West Coast would be given the concentration of buyers (refiners) in this market and the integrated nature of the West Coast ANS producer/refiner network. In the long run it is clear however, that competitive forces should raise the price of ANS above its current level.

At a minimum we anticipate the State could realize an additional \$35 million per year in revenue assuming Jones Act tankers move the oil to the Pacific Rim importers and assuming this sale has no effect on the West Coast Price. Allowing the price assumption on the West Coast to approach parity with the Gulf Coast price and allowing export in foreign tankers raises an additional \$150 million per year.

S

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SENATE COMMITTEE REPORT

FURTHER

2/6/89

DATE TURNED INTO OFFICE

2/9/89

Mr. President:

FINANCE

Committee considered

SB 62

one percent salmon enhancement tax; efd

and recommended

- replace with _____ CS _____) same title
- or adopt _____ CS _____) new title
- attached amendment(s) and technical title change (HB only)
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) zero fiscal impact appropriation no FN
 new updated previous DCED &
 same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Signature] Deppak
[Signature] Frank
[Signature] Prince
[Signature] Fischer

[Signature]
 Chairperson signature and recommendation

Committee Backup attached

R/O SFC 2-9-89 S(Res); SFC #

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION : SB 62
PUBLISH DATE : 1/9/89

FISCAL NOTE

REQUEST:

Revision Date: 1/9/89
Title: An Act relating to a 1% salmon
enhancement tax.
Sponsor: Zharoff
Requestor: Resources

Agency Affected: Commerce & Econ. Devel.
BRU: Investments
Components:

EXPENDITURES/REVENUES: (Thousands of Dollars)

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
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Martin J. Richard, Director
Division: Investments
Phone: 465-2510
Date: 1/30/89

Approved by Commissioner: Larry Mercurieff, Commissioner
Agency: Commerce & Economic Development
Date: 1/30/89

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

RECEIVED

JAN 30 1989

page ___ of ___

1 IN THE SENATE

BY ZHAROFF

2

SENATE BILL NO. 62

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to a one percent salmon enhancement
7 tax; and providing for an effective date."

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

9 * Section 1. AS 43.76 is amended by adding a new section to read:

10 Sec. 43.76.012. ONE PERCENT SALMON ENHANCEMENT TAX. (a) A
11 person holding a limited entry permit under AS 16.43 shall pay a
12 salmon enhancement tax at the rate of one percent of the value of
13 salmon, as defined in AS 43.75.140, that the person removes from the
14 state or transfers to a buyer in the state. The buyer shall collect
15 the salmon enhancement tax at the time the salmon is acquired by the
16 buyer.

17 (b) A one percent salmon enhancement tax may only be levied or
18 collected under (a) of this section

19 (1) in a region designated by the commissioner of fish and
20 game for the purpose of salmon production under AS 16.10.375;

21 (2) if there exists in the region an association determined
22 by the commissioner of fish and game to be a qualified regional asso-
23 ciation under AS 16.10.380; and

24 (3) if the qualified regional association approves the one
25 percent salmon enhancement tax under AS 43.76.015.

26 * Sec. 2. AS 43.76.015(b) is amended to read:

27 (b) The salmon enhancement tax is levied under AS 43.76.010,
28 [OR] 43.76.011, or 43.76.012 in a region on the effective date stated
29 on the ballot if

1 (1) it is approved by a majority vote of the eligible
2 interim-use permit and entry permit holders voting in an election held
3 under this section in the region; and

4 (2) the election results are certified by the commissioner
5 of commerce and economic development.

6 * Sec. 3. AS 43.76.015(c) is amended to read:

7 (c) In conducting an election under this section, a qualified
8 regional association shall adopt the following procedures:

9 (1) The qualified regional association for the region shall
10 hold at least one public meeting not less than 30 days before the date
11 on which ballots must be postmarked to be counted in the election to
12 explain the reason for the proposed salmon enhancement tax and to
13 explain the registration and voting procedure to be used in the elec-
14 tion. The qualified regional association shall provide notice of the
15 meeting by

16 (A) mailing the notice to each eligible interim-use
17 permit and entry permit holder;

18 (B) posting the notice in at least three public places
19 in the region; and

20 (C) publishing the notice in at least one newspaper of
21 general circulation in the region at least once a week for two
22 consecutive weeks before the meeting.

23 (2) The qualified regional association shall mail two
24 ballots to each eligible interim-use permit and entry permit holder.
25 The first ballot shall be mailed not [NO] more than 45 days before the
26 date ballots must be postmarked to be counted in the election. The
27 second ballot shall be mailed not [NO] less than 15 days before the
28 date ballots must be postmarked to be counted in the election. The
29 qualified regional association shall adopt procedures to ensure

1 [INSURE] that only one ballot from each eligible interim-use permit
2 and entry permit holder is counted in the election.

3 (3) The ballot shall

4 (A) indicate whether the election relates to a salmon
5 enhancement tax under AS 43.76.010, [OR] to a salmon enhancement
6 tax under AS 43.76.011, or to a salmon enhancement tax under
7 AS 43.76.012;

8 (B) ask the question whether the salmon enhancement
9 tax shall be levied;

10 (C) indicate the boundaries of the region in which the
11 salmon enhancement tax will be levied;

12 (D) provide an effective date for the levy of the
13 salmon enhancement tax; and

14 (E) indicate the date on which returned ballots must
15 be postmarked in order to be counted.

16 (4) The ballots shall be returned by mail and shall be
17 counted by the commissioner of commerce and economic development or by
18 a person approved by the commissioner of commerce and economic de-
19 velopment.

20 * Sec. 4. AS 43.76.020(a) is amended to read:

21 (a) The salmon enhancement tax levied under AS 43.76.010, [OR]
22 43.76.011, or 43.76.012 may be terminated by the commissioner of
23 revenue upon majority vote at an election held under AS 43.76.015 in
24 the region in which the salmon enhancement tax is levied.

25 * Sec. 5. AS 43.76.025(a) is amended to read:

26 (a) A buyer who acquires fisheries resources that [WHICH] are
27 subject to a [THE] salmon enhancement tax ~~imposed~~ by AS 43.76.010,
28 [OR] 43.76.011, or 43.76.012 shall collect the salmon enhancement tax
29 at the time of purchase, and shall remit the total salmon enhancement

1 tax collected during each month to the department [DEPARTMENT OF
2 REVENUE] by the last day of the next month.

