

ALASKA LEGISLATURE

1758

HOUSE and SENATE FINANCE COMMITTEE FILES, 1997-1998

**SB**

**48**

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**L**

TONY KNOWLES  
GOVERNOR



P.O. Box 110001  
Juneau, Alaska 99811-0001  
(907) 465-3500  
FAX (907) 465-3532

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

January 16, 1997

The Honorable Mike Miller  
President of the Senate  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

Dear President Miller:

As part of the budget package I am presenting to the legislature today, I am transmitting this separate appropriation bill for the state's integrated, comprehensive mental health program. I have included a report explaining the differences between the appropriation bill and the recommendations of the Alaska Mental Health Trust Authority.

This bill provides \$114,993,700 for mental health programs throughout the state. Included in this amount is \$6,097,200 from the Trust Authority's authorized and administration receipts which would be administered by various state agencies according to the mental health bill appropriations listed in Section 3. Section 2 of the bill provides that if these mental health trust receipts fall short of the estimates, the Section 3 appropriations will be reduced by the amount of the shortfall.

The mental health trust litigation settlement included a requirement that mental health program appropriations be made through a bill separate from the rest of the operating budget and consider the Trust Authority recommendations. This is the second year in which the authority and four beneficiary planning boards (the Advisory Board on Alcoholism and Drug Abuse, the Alaska Mental Health Board, the Alaska Commission on Aging, and the Governor's Council on Disabilities and Special Education) have worked together to develop recommendations for the mental health program.

This bill reflects the progress being made toward a truly comprehensive and integrated mental health plan because of the partnership forged between the state, the Trust Authority, the planning boards and the mental health trust beneficiaries.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tony Knowles".

Tony Knowles  
Governor

**SB**

**49**

**HFIN**

**FILE**

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 4, 1997

FURTHER REFERRALS:

Date of Committee Action: 4/22/97

The FINANCE Committee considered:

SB 49

SENATE BILL NO. 49

SERVICE OF PROCESS ON NONRES TAXPAYERS

"An Act repealing certain filing statements and bonds for enforcement and collection of certain taxes and license fees; relating to service of process on nonresident taxpayers; and providing for an effective date."

recommends it be replaced with the following committee substitute \_\_\_\_\_ [ ] the same title  
 [ ] a new title

[ ] additional referral to \_\_\_\_\_ Committee  
 [ ] attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) \_\_\_\_\_ APPROVES PREVIOUS: (Dept/Date) \_\_\_\_\_  
 [ ] fiscal note(s) \_\_\_\_\_ [ ] fiscal note(s) \_\_\_\_\_

[ ] zero fiscal note(s) \_\_\_\_\_  zero fiscal note(s) Rev, 1/15/97  
CED, 1/15/97

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Gene Therriault</i> Therriault			X	
<i>Mark J. Hanley</i> Hanley	X			
<i>John Mulder</i> Mulder	X			
<i>Jul N. Davies</i> Davies	X			
<i>Ben Grossenbaf</i> Grossenbaf	X			
<i>Joseph Davis</i> Davis	X			
<i>Pete Kelly</i> Kelly	✓			

CO -  
 CHAIR'S SIGNATURE *Gene Therriault* *Mark Hanley*  
 Therriault Hanley

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

FISCAL NOTE  
REPORTED OUT OF  
HFC 4/22/97

Bill Version: SB 49  
(S) Publish Date: 1/15/97

Revision Date: \_\_\_\_\_ Department: Commerce and Economic Development  
Title: Elimination of nonresident affidavit tax bond program BRU: Banking, Securities & Corporations  
Component: Banking, Securities & Corporations  
Sponsor: Rules by Request  
Requestor: Governor COMPONENT SERIAL NO. 1233

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>CAPITAL EXPENDITURES</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>CHANGE IN REVENUES</b>	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

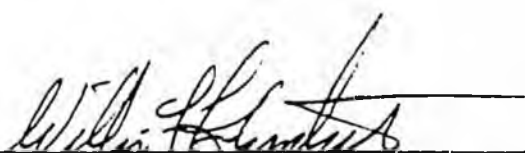
1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 97) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)



Prepared by: Willis F. Kirkpatrick, Director Phone: 465-2521  
Division: Banking, Securities and Corporations Date: 10/30/96  
Approved by Commissioner: William L. Hensley Date: 10/30/96  
Agency: Commerce and Economic Development

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REPORTED OUT OF

(S) Publish Date: 1/15/97

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Tax Bond Repeal HFC 4/22/97 BRU Revenue Operations  
 Component: Income and Excise Audit  
 Sponsor: Rules Committee  
 Requestor: Governor COMPONENT SERIAL NO. 113

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )	0.0	0.0	0.0	0.0	0.0	0.0
------------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY97) cost \$ 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This bill would repeal requirements for nonresident taxpayers to file an annual affidavit with Department of Revenue. The affidavit requires taxpayers to estimate and post security for their tax liability for the upcoming year; however, AS 43.10.160 authorizes a waiver of security for good cause. Repeal of this requirement would reduce unnecessary work for both business and state workers. The program costs \$30,000 to administer and interest income earned on the bonds was approximately \$100,000. Staff time freed up is needed to increase our compliance work in corporate, motor fuel and fisheries taxes. New revenues from increased compliance is expected to more than offset loss of interest income. Income and Excise Audit Division has never had to file a claim against security posted under this program.

Prepared by: Paul E. Dick Phone: 465-3691  
 Division: Income and Excise Audit Date: October 23, 1996  
 Approved by Commissioner: Wilson L. Condon Date: 10/23/96  
 Agency: Revenue

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**DEPARTMENT OF REVENUE  
INCOME AND EXCISE AUDIT DIVISION  
LEGISLATION ANALYSIS  
April 9, 1997**

**SB 49 - Service of Process on Non-resident Taxpayers**

SB 49, would repeal state statutes and regulations requiring unnecessary paperwork to be filed by nonresident corporations doing business in Alaska. Under AS 43.10.160 - 200, Nonresident Affidavit (NRA) Tax Bond Program, nonresident corporations (businesses who's official corporate registration is in another state) must file a sworn affidavit and obtain a bond to secure potential tax liabilities. This requirement results in businesses annually completing and filing forms with the state. Department staff must process and file documents as well as provide telephone assistance. This requirement was initiated in 1955 and has out lived its usefulness. Our staff do not remember a case where an NRA bond was ever used to pay delinquent taxes. Modern technology has provided many other ways to locate businesses and secure tax payments.

Section 1 of the bill amends AS 43.10.170(b). This section of statute currently appoints the Commissioner of Commerce as the agent, for all non-resident corporations, upon which the original process is served for any action or legal proceeding resulting from the taxpayer's failure to meet tax obligations. The amendment to this section deletes the tax affidavit form as a source of taxpayer address, as this form will no longer be required. Other sources of taxpayer addresses are available.

Section 2 of the bill repeals 4 sections of law which established the Nonresident Affidavit (NRA) Tax Bond Program.

Section 3 established an effective date of January 1, 1998.

**Floor Action**

SB 49 passed the Senate April 3, 1997, 19 Yeas - 0 Nay.

**Committee Action**

Senate Labor & Commerce - February 12 hearing. Billed was moved out with 4 do pass recommendations.

