

Leg. Finance-House & Senate Finance Comte Files (1991-1992) 803 103

AMENDMENT

OFFERED IN THE SENATE
TO: CSHB 572 (FINANCE)am

BY SENATOR KERTTULA

Page , line :

Delete sec. 8 Page 3 line 14 through PAGE 4 Line 14

SEC. 9 is amended as follows:

38.05.082

38.05.085 (a) Except as provided in AS 38.05.035, 38.05.073, 38.05.079, 38.05.083,
^, 38.05.087, 38.05.102, 38.05.810, [AS 38.05.087] and this section, leasing shall be made at public
auction to the highest qualified bidder as determined by the commissioner.

F

An aggrieved bidder may appeal to the commissioner within five days for a review of the determination. The leasing shall be conducted by the commissioner and the successful bidder shall deposit at the auction the first year's rental ...at portion of it that the commissioner requires in accordance with the bid. The commissioner shall require qualified bidders to deposit a sum equal to any survey or appraisal costs reasonably incurred by another qualified bidder acting in accordance with the regulations of the commissioner. If a bidder making a deposit of survey or appraisal costs is determined by the commissioner to be the highest qualified bidder under this subsection, the deposit shall be paid to the unsuccessful bidder

who incurred those costs

ANY SURVEY OR APPRAISAL COSTS REASONABLY INCURRED BY A QUALIFIED BIDDER UNDER THE REGULATIONS OF THE COMMISSIONER OR DEPOSITED UNDER THIS SUBSECTION MUST BE CREDITED UNDER THE FIRST AND THEN SUBSEQUENT YEARS' RENTALS All costs for survey and appraisal shall be approved in advance in writing

by the commissioner. The commissioner shall immediately issue a receipt containing a description of the land or interest leased, the price bid, } terms of the lease² to the successful qualified bidder. If the receipt is not accepted in writing by the bidder under this subsection, the commissioner may offer the land for lease again under this subsection. A lease, on a form approved by the attorney general, shall be signed by the successful bidder and by the commissioner within {30 DAYS AFTER THE AUCTION .

Delete Sec. 10 Page 5 Line 14 through Sec. 15 Page 7 Line 12

Sec. 20 is amended to read:

AS 28.10.161(c) is repealed. (Note this means that there will be no repeal of AS 38.05.082, 38.05.085(a), 38.05.085(b), 38.05.085(g), 38.05.105(b), 38.05.855, 38.05.856, and 38.05.946(b).)

Insert a new bill section to read:

" Sec. AS 38.50 is amended by adding a new section to read:

Sec. 38.50.025. COSTS OF EXCHANGE; FEES. (a) The costs of exchange of land under this chapter, including survey, appraisal, advertising, and public hearing expenses, shall be borne by the party proposing the exchange.

(b) Notwithstanding (a) of this section, the director shall charge a party proposing an exchange of land under this chapter a nonrefundable application fee.

(c) The commissioner shall adopt regulations to implement this section.

Renumber the following bill sections accordingly.

ALSO ATTACHED ARE SECTIONS 18, 19, 20, 30 AND 31 OF CSHB574 (FINANCE) am CONCERNING PARKS FEES FOR THE COMMITTEE'S DECISION AS TO WHETHER THEY SHOULD BE INCLUDED IN CSHB572(FINANCE) am AT THIS TIME.

* Sec. 18. AS 41.21.020(a) is amended to read:

(a) The department shall

(1) develop a continuing plan for the conservation and maximum use in the public interest of the scenic, historic, archaeologic, scientific, biological, and recreational resources of the state;

(2) plan for and develop a system of state parks and recreational facilities, to be established as the legislature authorizes and directs;

(3) acquire by gift, purchase, or transfer from state or federal agencies, or from individuals, corporations, partnerships or associations, land necessary, suitable and proper for roadside, picnic, recreational, or park purposes;

(4) control, develop, and maintain state parks and recreational areas;

(5) provide for the acquisition, care, control, supervision, improvement, development, extension, and maintenance of public recreational land, and make necessary arrangements, contracts, or commitments for the improvement and development of land acquired under AS 41.21.010 - 41.21.040; contracting for improvement and development under this paragraph is governed by AS 36.30 (State Procurement Code);

(6) adopt, in accordance with this section and the Administrative Procedure Act (AS 44.62), regulations governing the use and designating incompatible uses within the boundaries of state park and recreational areas to protect the property and to preserve the peace;

(7) cooperate with the United States and its agencies and local subdivisions of the state to secure the effective supervision, improvement, development, extension, and maintenance of state parks, state monuments, state historical areas, and state recreational areas, and secure agreements or contracts for the purpose of AS 41.21.010 - 41.21.040;

(8) encourage the organization of state public park and recreational activities in the local political subdivisions of the state;

(9) provide for consulting service designed to develop local park and recreation facilities and programs;

(10) provide clearinghouse services for other state agencies concerned with park and recreation matters;

(11) perform other duties as are prescribed by executive order or by law;

(12) maintain memorials to Alaska veterans located in state parks; [AND]

(13) adopt, in accordance with the Administrative Procedure Act (AS 44.62), regulations governing the use of the Chena River State Recreation Area and designating incompatible uses within the boundaries of the Chena River State Recreation Area in accordance with AS 41.21.490; and

(14) accept cash and other donations from public or private sources to assist and support the department in carrying out the purposes of this chapter.

* Sec. 19. AS 41.21.026(a) is amended to read:

(a) Notwithstanding (b) of this section, the [THE] department may charge or collect a fee in a park unit for

- (1) rental of public use cabins or other overnight lodgings;
- (2) [OVERNIGHT] use of a developed or en route campsite;
- (3) special park use permits;
- (4) competitive and exclusive commercial use permits;
- (5) noncompetitive and nonexclusive commercial use permits;
- (6) use of a sewage holding tank dump station;
- (7) admission to or guided tours of visitor centers or historic sites; [AND]
- (8) use of an improved boat ramp in a park facility developed principally for boat

launching;

(9) sale of

(A) firewood;

(B) merchandise related to public use, enjoyment, and understanding of parks, including maps, plans, and other graphic materials;

(10) use of a developed trailhead, access site, or picnic site, that has parking, rest rooms, and refuse collection; and

(11) the presentation or attendance at programs related to natural or cultural history, outdoor skills or education, or other topics concerned with public use, enjoyment, or understanding of parks.

* Sec. 20. AS 41.21.026(e) is amended to read:

(e) In this section,

(1) "developed campsite" means a campsite having access to the following public facilities:

- (A) [(1)] rest rooms;
- (B) [(2)] a picnic table;
- (C) [(3)] an outdoor cooking facility; and
- (D) [(4)] an approved water source;

(2) "en route campsite" means a campsite intended principally for short-term occupation while in transit between destinations, and not necessarily having any of the public facilities required for a developed campsite under (1) of this subsection.

* Sec. 30. TEMPORARY FEES IN STATE PARKS. (a) The following fees apply for the following activities in units of the state park system until the Department of Natural Resources adopts a regulation under AS 41.21.026(c) that establishes a fee for that activity:

- (1) sale of firewood \$4 per bundle;
- (2) use of a developed trailhead, access site, or picnic site, that has parking, rest rooms, and refuse collection \$2 per vehicle, or \$25 for an annual pass;
- (3) admission to visitor centers or historic sites \$1 per person;
- (4) use of an en route campsite \$3 per vehicle.

(b) The commissioner of natural resources shall notify the revisor of statutes when a regulation is adopted that establishes a fee for an activity described under (a) of this section.

* Sec. 31. Section 30 of this Act is repealed on a date that is two years after the effective date of this section.

'CS HB572 (Fin) (am)

Powers, Duties, and Operations of Certain State Agencies

| Sec. | Description | Necessary for Senate Budget |
|-------------|---|--|
| 1 | Amends requirement for two stickers identifying year of plate registration | No |
| 2,3 | Allows the Dept. of Corrections to contract with municipalities or private agencies for the detention and confinement of persons held under state authority, including violation of a municipal ordinance | No |
| 4 | Amends the small procurement limit from \$10,000 to \$25,000 | Yes |
| 5,6,7 | Amends Science and Technology fund language to allow the disbursement of funds for the purposes of the Alaska Aerospace Dev. Corp. and the agricultural research stations of the Univ. of Alaska | No |
| 8 - 15 | Amends public lands leasing | No |
| 16 | Amends the parks statute to reflect "management" instead of "control" | No |
| 17 | Cleans up the description of the relationship under which judicial officers would perform recording functions | No |
| 18 | Moves the sunset date of the Citizens' Advisory Committee on Federal Lands (CACFA) to June, 1992 | Yes |
| 19 | Describes the State Training and Employment Program (STEP) fund as a program receipt, removing it from the category of general fund | Yes |
| 20 | Repeal of AS 28.10.161(c) removes language restricting the design of license plates | No |
| | Repeal of AS 38.05 sections are related to the changes proposed for public lands leasing | No |

A M E N D M E N T

OFFERED IN THE SENATE

TO: SCS CSHB 572(FINANCE)

Page 21, after line 28:

Insert a new bill section to read:

"* Sec. 50. AS 44.66.050(d) is amended to read:

(d) As to each board, commission, or agency program assigned to it for purposes of review, the committee of reference shall, not later than the 60th day of the legislative session, submit a report to the presiding officer of the house. The report shall contain a summary of the findings of the committee as to the compliance of the board, commission, or program with the factors enumerated in (c) of this section, together with a summary or recommendations of the committee as to each of the following:

(1) an identification of the problems or the needs that the programs and activities of the board, commission, or agency are intended to address;

(2) a statement, to the extent practicable, of the objectives of the program of the board, commission, or agency program, and its anticipated accomplishments;

(3) an identification of any other programs having similar, conflicting, or duplicate objectives;

(4) an assessment of alternative methods of achieving the purposes of the program;

(5) an assessment of the consequences of eliminating the board, commission, or program and consolidating its activities with another program, or of funding it at a lower level;

(6) a justification for the recommended continuation or extension of the board, commission, or program, and an explanation of the manner in which it avoids duplication of or conflict with other efforts; [AND]

(7) an assessment as to whether the source of funds used to operate the board, commission, or program is appropriate, whether the collection and use of those funds serves the public interest, and, if the committee finds that the use of the funds is not

in the public interest, a recommendation that use of that source of funds be discontinued:

(8) any other information that, in the opinion of the committee, would improve the performance of the board, commission, or agency with respect to its representation of and responsiveness to the public interest."

Page 23, line 12:

Delete "58"

Insert "59"

Page 23, line 24:

Delete "56 and 58"

Insert "57 and 59"

COMPARISON OF APUC LANGUAGE IN HB 572 (5/10) VS. HB 574 (5/8):

PAGE 18, LINE 5:

AS 42.05.253(b) The commission shall by regulation establish a method to determine annually the amount of the regulatory cost charge for a public utility. If the amount the commission expects to collect under (a) of this section and under AS 42.06.285(a) exceeds (THAT PORTION OF THE AUTHORIZED BUDGET OF THE COMMISSION FOR THE FISCAL YEAR THAT DIRECTLY RELATES TO PROVIDING SERVICES TO PUBLIC UTILITIES AND PIPELINE CARRIERS) the commission shall, by order, reduce the percentages set out in (a) of this section so that the total amount of the fees collected approximately equals (that portion) the authorized budget of the commission for the fiscal year. **ELECTRIC UTILITIES.**

Sections 10 & 13 of HB 574 deleted from HB 572. These sections are repealers for the hearing costs allocation for utilities and pipelines found in the chapter.

PAGE 19, LINE 29:

AS 42.06.285(b) Same language change as in AS 42.05.253(b) above. **PIPELINE CARRIERS.**

THESE ARE CHANGES MADE TO THE 5/8 DRAFT OF HB 574 IN SENATE LABOR & COMMERCE COMMITTEE, THE LATEST DRAFT AVAILABLE TO STAFF. CHANGES WERE MADE IN CONSULTATION WITH REPRESENTATIVES OF THE APUC.

Amendment to Cook/Dierdorff Work Draft SCS CSHB 572(FIN)

Page 19, line 11, delete "After completion of"
and insert in its place "During".

This conforms the language to AS 42.06.610(a) and thereby allows the
commission to allocate costs during lengthy proceedings.