3 * Sec. 6. AS 43.76.028(a) is amended to read:

4 (a) The owner of salmon removed from the state is liable for
5 payment of a [THE] salmon enhancement tax imposed by AS 43.76.010,
6 [OR] 43.76.011, or 43.76.012 if, at the time the salmon are removed
7 from the state, the tax payable on the salmon has not been collected
8 by a buyer.

9 * Sec. 7. This Act takes effect immediately under AS 01.10.070(c).



SENATOR FRED F. ZHAROFF
ALASKA STATE LEGISLATURE

P.O. BOX 406, KODIAK, ALASKA 99816 (907) 486-5259

DURING SESSION:

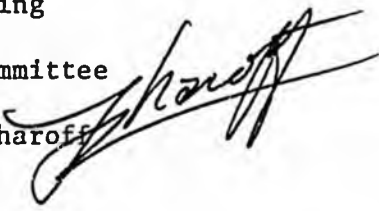
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DISTRICT N

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILIAMNA • PRIBILOF ISLANDS • SHUMAGIN ISLANDS

MEMORANDUM

TO: Senator Rick Uehling
Co-Chairman
Senate Finance Committee

FROM: Senator Fred F. Zharoff 

DATE: February 7, 1989

RE: Senate Bill 62 - "An Act relating to a one percent salmon enhancement tax; and providing for an effective date."

I respectfully request that SB 62 either be waived by the Finance Committee or scheduled for a hearing at the earliest possible opportunity. The bill carries a zero fiscal note.

SB 62 was heard by the Senate Resources Committee on Feb. 3, and passed out with five "do pass" recommendations.

SB 62 establishes a one percent salmon enhancement tax. Current state statutes provide for two percent and three percent salmon enhancement taxes, which the regional aquaculture associations use to fund their operations and to pay for salmon enhancement projects. SB 62 would give the associations the option of having a one percent tax.

The language in SB 62 duplicates present statutes, only adding references to the one percent tax.

SB 62 was introduced at the request of the Bristol Bay Salmon Enhancement Association. The association recently reorganized itself from the Imapik Regional Aquaculture Association, which was in a period of inactivity. The association is planning to conduct an assessment election early this year so it can start to raise the funds it needs for salmon enhancement projects. It is crucial that SB 62 be acted on as soon as possible so the association can have the benefit of revenues from the 1989 salmon season.

The association specifically needs a one percent tax to match its projected budget. The potential revenues from two percent and three percent taxes exceed the association's needs at this time.

The following backup information is attached:

1. Sectional analysis.

2. Position paper and fiscal note prepared by the Department of Commerce and Economic Development.
3. Bill analysis prepared by the Department of Fish and Game.
4. Resolution passed by the Bristol Bay Salmon Enhancement Association.
5. State statutes pertaining to the Salmon Enhancement Tax.



SENATOR FRED F. ZHAROFF
ALASKA STATE LEGISLATURE

P.O. BOX 405, KODIAK, ALASKA 99615 (907) 486-5259

DURING SESSION:

P.O. BOX V, JUNEAU, ALASKA 99811 • (907) 465-3473 • 465-3474

DISTRICT N

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILIAMNA • PRIBILOF ISLANDS • SHUMAGIN ISLANDS

SECTIONAL ANALYSIS

Senate Bill 62 - "An Act relating to a one percent salmon enhancement tax; and providing for an effective date."

SECTION 1

Adds a new section -- AS 43.76.012 -- to existing statutes that establishes a one percent salmon enhancement tax. This would be in addition to the already existing two percent and three percent salmon enhancement taxes. Alaska's regional aquaculture associations now have the option of implementing either two percent or three percent taxes to fund their operations. This section would give them an additional choice.

SECTION 2

Adds a reference to the one percent salmon enhancement tax (43.76.012) to existing statute.

SECTION 3

- (2) Makes grammatical changes to existing statute.
- (3) Adds a reference to the one percent salmon enhancement tax (43.76.012) to existing statute.

SECTION 4

Adds a reference to the one percent salmon enhancement tax (43.76.012) to existing statute.

SECTION 5

Adds a reference to the one percent salmon enhancement tax (43.76.012) to existing statute.

SECTION 6

Adds a reference to the one percent salmon enhancement tax (43.76.012) to existing statute.

SECTION 7

Immediate effective date.

SECTIONAL ANALYSIS

BRISTOL BAY SALMON ENHANCEMENT ASSOCIATION
PO Box 1130
Dillingham, Alaska 99576

In our Board meeting of April 16, 1988, which took place in Dillingham, Alaska, the following resolution was approved:

Resolved that we will hold an election to approve a salmon enhancement tax. The amount of the enhancement tax is to be one percent, (1%) of the gross value of all salmon caught under commercial fishing provisions, in the Bristol Bay area. (Alaska Fish & Game Area "T") The tax shall apply to all fish caught under the State of Alaska Commercial Fishing Regulations.

This resolution is in accord with the general provisions of Section 43. Revenue and Taxation, of the Alaska Statutes and Regulations for Nonprofit Salmon Hatcheries.

The Board was aware that as of this date, the Alaska Statutes, does not allow for a one per cent (1%) assessment. There was testimony that a one percent assessment option, would be added to the existing choices of either a two or three percent assessments currently allowed under Sec. 43.76.010 and .011. This change was expected to occur before the effective date of this resolution.

The effective date of this resolution is January 1, 1989.

signed this 19 day of April 1988


Stosh Anderson, President

RESOLUTION - BRISTOL BAY SALMON ENH. ASSOC.

2/16/89

~~SB 62~~ - ONE PERCENT SALMON ENHANCEMENT TAX
SENATE FINANCE COMMITTEE
FEB. 14, 1989

MISTER CHAIRMAN, MEMBERS OF THE COMMITTEE, THANK YOU FOR THE OPPORTUNITY TO SPEAK ON SENATE BILL 62. FOR THE RECORD, MY NAME IS ~~KARL OHLS~~, LEGISLATIVE ASSISTANT TO SEN. ZHAROFF.

law det relate to a one percent salmon enhancement tax.

SENATE BILL 62 IS DESIGNED TO COMPLEMENT EXISTING STATE STATUTES.

IN ORDER TO EXPLAIN THE BILL, LET ME FIRST...VERY BRIEFLY...PROVIDE YOU WITH SOME OF THE HISTORICAL BACKGROUND.