Senate Judiciary - March 27 hearing. Billed was moved out with 3 do pass recommendations.

House Labor & Commerce - April 4 hearing on companion bill HB 72. Billed was moved out with 5 do pass and 1 NR recommendation.

ALASKA DEPARTMENT OF REVENUE  
INCOME AND EXCISE AUDIT DIVISION

NONRESIDENT AFFIDAVIT (NRA) TAX BOND PROGRAM SHOULD BE DISCONTINUED

OVERVIEW Senate Bill 49

NRA Bond program (AS 43.10.160 - 200) began in 1955 because: (1) the majority of nonresident businesses and workers had no security or property physically located in the state which could be attached to enforce the payment of state taxes and license fees; (2) these nonresidents leave the state for varying periods, making the recovery of state taxes and license fees difficult. Every corporation not registered with Alaska as their headquarters must file a sworn affidavit and obtain a bond or provide real estate, subject to tax liens, to secure potential tax liabilities. Current technologies have made it easier for the Department to locate businesses and enforce the collection of taxes without the need for the bond program.

- Alaska is the only state that still imposes a tax bonding requirement on nonresident corporations. All 49 states were contacted; a few did have such a requirement, but abolished it because of discrimination issues.
- Approximately 2,011 affidavits were filed during FY96. The department spends approximately 800 hours administering the program. This time should be refocused to other tax programs, compliance work (i.e., corporate, fish, motor fuel) to increase revenue recovery.
- If challenged, the bonding program may be deemed discriminatory under the Equal Protection or Commerce Clause of the U.S. Constitution. Many taxpayers have told us this over the phone; Supreme Court decisions are replete with cases challenging taxes that draw lines between in-state and out-of-state corporations.
- The program is unproductive for business and staff because it has no real benefit. Taxpayers go through the efforts of obtaining a bond, completing the forms and filing, and also make estimated tax payments. Staff must maintain a file of documents and provide telephone assistance, even though bonds are never used as a tax collection tool.
- Staff of Income and Excise Audit do not remember a case where a bond was used to pay a delinquent tax lien.
- The requirement projects Alaska business environment as unfriendly to nonresident corporations. Many taxpayers have complained over the phone that the effort to meet our requirements is excessive considering the amount of business they do in the state. Eliminating this program helps achieve the Governor's goal of showing that the State of Alaska is "open for business". The corporations subject to this program are providing jobs to Alaskans.
- In 1996, \$2,119,584 was prepaid by 239 corporations. Interest earned was approximately \$58,000. The state does get revenue from this program, but the cost and work imposed on nonresident corporations is not justified. Also revenues recovered from the increased compliance effort would offset any revenue loss.

RECOMMENDATION

Discontinue the requirement for nonresident taxpayers to post a tax bond. Corporations tend to maintain permanent offices in Alaska and honor their tax liabilities due to SEC regulations, licensing requirements and audit procedures. The Department of Labor has its own bonding requirements, and fish processors, the most volatile taxpayers, are required to provide a specific surety bond under AS 44.25.040. In addition to repealing the statute six pages of regulations, 15 AAC 10.10 - 70 would be rescinded.

TONY KNOWLES  
GOVERNOR

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STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

January 15, 1997

The Honorable Mike Miller  
President of the Senate  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1132

Dear President Miller:

Much of my effort in advertising Alaska as "open and ready for business" includes removing unnecessary barriers to doing business in our state. This bill does just that. It discontinues our requirement that nonresident businesses file a bond or other security with the Department of Revenue -- a requirement, I must note, that makes Alaska unique among all 50 states. In this area, I'd rather join the norm than be different.


The bonding requirement, with a minimum \$1,000 bond, was enacted in 1955 to ensure the collection of state taxes and license fees from nonresident businesses which have little security or property in the state. It may have made sense back then when it was hard to find people if they abruptly closed up shop and left the state with a tax debt. But modern technology has fixed that problem.

Many taxpayers now complain the bonding and related filing requirements are excessive considering the amount of business they do in the state. Moreover, no one in the Department of Revenue can recall a case where a bond was actually used to pay a delinquent tax lien; the department has other means of ensuring that tax payments are made.

In fiscal year 1995, more than 2,000 corporations had to fill out lengthy paperwork and file these bonds. If the program is eliminated, the time the state spends on processing all these forms can be redirected toward expanded tax compliance work which would result in increased revenue to the state.

I submitted this same proposal last year to the legislature where it received much support. It passed the Senate as well as every committee of referral in the House of Representatives. The non-resident tax bond program serves only to discourage business in Alaska. It's time to take it off the books.

Sincerely,

  
Tony Knowles  
Governor

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

TONY KNOWLES, GOVERNOR

INCOME AND EXCISE AUDIT  
P. O. BOX 110420  
JUNEAU, AK 99811-0420  
FAX. (907) 465-2375

April 9, 1997

The Honorable Gene Therriault  
Alaska State Legislature  
House Finance Committee  
State Capitol, Room 511  
Juneau, AK 99801-1182

RE: Senate Bill 49, Service of Process on Nonresident Taxpayers

Dear Chairman Therriault:

SB 49, would repeal state statutes and regulations requiring unnecessary paperwork to be filed by nonresident corporations doing business in Alaska. This bill has been referred to your committee and I respectfully request you schedule the legislation for a hearing.

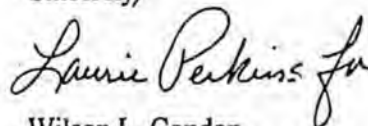
Under AS 43.10.160 - 200, Nonresident Affidavit (NRA) Tax Bond Program, nonresident corporations (businesses who's official corporate registration is in another state) must file a sworn affidavit and obtain a bond to secure potential tax liabilities. This requirement results in businesses annually completing and filing forms with the state. Department staff must process and file documents as well as provide telephone assistance. This requirement was initiated in 1955 and has out lived its usefulness. Our staff do not remember a case where an NRA bond was ever used to pay delinquent taxes. Modern technology has provided many other ways to locate businesses and secure tax payments.

This issue has been discussed in numerous Senate and House committees this year and received unanimous support. Senate Bill 49 passed the Senate on a vote of 19 Yeas - 0 Nay. HB 72 is the companion bill and was heard in (H) L&C and passed with 5 DP and 1 NR.

Our conversations with the both the Anchorage and Alaska State Chamber of Commerce has gained their support. Enclosed is an overview providing more details on repeal of the program. In addition to repeal of statute 5 pages of regulations would be repealed.

SB 49 simplifies the process for doing business in Alaska. I look forward to working with you and request that your committee hear this bill.