Page 19, line 12, delete "shall"
insert in its place "may".

Since user fees would be the primary commission source of funds, it is
expected that cost allocation by proceeding would be used less often.

Page 20, line 20, delete "shall"
substitute therefor "may".

Same rationale.

Amendment to Cook/Dierdorff Work Draft SCS CSHB 572(FIN)

Page 20, line 16, delete "by the pipeline carrier"

Page 20, line 16 add "directly or indirectly" after "paid".

These amendments require the Alaska Public Utilities Commission to take account of regulatory cost charges, regardless of whether paid directly or borne by a party in the form of cost charges passed through in the tariffs. It would benefit shippers and refiners.

Amendment to Cook/Dierdorff Work Draft SCS CSHB 572(FIN)

Page 20, line 2, delete "that portion of".

This change cleans up the language. If the amendment is adopted, this line is the same as the House-passed language.

WORK DRAFT

WORK DRAFT

4-22-92 PM
DOLabor
Close-out
WORK DRAFT

7-LS2289A
Cramer
4/8/92

Sec. 6
HB 574

SENATE BILL NO.

**IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION**

BY

**Introduced:
Referred:**

A BILL

FOR AN ACT ENTITLED

**1 "An Act requiring the Department of Labor to charge fees for asbestos training
2 certification programs and plans and for asbestos abatement certifications."**

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

4 * Section 1. AS 18.31.200 is amended by adding a new subsection to read:

5 (g) The Department of Labor shall adopt by regulation a fee schedule for

6 (1) review, approval, and certification of asbestos training certification programs

7 and plans under this section; and

8 (2) certification of a person employed to abate an asbestos health hazard.

WALTER J. HICKEL
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

May 11, 1992

*The Honorable Pat Pourchot
Co-Chair, Senate Finance Committee
Alaska State Legislature
State Capitol, Room 516
Juneau, AK 99801-1182*

*The Honorable Jalmar Kerttula
Co-Chair, Senate Finance Committee
Alaska State Legislature
State Capitol, Room 518
Juneau, AK 99801-1182*

Gentlemen,

The Legislature and this administration have identified a budget reduction of roughly \$7.5 million for the Department of Corrections. Since eighty percent of Corrections' operating budget is comprised of personal services, a cut of this magnitude cannot be achieved without reducing the number of staff positions.

In order to achieve the staff reductions, 200 prisoners must be relocated to lower cost placements, such as halfway houses, electronic monitoring, or out-of-state contract prison beds.

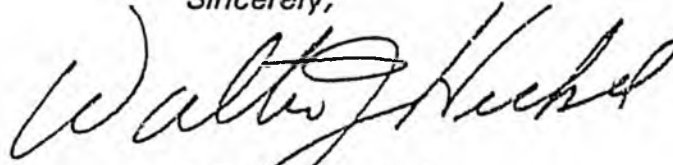
It is my intent that the Department of Corrections use Alaskan alternatives for as many of the 200 prisoners as can safely be supervised in community settings. If there are not enough prisoners who can safely be placed under community supervision, and there is no out-of-state option, Corrections will be forced to release inappropriate offenders simply to meet its budgetary obligation.

Including the out-of-state prison option in HB 572 will not result in any loss of state positions beyond the number already estimated in the department's FY93 budget plan. The number of staff reductions needed to relocate prisoners is the same, whether all the prisoners are placed in community settings or relocated to a combination of community programs and contract prisons.

May 11, 1992
Page 2

Refusing to enable the Department of Corrections to contract for low cost, out-of-state prison beds will not save any state positions. It will simply send a message that the Legislature intends all 200 prisoners to be released into community programs, regardless of risk to public safety.

Sincerely,

A handwritten signature in black ink, appearing to read "Walter J. Hickel". The signature is written in a cursive, flowing style with a large initial "W".

Walter J. Hickel
Governor

cc: Senate Finance Committee Members

CS HB572 (Fin) (am)

Powers, Duties, and Operations of Certain State Agencies

| Sec. | Description | Necessary for Senate Budget |
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| 5,6,7 | Amends Science and Technology fund language to allow the disbursement of funds for the purposes of the Alaska Aerospace Dev. Corp. and the agricultural research stations of the Univ. of Alaska | No |
| 8 - 15 | Amends public lands leasing | Yes |
| 16 | Amends the parks statute to reflect "management" instead of "control" | No |
| 17 | Cleans up the description of the relationship under which judicial officers would perform recording functions | No |
| 18 | Moves the sunset date of the Citizens' Advisory Committee on Federal Lands (CACFA) to June, 1992 | Yes |
| 19 | Describes the State Training and Employment Program (STEP) fund as a program receipt, removing it from the category of general fund | Yes |
| 20 | Repeal of AS 28.10.161(c) removes language restricting the design of license plates | No |
| | Repeal of AS 38.05 sections are related to the changes proposed for public lands leasing | Yes |

CS HB573 (Fin)

State & Municipal Programs that Benefit Entities or Individuals

| Sec. | Description | Necessary for Senate Budget |
|-------|---|--------------------------------|
| 1 | Allows property exempted under optional Sr. Citizen's Property Tax Exemption to be exempt from full and true valuation | No |
| 2 | Amends death gratuity benefits from \$750.00 to \$350.00 | No |
| 3,4,5 | Establishes the Sr. Citizen Property Tax Exemption as an optional exemption on the part of municipalities | No |
| 6,7 | Excludes state and federal buildings for purposes of power cost equalization | Yes |
| 8 | Requires repayment of Adult Public Assistance (APA) payments made prior to eligibility for SSI | Yes |
| 9 | Provides for proration of Longevity Bonus Payments | No |
| 10 | Provides for a three year suspension of COLA for AFDC and Adult Public Assistance | Yes (with amendment to 1 year) |
| 11 | Allows ratable reductions to AFDC and Adult Public Assistance for three years | No |
| 12 | Repeals existing Sr. Citizen Property Tax Exemption | No |
| 13 | Makes effective date for Sr. Citizen Property Tax Exemption effective with the calendar year to conform to previous cycle | No |

CS HB574 (Fin) (am)

State Finances Relating to Charges & Fees

| Sec. | Description | Necessary for Senate Budget |
|-----------|--|-----------------------------|
| 1 | Conforming amendment to Division of Motor Vehicles (DMV) fee schedule changes | No |
| 2 | Amends occupational board licensing statute to allow the department to increase fees to cover full administrative costs without board approval | Yes |
| 3 | Amends the guide licensing fees | Yes |
| 4 | Allows the Alaska Public Offices Commission to establish fees for reports, statements, and filings, etc. | No |
| 5 | Amends the resident sport hunting and fishing licenses; adds a King Salmon tag | No |
| 6 | Allows the Department of Labor to establish fees for the asbestos certification program | Yes |
| 7 | DMV increase in identification card fee | No |
| 8 | DMV registration conforming amendment | No |
| 9 - 15 | Amends DMV fee schedule | No |
| 16 | DMV conforming amendment | No |
| 17 | Allows the Department of Corrections to establish fees for telephone use by prisoners | No |
| 18,19, 20 | Provide for day fees for park/campsite use | Yes |
| 21 - 24 | Allows the Alaska Public Utilities Commission to recover regulatory costs through the establishment of an utility assessment | Yes |
| 25 | Allows the Division of Telecommunications to charge for commercial transmission on state systems | Yes |
| 26 | Allows the Office of Public Advocacy to establish fees | No |
| 27 | Allows the Department of Corrections to recover costs for publications | No |

CS HB574 (Fin) (am)

State Finances Relating to Charges & Fees

| Sec. | Description | Necessary for Senate Budget |
|------|--|-----------------------------|
| 28 | Allows inspection fees for DEC to provide consistency in which entities may be charged | Yes |
| 29 | Allows the Lt. Governor to establish notary public fees by regulation for anyone but state employees | No |
| 30 | Sets up temporary fees in state parks for limited activities | Yes |
| 31 | Repeals Sec. 30 after two years | Yes |
| 32 | Repeals occupational licensing board veto power | Yes |
| 33 | Repeals portions of DMV schedules reincorporated into new language in previous sections | No |



UNITED FISHERMEN OF ALASKA

211 4th Street, Suit 112
Juneau, AK 99801
907-586-2820
Fax# 907-463-2545

May 4, 1992

MEMBER ASSOCIATIONS

Alaska Crab Coalition
Alaska Independent Fishermen's
Marketing Association
Alaska Longline Fisherman's
Association
Alaska Trollers Association
Bering Sea Fishermen's Association
Bristol Bay Driftnetters Association
Concerned Area "M" Fishermen
Cook Inlet Aquaculture Association
Copper River Fishermen's Cooperative
Cordova District Fishermen United
Kenai Peninsula Fishermen's Association
North Pacific Fisheries Association
Northern Southeast Regional
Aquaculture Association
Peninsula Marketing Association
Petersburg Vessel Owners Association
Prince William Sound
Aquaculture Association
Prince William Sound Seiners Association
Seafood Producers Cooperative
Southeast Alaska Seiners
Southern Southeast Regional
Aquaculture Association
United Cook Inlet Drift Association
United Southeast Alaska Gillnetters
Western Alaska Cooperative
Marketing Association
Area K Seiners Association

The Honorable Jay Kerttula
The Honorable Pat Pourchot
Co-Chairmen, Senate Finance Committee
Post Office Box V
Juneau, Alaska 99811

RE: CSHB 572 (Finance) am

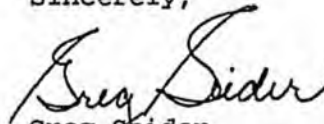
Dear Senator Kerttula and Senator Pourchot:

The United Fishermen of Alaska supports the amendment to CSHB 572 (Finance) am which would delete the sections of the bill which would repeal or virtually repeal all of the aquatic farming statutes that were enacted by the Legislature after long and serious consideration and full public participation.

It is our belief that, should a revision of these statutes be necessary, the proposed changes be subject to full legislative committee review as well as public participation.

Thank you very much for allowing us this opportunity to comment on this legislation.

Sincerely,


Greg Seider
Executive Director

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

400 WILLOUGHBY AVENUE
JUNEAU, ALASKA 99801-1796
PHONE: (907) 465-2400
FACSIMILE: (907) 586-2754

May 6, 1992

The Honorable Jay Kerttula
The Honorable Pat Pourchot
Alaska State Legislature
State Capitol
Juneau, AK 99801

Dear Senators Kerttula and Pourchot:

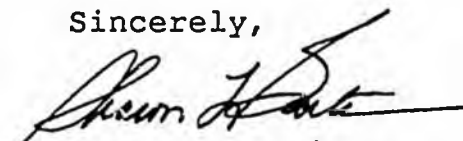
It appears that there is still some misunderstanding about the relationship between the Title 38 changes in HB 572 and the Senate budget for the Land Management Component.

We appreciate the effort by Senate Finance to provide the necessary language in the budget to shift funding of various Land Management projects to program receipts. This action funds those programs at the Governor's Budget Request level. However, the Governor's funding level, which was reduced by \$679.0 from FY 92, is built around program changes now contained in HB 572 (originally envisioned as a stand alone Governor's Title 38 bill). If we simply shift funding to program receipts without the Title 38 changes in program, it will be very difficult to deliver an acceptable level of service to the public.

Therefore, the Department strongly recommends that the Title 38 changes be left in HB 572.

If you or your staffs have any additional questions, please contact me or Ron Swanson, Director of Lands.

Sincerely,


Harold C. Heinz
Commissioner

cc: Ron Swanson
Rep. Mark Boyer, DNR Finance Sub-committee Chair
Rep. Mike Navarre, House Finance Co-chair

WALTER J. HICKEL
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

May 6, 1992

REC-100 MAY 8 1992

*The Honorable Pat Pourchot
Co-Chairman, Senate Finance Committee
State Capitol, Room 516
Juneau, AK 99801-1182*

Dear Senator Pourchot:

An amendment to HB 572 has been submitted which would authorize the Department of Corrections to contract for low cost, privately-operated prison space outside the state. There is a limited number of prisoners who can be safely diverted to lower cost community-residential beds in Alaska. Other prisoners can be diverted to low cost, secure prison beds outside the state. This combination is necessary in order for the department to absorb budget reductions without jeopardizing public safety.