IN THE 1970'S...AFTER THE CREATION OF THE STATE HATCHERY PROGRAM...THE ALASKA LEGISLATURE PASSED LEGISLATION THAT ALLOWED FOR THE CREATION OF REGIONAL AQUACULTURE ASSOCIATIONS. THE ASSOCIATIONS ARE RUN BY COMMERCIAL FISHERMEN AND OTHER USER GROUPS FOR THE PURPOSE OF ENHANCING AND REHABILITATING ALASKA'S SALMON RESOURCE. THE THEORY BEHIND THEM IS THAT THE PEOPLE WHO BENEFIT THE MOST FROM THE USE OF THE RESOURCE SHOULD PLAY A MAJOR ROLE IN MAINTAINING IT.

IN 1980, THE LEGISLATURE ESTABLISHED A FINANCING MECHANISM FOR THE AQUACULTURE ASSOCIATIONS...THE SALMON ENHANCEMENT TAX. THIS TAX...AT A RATE OF EITHER TWO OR THREE PERCENT ON THE VALUE OF HARVESTED SALMON...IS IMPLEMENTED ONLY AFTER IT IS APPROVED IN AN ELECTION BY THE AFFECTED COMMERCIAL FISHERMEN IN A SPECIFIC

REGION. THE TAX IS COLLECTED BY THE DEPARTMENT OF REVENUE AND...AFTER APPROVAL BY THE LEGISLATURE...^{Tape} IS APPROPRIATED BACK TO THE REGIONAL ASSOCIATIONS. THE TAX AND THE PROCEEDS FROM THE SALE OF RETURNING SALMON ARE USED BY THE ASSOCIATIONS TO FUND THEIR OPERATIONS AND PAY THEIR DEBTS ON STATE LOANS.

SEVEN REGIONAL AQUACULTURE ASSOCIATIONS CURRENTLY EXIST IN THE STATE, AND SIX OF THEM COULD BE CONSIDERED ACTIVE. ACCORDING TO FIGURES FROM THE DEPARTMENT OF COMMERCE, THE ASSOCIATIONS -- IN 1987 -- RAISED BETWEEN \$1 MILLION AND \$2.3 MILLION FROM THE RESPECTIVE TAXES.

THE MAIN BENEFICIARY OF THIS LEGISLATION FOR A ONE PERCENT TAX...~~IF YOU APPROVE IT~~...WOULD BE THE BRISTOL BAY SALMON ENHANCEMENT ASSOCIATION. THE ASSOCIATION WAS ORIGINALLY ESTABLISHED IN 1981. IT FELL INTO A PERIOD OF INACTIVITY, BUT...WITHIN THE LAST COUPLE YEARS...THE ASSOCIATION REORGANIZED ITSELF UNDER NEW LEADERSHIP. THE LEADERSHIP DECIDED THAT A ONE PERCENT TAX WOULD BE THE MOST APPROPRIATE TAX RATE TO USE TO FUND THE ASSOCIATION'S ACTIVITIES. A ONE PERCENT TAX IN BRISTOL BAY, INCIDENTALLY, WOULD HAVE RAISED \$1.3 MILLION IN 1987 AND \$1.8 MILLION IN 1988.

IF THIS BILL PASSES, THE ASSOCIATION WILL HOLD AN ELECTION THIS YEAR. SEN. ZHAROFF FULLY SUPPORTS THE ASSOCIATION'S EFFORTS. AS AQUACULTURE EXPERTS WILL TELL YOU, THE TIME TO IMPLEMENT AQUACULTURE PROJECTS IS WHEN THE RESOURCE IS HEALTHY,

IN ORDER TO PREPARE FOR THE INEVITABLE CYCLICAL DECLINES IN THE SALMON RESOURCE.

IN CONCLUSION, LET ME EMPHASIZE THAT THIS BILL DOES NOT IMPOSE NEW TAXES. IT ONLY PROVIDES THE REGIONAL ASSOCIATIONS WITH A NEW OPTION...A ONE PERCENT SALMON ENHANCEMENT TAX...IN ADDITION TO THE TWO PERCENT AND THREE PERCENT SALMON ENHANCEMENT TAXES THAT ARE ALREADY IN STATUTE.

I WOULD BE PLEASED TO ANSWER ANY QUESTIONS.



STATE OF ALASKA
OFFICE OF THE GOVERNOR
BILL ANALYSIS

DEPARTMENT Fish and Game	DIVISION FRED	BILL NUMBER SB 62	SPONSOR Zharoff
SHORT TITLE OF BILL An Act relating to a one percent salmon enhancement tax			
DEPARTMENT POSITION The department supports this bill as a logical extension to existing legislation.			
PREPARED BY Johnny S. Holland	DATE 1/18/89	COMMISSIONER'S SIGNATURE <i>Chas. W. Gilday</i>	DATE 1/20/89

SUMMARY

OTHER AGENCIES AFFECTED BY BILL Department of Commerce & Economic Development Department of Revenue	CONSTITUENT GROUP(S) AFFECTED BY BILL Regional aquaculture associations, commercial fishermen
ORGANIZATIONAL SUPPORT FOR BILL Regional aquaculture associations, commercial fishermen	ORGANIZATIONAL OPPOSITION TO BILL

FISCAL IMPACT: NONE FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT

There is existing salmon enhancement tax statutes (AS 43.76.010 and AS 43.76.011) allowing for 2 and 3% salmon enhancement taxes. This proposal legislation will amend the existing statutes to include 1% salmon enhancement tax.

ANALYSIS OF BILL/PROGRAM EFFECTS

SB 62 is a logical extension of existing statutes, allowing for taxation at a lower rate than presently statutorily permitted. The lower rate may be needed if: (a) lower revenues are required by regional aquaculture associations; (b) the higher rates are not amendable to fishermen in a given area. This bill allows the regional aquaculture associations to choose from a broader range of self-imposed taxes. There should be no direct effects on the FRED program.

AMENDMENTS PROPOSED

None

received
1-23-89

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

5862

SB 62: "An Act relating to a one percent salmon enhancement tax; and providing for an effective date."

This legislation will provide qualified regional aquaculture associations with the option of voting for a one percent salmon enhancement tax. Existing statute (AS 43.76.010 - 040) allows these associations to conduct elections for the purpose of establishing a tax on salmon harvested within their region. The proceeds of these taxes are collected by the Department of Revenue, deposited in the general fund and then may be appropriated to the Department of Commerce and Economic Development for the purpose of providing financing to the qualified regional association. This financing is provided through contracts with the various associations. AS 43.76.010 - 040 currently provides for establishment of either a two percent or three percent tax. Passage of this legislation would add the option of a one percent tax.