Sincerely,



Wilson L. Condon  
Commissioner

Enclosure  
97-031

HB72FIN.WPD

**SB**

**51**

SFIN

FILE

# SENATE FINANCE COMMITTEE REPORT

DATE: 2/3/97

FURTHER: 4/23/97

DATE TURNED  
IN TO OFFICE: 4/23/97

Finance Committee considered

SENATE BILL NO. 51

"An Act giving notice of and approving the entry into, and the issuance of certificates of participation in, a lease-purchase agreement for a centralized public health laboratory facility."

and recommends:

be replaced with CS SB 51 ( FIN )

adopt previous CS ( )

attached amendment(s)

adopt Letter of Intent by \_\_\_\_\_ Committee

further referral to the \_\_\_\_\_ Committee

**Senate Bill:**

- same title
- new title
- House Bill:**
- same title
- technical change
- new: SCR# \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Robert C. ...</i>	✓	<i>Bill Adams</i>		✗	
<i>John ...</i>	✓				
<i>Dave ...</i>	✓				
Co-Chair: <i>Peace</i>	✓	Co-Chair:			
Co-Chair:		Co-Chair: <i>Bob ...</i>	✓		

**NEW FISCAL NOTE(S):**

Department                      Date    Zero    Fiscal

<i>updated F/N</i>			
<i>forthcoming per</i>			
<i>Tim Benetande</i>			

**PREVIOUS FISCAL NOTE(S):\***

Department                      Date    Zero    Fiscal


APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

REPORTED OUT OF  
SFC APR 23 1997

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Approve Public Health Lab BRU: Revenue Operations  
 Component: Treasury  
 Sponsor: (S) RLS  
 Requestor: (S) FIN COMPONENT SERIAL NO. 121

Expenditures/Revenues: (Thousands of Dollars)

	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
<b>OPERATING EXPENDITURES</b>						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS-Lease Payments		2,424.6	2,426.2	2,426.1	2,424.7	2,424.6
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>2,424.6</b>	<b>2,426.2</b>	<b>2,426.1</b>	<b>2,424.7</b>	<b>2,424.6</b>
<b>CAPITAL EXPENDITURES</b>						
<b>CHANGE IN REVENUES ( )</b>						

FUND SOURCE (Thousands of Dollars)

	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	2,424.6	2,426.2	2,426.1	2,424.7	2,424.6
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>2,424.6</b>	<b>2,426.2</b>	<b>2,426.1</b>	<b>2,424.7</b>	<b>2,424.6</b>

Estimate of any current year (FY97) cost \$ 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Authorizes a lease-purchase agreement for up to \$18,440,000 for a centralized public health lab facility with anticipated annual rent of \$2,420,000 and total rent of \$24,130,000.

The lease payments shown above are projected at current interest rates over ten years for \$18,440,000. These lease payments are within the amounts anticipated in the proposed bill. If, however, interest rates are projected at current rates plus 75 basis points (.75%/year), the rental payments are projected to exceed the amounts anticipated in the proposed bill.

Prepared by: Forrest R. Browne  
 Division: Treasury  
 Approved by Commissioner: Wilson L. Condon  
 Agency: Revenue

Phone: 465-3750  
 Date: April 25, 1997  
 Date: April 25, 1997

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## Sizing Debt Services Schedule

1

Dated: 2/1/98  
Delivered: 2/1/98

### H&SS Centralized Lab Current Interest Rates

Fiscal Yr	Coupon M YY	Zer Date	Cpn Rate	Maturing Principal	Periodic Interest	Gross Semi-Annl Dbt Svc	Cap Int	DebtSvcRsv Int&Prin	CntgncyFnd Int&Prin	NetSemi-AnnlDbtSvc	Net Fiscal Dbt Svc
2 99	8/1/98				474,816.25	474,816.25				474,816.25	
8 99	2/1/99	N	4.300	1,475,000.00	474,816.25	1,949,816.25				1,949,816.25	2,424,632.50
1 2 0	8/1/99				443,103.75	443,103.75				443,103.75	
8 0	2/1/00	N	4.550	1,540,000.00	443,103.75	1,983,103.75				1,983,103.75	2,426,207.50
2 2 1	8/1/00				408,068.75	408,068.75				408,068.75	
8 1	2/1/01	N	4.750	1,610,000.00	408,068.75	2,018,068.75				2,018,068.75	2,426,137.50
3 2 2	8/1/01				369,831.25	369,831.25				369,831.25	
8 2	2/1/02	N	5.050	1,685,000.00	369,831.25	2,054,831.25				2,054,831.25	2,424,662.50
4 2 3	8/1/02				327,285.00	327,285.00				327,285.00	
8 3	2/1/03	N	5.150	1,770,000.00	327,285.00	2,097,285.00				2,097,285.00	2,424,570.00
5 2 4	8/1/03				281,707.50	281,707.50				281,707.50	
8 4	2/1/04	N	5.250	1,860,000.00	281,707.50	2,141,707.50				2,141,707.50	2,423,415.00
6 2 5	8/1/04				232,882.50	232,882.50				232,882.50	
8 5	2/1/05	N	5.350	1,960,000.00	232,882.50	2,192,882.50				2,192,882.50	2,425,765.00
7 2 6	8/1/05				180,452.50	180,452.50				180,452.50	
8 6	2/1/06	N	5.450	2,065,000.00	180,452.50	2,245,452.50				2,245,452.50	2,425,905.00
8 2 7	8/1/06				124,181.25	124,181.25				124,181.25	
8 7	2/1/07	N	5.550	2,175,000.00	124,181.25	2,299,181.25				2,299,181.25	2,423,362.50
9 2 8	8/1/07				63,825.00	63,825.00				63,825.00	
8 8	2/1/08	N	5.550	2,300,000.00	63,825.00	2,363,825.00				2,363,825.00	2,427,650.00
<b>18,440,000.00</b>					<b>5,812,307.50</b>	<b>24,252,307.50</b>				<b>24,252,307.50</b>	<b>24,252,307.50</b>

<i>True Interest Cost (TIC)</i> .....	5.3189287
<i>Net Interest Cost (NIC)</i> .....	5.3348394
<i>Arbitrage Yield Limit (AYL)</i> .....	5.3189287
<i>Arbitrage Net Interest Cost (ANIC)</i> .....	5.3348394

<i>Prepared by:</i> FORREST BROWNE, DOR - TREASURY
<i>Prepared on:</i> 4/22/97 14:38 8.20 Rpt 14
<i>Record ID:</i> LAB-1998-PA :MUNIDB

(Page 2 of 2)

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Approve Centralized Public Health Lab BRU: Revenue Operations  
 Component: Treasury  
 Sponsor: (S) RLS  
 Requestor: (S) HES COMPONENT SERIAL NO. 121

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS-Lease Payments		2,378.3	2,381.3	2,379.2	2,380.2	2,381.2
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>2,378.3</b>	<b>2,381.3</b>	<b>2,379.2</b>	<b>2,380.2</b>	<b>2,381.2</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF		2,378.3	2,381.3	2,379.2	2,380.2	2,381.2
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>2,378.3</b>	<b>2,381.3</b>	<b>2,379.2</b>	<b>2,380.2</b>	<b>2,381.2</b>

Estimate of any current year (FY97) cost \$ 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS:

Authorizes a lease-purchase agreement for up to \$18,440,000 for a centralized public health lab facility with anticipated annual rent of \$2,420,000 and total rent of \$24,130,000. Bond counsel suggests that the sentence beginning in line 6 of the proposed bill be amended to read: "The State Bond Committee is authorized to provide for the issuance of certificates of participation for, and the Department of Administration is authorized to enter into, a lease purchase agreement for a centralized public laboratory facility to be constructed under the lease-purchase agreement and to be operated by the Department of Health and Social Services." The lease payments shown above are projected at current interest rates over ten years for \$18,440,000 and assume rental payments begin on 8-1-98. These payments are within the amounts anticipated in the proposed bill. If, however, interest rates are projected at current rates plus 75 basis points (.75%/year), the rental payments are projected to exceed the amounts anticipated in the proposed bill. In that event, the amount financed and available for project costs would have to be reduced by approximately \$410,000.