There are 132 prisoners in Alaska's system whose remaining sentences range from 20 to over 400 years. Comparing the average daily cost of imprisonment in Alaska to the average daily cost outside, the state could save almost \$14,000 per year for each prisoner. Housing even 100 prisoners outside could save the Department of Corrections over \$1 million dollars per year, or over \$27 million over the course of 20 years. Why should we unnecessarily devote \$27 million dollars of state money to house Alaska's most serious, dangerous offenders in the most expensive correctional system in the country over the next 20 years?

Alaska, with one of the highest rates of violent crime in the country, cannot afford to give criminals the message that, due to budget cuts, we are unwilling to incarcerate them in a secure setting when that is the appropriate sanction. Neither can we afford to jeopardize the success of community residential centers and alternative sanction programs by placing the wrong offenders in them. We also cannot reduce the state's budget by refusing to give agencies the tools they need to operate most efficiently.

The Honorable Pat Pourchot
May 6, 1992
Page 2

I urge your support of the amendment and prompt passage of HB 572. It is a vote for public safety and government efficiency.

Sincerely,

A handwritten signature in cursive script, reading "Walter G. Hickel". The signature is written in black ink and is positioned above the printed name and title.

Walter G. Hickel
Governor

cc: Senate Finance Committee Members

"A"

SFC-92
5-10-92
HB 572

CONTRACTING FOR PRIVATELY OPERATED
PRISON SPACE OUTSIDE ALASKA

Authorization is needed for the Department of Corrections to contract for privately operated prison space which is available outside the state for as little as \$58 per day per inmate, compared to Alaska's average rate of \$96 per day per inmate. Alaska spends more money per day to incarcerate a prisoner than any other state in the union. In spite of the cost-savings such authorization would offer the state, some concerns exist about private, out-of-state prison use. The Department has compiled this fact sheet to answer these concerns:

ARE THERE OTHER LOWER COST ALTERNATIVES AVAILABLE IN ALASKA?

The Department of Corrections is committed to full utilization of local, lower cost alternatives to incarceration to reduce the size of the corrections budget. Community residential centers, electronic monitoring, day reporting centers, and other forms of intensive community supervision are safe, effective options which can be used in-state to reduce the corrections budget.

With careful selection and screening, the Department can place many prisoners in these lower cost alternatives with minimal risk to public safety. However, there are some prisoners who cannot be safely or reasonably placed in lower cost community programs without jeopardizing public safety or undermining the goals of sentencing. The Department needs to have other options available to address the needs of these prisoners.

IS IT LEGAL TO SEND PRISONERS OUT-OF-STATE?

Current law [AS 33.30.061(a)] provides that the commissioner may place a prisoner in a facility "without regard to whether it is maintained by the state, is located within the judicial district in which the prisoner was convicted, or is located in the state."

Alaska has always housed some prisoners out-of-state. There are about 67 prisoners outside the state in the Federal Bureau of Prisons and other state correctional systems. (Based on a comparison of average daily costs per system, this is saving the state over \$1 million per year.) Due to nationwide overcrowding, the federal and other state systems may not accept additional Alaskan prisoners, or may even return those now out-of-state.

The reason legislation is needed to enable the Department to take advantage of the growing private prison industry is that AS 33.30.031 limits the Department's authority to contract for out-of-state facilities to publicly operated institutions. A change in law is needed in order to authorize contracting with private, non-profit and for-profit entities.

DOES OUT-OF-STATE INCARCERATION HARM PRISONERS?

Current law [AS 33.30.061(b)] protects prisoners' interests by prohibiting out-of-state placement if it would "substantially impair" a prisoner's rehabilitation or treatment. An individualized determination is made through a formal classification hearing to assure due process in considering a prisoner's needs. This must be done prior to any out-of-state transfer.

Each prisoner housed outside the state has a telephonic classification hearing annually with Department of Corrections staff.

Separation from family and friends is an unfortunate, natural consequence of incarceration. Even when a prisoner is housed in-state, there is no guarantee of housing in or near the home community, particularly for long term prisoners. Long term prisoners are generally returned to local facilities for pre-release planning and reintegration during the final portions of their sentences, as bedspace becomes available. (Over 100 prisoners with more than 20 years remaining to serve are confined in Alaskan prisons at present.)

CAN THE STATE ADEQUATELY MANAGE AND CONTROL PRIVATE, OUT-OF-STATE CONTRACTUAL PRISONS?

Alaska's prior experience housing prisoners out-of-state in the federal and other state systems proves that, with proper oversight, other systems can provide custody, care, and discipline similar to that required by the laws of this state. Department managers currently oversee compliance with Alaska's correctional standards in privately operated community corrections programs in Alaska, and in publicly operated prisons outside the state, as well as in thirteen state correctional facilities spread across the vast geographic distances of Alaska.

AS 33.30.031 prohibits the commissioner from contracting with an agency unable to provide a degree of custody, care, and discipline similar to that provided by the laws of this state. Carefully constructed contracts and competent, professional management have enabled the Department to maintain control and responsibility for contractual services and will continue to do so.

ARE PRIVATELY OPERATED PRISONS CONSISTENT WITH SOUND CORRECTIONAL PRACTICE?

Private prisons are generally staffed by professionals with extensive experience in state and federal correctional systems. As with any service, quality varies from one provider to the next.

Many privately operated prisons are accredited or are in the process of accreditation by the American Correctional Association, something which many state correctional facilities, including some in Alaska, have not achieved. Private contractors are highly motivated to operate within contractual guidelines and sound correctional principles since the entire success of their operation depends upon satisfactory performance. In the event of escapes, disturbances, excessive grievances, or other operational problems, private corporations cannot assume continued funding, unlike government agencies.

ARE THERE LIMITATIONS ON THE SERVICES PRIVATE CONTRACTORS CAN LEGALLY PERFORM?

Most private prisons have arrangements with the local law enforcement agencies in the jurisdictions in which they are located to provide for any necessary use of force, in the event of escapes or disturbances. These arrangements are included in the overhead costs of the private operation at no additional cost to the contracting state.

WHY DOES ALASKA NEED TO HAVE THIS OPTION AVAILABLE?

* Emergency Evacuation Contingency: In the event of a natural disaster, such as a flood or an earthquake, an institution may need to be evacuated. Prior to the construction of the maximum security Spring Creek facility in Seward, Alaska housed the majority of its most dangerous, long term prisoners out-of-state and did not have the pressing need for emergency evacuation alternatives it now faces. The only readily available prison space of which the Department is presently aware is privately operated. If an emergency arises, it may be critical to have this option.

* Overcrowding: Alaska's facilities are currently full and sometimes exceed emergency capacity. If local community diversion is not adequate for population relief, the Department may be forced to release inappropriate prisoners early to ease overcrowding. The option of contracting for additional privately operated prison space would alleviate pressures involved with temporary or long term overcrowding, including costly prison expansion/construction.

* Public Safety: To meet the Department's current budget reduction target, the Department will have to release prisoners into lower cost placements. It is estimated that as many as 200 prisoners will have to be moved out of Alaska's jails and prisons, most of them by July 1, 1992. These prisoners would be placed in community residential centers or other intensive community supervision programs. The Department is in the process of reviewing cases to determine how many non-violent or other lower-risk prisoners can be released if necessary.

It is important to remember that 90% of Alaska's prisoners are felons, that over half are serving time for a violent offense, and that about 500 of those are sex offenders.

A decision to move a prisoner into a community supervision program should be based on a careful review of the prisoner's needs as well as the best interests of the public. Without authorization to contract for private prison space outside Alaska, the Department will instead be forced to make these decisions based on monetary considerations and the need to meet population reduction quotas. Such decisions do not serve prisoners, community program providers, nor the public's best interests.

WOULD OUT-OF-STATE CONTRACTS HURT THE ALASKAN ECONOMY?

By housing 72 prisoners out-of-state, it is estimated that the Department can realize an annual savings of more than \$1 million. That money could be diverted to development of more community-based intensive sanction/supervision programs in Alaska, instead of more expensive prison beds in Alaska.

State dollars which are diverted from the correctional budget can also be redirected toward services to victims, rather than perpetrators: Shelters for battered women and children, services for sexually abused children and rape victims, crime prevention programs, and Village Public Safety Officers are being considered for elimination or reductions to meet budget reduction targets. These services, by their very nature, must be delivered within the state, while rehabilitation and custody of prisoners can be effectively delivered outside the state, for many long term prisoners.

The Department of Corrections' constitutional mandates are prisoner reformation and protection of the public. It is not the Department's mission to boost the economy by spending more money than is necessary to do its job effectively.

A 200 bed medium security prison is estimated to cost over \$18 million dollars to build, at about \$90,000 per bed. The operating costs exceed total construction costs within a few years of operation. Money the state could save by using out-of-state prison space can be better used for capital projects which do not drain the state operating budget, or which even generate revenue.

WHO OPPOSES CONTRACTING FOR PRIVATE, OUT-OF-STATE PRISONS?

- * THE AMERICAN CIVIL LIBERTIES UNION... argues that turning prisons over to the private sector means government is shirking its responsibility, regardless of the fact that government retains management oversight of such operations. Other prisoners-rights advocates may oppose HB 420 because of the belief that it is unfair to move convicted criminals out of their home communities, even for portions of their sentences.
- * THE AMERICAN FEDERATION OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES (AFSCME)... is concerned primarily with protecting the jobs of government workers and has been a leading force in the fight against prison privatization. Although private prison employees have the right to belong to unions, they would not be members of a union that represents only government employees, such as AFSCME.

WHO SUPPORTS CONTRACTING FOR PRIVATE, OUT-OF-STATE PRISONS?

- * THE AMERICAN CORRECTIONAL ASSOCIATION (ACA)... supports legislation that allows states the option of contracting with private prisons. One of the largest and oldest criminal justice associations, ACA represents approximately 17,000 correctional administrators, wardens, parole board members, probation officers, and other professional prison workers. The organization's purpose is to improve correctional standards and to develop adequate physical facilities.

Also generally supportive of prison privatization are:

- * THE COUNCIL OF STATE GOVERNMENTS
- * NATIONAL INSTITUTE OF JUSTICE
- * NATIONAL GOVERNORS' ASSOCIATION

Daily Cost of Care (FY91) for Prisoners

| <u>Institution</u> | <u>Average Daily Cost Per Inmate Day</u> |
|------------------------------|--|
| Fairbanks | \$ 99.39 |
| Anvil Mountain | 127.01 |
| Yukon-Kuskokwim | 126.64 |
| Palmer | 73.11 |
| Mat-Su Pretrial | 109.19 |
| Hiland Mountain/Meadow Creek | 69.41 |
| Cook Inlet Pretrial | 62.19 |
| Sixth Avenue | 99.21 |
| Wildwood | 76.41 |
| Spring Creek | 86.16 |
| Lemon Creek | 102.05 |
| Ketchikan | <u>128.55</u> |
| AVERAGE IN-STATE COST | \$ 96.61 * |

* This figure does not include the daily cost of Statewide Programs such as health care, contractual education/supplies, mental health/psychiatric care, chaplaincy, and special treatment programs.

AVERAGE FY91 OUT-OF-STATE COST \$ 52.48 *

* This figure is based on an average of the daily costs of care in the publicly operated out-of-state facilities with which Alaska's Department of Corrections currently contracts: Federal Bureau of Prisons, State of North Dakota, and State of Minnesota.

COST OF CARE IN PRIVATELY OPERATED PRISONS: \$ 50 - 58 *

* There are 30 to 40 beds available in a facility in Oklahoma, at a cost of about \$50 per day. There are 500 beds available in Minnesota, at a cost of about \$58 per day regardless of custody status, type of crime, gender, or length of sentence.

[Information taken from Alaska Corrections in Review 1991 Report, p. 149 and out-of-state contractual summary, 3/2/92.]

HB573

(11)

Date Referred: April 1, 1992

HOUSE COMMITTEE REPORT
FURTHER REFERRALS:

Date of Committee Action: 4/13/92

The FINANCE Committee considered:

HB 573

HOUSE BILL NO. 573

REDUCTIONS IN STATE BENEFIT PROGRAMS

"An Act making changes in state benefit programs; and providing for an effective date."