Currently there are seven qualified regional associations within the state, five of which already have salmon enhancement taxes in place. Prince William Sound Aquaculture Association, Cook Inlet Aquaculture Association, and Kodiak Regional Aquaculture Association all have established a two percent tax and Northern Southeast Regional Aquaculture Association and Southern Southeast Regional Aquaculture Association have established a three percent tax. The Bristol Bay Regional Aquaculture Association and the Lower Yukon-Kuskokwim Regional Aquaculture Association have not yet established a salmon enhancement tax in their respective regions.

During calendar year 1987, the following enhancement tax revenues were collected by the Department of Revenue:

Prince William Sound Aquaculture Association	\$1,085,077.00
Cook Inlet Aquaculture Association	2,330,652.00
Northern Southeast Regional Aquaculture Association	1,090,819.00
Southern Southeast Regional Aquaculture Association	1,232,650.00

The Department of Commerce and Economic Development is neutral on this legislation.

Larry Mercurieff
Larry Mercurieff, Commissioner
Department of Commerce and
Economic Development

Date: 1/27/89

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HOUSE COMMITTEE REPORT

(11)

Date Referred: April 5, 1989

FURTHER REFERRALS:

Date of Committee Action: 4/20/89

The FINANCE Committee considered:

SB 62

SENATE BILL NO. 62

[SALMON ENHANCEMENT TAX]

"An Act relating to a one percent salmon enhancement tax; and providing for an effective date."

RECOMMENDATIONS:

be replaced with HCSSB62 (Res.) the same title
 a new title

have attached amendment(s)

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)

fiscal impact _____

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) 2/6/89 CED

zero with analysis _____

zero fn/analysis _____

SIGNING DO PASS:

SIGNING:

(Check approp. column)

Do Not Pass No Rec Amend

	Do Not Pass	No Rec	Amend
<u>Jay Brown</u> BROWN		X	
<u>Dick Schultz</u> SHULTZ		X	
<u>ROO E. PHILLIPS</u> PHILLIPS		✓	
<u>Ronald D. Larson</u> LARSON			
<u>Ed Swackhammer</u> SWACKHAMMER			
<u>Harjo KOPONEN</u> KOPONEN			
<u>Ulmer</u> ULMER			
<u>Steve Rieger</u> RIEGER			

Chairman's Signature

Ronald D. Larson

R10/HFC 4-20-89

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SB 62
PUBLISH DATE: 1/9/89

FISCAL NOTE

REQUEST:

Revision Date: 1/9/89
Title: An Act relating to a 1% salmon
enhancement tax.
Sponsor: Zharoff
Requestor: Resources

Agency Affected: Commerce & Econ. Devel.
BRU: Investments
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

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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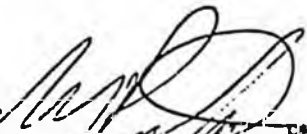
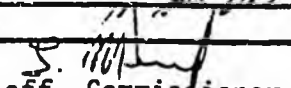
FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Martin J. Richard, Director  Phone: 465-2510
 Division: Investments Date: 1/30/89
 Approved by Commissioner: Larry Merculieff, Commissioner  Date: 465-2500
 Agency: Commerce & Economic Development 1/30/89

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

Offered: 4/5/89
Referred: Finance

6-0368J

Original sponsor: Zharoff

1 IN THE SENATE BY THE RESOURCES COMMITTEE
2 HOUSE CS FOR SENATE BILL NO. 62 (Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the salmon enhancement tax; and
7 providing for an effective date."

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

9 * Section 1. AS 43.76 is amended by adding a new section to read:

10 Sec. 43.76.012. ONE PERCENT SALMON ENHANCEMENT TAX. (a) A
11 person holding a limited entry permit under AS 16.43 shall pay a
12 salmon enhancement tax at the rate of one percent of the value of
13 salmon, as defined in AS 43.75.140, that the person removes from the
14 state or transfers to a buyer in the state. The buyer shall collect
15 the salmon enhancement tax at the time the salmon is acquired by the
16 buyer.

17 (b) A one percent salmon enhancement tax may only be levied or
18 collected under (a) of this section

19 (1) in a region designated by the commissioner of fish and
20 game for the purpose of salmon production under AS 16.10.375;

21 (2) if there exists in the region an association determined
22 by the commissioner of fish and game to be a qualified regional asso-
23 ciation under AS 16.10.380; and

24 (3) if the qualified regional association approves the one
25 percent salmon enhancement tax under AS 43.76.015.

26 * Sec. 2. AS 43.76.015(b) is amended to read:

27 (b) The salmon enhancement tax is levied under AS 43.76.010,
28 [OR] 43.76.011, or 43.76.012 in a region on the effective date stated
29 on the ballot in

78-06-4 3014 07X

1 (1) it is approved by a majority vote of the eligible
2 interim-use permit and entry permit holders voting in an election held
3 under this section in the region; and

4 (2) the election results are certified by the commissioner
5 of commerce and economic development.

6 * Sec. 3. AS 43.76.015(c) is amended to read:

7 (c) In conducting an election under this section, a qualified
8 regional association shall adopt the following procedures:

9 (1) The qualified regional association for the region shall
10 hold at least one public meeting not less than 30 days before the date
11 on which ballots must be postmarked to be counted in the election to
12 explain the reason for the proposed salmon enhancement tax and to
13 explain the registration and voting procedure to be used in the elec-
14 tion. The qualified regional association shall provide notice of the
15 meeting by

16 (A) mailing the notice to each eligible interim-use
17 permit and entry permit holder;

18 (B) posting the notice in at least three public places
19 in the region; and

20 (C) publishing the notice in at least one newspaper of
21 general circulation in the region at least once a week for two
22 consecutive weeks before the meeting.

23 (2) The qualified regional association shall mail two
24 ballots to each eligible interim-use permit and entry permit holder.
25 The first ballot shall be mailed not [NO] more than 45 days before the
26 date ballots must be postmarked to be counted in the election. The
27 second ballot shall be mailed not [NO] less than 15 days before the
28 date ballots must be postmarked to be counted in the election. The
29 qualified regional association shall adopt procedures to ensure

1 [INSURE] that only one ballot from each eligible interim-use permit
2 and entry permit holder is counted in the election.