Prepared by: Forrest R. Browne  
 Division: Treasury  
 Approved by Commissioner: Ross A. Kinney  
 Agency: Revenue

Phone: 465-3750  
 Date: January 24, 1997  
 Date: January 24, 1997

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**Sizing Debt Services Schedule**  
**H&SS Centralized Lab**  
**Current Interest Rates**

F3 1

Dated: 2/1/98  
 Delivered: 2/1/98

Fiscal Yr	Coupon M YY	Zer Date	Coupon Cpn	Coupon Rate	Maturing Principal	Periodic Interest	Gross Semi-Annl Dbt Svc	Capitalized Interest	Debt Svc Rsv Int & Prin	Cntgncy Fnd Int & Prin	Net Semi-Annl Dbt Svc	Net Fiscal Dbt Svc
2	99	8/1/98				439,126.25	439,126.25				439,126.25	
8	99	2/1/99	N	3.800	1,500,000.00	439,126.25	1,939,126.25				1,939,126.25	2,378,252.50
1	2	0	8/1/99			410,626.25	410,626.25				410,626.25	
8	0	2/1/00	N	4.300	1,560,000.00	410,626.25	1,970,626.25				1,970,626.25	2,381,252.50
2	2	1	8/1/00			377,086.25	377,086.25				377,086.25	
8	1	2/1/01	N	4.550	1,625,000.00	377,086.25	2,002,086.25				2,002,086.25	2,379,172.50
3	2	2	8/1/01			340,117.50	340,117.50				340,117.50	
8	2	2/1/02	N	4.650	1,700,000.00	340,117.50	2,040,117.50				2,040,117.50	2,380,235.00
4	2	3	8/1/02			300,592.50	300,592.50				300,592.50	
8	3	2/1/03	N	4.750	1,780,000.00	300,592.50	2,080,592.50				2,080,592.50	2,381,185.00
5	2	4	8/1/03			258,317.50	258,317.50				258,317.50	
8	4	2/1/04	N	4.850	1,865,000.00	258,317.50	2,123,317.50				2,123,317.50	2,381,635.00
6	2	5	8/1/04			213,091.25	213,091.25				213,091.25	
8	5	2/1/05	N	4.950	1,955,000.00	213,091.25	2,168,091.25				2,168,091.25	2,381,182.50
7	2	6	8/1/05			164,705.00	164,705.00				164,705.00	
8	6	2/1/06	N	5.000	2,050,000.00	164,705.00	2,214,705.00				2,214,705.00	2,379,410.00
8	2	7	8/1/06			113,455.00	113,455.00				113,455.00	
8	7	2/1/07	N	5.100	2,150,000.00	113,455.00	2,263,455.00				2,263,455.00	2,376,910.00
9	2	8	8/1/07			58,630.00	58,630.00				58,630.00	
8	8	2/1/08	N	5.200	2,255,000.00	58,630.00	2,313,630.00				2,313,630.00	2,372,260.00
						<b>18,440,000.00</b>	<b>5,351,495.00</b>	<b>23,791,495.00</b>			<b>23,791,495.00</b>	<b>23,791,495.00</b>

**True Interest Cost (TIC).....4.9244049**  
**Net Interest Cost (NIC).....4.9381702**  
**Arbitrage Yield Limit (AYL).....4.9244049**  
**Arbitrage Net Interest Cost (ANIC)..... 4.9381702**

Dated: 2/1/98  
 Delivered: 2/1/98

**Sizing Debt Services Schedule**  
**H&SS Centralized Lab**  
**Current Rates +75bp**

Fiscal Yr	Coupon MYY	Zer Date	Coupon Cpn	Coupon Rate	Maturing Principal	Periodic Interest	Gross Semi-Annl Dbt Svc	Capitalized Interest	Debt Svc Rsv Int & Prin	Cntgney Fnd Int & Prin	Net Semi-Annl Dbt Svc	Net Fiscal Dlt Svc
	2	99	8/1/98			508,971.25	508,971.25				508,971.25	
	8	99	2/1/99	N	4.550	1,450,000.00	508,971.25	1,958,971.25			1,958,971.25	2,457,942.50
1	2	0	8/1/99			475,983.75	475,983.75				475,983.75	
	8	0	2/1/00	N	5.050	1,515,000.00	475,983.75	1,990,983.75			1,990,983.75	2,466,967.50
2	2	1	8/1/00			437,730.00	437,730.00				437,730.00	
	8	1	2/1/01	N	5.300	1,590,000.00	437,730.00	2,027,730.00			2,027,730.00	2,465,460.00
3	2	2	8/1/01			395,595.00	395,595.00				395,595.00	
	8	2	2/1/02	N	5.400	1,675,000.00	395,595.00	2,070,595.00			2,070,595.00	2,466,190.00
4	2	3	8/1/02			350,370.00	350,370.00				350,370.00	
	8	3	2/1/03	N	5.500	1,765,000.00	350,370.00	2,115,370.00			2,115,370.00	2,465,740.00
5	2	4	8/1/03			301,832.50	301,832.50				301,832.50	
	8	4	2/1/04	N	5.600	1,865,000.00	301,832.50	2,166,832.50			2,166,832.50	2,468,665.00
6	2	5	8/1/04			249,612.50	249,612.50				249,612.50	
	8	5	2/1/05	N	5.700	1,970,000.00	249,612.50	2,219,612.50			2,219,612.50	2,469,225.00
7	2	6	8/1/05			193,467.50	193,467.50				193,467.50	
	8	6	2/1/06	N	5.750	2,080,000.00	193,467.50	2,273,467.50			2,273,467.50	2,466,935.00
8	2	7	8/1/06			133,667.50	133,667.50				133,667.50	
	8	7	2/1/07	N	5.850	2,200,000.00	133,667.50	2,333,667.50			2,333,667.50	2,467,335.00
9	2	8	8/1/07			69,317.50	69,317.50				69,317.50	
	8	8	2/1/08	N	5.950	2,330,000.00	69,317.50	2,399,317.50			2,399,317.50	2,468,635.00
						<b>18,440,000.00</b>	<b>6,233,095.00</b>	<b>24,673,095.00</b>			<b>24,673,095.00</b>	<b>24,673,095.00</b>

True Interest Cost (TIC).....	5.6770480
Net Interest Cost (NIC).....	5.6925841
Arbitrage Yield Limit (AYL).....	5.6770480
Arbitrage Net Interest Cost (ANIC).....	5.925841