RECOMMENDATIONS:

be replaced with CS HB 573 (FIN) the same title a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact DOA 4/16/92

fiscal note(s) _____

DHSS 4/16/92 (APAS)

zero fiscal note DHSS 4/16/92 (AFDC)

zero fiscal note(s) _____

| SIGNING DO PASS | DP | OTHER RECOMMENDATIONS | DNP | NR | AM |
|----------------------------------|-------------------------------------|---------------------------------------|-----|-------------------------------------|-------------------------------------|
| <u>Ed Machean</u> <u>Machean</u> | <input checked="" type="checkbox"/> | <u>Mark Boyer</u> <u>Boyer</u> | | | <input checked="" type="checkbox"/> |
| <u>Mike Yavane</u> <u>Yavane</u> | <input checked="" type="checkbox"/> | <u>Jan Brown</u> <u>Brown</u> | | | <input checked="" type="checkbox"/> |
| <u>George A. W.</u> <u>JACK</u> | <input checked="" type="checkbox"/> | <u>John Koponen</u> <u>Koponen</u> | | | <input checked="" type="checkbox"/> |
| _____ | | <u>Thomas Barnes</u> <u>Barnes</u> | | <input checked="" type="checkbox"/> | |
| _____ | | <u>Gene Sharp</u> <u>Sharp</u> | | <input checked="" type="checkbox"/> | |
| _____ | | <u>Roll E. Hill</u> <u>Hill</u> | | <input checked="" type="checkbox"/> | |
| _____ | | <u>Robert L. Hansen</u> <u>Hansen</u> | | <input checked="" type="checkbox"/> | |
| _____ | | <u>_____</u> <u>Ulmer</u> | | | |
| _____ | | | | | |
| _____ | | | | | |
| _____ | | | | | |
| _____ | | | | | |

Mike Yavane Ed Machean
CHAIRMAN'S SIGNATURE

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HB 573

Revision Date: _____
Title: An Act making changes in state benefit programs
Sponsor: Finance Committee
Requestor: _____

Department Affected: Administration
BRU: Division of Pioneers' Benefits
Component: Longevity Bonus Program

COMPONENT

| | | | |
|---|---|---|---|
| 0 | 0 | 2 | 7 |
|---|---|---|---|

Expenditures/Revenues: (Thousands of Dollars)

| OPERATING | FY 93 | FY 94 | FY 95 | FY 96 | FY 97 | FY 98 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | 0 | 0 | 0 | 0 | 0 | 0 |
| TRAVEL | 0 | 0 | 0 | 0 | 0 | 0 |
| CONTRACTUAL | 5.0 | 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 | 5.0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | |
|---------|---|---|---|---|---|---|
| CAPITAL | 0 | 0 | 0 | 0 | 0 | 0 |
|---------|---|---|---|---|---|---|

| | | | | | | |
|----------------------|---|---|---|---|---|---|
| REVENUE FUND SOURCE: | 0 | 0 | 0 | 0 | 0 | 0 |
|----------------------|---|---|---|---|---|---|

FUNDING: (Thousands of Dollars)

| | | | | | | |
|--------------------|-----|---|---|---|---|---|
| GENERAL FUND | 5.0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER FUND SOURCE: | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 5.0 | 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 |

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.) See Attached Page

Prepared by: Dennis L. DeWitt
Division: Pioneers' Benefits

Phone: 465-4400
Date: April 3, 1992

Approved by Commissioner: Nancy Bear Usera
Agency: Administration

Date: 4/2/92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HB 573

April 3, 1992

Administration

The computer software for the Longevity Bonus program would be modified to provide the correct payment amounts to the recipients.

Contractual Expenses (in \$1,000s)

| | |
|----------|-------|
| Software | \$5.0 |
| Total | \$5.0 |

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HB 573

Revision Date: _____ Department Affected: HEALTH & SOCIAL SERVICES
Title: AN ACT MAKING CHANGES IN STATE BENEFIT PROGRAMS BRU: ASSISTANCE PAYMENTS
Component: ADULT PUBLIC ASSISTANCE

Sponsor: HOUSE FINANCE COMMITTEE

Requestor: House Finance Committee COMPONENT SERIAL NO.

| | | | |
|---|---|---|---|
| 0 | 2 | 2 | 2 |
|---|---|---|---|

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 93 | FY 94 | FY 95 | FY 96 | FY 97 | FY 98 |
|-------------------|-------|-------|-------|-------|-------|-------|
| 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 FUND SOURCE: | 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 FUND SOURCE: | 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 |

Estimate of current year impact: No FY92 Impact

ANALYSIS: (Attach a separate page if necessary.)

SEE ATTACHED

Prepared By: Jan L. Hansen, Director *Jan L. Hansen* Phone: 465-3347

Division: Division of Public Assistance Date: 4/3/97

Approved by Commissioner: Theodore A. Mala, MD, MPH *Theodore A. Mala*

Agency: Department of Health and Social Services Date: 4-6-97

House Bill 573 retains the existing statutory basis for Adult Public Assistance payment levels and the automatic annual COLA adjustments to the payment levels, and adds language that allows the Department of Health and Social Services to forgo or reduce the COLA adjustments and/or pay reduced benefit payments if sufficient funds are not appropriated to pay the full amounts set forth in regulation. It further requires that the Department review the adequacy of remaining appropriated funds during the fiscal year and report any need for supplemental funding to the Legislature and the Governor by January 15 each year.

This legislation has no fiscal impact on Adult Public Assistance program appropriations. Its effect is to allow DHSS administrative flexibility to maintain Adult Public Assistance expenditures within appropriated levels.

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HB 573

Revision Date: _____ Department Affected: HEALTH & SOCIAL SERVICES
 Title: AN ACT MAKING CHANGES IN STATE BRU: ASSISTANCE PAYMENTS
BENEFIT PROGRAMS Component: AID TO FAMILIES WITH DEPENDENT
 Sponsor: HOUSE FINANCE COMMITTEE CHILDREN
 Requestor: House Finance Committee COMPONENT SERIAL NO.

| | | | |
|---|---|---|---|
| 0 | 2 | 2 | 0 |
|---|---|---|---|

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 93 | FY 94 | FY 95 | FY 96 | FY 97 | FY 98 |
|-------------------|-------|-------|-------|-------|-------|-------|
| 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 |
| FUND SOURCE: | 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 |
| FUND SOURCE: | 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 |

Estimate of current year impact: No FY92 impact

ANALYSIS: (Attach a separate page if necessary.)

SEE ATTACHED

Prepared By: Jan L. Hansen, Director *Jan Hansen* Phone: 465-3347
 Division: Division of Public Assistance Date: 4/3/92
 Approved by Commissioner: Theodore A. Mala, MD, MPH *(Signature)*
 Agency: Department of Health and Social Services Date: 4-6-92

House Bill 573 retains the existing statutory maximum AFDC payment levels and the automatic annual COLA adjustments to the maximum payment levels, and adds language that allows the Department of Health and Social Services to forgo or reduce the COLA adjustments and/or pay reduced benefit payments if sufficient funds are not appropriated to pay the full amounts set forth in statute and regulation. It further requires that the Department review the adequacy of remaining appropriated funds during the fiscal year and report any need for supplemental funding to the Legislature and the Governor by January 15 each year.

This legislation has no fiscal impact on AFDC program appropriations. Its effect is to allow DHSS administrative flexibility to maintain AFDC expenditures within appropriated levels.

CS FOR HOUSE BILL NO. 573 (FINANCE)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to state and municipal programs that provide a financial benefit to
2 entities and individuals, including an exemption from municipal property taxation for
3 certain primary residences; and providing for an effective date."

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

5 * Section 1. AS 14.17.140 is amended by adding a new subsection to read:

6 (c) The Department of Community and Regional Affairs may not include property
7 exempted under AS 29.45.052 when making the full value determination under (a) of this section.

8 * Sec. 2. AS 26.10.080(a) is amended to read:

9 (a) The Department of Military and Veterans' Affairs shall pay, upon application, a death
10 gratuity in the amount of \$350 [\$750] to the surviving spouse of a qualified veteran who was a
11 resident of the state at the time of death. If the veteran has no surviving spouse, the gratuity shall
12 be paid to the personal representative of the veteran. A veteran is qualified under this subsection
13 if the veteran's

14 (1) burial occurred in the state on or after May 13, 1984; or

1 (2) death occurred on or after September 19, 1990.

2 * Sec. 3. AS 29.45.030(k) is amended to read:

3 (k) The department shall adopt regulations to implement the provisions of [(g) AND] (j)
4 of this section.

5 * Sec. 4. AS 29.45.040(f) is amended to read:

6 (f) In this section "disabled veteran" has the meaning given in AS 29.45.052(b)
7 [AS 29.45.030(i)].

8 * Sec. 5. AS 29.45 is amended by adding a new section to read:

9 Sec. 29.45.052. OPTIONAL EXEMPTION FOR CERTAIN PRIMARY RESIDENCES.

10 (a) The real property owned and occupied as the primary residence and permanent place of
11 abode by a resident of the state who is (1) 65 years of age or older; (2) disabled veteran; or (3)
12 at least 60 years old who is the widow or widower of a person who qualified for an exemption
13 under (1) or (2) of this subsection, may by ordinance be exempted from taxation on all or part
14 of the assessed value of the real property. The ordinance may base the exemption on hardship.
15 Only one exemption may be granted for the same property and, if two or more persons are
16 eligible for an exemption for the same property, the exemption may not be granted unless the
17 parties decide between or among themselves who is to receive the benefit of the exemption. Real
18 property may not be exempted under this subsection if the local assessor determines, after notice
19 and hearing to the parties, that the property was conveyed to the applicant primarily for the
20 purpose of obtaining the exemption. The determination of the assessor may be appealed to the
21 superior court under procedures set out in AS 44.62.560 - 44.62.570.

22 (b) In this section,

23 (1) "disabled veteran" means a disabled person separated from the military service
24 of the United States under a condition that is not dishonorable, whose disability was incurred or
25 aggravated in the line of duty in the military service of the United States, and whose disability
26 has been rated as 50 percent or more by the branch of service in which that person served or by
27 the Veterans' Administration;

28 (2) "real property" includes mobile homes, whether classified as real or personal
29 property for municipal tax purposes.

30 * Sec. 6. AS 44.83.162(c) is amended to read:

31 (c) An eligible electric utility is entitled to receive power cost equalization for

1 (1) sales of power to local community facilities, calculated in the aggregate for
2 each community served by the electric utility, for actual consumption of not more than 70
3 kilowatt-hours per month for each resident of the community; and

4 (2) actual consumption of not more than 750 kilowatt-hours per month sold to
5 each customer in all classes served by the electric utility except to customers of the utility under
6 (1) of this subsection and customers that are state or federal offices or state or federal
7 facilities.

8 * Sec. 7. AS 44.83.162(e) is amended to read:

9 (e) An electric utility whose customers receive power cost equalization under this section
10 shall set out in its tariff the rates without the power cost equalization and the amount of power
11 cost equalization per kilowatt-hour sold. The rate charged to the customer shall be the difference
12 between the two amounts. Power cost equalization paid under this section shall be used to reduce
13 the cost of all power sold to local community facilities, in the aggregate, to the extent of 70
14 kilowatt-hours per month per resident of the community, and to reduce the cost of the first 750
15 kilowatt-hours per customer per month for all other classes served by the electric utility except
16 state or federal offices and state or federal facilities.

17 * Sec. 8. AS 47.25.455 is amended by adding new subsections to read:

18 (c) As a condition of applying for assistance under this section, an applicant must agree
19 to repay the state for assistance granted under this section upon receiving a benefit under 42
20 U.S.C. 1381 - 1383d for a month in which assistance was granted under this section. However,
21 a repayment required for a month under this subsection may not exceed the amount of assistance
22 received under 42 U.S.C. 1381 - 1383d for that month.

23 (d) Beginning the month following the month in which a person is determined to be
24 eligible for benefits under 42 U.S.C. 1381 - 1383d, the department shall terminate benefits to that
25 person under this section and begin payments to the person under AS 47.25.430.