3 (3) The ballot shall

4 (A) indicate whether the election relates to a salmon
5 enhancement tax under AS 43.76.010, [OR] to a salmon enhancement
6 tax under AS 43.76.011, or to a salmon enhancement tax under
7 AS 43.76.012;

8 (B) ask the question whether the salmon enhancement
9 tax shall be levied;

10 (C) indicate the boundaries of the region in which the
11 salmon enhancement tax will be levied;

12 (D) provide an effective date for the levy of the
13 salmon enhancement tax; and

14 (E) indicate the date on which returned ballots must
15 be postmarked in order to be counted.

16 (4) The ballots shall be returned by mail and shall be
17 counted by the commissioner of commerce and economic development or by
18 a person approved by the commissioner of commerce and economic de-
19 velopment.

20 * Sec. 4. AS 43.76.020(a) is amended to read:

21 (a) The salmon enhancement tax levied under AS 43.76.010, [OR]
22 43.76.011, or 43.76.012 may be terminated by the commissioner of
23 revenue upon majority vote at an election held under AS 43.76.015 in
24 the region in which the salmon enhancement tax is levied.

25 * Sec. 5. AS 43.76.020(b) is amended to read:

26 (b) A salmon enhancement tax shall be terminated by the commis-
27 sioner of revenue under (a) of this section following an election in a
28 region if

29 (1) a petition is presented to the commissioner of commerce

1 and economic development requesting termination of the salmon enhance-
2 ment tax which is signed by at least 25 percent of the number of
3 persons who voted under AS 43.76.015 in the election approving the
4 salmon enhancement tax in the region;

5 (2) the commissioner of commerce and economic development
6 determines that there are no outstanding loans to the qualified re-
7 gional association under AS 16.10.510 that are secured by the tax;

8 (3) an election is held in accordance with AS 43.76.015;
9 the ballot shall ask the question whether the salmon enhancement tax
10 for the region shall be terminated; the ballot shall be worded so that
11 a "yes" vote is for continuation of the salmon enhancement tax and a
12 "no" vote is for termination of the salmon enhancement tax;

13 (4) [(3)] a majority of the eligible interim-use permit and
14 entry permit holders who vote in the election cast a ballot for the
15 termination of the salmon enhancement tax; and

16 (5) [(4)] the qualified regional association provides
17 notice of the election in accordance with AS 43.76.015 within two
18 months after receiving notice from the commissioner of commerce and
19 economic development that a valid petition under (1) of this sub-
20 section has been received.

21 * Sec. 6. AS 43.76.025(a) is amended to read:

22 (a) A buyer who acquires fisheries resources that [WHICH] are
23 subject to a [THE] salmon enhancement tax imposed by AS 43.76.010,
24 [OR] 43.76.011, or 43.76.012 shall collect the salmon enhancement tax
25 at the time of purchase, and shall remit the total salmon enhancement
26 tax collected during each month to the department [DEPARTMENT OF
27 REVENUE] by the last day of the next month.

28 * Sec. 7. AS 43.76.028(a) is amended to read:

29 (a) The owner of salmon removed from the state is liable for

1 payment of a [THE] salmon enhancement tax imposed by AS 43.76.010,
2 [OR] 43.76.011, or 43.76.012 if, at the time the salmon are removed
3 from the state, the tax payable on the salmon has not been collected
4 by a buyer.

5 * Sec. 8. AS 43.76.035 is amended to read:

6 Sec. 43.76.035. EXEMPTION. This chapter does not apply to
7 salmon harvested under a special harvest area entry permit issued
8 under AS 16.43.400 [TO A REGIONAL ASSOCIATION ESTABLISHED UNDER
9 AS 16.10.380].

10 * Sec. 9. This Act takes effect immediately under AS 01.10.070(c).



SENATOR FRED F. ZHAROFF
ALASKA STATE LEGISLATURE

P.O. BOX 405, KODIAK, ALASKA 99615 (907) 486-5259

DURING SESSION:

P.O. BOX V, JUNEAU, ALASKA 99811 • (907) 465-3473 • 465-3474

DISTRICT N

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILIAMNA • PRIBILOF ISLANDS • SHUMAGIN ISLANDS

SECTIONAL ANALYSIS

HCS For Senate Bill 62 - "An Act relating to the salmon enhancement tax; and providing for an effective date."

SECTION 1

Adds a new section -- AS 43.76.012 -- to existing statutes that establishes a one percent salmon enhancement tax. This would be in addition to the already existing two percent and three percent salmon enhancement taxes. Alaska's regional aquaculture associations now have the option of implementing either two percent or three percent taxes to fund their operations. This section would give them an additional choice.

SECTION 2

Adds a reference to the one percent salmon enhancement tax (43.76.012) to existing statute.

SECTION 3

(2) Makes grammatical changes to existing statute.

(3) Adds a reference to the one percent salmon enhancement tax (43.76.012) to existing statute.

SECTION 4

Adds a reference to the one percent salmon enhancement tax (43.76.012) to existing statute.

SECTION 5

(2) New paragraph. Prohibits the regional associations from terminating salmon enhancement taxes if the associations have outstanding state loans that are secured by the tax.

SECTION 6

Adds a reference to the one percent salmon enhancement tax (43.76.012) to existing statute.

SECTION 7

Adds a reference to the one percent salmon enhancement tax (43.76.012) to existing statute.

SECTION 8

New section. Exempts all private nonprofit aquaculture corporations from the salmon enhancement tax liability.

SECTION 9

Immediate effective date.



SENATOR FRED F. ZHAROFF
ALASKA STATE LEGISLATURE

P.O. BOX 405, KODIAK, ALASKA 99615 (907) 486-5259

DURING SESSION:

P.O. BOX V, JUNEAU, ALASKA 99811 • (907) 485-3473 • 485-3474

DISTRICT N

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILIAMNA • PRIBILOF ISLANDS • SHUMAGIN ISLANDS

MEMORANDUM

TO: Rep. Lyman Hoffman
Rep. Ron Larson
Co-Chairmen
House Finance Committee

FROM: Sen. Fred F. Zharoff

DATE: April 17, 1989

RE: House CS For Senate Bill 62 - "An Act relating to the salmon enhancement tax; and providing for an effective date."

HCSSB 62 establishes a one percent salmon enhancement tax. Current state statutes provide for two percent and three percent salmon enhancement taxes, which the regional aquaculture associations use to fund their operations, pay for salmon enhancement projects, and service the debt on their state loans. HCSSB 62 would give the associations the option of having a one percent tax.