**Sizing Debt Services Schedule  
H&SS Centralized Lab  
+75bp & Reduced Cost**

Dated: 2/1/98  
Delivered: 2/1/98

Fiscal Yr	Coupon M YY	Zer Date	Coupon Cpn	Rate	Maturing Principal	Periodic Interest	Gross Semi-Annl Dbt Svc	Capitalized Interest	Debt Svc Rsv Int & Prin	Cntgncy Fnd Int & Prin	Net Semi-Annl Dbt Svc	Net Fiscal Dbt Svc
2	99	8/1/98				497,678.75	497,678.75				497,678.75	
8	99	2/1/99	N	4.550	1,415,000.00	497,678.75	1,912,678.75				1,912,678.75	2,410,357.50
1	2	0	8/1/99			465,487.50	465,487.50				465,487.50	
8	0	2/1/00	N	5.050	1,480,000.00	465,487.50	1,945,487.50				1,945,487.50	2,410,975.00
2	2	1	8/1/00			428,117.50	428,117.50				428,117.50	
8	1	2/1/01	N	5.300	1,555,000.00	428,117.50	1,983,117.50				1,983,117.50	2,411,235.00
3	2	2	8/1/01			386,910.00	386,910.00				386,910.00	
8	2	2/1/02	N	5.400	1,610,000.00	386,910.00	2,026,910.00				2,026,910.00	2,413,820.00
4	2	3	8/1/02			342,630.00	342,630.00				342,630.00	
8	3	2/1/03	N	5.500	1,725,000.00	342,630.00	2,067,630.00				2,067,630.00	2,410,260.00
5	2	4	8/1/03			295,192.50	295,192.50				295,192.50	
8	4	2/1/04	N	5.600	1,820,000.00	295,192.50	2,115,192.50				2,115,192.50	2,410,385.00
6	2	5	8/1/04			244,232.50	244,232.50				244,232.50	
8	5	2/1/05	N	5.700	1,925,000.00	244,232.50	2,169,232.50				2,169,232.50	2,413,465.00
7	2	6	8/1/05			189,370.00	189,370.00				189,370.00	
8	6	2/1/06	N	5.750	2,035,000.00	189,370.00	2,224,370.00				2,224,370.00	2,413,740.00
8	2	7	8/1/06			130,863.75	130,863.75				130,863.75	
8	7	2/1/07	N	5.850	2,155,000.00	130,863.75	2,285,863.75				2,285,863.75	2,416,727.50
9	2	8	8/1/07			67,830.00	67,830.00				67,830.00	
8	8	2/1/08	N	5.950	2,280,000.00	67,830.00	2,347,830.00				2,347,830.00	2,415,660.00
						<b>18,030,000.00</b>	<b>6,096,625.00</b>	<b>24,126,625.00</b>			<b>24,126,625.00</b>	<b>24,126,625.00</b>

**True Interest Cost (TIC).....5.6771947**  
**Net Interest Cost (NIC).....5.6927261**  
**Arbitrage Yield Limit (AYL).....5.6771947**  
**Arbitrage Net Interest Cost (ANIC)..... 5.6927261**

Prepared by: FORREST R BROWNE, STATE TREAS  
 Prepared on: 1/24/97 10:34 8.05 Rpt 14  
 Record ID: LAB-1998-U :MUNIDB

1997 LEGISLATIVE SESSION

(S) Publish Date: 2-3-97

Revision Date: \_\_\_\_\_  
 Title: Approve Centralized Public Health Lab

Dept. Affected: Public Safety  
DPS Statewide Support  
 Component: Scientific Crime Detection Laboratory

Sponsor: Rules Committee  
 Requestor: S. HESS

COMPONENT SERIAL NO. 0527

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

OPERATING	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL EXPENDITURES	-0-	-0-	-0-	-0-	-0-	-0-
CHANGE IN REVENUES ( )	-0-	-0-	-0-	-0-	-0-	-0-
Code Revenue						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

Estimate of current year (FY 97) impact: \$ \_\_\_\_\_

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)  
 No fiscal impact is anticipated to the Department of Public Safety

Prepared By: George Taft, Director  
 Division: Scientific Crime Detection Laboratory  
 Approved by Commissioner: *Ronald L. Otte*  
 Agency: Ronald L. Otte, Dept. of Public Safety

Phone: 269-5687  
 Date: 1/29/97  
 Date: 1/29/97

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**FISCAL NOTE**

No. 2

**STATE OF ALASKA**  
**1997 LEGISLATIVE SESSION**

Bill Version: SB 51

(S) Publish Date: 2-3-97

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

Title: "An Act giving notice of and approving . . . a lease purchase agreement for a centralized health laboratory facility."

Sponsor: (S) Rules Committee

Requestor: (S)HESS

Department Affected: Administration

BRU: General Services

Component: Leasing

**COMPONENT SERIAL NO. 81**

**EXPENDITURES/REVENUES:**

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	0.0	0.0	0.0	(75.4)	(75.4)	(75.4)
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(75.4)</b>	<b>(75.4)</b>	<b>(75.4)</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>	0.0	0.0	0.0	(75.4)	(75.4)	(75.4)
-------------------------------	-----	-----	-----	--------	--------	--------

**FUND SOURCE:**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	(75.4)	(75.4)	(75.4)
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER * CIP receipts						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(75.4)</b>	<b>(75.4)</b>	<b>(75.4)</b>

Estimate of any current year (FY 97) cost: \$ 0

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS:** (Attach a separate page if necessary.) The bill would authorize financing and construction of a new laboratory facility which would replace two leased locations in Anchorage and Juneau. Lease savings would be expected to begin in FY 2001. The specific leases and current costs are shown on the following page. Costs for the Juneau lease are budgeted in the Department of Health & Social Services. Future years estimated lease savings have been adjusted to reflect probable CPI adjustments. Payments on the new lease purchase facility are not included on this fiscal note. Funds for design, construction, acquisition, and contract compliance are not included in this fiscal note.

Prepared by: Dugan Pettv, Director *Dugan Pettv*  
 Division: General Services

Phone: 465-2250  
 Date: \_\_\_\_\_

Approved by Commissioner: Mark Boyer *Mark Boyer*  
 Agency: Department of Administration

Date: 1/24/97

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ANALYSIS: (continued)

**Current Public Health Laboratory Leases**

Lease #	Location	Property	FY 97 Cost		RSA Amount	Net FY 97 Estimated FY01	
			Sq Ft	/ Year		DOA Budget	DOA Reduction
1517C	Anchorage	CR Lewis Bldg	5,100	73,440	0	73,440	76,044
1517D	Anchorage	CR Lewis Bldg	385	2,079	2,079	0	0
			5,485	75,519	2,079	73,440	76,044

Revision Date: \_\_\_\_\_  
Title: Authorize Financing for a new lab

Dept. Affected: Health and Social Services  
BRU: State Health Services  
Component: Laboratory Services  
COMPONENT SERIAL NO. 291  
See also (SN#): \_\_\_\_\_

Sponsor: Senate Rules  
Requestor: \_\_\_\_\_

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY98	FY99	FY00	FY01	FY02	FY03
PERSONAL SERVICES	0.0	0.0	0.0	(83.2)	(85.3)	(87.4)
TRAVEL				(3.6)	(3.7)	(3.8)
CONTRACTUAL				(130.8)	(134.1)	(137.5)
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(217.6)</b>	<b>(223.1)</b>	<b>(228.7)</b>

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGES IN REVENUES						
---------------------	--	--	--	--	--	--

**FUND SOURCE**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF				(217.6)	(223.1)	(228.7)
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(217.6)</b>	<b>(223.1)</b>	<b>(228.7)</b>

**POSITIONS:**

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

Estimate of any current year (FY97) cost: \$0.0

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

Currently, the Division of Public Health operates three inadequate state public health laboratories in Anchorage, Juneau and Fairbanks and the Medical Examiner's laboratory temporarily located in the Department of Public Safety crime lab. Consolidation of the Juneau lab activities within Anchorage would not only save the state from having to upgrade two laboratories but would also show a savings in operating costs.