26 * Sec. 9. AS 47.45 is amended by adding a new section to read:

27 Sec. 47.45.017. CHANGES IN BONUS AMOUNT. (a) If the commissioner of
28 administration determines on July 1 that amounts appropriated for the fiscal year are insufficient
29 to fully fund bonus payments otherwise authorized under this chapter for that fiscal year, the
30 department shall, effective July 1, distribute the available amount on a pro rata basis among
31 eligible individuals on a monthly basis.

1 (b) The commissioner of administration shall determine on September 30 and
2 December 30 whether money available is sufficient to fund the payment level established under
3 (a) of this section for the remainder of the fiscal year. If the commissioner determines that there
4 is insufficient money to fully fund the reduced benefit, the commissioner shall notify the
5 governor and the legislature by January 15 as to the amount of additional money needed to fund
6 benefits under this chapter.

7 * Sec. 10. THREE-YEAR LIMITATION ON GRANTING COLA FOR AFDC AND ADULT
8 PUBLIC ASSISTANCE. (a) Notwithstanding AS 47.25.320(d), the Department of Health and Social
9 Services is not required to increase the monetary maximums in AS 47.25.320(a) during fiscal years 1993,
10 1994, or 1995 because of a cost-of-living increase in benefits under 42 U.S.C. 1381 - 1383d. On
11 January 1 of fiscal years 1993, 1994, and 1995, the department may increase the monetary maximums
12 in AS 47.25.320(a) by a percentage that does not exceed the percentage increase in benefits under 42
13 U.S.C. 1381 - 1383d on January 1 of the same fiscal year but only if the department determines by
14 November 15 of that fiscal year that sufficient money has been appropriated to fund the increase in
15 monetary maximums for the last six months of the fiscal year.

16 (b) Notwithstanding AS 47.25.430(b), the Department of Health and Social Services is not
17 required to increase the state's contribution to recipients under AS 47.25.430 during fiscal years 1993,
18 1994, or 1995 because of a cost-of-living increase in benefits under 42 U.S.C. 1381 - 1383d. On
19 January 1 of fiscal years 1993, 1994, and 1995, the department may increase the state's contribution to
20 recipients under AS 47.25.430 by a percentage that does not exceed the percentage increase in benefits
21 under 42 U.S.C. 1381 - 1383d on January 1 of the same fiscal year but only if the department determines
22 by November 15 of that fiscal year that sufficient money has been appropriated to fund the increase in
23 the state's contribution for the last six months of the fiscal year.

24 * Sec. 11. THREE-YEAR AUTHORITY TO MAKE RATABLE REDUCTIONS UNDER AFDC
25 AND ADULT PUBLIC ASSISTANCE. (a) Notwithstanding AS 47.25.310 - 47.25.420 (aid to families
26 with dependent children), if the Department of Health and Social Services estimates at the beginning of
27 fiscal year 1993, 1994, or 1995 that insufficient money has been appropriated to fund assistance under
28 AS 47.25.310 - 47.25.420 at the full amounts otherwise payable under the department's regulations for
29 the entire fiscal year, the department shall, in a manner that complies with federal requirements, reduce
30 each assistance grant otherwise payable by the lower of the following percentages, effective July 1 for
31 the fiscal year: (1) a percentage that will bring total anticipated assistance payments within the amount

1 available to fund them for the fiscal year, or (2) a percentage that will reduce payment rates for the fiscal
2 year to the rates payable on January 1, 1991. The department shall review its case load and payment
3 levels on September 30 and December 30 of each fiscal year in which a ratable reduction was made on
4 July 1 to determine whether sufficient money has been appropriated to fund the reduced level of
5 payments for the remainder of the fiscal year. If insufficient money is available, the department shall
6 notify the governor and the legislature by January 15 of that fiscal year as to the amount of additional
7 money necessary to fund the reduced level of payments for the fiscal year.

8 (b) Notwithstanding AS 47.25.430 - 47.25.615 (adult public assistance), if the Department of
9 Health and Social Services estimates at the beginning of fiscal year 1993, 1994, or 1995 that insufficient
10 money has been appropriated to fund assistance under AS 47.25.430 at the full benefit amounts otherwise
11 payable under the department's regulations for the entire fiscal year, the department shall, in a manner
12 that complies with federal requirements, reduce each benefit otherwise payable by the lower of the
13 following percentages, effective July 1 for the fiscal year: (1) a percentage that will bring total
14 anticipated benefit payments within the amount available to fund them for the fiscal year, or (2) a
15 percentage that will reduce benefit payment rates for the fiscal year to the rates payable on January 1,
16 1990. The department shall review its case load and payment levels on September 30 and December 30
17 of each fiscal year in which a ratable reduction was made on July 1 to determine whether sufficient
18 money has been appropriated to fund the reduced level of payments for the remainder of the fiscal year.
19 If insufficient money is available, the department shall notify the governor and the legislature by
20 January 15 of that fiscal year as to the amount of additional money necessary to fund the reduced level
21 of payments for the fiscal year.

22 * Sec. 12. AS 29.45.030(a)(6), 29.45.030(e), 29.45.030(f), 29.45.030(g), 29.45.030(h), and
23 29.45.030(i), are repealed.

24 * Sec. 13. Sections 1, 3 - 5, and 12 of this Act take effect January 1, 1993.

25 * Sec. 14. Except as provided in sec. 13 of this Act, this Act takes effect July 1, 1992.

4/12/92

CSHB 573 (Finance)

Section 1: Allows property exempted under optional Sr. Citizen's Property Tax Exemption to be exempt from full and true valuation.
(see analysis of Sec. 3 for savings)

Section 2: Amends the death gratuity from \$750.00 to \$350.00
Savings: \$126.0
(Future year savings will be significant due to increasing number of elderly veterans)

Sections 3,4,5: Establishes the Sr. Citizen Property Tax Exemption as an optional exemption on the part of municipalities.
Savings: \$3,658.8
(Savings reflects both the Sr. Citizen's Property Tax Exemption and no longer funding the renter's rebate)

Section 6,7: Excludes state and federal buildings for purposes of power cost equalization.
Savings: \$2,000.0
(Savings reflects the increase in the base rate done by regulation and the elimination of state and federal buildings from the subsidy)

Section 8: Requires repayment of APA payments made prior to eligibility for SSI.
Savings: \$434.0

Section 9: Provides for proration of Longevity Bonus Payments.
Savings: \$7,154.5

Section 10,11: Provides for a three year suspension of COLA and allows ratable reductions during the same period for AFDC and Adult Public Assistance.
Savings: \$6,962.6
(FY93 savings reflects only 1/2 year COLA costs. Savings in future years would increase by \$1,367.8)

Section 12: Repeals existing Sr. Citizen Property Tax Exemption.

Section 13: Makes effective date for Sr. Citizen Property Tax Exemption effective with the calendar year to conform to previous cycle.

Section 14: Provides for effective date for remainder of bill.

Total General Fund impact: \$20,335.6

7-LS2253J ✓
L. Wuterbach
4/7/92

CS FOR HOUSE BILL NO. 573 (FINANCE)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to state and municipal programs that provide a financial benefit to
2 entities and individuals, including an exemption from municipal property taxation for
3 certain primary residences; and providing for an effective date."

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

5 * Section 1. AS 14.17.140 is amended by adding a new subsection to read:

6 (c) The Department of Community and Regional Affairs may not include property
7 exempted under AS 29.45.052 when making the full value determination under (a) of this section.

8 * Sec. 2. AS 26.10.080(a) is amended to read:

9 (a) The Department of Military and Veterans' Affairs shall pay, upon application, a death
10 gratuity in the amount of \$350 [\$750] to the surviving spouse of a qualified veteran who was a
11 resident of the state at the time of death. If the veteran has no surviving spouse, the gratuity shall
12 be paid to the personal representative of the veteran. A veteran is qualified under this subsection
13 if the veteran's

14 (1) burial occurred in the state on or after May 13, 1984; or

1 (2) death occurred on or after September 19, 1990.

2 * Sec. 3. AS 29.45.030(k) is amended to read:

3 (k) -The department shall adopt regulations to implement the provisions of [(g) AND] (j)
4 of this section.

5 * Sec. 4. AS 29.45.040(f) is amended to read:

6 (f) In this section "disabled veteran" has the meaning given in AS 29.45.052(b)
7 [AS 29.45.030(i)].

8 * Sec. 5. AS 29.45 is amended by adding a new section to read:

9 Sec. 29.45.052. OPTIONAL EXEMPTION FOR CERTAIN PRIMARY RESIDENCES.

10 (a) The real property owned and occupied as the primary residence and permanent place of
11 abode by a resident of the state who is (1) 65 years of age or older; (2) disabled veteran; or (3)
12 at least 60 years old who is the widow or widower of a person who qualified for an exemption
13 under (1) or (2) of this subsection, may by ordinance be exempted from taxation on all or part
14 of the assessed value of the real property. Only one exemption may be granted for the same
15 property and, if two or more persons are eligible for an exemption for the same property, the
16 exemption may not be granted unless the parties decide between or among themselves who is to
17 receive the benefit of the exemption. Real property may not be exempted under this subsection
18 if the local assessor determines, after notice and hearing to the parties, that the property was
19 conveyed to the applicant primarily for the purpose of obtaining the exemption. The
20 determination of the assessor may be appealed to the superior court under procedures set out in
21 AS 44.62.560 - 44.62.570.

22 (b) In this section,

23 (1) "disabled veteran" means a disabled person separated from the military service
24 of the United States under a condition that is not dishonorable, whose disability was incurred or
25 aggravated in the line of duty in the military service of the United States, and whose disability
26 has been rated as 50 percent or more by the branch of service in which that person served or by
27 the Veterans' Administration;

28 (2) "real property" includes mobile homes, whether classified as real or personal
29 property for municipal tax purposes.

30 * Sec. 6. AS 44.83.162(c) is amended to read:

31 (c) An eligible electric utility is entitled to receive power cost equalization for

1 (1) sales of power to local community facilities, calculated in the aggregate for
2 each community served by the electric utility, for actual consumption of not more than 70
3 kilowatt-hours per month for each resident of the community; and

4 (2) actual consumption of not more than 750 kilowatt-hours per month sold to
5 each customer in all classes served by the electric utility except to customers of the utility under
6 (1) of this subsection and customers that are federal offices or federal facilities.

7 * Sec. 7. AS 44.83.162(e) is amended to read:

8 (e) An electric utility whose customers receive power cost equalization under this section
9 shall set out in its tariff the rates without the power cost equalization and the amount of power
10 cost equalization per kilowatt-hour sold. The rate charged to the customer shall be the difference
11 between the two amounts. Power cost equalization paid under this section shall be used to reduce
12 the cost of all power sold to local community facilities, in the aggregate, to the extent of 70
13 kilowatt-hours per month per resident of the community, and to reduce the cost of the first 750
14 kilowatt-hours per customer per month for all other classes served by the electric utility except
15 federal offices and federal facilities.

16 * Sec. 8. AS 47.25.320(d) is amended to read:

17 (d) If benefits under 42 U.S.C. 1381 - 1383d [1381 - 1385] (Social Security Act
18 Supplemental Security Income Program) are increased because of an increase in the cost of
19 living, the department may [SHALL] increase the monetary maximums in (a) of this section on
20 the same day the increase under 42 U.S.C. 1381 - 1383d takes effect by a percentage that
21 does not exceed [EQUAL TO] the percentage increase in benefits under 42 U.S.C. 1381 - 1383d
22 if the department determines by the preceding November 15 that sufficient money has been
23 appropriated to fund the increase for the portion of the fiscal year that occurs after the
24 increase takes effect [1381 - 1385].