The language in HCSSB 62 duplicates present statutes, adding references to the one percent tax.

In the House Resources Committee, SB 62 was amended to prohibit the regional associations from reducing or terminating the tax if it is being used to secure a state loan. An amendment also was added to incorporate SB 84 into SB 62. SB 84 was introduced by the Governor to clarify the nonprofit exemption for aquaculture associations in regard to the salmon enhancement tax.

If HCSSB 62 becomes law, the Bristol Bay Salmon Enhancement Association -- which does not presently have a salmon enhancement tax -- plans to hold an election to seek approval from Bristol Bay commercial fishermen for a one percent salmon enhancement tax. If approved, the one percent tax would provide the association with the funds it needs to operate salmon enhancement projects such as stream clearance, lake fertilization, fish ladders, streamside incubators, egg planting, etc. The association has concluded the two percent and three percent tax options would raise revenues that exceed the association's needs at this time.

The following backup information is attached:

1. Sectional analysis.
2. Position paper and fiscal note prepared by the Department of Commerce and Economic Development.

3. Bill analysis prepared by the Department of Fish and Game.
4. Letter from the president of the Bristol Bay Salmon Enhancement Association and resolution of support.
5. Letters of support from the Northern Southeast Regional Aquaculture Association; the Cook Inlet Aquaculture Association, the Prince William Sound Aquaculture Corporation, and the Southern Southeast Regional Aquaculture Association.
6. Letter of support from the Egegik Setnetters' Association.
7. Backup information about SB 82.
8. State statutes pertaining to the Salmon Enhancement Tax.

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 9, 1989

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

Dear Senator Kelly:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the exemptions from the salmon enhancement tax imposed by AS 43.76. This bill is designed to clarify an ambiguity created through the enactment last session of AS 43.76.035.

Before the 1988 legislation was enacted, the practice of the Department of Revenue, in interpreting AS 43.76, was to exempt from the salmon enhancement tax salmon harvested under all special harvest area permits issued to hatcheries under AS 16.43.400. This practice exempted both regional and nonregional private, nonprofit hatcheries, on the basis that the tax is intended, for the most part, to benefit the state's hatchery program.

Last year's AS 43.76.035, however, codified the exemption only for regional aquaculture associations. Thus, by implication, that statute could be interpreted to repeal the exemption for those private, nonprofit hatcheries that are not run by regional aquaculture associations, thereby imposing a new tax burden of two or three percent on those hatcheries. The Department of Commerce and Economic Development has indicated that this added tax burden, if imposed, might affect the ability of these hatcheries to meet future loan payments.

We firmly believe that it was not the intent of the legislature, in passing AS 43.76.035, to limit the exemption, and this bill will clarify that the exemption applies to all hatcheries in the state's hatchery program. I urge your support of this measure.

Sincerely

Steve Cowper
Governor



3.

STATE OF ALASKA
OFFICE OF THE GOVERNOR
BILL ANALYSIS

DEPARTMENT Fish and Game	DIVISION FRED	BILL NUMBER SB 62	SPONSOR Zharoff
SHORT TITLE OF BILL An Act relating to a one percent salmon enhancement tax			
DEPARTMENT POSITION The department supports this bill as a logical extension to existing legislation.			
PREPARED BY Johnny S. Holland	DATE 1/18/89	COMMISSIONER'S SIGNATURE <i>William W. G. Wilson</i>	DATE 1/20/89

SUMMARY

OTHER AGENCIES AFFECTED BY BILL Department of Commerce & Economic Development Department of Revenue	CONSTITUENT GROUP(S) AFFECTED BY BILL Regional aquaculture associations, commercial fishermen
ORGANIZATIONAL SUPPORT FOR BILL Regional aquaculture associations, commercial fishermen	ORGANIZATIONAL OPPOSITION TO BILL

FISCAL IMPACT: NONE FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT
There is existing salmon enhancement tax statutes (AS 43.76.010 and AS 43.76.011) allowing for 2 and 3% salmon enhancement taxes. This proposal legislation will amend the existing statutes to include 1% salmon enhancement tax.

ANALYSIS OF BILL/PROGRAM EFFECTS
SB 62 is a logical extension of existing statutes, allowing for taxation at a lower rate than presently statutorily permitted. The lower rate may be needed if: (a) lower revenues are required by regional aquaculture associations; (b) the higher rates are not amendable to fishermen in a given area. This bill allows the regional aquaculture associations to choose from a broader range of self-imposed taxes. There should be no direct effects on the FRED program.

AMENDMENTS PROPOSED

None

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

SB 62: "An Act relating to a one percent salmon enhancement tax; and providing for an effective date."

This legislation will provide qualified regional aquaculture associations with the option of voting for a one percent salmon enhancement tax. Existing statute (AS 43.76.010 - 040) allows these associations to conduct elections for the purpose of establishing a tax on salmon harvested within their region. The proceeds of these taxes are collected by the Department of Revenue, deposited in the general fund and then may be appropriated to the Department of Commerce and Economic Development for the purpose of providing financing to the qualified regional association. This financing is provided through contracts with the various associations. AS 43.76.010 - 040 currently provides for establishment of either a two percent or three percent tax. Passage of this legislation would add the option of a one percent tax.

Currently there are seven qualified regional associations within the state, five of which already have salmon enhancement taxes in place. Prince William Sound Aquaculture Association, Cook Inlet Aquaculture Association, and Kodiak Regional Aquaculture Association all have established a two percent tax and Northern Southeast Regional Aquaculture Association and Southern Southeast Regional Aquaculture Association have established a three percent tax. The Bristol Bay Regional Aquaculture Association and the Lower Yukon-Kuskokwim Regional Aquaculture Association have not yet established a salmon enhancement tax in their respective regions.

During calendar year 1987, the following enhancement tax revenues were collected by the Department of Revenue:

Prince William Sound Aquaculture Association	\$1,085,077.00
Cook Inlet Aquaculture Association	2,330,652.00
Northern Southeast Regional Aquaculture Association	1,090,819.00
Southern Southeast Regional Aquaculture Association	1,232,650.00

The Department of Commerce and Economic Development is neutral on this legislation.

[Signature]
Larry Mercurieff, Commissioner
Department of Commerce and
Economic Development

Date: 1/27/89

6.