The savings would start to occur in FY01 in the following line items.

Personal Services Line 100

With the consolidation of the two laboratories the current staffing level can be reduced by two positions:

PCN 06-1065 Lab Technician I, range 10 GG, PFT Juneau \$46.4

Prepared by: Peter M. Nakamura, MD, MPH  
Division: Public Health  
Approved by Commissioner: Karen Perdue, Commissioner  
Agency: Department of Health & Social Services

Phone: (907) 465-3090  
Date: 01/22/97

Date: 1/23/97

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**ANALYSIS (cont.):**

PCN OG-1436 Admin. Clerk II, range 8, GG, PFT, Juneau \$36.8

**Travel Line 200**

Travel would be reduced by \$3.5 due to the staff being located in two locations, rather than three, the Chief would have to travel to each laboratory as required under CLIA.

**Contractual Line 300**

Janitorial Services - \$2.2

Federal Inspections - \$1.5

Subscriptions - \$0.5

Telephones - \$1.9

Public Utilities - \$2.8

Rent - \$0.6

Maintenance and Repair of Equipment - \$3.2

Courier Services - \$2.9

Space Lease - \$115.2

All line items listed above assume a 2.5% per year inflation factor.

AMENDMENT #1

OFFERED IN THE SENATE

TO: SB 51

*Sen. Sharp by request  
moves for discussion.  
adopted w/o objection.*

- 1 Page 1, line 6:
- 2 Delete "issue"
- 3 Insert "provide for the issuance of"
  
- 4 Page 1, line 12:
- 5 Delete "\$2,420,000"
- 6 Insert "\$2,490,000"
  
- 7 Page 1, line 13:
- 8 Delete "\$24,130,000"
- 9 Insert "\$24,900,000"

POSSIBLE FIN. C.S. FOR SB 51

AMENDMENT

OFFERED IN THE \_\_\_\_\_ BY \_\_\_\_\_  
TO: SB 51

Page 1, line 6:

Following "The state bond committee is authorized":  
Delete "issue".  
Insert "provide for the issuance of".

Page 1, line 12

Following "obligation is":  
Delete "\$2,420,000"  
Insert "\$2,490,000"

Page 1, line 13

Following "purchase agreement amount to":  
Delete "\$24,130,000"  
Insert "\$24,900,000"

NEW BILL IN  
COMMITTEE \_\_\_\_\_

SENATE BILL NO. 51

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY THE SENATE RULES COMMITTEE

Introduced: 1/16/97  
Referred: HESS, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act giving notice of and approving the entry into, and the issuance of  
2 certificates of participation in, a lease-purchase agreement for a centralized public  
3 health laboratory facility."

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

5 \* Section 1. NOTICE AND APPROVAL OF THE ENTRY INTO AND FINANCING OF  
6 A LEASE-PURCHASE AGREEMENT. The state bond committee is authorized to issue  
7 certificates of participation for, and the Department of Administration is authorized to enter  
8 into, a lease-purchase agreement for a centralized public health laboratory facility to be  
9 constructed under the lease-purchase agreement and to be operated by the Department of  
10 Health and Social Services. The anticipated total construction, acquisition, and other costs of  
11 the project are not to exceed \$18,440,000. The total anticipated annual amount of the rental  
12 obligation is \$2,420,000. The total anticipated lease payments for the full term of the lease-  
13 purchase agreement amount to \$24,130,000. The state shall own the facility at the end of the  
14 lease term. This section constitutes the notice and approval required by AS 36.30.085.

OMM

COP

## CS FOR HOUSE BILL NO. 66(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered: 2/5/97

Referred: Finance

Sponsor(s): HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

## A BILL

## FOR AN ACT ENTITLED

1 "An Act giving notice of and approving the entry into, and the issuance of  
 2 certificates of participation in, a lease-purchase agreement for a centralized public  
 3 health laboratory facility."

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

5 \* Section 1. NOTICE AND APPROVAL OF THE ENTRY INTO AND FINANCING OF  
 6 A LEASE-PURCHASE AGREEMENT. The state bond committee is authorized to provide  
 7 for the issuance of certificates of participation for, and the Department of Administration is  
 8 authorized to enter into, a lease-purchase agreement for a centralized public health laboratory  
 9 facility to be constructed under the lease-purchase agreement and to be operated by the  
 10 Department of Health and Social Services. The anticipated total construction, acquisition, and  
 11 other costs of the project are not to exceed \$18,440,000. The total anticipated annual amount  
 12 of the rental obligation is \$2,490,000. The total anticipated lease payments for the full term  
 13 of the lease-purchase agreement amount to \$24,900,000. The state shall own the facility at  
 14 the end of the lease term. This section constitutes the notice and approval required by

AS 36.30.085

HB0066b

-1-

CSHB 66(HES)

New Text Underlined [DELETED TEXT BRACKETED]

**SB**

**55**

**HFIN**

**FILE**

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 22, 1997

FURTHER REFERRALS:

Date of Committee Action: 5/5/97

The FINANCE Committee considered:

CSSB 55 (FIN) am

CS FOR SENATE BILL NO. 55(FIN) am

AMEND DEFINITION OF "PROGRAM RECEIPTS"

"An Act relating to the definition of certain state receipts to state fiscal procedures, to the state budget, to agency performance reports, and to appropriation bills, eliminating the authority of a department to award a grant to a recipient other than the one named in the appropriation or allocation for the grant; and providing for an effective date."

recommends it be replaced with the following committee substitute ACS (SSB 55 (FIN))  the same title  a new title

additional referral to \_\_\_\_\_ Committee

attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): \_\_\_\_\_ (Dept)

APPROVES PREVIOUS: \_\_\_\_\_ (Dept/Date)

fiscal note(s) \_\_\_\_\_

fiscal note(s) \_\_\_\_\_ office of \_\_\_\_\_ for 4/18/97

zero fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>C. Therriault</i>	Therriault			X	
<i>John Mulder</i>	Mulder	✓			
<i>Terry Martin</i>	Martin				X
<i>Victor Kohrinsky</i>	Kohrinsky				X
<i>John Davies</i>	DAVIES				X
<i>John Kelly</i>	Kelly			✓	
<i>John Foster</i>	Foster			X	

CHAIR'S SIGNATURE

*C. Therriault*

# FISCAL NOTE

**STATE OF ALASKA**  
**1997 LEGISLATIVE SESSION**

**BILL NO.** CS for SB55 (FIN)am

Revision Date 4/29/97 Dept. Affected Various Departments  
 Title An Act relating to the definition of certain state BRU \_\_\_\_\_  
receipts; to state fiscal procedures ... Component \_\_\_\_\_  
 Sponsor Rules Committee at the request of the Governor  
 Requester House Finance Component Serial No. \_\_\_\_\_

Expenditures/Revenues		(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03	
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	
<b>CAPITAL EXPENDITURES</b>							
<b>CHANGE IN REVENUES</b>							

FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1004 GF							
1077 Gifts, Grants & Bequests	(2,642.5)	(2,642.5)	(2,642.5)	(2,642.5)	(2,642.5)	(2,642.5)	
1091 Designated Program Receipts	(4,069.5)	(4,069.5)	(4,069.5)	(4,069.5)	(4,069.5)	(4,069.5)	
Test Fisheries Receipts	2,594.5	2,594.5	2,594.5	2,594.5	2,594.5	2,594.5	
AK Public Utilities Commission	4,117.5	4,117.5	4,117.5	4,117.5	4,117.5	4,117.5	
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

Estimate of any current year (FY97) cost: 0.0

POSITIONS					
Full-time					
Part-time					
Temporary					

This bill addresses seven fund sources under AS 37.05.146.