25 * Sec. 9. AS 47.25.320(f) is amended to read:

26 (f) In compliance with federal requirements, the department shall periodically study the
27 standards it uses for determining the amounts of assistance that will be granted under this section.
28 Based on the studies, the department shall adjust the standards and amounts within the maximums
29 established by law. Notwithstanding (a) of this section, if the department estimates at the
30 beginning of a fiscal year that insufficient money has been appropriated to fund assistance
31 at the full amounts otherwise payable under the department's regulations for the fiscal year,

1 the department shall, in a manner that complies with federal requirements, reduce each
2 assistance grant otherwise payable by the lower of the following percentages, effective
3 July 1, for the fiscal year: (1) a percentage that will bring total anticipated assistance
4 payments within the amount available to fund them for the fiscal year, or (2) a percentage
5 that will reduce payment rates for the fiscal year to the rates payable on January 1, 1991.
6 In addition to applying this ratable reduction on July 1, the department shall review its case
7 load and payment levels on September 30 and December 30 to determine whether sufficient
8 money has been appropriated to fund the reduced level of payments for the remainder of
9 the fiscal year. If insufficient money is available, the department shall notify the governor
10 and the legislature by January 15 as to the amount of additional money necessary to fund
11 the reduced level of payments for the fiscal year. If statutory changes are needed to make the
12 adjustments otherwise required under this section, the department shall report to the legislature
13 its recommendations for changes in law necessary to authorize the adjustments.

14 * Sec. 10. AS 47.25.430(b) is amended to read:

15 (b) The department shall determine the amount of assistance with regard to the resources
16 and needs of the person and the conditions existing in each case. Within the limits of available
17 funding, assistance [ASSISTANCE] shall be in an amount that will provide the applicant with
18 reasonable subsistence compatible with decency and health in accordance with standards
19 established by the department and with the standards established under 42 U.S.C. 1381 - 1383d
20 [1381 - 1385] (Title XVI, Social Security Act Supplemental Security Income Program). If the
21 department estimates at the beginning of a fiscal year that insufficient money has been
22 appropriated to fund assistance at the full benefit amounts otherwise payable under the
23 department's regulations for the fiscal year, the department shall, in a manner that
24 complies with federal requirements, reduce each benefit otherwise payable by the lower of
25 the following percentages, effective July 1, for the fiscal year: (1) a percentage that will
26 bring total anticipated benefit payments within the amount available to fund them for the
27 fiscal year, or (2) a percentage that will reduce benefit payment rates for the fiscal year to
28 the rates payable on January 1, 1990. In addition to applying this ratable reduction on
29 July 1, the department shall review its case load and payment levels on September 30 and
30 December 30 to determine whether sufficient money has been appropriated to fund the
31 reduced level of payments for the remainder of the fiscal year. If insufficient money is

1 available, the department shall notify the governor and the legislature by January 15 as to
2 the amount of additional money necessary to fund the reduced level of payments for the
3 fiscal year. When benefit amounts under 42 U.S.C. 1381 - 1383d [1381 - 1385] are increased
4 as a result of an increase in the cost of living, the state shall pass along the increase to recipients
5 and may [SHALL] increase the amount of the state contribution to recipients on the same day
6 that the increase under 42 U.S.C. 1381 - 1383d takes effect by a percentage of the state
7 contribution that does not exceed [EQUAL TO] the percentage increase in the benefit amounts
8 under 42 U.S.C. 1381 - 1383d if the department determines by the preceding November 15
9 that sufficient money has been appropriated to fund the increase for the portion of the fiscal
10 year that occurs after the increase takes effect [1381 - 1385]. Direct payments for medical
11 services and remedial care may not be considered in determining the maximum amount payable.

12 * Sec. 11. AS 47.25.455 is amended by adding new subsections to read:

13 (c) As a condition of applying for assistance under this section, an applicant must agree
14 to repay the state for assistance granted under this section upon receiving a benefit under 42
15 U.S.C. 1381 - 1383d for a month in which assistance was granted under this section. However,
16 a repayment required for a month under this subsection may not exceed the amount of assistance
17 received under 42 U.S.C. 1381 - 1383d for that month.

18 (d) Beginning the month following the month in which a person is determined to be
19 eligible for benefits under 42 U.S.C. 1381 - 1383d, the department shall terminate benefits to that
20 person under this section and begin payments to the person under AS 47.25.430.

21 * Sec. 12. AS 47.45 is amended by adding a new section to read:

22 Sec. 47.45.017. CHANGES IN BONUS AMOUNT. (a) If the commissioner of
23 administration determines on July 1 that amounts appropriated for the fiscal year are insufficient
24 to fully fund bonus payments otherwise authorized under this chapter for that fiscal year, the
25 department shall, effective July 1, distribute the available amount on a pro rata basis among
26 eligible individuals on a monthly basis.

27 (b) The commissioner of administration shall determine on September 30 and
28 December 30 whether money available is sufficient to fund the payment level established under
29 (a) of this section for the remainder of the fiscal year. If the commissioner determines that there
30 is insufficient money to fully fund the reduced benefit, the commissioner shall notify the
31 governor and the legislature by January 15 as to the amount of additional money needed to fund

1 benefits under this chapter.

2 * Sec. 13. AS 29.45.030(a)(6), 29.45.030(e), 29.45.030(f), 29.45.030(g), 29.45.030(h), and
3 29.45.030(i), are repealed.

4 * Sec. 14. Sections 1, 3 - 5, and 13 of this Act take effect January 1, 1993.

5 * Sec. 15. Except as provided in sec. 14 of this Act, this Act takes effect July 1, 1992.

CS FOR HOUSE BILL NO. 573 (FINANCE)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): **HOUSE FINANCE COMMITTEE**

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to state and municipal programs that provide a financial benefit to
2 individuals, including an exemption from municipal property taxation for certain primary
3 residences; and providing for an effective date."

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

5 * Section 1. AS 26.10.080(a) is amended to read:

6 (a) The Department of Military and Veterans' Affairs shall pay, upon application, a death
7 gratuity in the amount of \$350 [\$750] to the surviving spouse of a qualified veteran who was a
8 resident of the state at the time of death. If the veteran has no surviving spouse, the gratuity shall
9 be paid to the personal representative of the veteran. A veteran is qualified under this subsection
10 if the veteran's

11 (1) burial occurred in the state on or after May 13, 1984; or

12 (2) death occurred on or after September 19, 1990.

13 * Sec. 2. AS 29.45.030(k) is amended to read:

14 (k) The department shall adopt regulations to implement the provisions of [(g) AND] (j)

1 of this section.

2 * Sec. 3. AS 29.45.040(f) is amended to read:

3 (f) In this section "disabled veteran" has the meaning given in AS 29.45.052(c)
4 [AS 29.45.030(i)].

5 * Sec. 4. AS 29.45 is amended by adding a new section to read:

6 Sec. 29.45.052. OPTIONAL EXEMPTION FOR CERTAIN PRIMARY RESIDENCES.

7 (a) The real property owned and occupied as the primary residence and permanent place of
8 abode by a resident of the state who is (1) 65 years of age or older; (2) disabled veteran; or (3)
9 at least 60 years old who is the widow or widower of a person who qualified for an exemption
10 under (1) or (2) of this subsection, may by ordinance be exempted from taxation ^{up to} ~~on the first~~
11 ~~\$150,000~~ of the assessed value of the real property. ^{REMOVE} [A municipality may, in case of hardship,
12 provide for exemption beyond the first \$150,000 of assessed value under regulations of the
13 department.] Only one exemption may be granted for the same property and, if two or more
14 persons are eligible for an exemption for the same property, the exemption may not be granted
15 unless the parties decide between or among themselves who is to receive the benefit of the
16 exemption. Real property may not be exempted under this subsection if the local assessor
17 determines, after notice and hearing to the parties, that the property was conveyed to the
18 applicant primarily for the purpose of obtaining the exemption. The determination of the
19 assessor may be appealed to the superior court under procedures set out in AS 44.62.560 -
20 44.62.570.

21 (b) An exemption may not be granted under (a) of this section except upon written
22 application for the exemption on a form approved by the state assessor for use by local assessors.
23 The claimant must file the application no later than January 15, or a date provided by ordinance
24 that is not later than March 31, of the assessment year for which the exemption is sought. The
25 governing body of the municipality for good cause shown may waive during a year the
26 claimant's failure to make timely application for exemption for that year and authorize the
27 assessor to accept the application as if timely filed. The claimant must file a separate application
28 for each assessment year in which the exemption is sought. If an application is filed within the
29 required time and is approved by the local assessor, the assessor shall allow an exemption under
30 the provisions of this section. If a failure to file by January 15, or a date provided by ordinance
31 that is not later than March 31, of the assessment year has been waived as provided in this

1 subsection and the application for exemption is approved, the amount of tax that the claimant has
2 already paid for the assessment year for the property exempted shall be refunded to the claimant.
3 The assessor shall require proof in the form the assessor considers necessary of the right to and
4 amount of an exemption claimed under (a) of this section, and shall require a disabled veteran
5 claiming an exemption under (a) of this section to provide evidence of the disability rating. The
6 assessor may require proof under this section at any time.

7 (c) In this section,

8 (1) "disabled veteran" means a disabled person separated from the military service
9 of the United States under a condition that is not dishonorable, whose disability was incurred or
10 aggravated in the line of duty in the military service of the United States, and whose disability
11 has been rated as 50 percent or more by the branch of service in which that person served or by
12 the Veterans' Administration;

13 (2) "real property" includes mobile homes, whether classified as real or personal
14 property for municipal tax purposes.

15 * Sec. 5. AS 29.45.110 is amended by adding a new subsection to read:

16 (d) This section does not apply to property exempted under AS 29.45.052.

17 * Sec. 6. AS 47.25.320(d) is amended to read:

18 (d) If benefits under 42 U.S.C. 1381 - 1383d [1381 - 1385] (Social Security Act
19 Supplemental Security Income Program) are increased because of an increase in the cost of
20 living, the department may [SHALL] increase the monetary maximums in (a) of this section on
21 the same day the increase under 42 U.S.C. 1381 - 1383d takes effect by a percentage that
22 does not exceed [EQUAL TO] the percentage increase in benefits under 42 U.S.C. 1381 - 1383d
23 if the department determine by the preceding November 15 that sufficient money has been
24 appropriated to fund the increase for the portion of the fiscal year that occurs after the
25 increase takes effect [1381 - 1385].

26 * Sec. 7. AS 47.25.320(f) is amended to read:

27 (f) In compliance with federal requirements, the department shall periodically study the
28 standards it uses for determining the amounts of assistance that will be granted under this section.
29 Based on the studies, the department shall adjust the standards and amounts within the maximums
30 established by law. Notwithstanding (a) of this section, if the department estimates at the
31 beginning of a fiscal year that insufficient money has been appropriated to fund assistance

1 at the full amounts otherwise payable under the department's regulations for the fiscal year,
2 the department shall, in a manner that complies with federal requirements, reduce each
3 assistance grant otherwise payable by the lower of the following percentages, effective
4 July 1, for the fiscal year: (1) a percentage that will bring total anticipated assistance
5 payments within the amount available to fund them for the fiscal year, or (2) a percentage
6 that will reduce payment rates for the fiscal year to the rates payable on January 1, 1991.
7 In addition to applying this ratable reduction on July 1, the department shall review its case
8 load and payment levels on September 30 and December 30 to determine whether sufficient
9 money has been appropriated to fund the reduced level of payments for the remainder of
10 the fiscal year. If insufficient money is available, the department shall notify the governor
11 and the legislature by January 15 as to the amount of additional money necessary to fund
12 the reduced level of payments for the fiscal year. If statutory changes are needed to make the
13 adjustments otherwise required under this section, the department shall report to the legislature
14 its recommendations for changes in law necessary to authorize the adjustments.

15 * Sec. 8. AS 47.25.430(b) is amended to read:

16 (b) The department shall determine the amount of assistance with regard to the resources
17 and needs of the person and the conditions existing in each case. Within the limits of available
18 funding, assistance [ASSISTANCE] shall be an amount that will provide the applicant with
19 reasonable subsistence compatible with decency and health in accordance with standards
20 established by the department and with the standards established under 42 U.S.C. 1381 - 1383d
21 [1381 - 1385] (Title XVI, Social Security Act Supplemental Security Income Program). If the
22 department estimates at the beginning of a fiscal year that insufficient money has been
23 appropriated to fund assistance at the full benefit amounts otherwise payable under the
24 department's regulations for the fiscal year, the department shall, in a manner that
25 complies with federal requirements, reduce each benefit otherwise payable by the lower of
26 the following percentages, effective July 1, for the fiscal year: (1) a percentage that will
27 bring total anticipated benefit payments within the amount available to fund them for the
28 fiscal year, or (2) a percentage that will reduce benefit payment rates for the fiscal year to
29 the rates payable on January 1, 1990. In addition to applying this ratable reduction on
30 July 1, the department shall review its case load and payment levels on September 30 and
31 December 30 to determine whether sufficient money has been appropriated to fund the

1 reduced level of payments for the remainder of the fiscal year. If insufficient money is
2 available, the department shall notify the governor and the legislature by January 15 as to
3 the amount of additional money necessary to fund the reduced level of payments for the
4 fiscal year. When benefit amounts under 42 U.S.C. 1381 - 1383d [1381 - 1385] are increased
5 as a result of an increase in the cost of living, the state shall pass along the increase to recipients
6 and may [SHALL] increase the amount of the state contribution to recipients on the same day
7 that the increase under 42 U.S.C. 1381 - 1383d takes effect by a percentage of the state
8 contribution that does not exceed [EQUAL TO] the percentage increase in the benefit amounts
9 under 42 U.S.C. 1381 - 1383d if the department determines by the preceding November 15
10 that sufficient money has been appropriated to fund the increase for the portion of the fiscal
11 year that occurs after the increase takes effect [1381 - 1385]. Direct payments for medical
12 services and remedial care may not be considered in determining the maximum amount payable.