RECEIVED FEB 13 1989

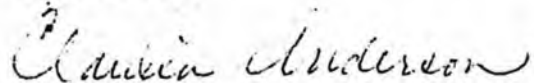
Egegik Setnetters' Association
Levelock, Ak. 99625
Feb. 7, 1989

Senator Zharoff
Pouch V
Juneau, Ak. 99811

Dear Senator,

The Egegik Setnetters' Association would like to thank you for both introducing and supporting SB 62. If any enhancement tax is appropriate for the Bay, 1% surely seems the most reasonable to us.

Sincerely,



Claudia Anderson, treasurer
for
Linda Kjarstad, president

NORTHERN



SOUTHEAST REGIONAL AQUACULTURE ASSOCIATION, INC.

103 Monastery Street Sitka, Alaska 99835 (907) 747-6850

February 17, 1989

Senator Fred Zharoff
Alaska State Legislature
P O Box V
Juneau AK 99811

Dear Senator Zharoff:

This letter is to advise you that we at the Northern Southeast Regional Aquaculture Association have no objection to SB62 authorizing a one percent (1%) enhancement tax for Bristol Bay. I know that the fishermen in Bristol Bay want to get a regional aquaculture association going and I'm sure that this 1% tax will help them realize their goal.

Sincerely,

Pete Esquiro
General Manager

PE/sp



RECEIVED FEB 23 1989

COOK INLET
AQUACULTURE ASSOCIATION

HC 2, BOX 849
SOLDOTNA, AK 99689-9707
(907) 283-5781

February 20, 1989

Senator Fred Zharoff
P.O. Box V
Juneau, Alaska 99811

Dear Senator Zharoff:

Cook Inlet Aquaculture Association supports passage of Senate Bill 62. This would allow Regional Aquaculture Associations the option of a 1% enhancement tax in addition to the existing 2% or 3% options.

The 1% option would be very helpful to individuals attempting to organize a Regional Association in Bristol Bay. We do not believe that the existence of a 1% option would cause Cook Inlet fishermen to exert any significant pressure to reduce our enhancement tax from the current (2%) level. We would anticipate no negative impact as a result of passage of SB 62.

Sincerely,

Thomas E. Mears,
Executive Director

*Prince William Sound
Aquaculture
Corporation*

RECEIVED FEB 22 1989

*P.O. Box 1110
Cordova, Alaska 99574
Phone: (907) 424-7511
Fax: (907) 424-7514*

A regional non-profit organization for the enhancement of salmon.

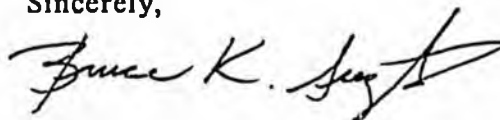
February 20, 1989

Senator Fred F. Zharoff
Alaska State Senate
P. O. Box V
Juneau, Alaska 99811

Dear Senator Zharoff:

We would like to confirm Prince William Sound Aquaculture Corporation's support of Senate Bill 62 which provides the opportunity to assess a 1% salmon enhancement tax in addition to the 2 and 3% rates already present in the statutes. We believe that the 1% tax rate will provide greater flexibility to address specific regional enhancement needs and aid fledgling regional aquaculture associations in developing their programs. Hatchery programs are vital to insure the long term growth and stability of the state's important fishing industry. We view SB 62 as a means of expanding and consolidating these very important programs.

Sincerely,



Bruce K. Suzumoto
President

BKS/pmd

RECEIVED FEB 27 1989

**SOUTHERN SOUTHEAST REGIONAL
AQUACULTURE ASSOCIATION, INC.**

1621 Tongass Ave., #103

(907) 225-9605

Ketchikan, Alaska 99901

February 24, 1989

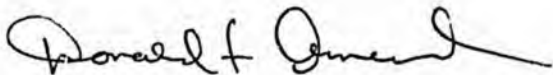
Senator Fred Zharoff
Capital, Room 121
P.O. Box V
Juneau, Alaska 99811

Dear Senator Zharoff:

I am writing to you in support of SB.62 which amends the fisheries enhancement tax statutes by allowing Regional Aquaculture Associations to choose a 1% enhancement tax along with the 2% and 3% choice.

The financial needs of the Regional Aquaculture Associations vary among the different areas of the State. Fishermen who vote to tax themselves should have the option to chose a tax rate commensurate with their needs. The addition of a 1% tax rate along with the other options give more flexibility to the program. The Southern Southeast Regional Aquaculture Association does not believe that your bill would have any adverse affect on our Region and we support your bill.

Sincerely,



Donald F. Amend
General Manager

cc: Robert H. Blake

DFA:cw
81-14

PRIVATE NON PROFIT HATCHERIES

4.
RECEIVED FEB 10 1989

BBSEA
Box 1130
Dillingham, Ak
99576
2 February, 89

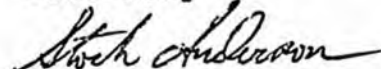
Fred Zharoff Senator
PO Box V
Juneau, Ak 99811

Re: SB 62

Dear Fred,

The enclosed resolution was made last April by BBSEA and speaks for itself as to the need of adopting SB 62. It was the consensus that with the different tax rates in our fishing districts the choice of 1% enhancement tax would be the most appropriate tax for BBSEA. The amount of tax generated by a 1% tax would be a good start for salmon enhancement in Bristol Bay. If you need any further information please let me know.

Sincerely


Stosh Anderson

BRISTOL BAY SALMON ENHANCEMENT ASSOCIATION
PO Box 1130
Dillingham, Alaska 99576

In our Board meeting of April 16, 1988, which took place in Dillingham, Alaska, the following resolution was approved:

Resolved that we will hold an election to approve a salmon enhancement tax. The amount of the enhancement tax is to be one percent, (1%) of the gross value of all salmon caught under commercial fishing provisions, in the Bristol Bay area. (Alaska Fish & Game Area "T") The tax shall apply to all fish caught under the State of Alaska Commercial Fishing Regulations.

This resolution is in accord with the general provisions of Section 43. Revenue and Taxation, of the Alaska Statutes and Regulations for Nonprofit Salmon Hatcheries.

The Board was aware that as of this date, the Alaska Statutes, does not allow for a one per cent (1%) assessment. There was testimony that a one percent assessment option, would be added to the existing choices of either a two or three percent assessments currently allowed under Sec. 43.76.010 and .011. This change was expected to occur before the effective date of this resolution.