1. Establishes a new fund source titled Designated Program Receipts. These receipts are defined as: money that is received by the state from a source other than the state or federal government that is restricted to a specific use by the terms of a gift, grant, bequest, or contract.
2. Establishes a new fund source titled Test Fisheries Receipts. These receipts are derived from Department authorized test fish operations under AS 16.05.050 (15). NOTE: The Governor's FY98 budget includes these receipts in the Designated Program Receipts category. Upon passage of this legislation they will be moved to the appropriate fund source.
3. Establishes a new fund source titled Alaska Public Utilities Commission. These receipts are derived from the imposition of the Regulatory Cost Charge. By statute, these receipts are intended to cover the full costs of the Commission.
4. Deletes the separate fund source "Gifts, Grants & Bequests." These funds will be included in the Designated Program Receipts category.
5. Establishes, for the first time, a definition for Corporate Receipts. This is a "house-keeping" provision which codifies current budgetary practices.
6. Amends the language relating to the Public School Trust Fund to comport with statutory language.
7. Establishes a separate fund source reference for the Alaska Children's Trust.

Increases or decreases, to any of these fund sources, will have no impact on the state's fiscal gap.

Prepared by Royce Weller Phone 465-4694  
 Division OMB Date 4/29/97  
 Approved by Annalee McConnell Date 4/29/97  
 Agency Director, Office of Management & Budget

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SB 55

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA  
THIRD JUDICIAL DISTRICT AT ANCHORAGE

ALASKA HOUSING FINANCE CORPORATION, )  
 )  
 Plaintiff, )  
 )  
 vs. )  
 )  
 BARBARA COLLINS, )  
 d/b/a/ INNOVATIVE COMMUNICATIONS, )  
 )  
 Defendant. )

Case No. 3AN-97-1686 CIV

COMPLAINT FOR INJUNCTIVE RELIEF

1. Plaintiff Alaska Housing Finance Corporation (AHFC) is a public corporation and government instrumentality of the State of Alaska;

2. Defendant Barbara Collins (Collins) is a resident of the State of Alaska, Third Judicial District. Collins operates a sole proprietorship doing business under the name "Innovative Communications."

3. On June 21, 1991, Collins entered into a grant agreement with the Department of Community and Regional Affairs (DCRA). The period of performance under the grant (FY 92 Grant) covered state fiscal year 1992 which began on July 1, 1991 and ended on June 30, 1992.

4. Under the terms of her FY 92 grant agreement, Collins was responsible for coordinating DCRA's Energy Rated Homes of Alaska program. The purpose of the Energy Rated Homes of

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Diet. by Ry. Davies



1 Alaska program is to promote the energy-efficient construction and  
2 renovation of residential housing.

3 5. On June 19, 1992, Collins entered into a second  
4 grant agreement with DCRA under which she continued to provide  
5 services as coordinator of the Energy Rated Homes of Alaska  
6 program. The period of performance under this grant (FY 93-94  
7 Grant) was from July 1, 1992 to June 30, 1994.

8 6. Under the terms of both the FY 92 and FY 93-94  
9 grant agreements, DCRA had the right to access any books,  
10 records, documents, and papers directly pertinent to the grant.  
11 Collins was also required to maintain all grant records for a  
12 period of three years following her final payment under each  
13 grant.  
14

15 7. On July 1, 1992, DCRA's energy programs, including  
16 the Energy Rated Homes of Alaska program were transferred to AHFC  
17 and AHFC became the successor-in-interest to DCRA under the FY 92  
18 and the FY 93-94 grant agreements.

19 8. On June 30, 1994, Collins entered into a new grant  
20 agreement, this time directly with AHFC, to continue providing  
21 services coordinating the Energy Rated Homes of Alaska program.  
22 The period of performance under this grant (FY 95 Grant) was from  
23 July 1, 1994 to June 30, 1995

24 ///

25 ///

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1           13. On January 12, 1996, Collins delivered 30 boxes of  
2 materials to AHFC. Of the 30 boxes, only one contained file  
3 folders with documents related to grant operations. The remaining  
4 29 boxes largely consisted of out-dated advertising materials,  
5 videotapes, miscellaneous publications and some training  
6 materials. Scattered throughout these 29 boxes were several  
7 additional file folders containing documents which, when  
8 consolidated, totaled less than one box of documents.

9           14. On January 16, 1996, Collins delivered to AHFC an  
10 additional seven boxes of file folders containing what she alleged  
11 were all remaining grant records.

12           15. The records produced by Collins were incomplete.  
13 Collins did not include any financial records and failed to  
14 produce any records for numerous activities performed under her  
15 various grants.

16           16. AHFC again demanded production of grant records on  
17 October 14, 1996, November 19, 1996, January 21, 1997 and February  
18 4, 1997. On February 11, 1997, AHFC, through its attorney, made  
19 a final demand for the production of all grant records not  
20 previously produced. In response to each of these demands, Collins  
21 made only a partial production of records or no production at all.

22           17. By failing to deliver to AHFC or to allow it to  
23 inspect and copy the remaining grant records, Collins has  
24 breached her obligations under the FY 92, FY 93-94, FY 95 and  
25  
26

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1 FY 96 grant agreements to deliver to AHFC, or to allow it to  
2 review, all records, books, papers, and other documents related to  
3 the grants.

4 18. AHFC is entitled to injunctive relief to compel  
5 Collins to deliver to it or produce for copying all records  
6 related to the FY 92, FY 93-94, FY 95 and FY 96 grants.

7 COUNT II

8 19. AHFC realleges the allegations of Complaint  
9 Paragraphs 1-18 as though fully set forth herein.

10 20. Under the terms of her FY 93-94, FY 95 and FY 96  
11 grants, Collins could only expend grant funds for purposes  
12 authorized by the grant agreements.

13 21. On May 4, 1994, Collins incorporated a nonprofit  
14 corporation called Energy Rated Homes of Alaska, Inc. (ERHAI), a  
15 name identical to the name of the program she coordinated for  
16 AHFC. Incorporation of the nonprofit was not authorized by AHFC.

17 22. Shortly after ERHAI's incorporation, Collins  
18 established its offices in the same suite of offices which she  
19 rented for the operations of AHFC's Energy Rated Homes of Alaska  
20 program. Collins used the same offices, telephones, equipment and  
21 supplies to carry out both AHFC's grant activities and the  
22 business activities of ERHAI. Even though the expenditures  
23 benefitted both AHFC AND ERHAI, Collins billed AHFC for the full  
24 cost of the rent, telephones, equipment and supplies used to carry  
25  
26

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1 out both ERHAI's business activities and the AHFC grant  
2 activities. Collins failure to fairly apportion these joint  
3 overhead expenses and bill AHFC only for its proportionate share  
4 of such expenses was a violation of her FY 93-94, FY 95 and FY 96  
5 grant agreements.