13 * Sec. 9. AS 47.25.455 is amended by adding new subsections to read:

14 (c) As a condition of applying for assistance under this section, an applicant must agree
15 to repay the state for assistance granted under this section upon receiving a benefit under 42
16 U.S.C. 1381 - 1383d for a month in which assistance was granted under this section. However,
17 a repayment required for a month under this subsection may not exceed the amount of assistance
18 received under 42 U.S.C. 1381 - 1383d for that month.

19 (d) Beginning the month following the month in which a person is determined to be
20 eligible for benefits under 42 U.S.C. 1381 - 1383d, the department shall terminate benefits to that
21 person under this section and begin payments to the person under AS 47.25.430.

22 * Sec. 10. AS 47.45 is amended by adding a new section to read:

23 Sec. 47.45.017. CHANGES IN BONUS AMOUNT. (a) If the commissioner of
24 administration determines on July 1 that amounts appropriated for the fiscal year are insufficient
25 to fully fund bonus payments otherwise authorized under this chapter for that fiscal year, the
26 department shall, effective July 1, distribute the available amount on a pro rata basis among
27 eligible individuals on a monthly basis.

28 (b) The commissioner of administration shall determine on September 30 and
29 December 30 whether money available is sufficient to fund the payment level established under
30 (a) of this section for the remainder of the fiscal year. If the commissioner determines that there
31 is insufficient money to fully fund the reduced benefit, the commissioner shall notify the

- 1 governor and the legislature by January 15 as to the amount of additional money needed to fund
2 benefits under this chapter.
- 3 * Sec. 11. AS 29.45.030(a)(6), 29.45.030(e), 29.45.030(f), 29.45.030(g), 29.45.030(h), and
4 29.45.030(i), are repealed.
- 5 * Sec. 12. Sections 2 - 5 and 11 of this Act take effect January 1, 1993.
- 6 * Sec. 13. Except as provided in sec. 12 of this Act, this Act takes effect July 1, 1992.

HB573

STATE OF ALASKA
1992 LEGISLATIVE SESSION

FISCAL NOTE
REPORTED OUT OF
SFC 5-12-92

No. 3
Bill Version: CSHB 573 (FIN)
(H) Publish Date: 4/14/92

Revision Date: _____ Department Affected: HEALTH & SOCIAL SERVICES
Title: AN ACT MAKING CHANGES IN STATE BENEFIT PROGRAMS BRU: ASSISTANCE PAYMENTS
Component: ADULT PUBLIC ASSISTANCE
Sponsor: HOUSE FINANCE COMMITTEE
Requestor: House Finance Committee COMPONENT SERIAL NO.

| | | | |
|---|---|---|---|
| 0 | 2 | 2 | 2 |
|---|---|---|---|

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 93 | FY 94 | FY 95 | FY 96 | FY 97 | FY 98 |
|-------------------|-------|-------|-------|-------|-------|-------|
| 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 FUND SOURCE: | 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 FUND SOURCE: | 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 |

Estimate of current year impact: No FY92 Impact

| | |
|---|--|
| <p>ANALYSIS: (Att: Changes in <u>SCS CSHB 573 (FIN)</u>) SEE ATT! have no fiscal impact. This fiscal note is appropriate. <u>5-12-92</u> <u>J. Hansen</u> date Comte Aide (initial)</p> | <p>Changes in <u>SCS CSHB 573 (FIN)</u> have no fiscal impact. This fiscal note is appropriate. <u>05/14/92</u> <u>M. F. ...</u> date Comte Aide (initial)</p> |
|---|--|

Prepared By: Jan L. Hansen, Director Phone: 465-3347
Division: Division of Public Assistance Date: 4/3/92
Approved by Commissioner: Theodore A. Mala, MD, MPH
Agency: Department of Health and Social Services Date: 4-6-92

House Bill 573 retains the existing statutory basis for Adult Public Assistance payment levels and the automatic annual COLA adjustments to the payment levels, and adds language that allows the Department of Health and Social Services to forgo or reduce the COLA adjustments and/or pay reduced benefit payments if sufficient funds are not appropriated to pay the full amounts set forth in regulation. It further requires that the Department review the adequacy of remaining appropriated funds during the fiscal year and report any need for supplemental funding to the Legislature and the Governor by January 15 each year.

This legislation has no fiscal impact on Adult Public Assistance program appropriations. Its effect is to allow DHSS administrative flexibility to maintain Adult Public Assistance expenditures within appropriated levels.

COMMITTEE COPY

STATE OF ALASKA
1992 LEGISLATIVE SESSION

FISCAL NOTE
REPORTED OUT OF
SFC 5-12-92

No. 2
Bill Version: CSHB 573 (FIN)
(H) Publish Date: 4/14/92

Revision Date: _____ Department Affected: HEALTH & SOCIAL SERVICES
Title: AN ACT MAKING CHANGES IN STATE BRU: ASSISTANCE PAYMENTS
BENEFIT PROGRAMS Component: AID TO FAMILIES WITH DEPENDENT
Sponsor: HOUSE FINANCE COMMITTEE CHILDREN
Requestor: House Finance Committee COMPONENT SERIAL NO.

| | | | |
|---|---|---|---|
| 0 | 2 | 2 | 0 |
|---|---|---|---|

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 93 | FY 94 | FY 95 | FY 96 | FY 97 | FY 98 |
|-------------------|-------|-------|-------|-------|-------|-------|
| 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 | | | | | | |
| FUND SOURCE: | 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 | | | | | | |
| FUND SOURCE: | 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 |

Estimate of current year impact: No FY92 impact

| | | |
|-------------------------|---|--|
| ANALYSIS: (SEE ATTACHE | Changes in <u>SSS CASH/ASST (FIN)</u> have no fiscal impact. This fiscal note is appropriate. <u>5-12-92</u> <u>Z. Hansen</u> date Comte Aide (initial) | Changes in <u>SSS ASST/ASST (FIN)</u> have no fiscal impact! This fiscal note is appropriate. <u>OB Hansen</u> date Comte Aide (initial) |
|-------------------------|---|--|

Prepared By: Jan L. Hansen, Director Phone: 465-3347
Division: Division of Public Assistance Date: 4/3/92
Approved by Commissioner: Theodore A. Mala, MD, MPH
Agency: Department of Health and Social Services Date: 4-6-92

House Bill 573 retains the existing statutory maximum AFDC payment levels and the automatic annual COLA adjustments to the maximum payment levels, and adds language that allows the Department of Health and Social Services to forgo or reduce the COLA adjustments and/or pay reduced benefit payments if sufficient funds are not appropriated to pay the full amounts set forth in statute and regulation. It further requires that the Department review the adequacy of remaining appropriated funds during the fiscal year and report any need for supplemental funding to the Legislature and the Governor by January 15 each year.

This legislation has no fiscal impact on AFDC program appropriations. Its effect is to allow DHSS administrative flexibility to maintain AFDC expenditures within appropriated levels.

COMMITTEE COPY

FISCAL NOTE

No. 1
 Version: CSHB 573 (FIN)
 (H) Publish Date: 4/14/92

STATE OF ALASKA
 1992 LEGISLATIVE SESSION

REPORTED OUT OF
SFC 5-12-92

Revision Date: _____
 Title: An Act making changes in state benefit programs
 Sponsor: Finance Committee
 Requestor: _____

Department Affected: Administration
 BRU: Division of Pioneers' Benefits
 Component: Longevity Bonus Program

COMPONENT

| | | | |
|---|---|---|---|
| 0 | 0 | 2 | 7 |
|---|---|---|---|

Expenditures/Revenues: (Thousands of Dollars)

| OPERATING | FY 93 | FY 94 | FY 95 | FY 96 | FY 97 | FY 98 |
|------------------------|------------|----------|----------|----------|----------|----------|
| PERSONAL SERVICES | 0 | 0 | 0 | 0 | 0 | 0 |
| TRAVEL | 0 | 0 | 0 | 0 | 0 | 0 |
| CONTRACTUAL | 5.0 | 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 | 5.0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | |
|---------|---|---|---|---|---|---|
| CAPITAL | 0 | 0 | 0 | 0 | 0 | 0 |
|---------|---|---|---|---|---|---|

| | | | | | | |
|----------------------|---|---|---|---|---|---|
| REVENUE FUND SOURCE: | 0 | 0 | 0 | 0 | 0 | 0 |
|----------------------|---|---|---|---|---|---|

FUNDING: (Thousands of Dollars)

| | | | | | | |
|--------------------|------------|----------|----------|----------|----------|----------|
| GENERAL FUND | 5.0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER FUND SOURCE: | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 5.0 | 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 |

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.) See Attached Page

Prepared by: Dennis L. DeWitt
 Division: Pioneers' Benefits

Phone: 465-4400
 Date: April 3, 1992

Approved by Commissioner: Nancy Bear Usera
 Agency: Administration

Date: 4/14/92

Distribution (by preparer): Leg. Fin., Legis.

changes in SCS CSHB 573 (FIN) legis. Ofc., & Impacted Agency(ies).
 have no fiscal impact. This
 fiscal note is appropriate.

Rev 10/07/91
 leg/HB573.FN/1

COMMITTEE C

Page 1 of 2

5-12-92
 date J. Lucas
 Comte Aide (initial)

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HB 573

April 3, 1992

Administration

The computer software for the Longevity Bonus program would be modified to provide the correct payment amounts to the recipients.

Contractual Expenses (in \$1,000s)

| | |
|----------|-------|
| Software | \$5.0 |
| Total | \$5.0 |

SENATE CS FOR CS FOR HOUSE BILL NO. 573 (FINANCE)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 5/12/92
Referred: Rules

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to state and municipal programs that provide a financial benefit to
2 entities and individuals, including an exemption from municipal property taxation for
3 certain primary residences; and providing for an effective date."

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

5 * Section 1. AS 14.17.140 is amended by adding a new subsection to read:

6 (c) The Department of Community and Regional Affairs may not include the portion of
7 the assessed value of property exempted under AS 29.45.050(i) when making the full value
8 determination under (a) of this section.

9 * Sec. 2. AS 26.10.080(a) is amended to read:

10 (a) The Department of Military and Veterans' Affairs shall pay, upon application, a death
11 gratuity in the amount of \$350 [\$750] to the surviving spouse of a qualified veteran who was a
12 resident of the state at the time of death. If the veteran has no surviving spouse, the gratuity
13 shall be paid to the personal representative of the veteran. A veteran is qualified under this
14 subsection if the veteran's

1 (1) burial occurred in the state on or after May 13, 1984; or

2 (2) death occurred on or after September 19, 1990.

3 * Sec. 3. AS 26.10.080(c) is amended to read:

4 (c) The Department of Military and Veterans' Affairs may not pay a death gratuity unless
5 the veteran for whom payment is made

6 (1) received an honorable discharge or a general discharge under honorable
7 conditions; and

8 (2) is ineligible for a federal funeral or burial benefit under 38 U.S.C. 901 -
9 907.