The effective date of this resolution is January 1, 1989.

signed this 19 day of April 1988


Stosh Anderson, President

FISCAL NOTE

REQUEST:

Revision Date: October 25, 1988
 Title: Salmon Enhancement Tax: Hatchery Exemption.
 Sponsor: Rules Committee
 Requestor: Governor

Agency Affected: Revenue
 BRU: Income and Excise Audit
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: See attached analysis.

Prepared By: Steven E. Kettel
 Division: Income and Excise Audit

Phone: (907) 465-2320
 Date: October 25, 1988

Approved by Commissioner: Hugh Malone
 Agency: Department of Revenue

Date: October 25, 1988

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

Prepared by: Steven E. Kettel
Director, Income & Excise Audit
October 25, 1988

Analysis:

The proposed legislation exempts all private nonprofit hatcheries from salmon enhancement tax liability. The bill is necessary to correct an ambiguity that was created through the enactment last year of AS 43.76.035. Prior to enactment of Section 035, the Department practice was to exempt all salmon harvested under all special harvest permits issued under AS 16.43.400. This exempted both regional and nonregional private, nonprofit hatcheries. Section .035 however, codified the exemption only for regional aquaculture associations, and could be construed to repeal the exemption for private nonprofit hatcheries. This legislation expands the exemption to cover private nonprofit hatcheries.

S

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R/0 SFC 3-10-89

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: CSSB 65 (Finance)
PUBLISH DATE: _____

FISCAL NOTE

REQUEST: _____

REVISION DATE: _____
TITLE: Act relating to motor
vehicle license plates
SPONSOR: Sen. Halford
REQUESTOR: Senate Finance

AGENCY: Dept. of Public Safety
BRU: Division of Motor Vehicles
COMPONENTS: Field Services

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERS. SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	52.8	10.5	10.5	10.5	10.5
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND/BUILD.	0	0	0	0	0	0
GRANTS/CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL	0	52.8	10.5	10.5	10.5	10.5
CAPITAL	0	0	0	0	0	0
REVENUE	0	306.0	61.5	61.5	61.5	61.5

FUNDING: (THOUSANDS OF DOLLARS)

GENERAL FUNDS	0	10.0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER Prog. Rcpts.	0	42.8	10.5	10.5	10.5	10.5
TOTAL	0	52.8	10.5	10.5	10.5	10.5

POSITIONS:

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

ANALYSIS:

PREPARED BY:



SENATOR RICK UEHLING, CO-CHAIRMAN
SENATE FINANCE COMMITTEE

DATE: March 10, 1989

PHONE No.: 465-4821

FISCAL NOTE

REQUEST:

Revision Date: March 13, 1989
Title: Relating to veterans motor
vehicle license plates
Sponsor: Senate Finance
Requestor: Senate Finance

Agency Affected: Military & Veterans Affairs
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

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						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Jeff Morrison, Director
Division: Administrative & Support Services, DMVA
Approved by Commissioner: for MG John Schaeffer
Agency: Department of Military & Veterans Affairs

Phone: 465-4600
Date: March 13, 1989
Date: March 13, 1989

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

Original sponsors: Halford, Faiks,
Sturgulewski, et al.

1 IN THE SENATE

2 CS FOR SENATE BILL NO. 65 (*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 relating to motor vehicle license plates for
7 veterans and recipients of the Purple Heart."

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

9 * Section 1. AS 28.10.181 is amended by adding new subsections to read:

10 (o) Vehicles owned by veterans. The department, upon receipt of
11 written proof, shall issue special registration plates for one noncom-
12 mercial motor vehicle to a person who is a veteran or retired veteran
13 of the armed forces of the United States. The commissioner, after
14 consulting with the director of the division of veterans affairs,
15 shall determine the design and color of the veteran or retired veteran
16 plates.

17 (p) Vehicles owned by recipients of the Purple Heart. The
18 department, upon receipt of written proof, shall issue special regis-
19 tration plates for one noncommercial motor vehicle to a person who has
20 received the Purple Heart medal awarded for wounds suffered in action
21 against an armed enemy or as a result of the hostile action of an
22 armed enemy. The commissioner, after consulting with the director of
23 the division of veterans affairs, shall determine the design and color
24 of the Purple Heart medal recipient plates.

25 * Sec. 2. AS 28.10.421(d)(2) is repealed and reenacted to read:

- 26 (2) special request plates for
- 27 (A) Alaska National Guard personnel \$ 30;
- 28 (B) veterans or retired veterans \$ 30;
- 29 (C) recipients of the Purple Heart \$ 30;

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(D) other special request plates \$ 30;
plus the fee required for that vehicle under (b) of this section; the
fee required by this paragraph shall be collected only on the first
issuance and on the replacement of special request plates;

ALASKA STATE LEGISLATURE

Anchorage Office:
3111 C St., Suite 530
Anchorage, AK 99503
907-561-7616



While in Juneau:
P.O. Box V
Juneau, AK 99811
907-465-4958

Senator Rick Halford

MEMORANDUM

To: Senator Rick Uehling, Co-Chairman
Senate Finance Committee

From: Senator Rick Halford *Rick*

Date: March 1, 1989

I would appreciate a hearing on Senate Bill 65 at your earliest convenience.

This bill allows veteran and retired veterans the opportunity to display distinctive license plates on their motor vehicles. It is a way in which the State of Alaska can honor veterans for the service they have given to our country.

Current law allows members of the Alaska National Guard the opportunity to request special plates. Senate Bill 65 extends that opportunity to individuals who are veterans or retired veterans of the armed forces of the United States.

A \$10 fee will be collected when the license is first issued and when replacement plates are necessary. This fee would be charged in addition to the annual registration fee for the vehicle in order to make the program pay for itself.

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

POSITION PAPER
CSSB 65(SA)

Summary of Bill: This bill would authorize the Department of Public Safety to issue special license plates for veterans and retired veterans of the armed forces of the United States. The bill imposes an additional fee of \$10 for recipients of the veteran or retired veteran plates.

Background: This bill is identical to the House Transportation Committee Substitute for HB11.

Impact of Bill on Department of Military and Veterans Affairs: The Division of Veterans Affairs would publicize and promote the special license plates, but would not have any administrative responsibilities associated with the bill. No fiscal impact on DMVA is anticipated.

Departmental Position on Bill: The Department supports the bill.

Approved: _____

J. Morrison
for MG/John W. Schaeffer

Date: _____

3/2/89

Position Paper - Mil. & Vet. Affairs (CS(SA))