10 * Sec. 4. AS 29.45.050(i) is amended to read:

11 (i) A municipality may by ordinance approved by the voters exempt from taxation the
12 assessed value that exceeds \$150,000 of real property owned and occupied as a permanent place
13 of abode by a resident who is (1) 65 years of age or older; (2) a disabled veteran, including a
14 person who was disabled in the line of duty while serving in the Alaska Territorial Guard; or (3)
15 at least 60 years old and a widow or widower of a person who qualified for an exemption under
16 (1) or (2) of this subsection. An exemption adopted under this subsection may be limited to
17 certain eligible residents based upon hardship to those residents as defined in the ordinance.

18 * Sec. 5. AS 43.20.014(a) is amended to read:

19 (a) For cash contributions accepted for direct instruction, research, and educational
20 support purposes, including library and museum acquisitions, and contributions to endowment,
21 by a nonprofit, public or private, Alaska two-year or four-year college or by an Alaska university
22 foundation accredited by a regional accreditation association, and for cash contributions to the
23 Alaska heritage endowment fund established by AS 37.14.400 - 37.14.440, a taxpayer is
24 allowed as a credit against the tax due under this chapter

25 (1) 50 percent of contributions of not more than \$100,000; and

26 (2) 100 percent of the next \$100,000 of contributions.

27 * Sec. 6. AS 43.20.014(a) is repealed and reenacted to read:

28 (a) For cash contributions accepted for direct instruction, research, and educational
29 support purposes, including library and museum acquisitions, and contributions to endowment,
30 by a nonprofit, public or private, Alaska two-year or four-year college or by an Alaska university
31 foundation accredited by a regional accreditation association, a taxpayer is allowed as a credit

1 against the tax due under this chapter

2 (1) 50 percent of contributions of not more than \$100,000; and

3 (2) 100 percent of the next \$100,000 of contributions.

4 * Sec. 7. AS 44.83.162(c) is amended to read:

5 (c) An eligible electric utility is entitled to receive power cost equalization for

6 (1) sales of power to local community facilities, calculated in the aggregate for
7 each community served by the electric utility, for actual consumption of not more than 70
8 kilowatt-hours per month for each resident of the community; and

9 (2) actual consumption of not more than 750 kilowatt-hours per month sold to
10 each customer in all classes served by the electric utility except to customers of the utility under

11 (1) of this subsection and customers that are state or federal offices or state or federal
12 facilities.

13 * Sec. 8. AS 44.83.162(d) is amended to read:

14 (d) The amount of power cost equalization provided per kilowatt-hour under (c) of this
15 section may not exceed 95 percent of the power costs, or the average rate per eligible
16 kilowatt-hour sold, whichever is less, as determined by the commission. However,

17 (1) during the state fiscal year that begins July 1, 1992, [1984] the power costs
18 for which power cost equalization may be paid to an electric utility are limited to minimum
19 power costs of more than 9.5 [8.5] cents per kilowatt-hour and less than 52.5 cents per
20 kilowatt-hour;

21 (2) during each following state fiscal year, the power costs for which power cost
22 equalization may be paid to an electric utility shall be adjusted by the commission, considering
23 the rate of change in fuel cost and power demand; and

24 (3) the power cost equalization per kilowatt-hour may be determined for a utility
25 without historical kilowatt-hour sales data by using kilowatt hours generated.

26 * Sec. 9. AS 44.83.162(e) is amended to read:

27 (e) An electric utility whose customers receive power cost equalization under this section
28 shall set out in its tariff the rates without the power cost equalization and the amount of power
29 cost equalization per kilowatt-hour sold. The rate charged to the customer shall be the difference
30 between the two amounts. Power cost equalization paid under this section shall be used to reduce
31 the cost of all power sold to local community facilities, in the aggregate, to the extent of 70

1 kilowatt-hours per month per resident of the community, and to reduce the cost of the first 750
2 kilowatt-hours per customer per month for all other classes served by the electric utility except
3 state or federal offices and state or federal facilities.

4 * Sec. 10. AS 47.25.455 is amended by adding new subsections to read:

5 (c) As a condition of applying for assistance under this section, an applicant must agree
6 to repay the state for assistance granted under this section upon receiving a benefit under 42
7 U.S.C. 1381 - 1383d for a month in which assistance was granted under this section. However,
8 a repayment required for a month under this subsection may not exceed the amount of assistance
9 received under 42 U.S.C. 1381 - 1383d for that month.

10 (d) Beginning the month following the month in which a person is determined to be
11 eligible for benefits under 42 U.S.C. 1381 - 1383d, the department shall terminate benefits to that
12 person under this section and begin payments to the person under AS 47.25.430.

13 * Sec. 11. ONE-YEAR LIMITATION ON GRANTING COLA FOR AFDC AND ADULT PUBLIC
14 ASSISTANCE. (a) Notwithstanding AS 47.25.320(d), the Department of Health and Social Services
15 is not required to increase the monetary maximums in AS 47.25.320(a) on January 1, 1993, because of
16 a cost-of-living increase in benefits under 42 U.S.C. 1381 - 1383d. On January 1, 1993, the department
17 may increase the monetary maximums in AS 47.25.320(a) by a percentage that does not exceed the
18 percentage increase in benefits under 42 U.S.C. 1381 - 1383d on January 1, 1993, but only if the
19 department determines by November 15, 1992, that sufficient money has been appropriated to fund the
20 increase in monetary maximums for the first six months of 1993.

21 (b) Notwithstanding AS 47.25.430(b), the Department of Health and Social Services is not
22 required to increase the state's contribution to recipients under AS 47.25.430 on January 1, 1993, because
23 of a cost-of-living increase in benefits under 42 U.S.C. 1381 - 1383d. On January 1, 1993, the
24 department may increase the state's contribution to recipients under AS 47.25.430 by a percentage that
25 does not exceed the percentage increase in benefits under 42 U.S.C. 1381 - 1383d on January 1, 1993,
26 but only if the department determines by November 15, 1992, that sufficient money has been
27 appropriated to fund the increase in the state's contribution for the first six months of 1993.

28 * Sec. 12. Sections 1 and 4 of this Act take effect January 1, 1993.

29 * Sec. 13. Section 6 of this Act takes effect January 1, 1996.

30 * Sec. 14. Except as provided in secs. 12 - 13 of this Act, this Act takes effect July 1, 1992.

SCS-92
5-10-92

WORK DRAFT

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WORK DRAFT

7-LS2253S
Lauterbach
5/10/92

SENATE CS FOR CS FOR HOUSE BILL NO. 573 (FINANCE)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

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2 entities and individuals, including an exemption from municipal property taxation for
3 certain primary residences; and providing for an effective date."

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

5 * Section 1. AS 14.17.140 is amended by adding a new subsection to read:

6 (c) The Department of Community and Regional Affairs may not include the portion of
7 the assessed value of property exempted under AS 29.45.050(i) when making the full value
8 determination under (a) of this section.

9 * Sec. 2. AS 26.10.080(a) is amended to read:

10 (a) The Department of Military and Veterans' Affairs shall pay, upon application, a death
11 gratuity in the amount of \$350 [\$750] to the surviving spouse of a qualified veteran who was a
12 resident of the state at the time of death. If the veteran has no surviving spouse, the gratuity
13 shall be paid to the personal representative of the veteran. A veteran is qualified under this
14 subsection if the veteran's

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

1 (1) burial occurred in the state on or after May 13, 1984; or

2 (2) death occurred on or after September 19, 1990.

3 * Sec. 3. AS 26.10.080(c) is amended to read:

4 (c) The Department of Military and Veterans' Affairs may not pay a death gratuity unless
5 the veteran for whom payment is made

6 (1) received an honorable discharge or a general discharge under honorable
7 conditions; and

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11 (i) A municipality may by ordinance approved by the voters exempt from taxation the
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13 of abode by a resident who is (1) 65 years of age or older; (2) a disabled veteran, including a
14 person who was disabled in the line of duty while serving in the Alaska Territorial Guard; or (3)
15 at least 60 years old and a widow or widower of a person who qualified for an exemption under
16 (1) or (2) of this subsection. An exemption adopted under this subsection may be limited to
17 certain eligible residents based upon hardship to those residents as defined in the ordinance.

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20 support purposes, including library and museum acquisitions, and contributions to endowment,
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23 Alaska heritage endowment fund established by AS 37.14.400 - 37.14.440, a taxpayer is
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SENATE CS FOR CS FOR HOUSE BILL NO. 573 (FINANCE)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 5/12/92
Referred: Rules

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to state and municipal programs that provide a financial benefit to
2 entities and individuals, including an exemption from municipal property taxation for
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1 kilowatt-hours per month per resident of the community, and to reduce the cost of the first 750
2 kilowatt-hours per customer per month for all other classes served by the electric utility except
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24 department may increase the state's contribution to recipients under AS 47.25.430 by a percentage that
25 does not exceed the percentage increase in benefits under 42 U.S.C. 1381 - 1383d on January 1, 1993,
26 but only if the department determines by November 15, 1992, that sufficient money has been
27 appropriated to fund the increase in the state's contribution for the first six months of 1993.

28 * Sec. 12. Sections 1 and 4 of this Act take effect January 1, 1993.

29 * Sec. 13. Section 6 of this Act takes effect January 1, 1996.

30 * Sec. 14. Except as provided in secs. 12 - 13 of this Act, this Act takes effect July 1, 1992.

1 against the tax due under this chapter

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31 the cost of all power sold to local community facilities, in the aggregate, to the extent of 70

SFC-92
5-10-92

7-LS2253S
Lauterbach
5/10/92

SENATE CS FOR CS FOR HOUSE BILL NO. 573 (FINANCE)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

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14 subsection if the veteran's



From The
5-10-92 PM **SENATE**
FINANCE COMMITTEE

MB 573

- A - will Hold Amend #5
to see what House does
- A - Motion to Adopt 5/10/92 CS
w/ previous Amendments
- P - SES CSMB 573 (FIN) dated
5/10/92 adopted - NO
objection.
- D - Motion to Move Sec. 2
of SES CSMB 573 (HES) and
make New Sec. 3 in
SES CSMB 573 (FIN). (AS 26.10.020(c))
Adopted
- D - offered Amend #6
A.S. 43.20.014(a)
- Adopted

- 1 (1) burial occurred in the state on or after May 13, 1984; or
 2 (2) death occurred on or after September 19, 1990.

Insert #2
 3 * Sec. 3. AS 29.43.050(i) is amended to read:

4 (i) A municipality may by ordinance approved by the voters exempt from taxation the
 5 assessed value that exceeds \$150,000 of real property owned and occupied as a permanent place
 6 of abode by a resident who is (1) 65 years of age or older; (2) a disabled veteran, including a
 7 person who was disabled in the line of duty while serving in the Alaska Territorial Guard; or (3)
 8 at least 60 years old and a widow or widower of a person who qualified for an exemption under
 9 (1) or (2) of this subsection. An exemption adopted under this subsection may be limited to
 10 certain eligible residents based upon hardship to those residents as defined in the ordinance.

11 * Sec. 4. AS 44.83.162(c) is amended to read:

12 (c) An eligible electric utility is entitled to receive power cost equalization for

13 (1) sales of power to local community facilities, calculated in the aggregate for
 14 each community served by the electric utility, for actual consumption of not more than 70
 15 kilowatt-hours per month for each resident of the community; and

16 (2) actual consumption of not more than 750 kilowatt-hours per month sold to
 17 each customer in all classes served by the electric utility except to customers of the utility under
 18 (1) of this subsection and customers that are state or federal offices or state or federal
 19 facilities.

20 * Sec. 5. AS 44.83.162(d) is amended to read:

21 (d) The amount of power cost equalization provided per kilowatt-hour under (c) of this
 22 section may not exceed 95 percent of the power costs, or the average rate per eligible
 23 kilowatt-hour sold, whichever is less, as determined by the commission. However,

24 (1) during the state fiscal year that begins July 1, 1992, [1984] the power costs
 25 for which power cost equalization may be paid to an electric utility are limited to minimum
 26 power costs of more than 9.5 [8.5] cents per kilowatt-hour and less than 52.5 cents per
 27 kilowatt-hour;

28 (2) during each following state fiscal year, the power costs for which power cost
 29 equalization may be paid to an electric utility shall be adjusted by the commission, considering
 30 the rate of change in fuel cost and power demand; and

31 (3) the power cost equalization per kilowatt-hour may be determined for a utility