6  
7 23. Between April 1994 and February 1996, Collins, in  
8 her capacity as ERHAI's executive director, solicited, was  
9 awarded and undertook performance of a grant with the United  
10 States Department of Energy (USDOE). In her USDOE grant  
11 application, Collins stated that one-third of her time would be  
12 spent administering the USDOE grant.

13 24. Between January 1994 and February 1996, Collins and  
14 her employees spent a significant amount of time engaged in  
15 activities in furtherance of ERHAI's interest in the federal  
16 grant. Collins never disclosed to AHFC that she and her employees  
17 were spending time on USDOE grant activities. Collins billed the  
18 time spent on USDOE grant activities against her AHFC grant.  
19 Unaware of the true nature of the non-AHFC work, AHFC paid  
20 Collins. By charging time spent on ERHAI's USDOE grant against  
21 her AHFC grants, Collins violated her FY 93-94, FY 95 and FY 96  
22 grant agreements.

23  
24 25. Between January 1994 and November 1995, Collins  
25 traveled to numerous meetings outside the state of Alaska. The  
26 exclusive or primary purpose of these meetings was to establish

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1 policy regarding federal funding of energy rating organizations  
2 and to determine the recipient of the USDOE grant. At these  
3 meetings, Collins was present for the primary purpose of  
4 representing her nonprofit corporation and obtaining the USDOE  
5 funding for ERHAI. During these meetings she did not represent  
6 the interests of AHFC. Despite this, Collins improperly charged  
7 all expenses related to her travel to her AHFC grants. By charging  
8 travel expenses related to ERHAI's USDOE grant against her AHFC  
9 grants, Collins violated her FY 93-94, FY 95 and FY 96 grant  
10 agreements.  
11

12 26. Between September 1994 and February 1996, Collins,  
13 in her capacity as ERHAI's executive director, solicited, was  
14 awarded and undertook performance of a contract with the Oregon  
15 Department of Energy (ODOE).

16 27. Between September 1994 and February 1996, Collins  
17 and her employees spent a significant amount of time engaged in  
18 activities in furtherance of ERHAI's interest in the Oregon  
19 contract. Collins never disclosed to AHFC that she and her  
20 employees were spending time on the Oregon contract. Collins then  
21 billed the time she and her employees spent on the Oregon contract  
22 against her AHFC grant. Unaware of the true nature of the non-  
23 AHFC work, AHFC paid Collins. By charging time spent on ERHAI's  
24 Oregon contract against her AHFC grants, Collins violated her FY  
25 93-94, FY 95 and FY 96 grant agreements.  
26

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1           28. Between January 1995 and February 1996, Collins, in  
2 her capacity as ERHAI's executive director, solicited, was awarded  
3 and undertook performance of a contract with the Nevada Energy  
4 Office.

5           29. Between January 1995 and February 1996, Collins and  
6 her employees spent a significant amount of time engaged in  
7 activities in furtherance of ERHAI's interest in the Nevada  
8 contract. Collins never disclosed to AHFC that she and her  
9 employees were spending time on the Nevada contract. Collins then  
10 billed the time she and her employees spent on the Nevada contract  
11 against her AHFC grant. Unaware of the true nature of the non-  
12 AHFC work, AHFC paid Collins. By charging time spent on ERHAI's  
13 Nevada contract against her AHFC grants, Collins violated her FY  
14 93-94, FY 95 and FY 96 grant agreements.

15           30. Between May 1994 and February 1996, Collins and her  
16 employees engaged in other ERHAI business activities and Collins  
17 improperly charged time spent on those activities against her AHFC  
18 grants. Those activities include, but are not limited to,  
19 solicitation of contracts with the State of Wyoming, the State of  
20 Washington, the State of Montana and the City of Seattle. By  
21 charging time spent on ERHAI's other business activities against  
22 her AHFC grants, Collins violated her FY 93-94, FY 95 and FY 96  
23 grant agreements.

24 ///  
25  
26

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1 31. Beginning in November 1995 and on numerous  
2 occasions since, AHFC has demanded that Collins submit a cost  
3 allocation plan or other accounting of work done on non-grant  
4 activities. Such an accounting would enable AHFC to disallow  
5 charges which Collins improperly made against her AHFC grants for  
6 costs incurred in furtherance of ERHAI's separate business  
7 interests. Despite these repeated demands, Collins has refused to  
8 provide such an accounting or cost allocation plan or has asserted  
9 that only insignificant non-grant charges were made against the  
10 grant. Collins has also refused to produce business records which  
11 would enable AHFC to prepare its own accounting or cost allocation  
12 plan.  
13

14 32. AHFC is entitled to injunctive relief to compel  
15 Collins to prepare an accounting of her non-AHFC work and to  
16 compel her to deliver to it or produce for copying all records  
17 necessary for AHFC to verify such an accounting or determine on  
18 its own the extent of improper charges made against the grant.  
19

20 WHEREFORE, AHFC prays for relief as follows:

21 1. For an injunction ordering Collins to deliver to  
22 AHFC all records relating to her FY 92, FY 93-94, FY 95 and FY 96  
23 grant agreements;

24 ///

25 ///

26 ///

# LEGAL SERVICES

JB 55

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

130 Seward Street, Suite 409  
Juneau, Alaska 99801-2105

## MEMORANDUM

May 2, 1997

**SUBJECT:** Overinclusive Bill Title

**TO:** Representative Gene Therriault

**FROM:** George Utermohle *GU*  
Legislative Counsel

You have asked for a discussion of the effect of having an overinclusive bill title (one that specifically mentions A and B when the body of the act deals only with A).

Article II, Section 13 of the state constitution requires "The subject of each bill shall be expressed in the title." Clearly, if the title mentions something that is not contained in the bill, the title does not literally comply with this provision and there is a substantial risk that a court will find a violation of the constitution. However, the court has not specifically considered the question of an overinclusive title in this state, so no one can say with any degree of certainty how the court will react.

Courts have generally held that an act will be valid unless the title is misleading or deceptive. (Lowery v. Red Cab Co., 262 S.W. 147 (Tex. Ct. Civ. App. 1924)) Whether a particular title will be misleading or deceptive because it mentions something that is not included in the body of the act will depend on the facts of the case, so an overinclusive title will always be risky. However, some courts have been tolerant of overinclusive titles. (Watts v. Oliphant, 143 S.E. 813 (S.C. (1965)); Dovle v. King, 44 S.E. 2d 608 (S.C. 1947)) On the other hand, a court has held an overbroad title to be misleading. (Reeves v. Adam Hat Stores, 198 S.W.2d 789 (Ky. Ct. App. 1946))

My guess is that the more specific the description of the "missing" item is in the title, the more likely that a court will find the title misleading and unconstitutional. The uniform rules prohibiting title changes may affect the decision of Alaska's courts, not because the court would take it upon itself to enforce the rules, but because the court may find that those rules encourage legislators to rely on the title when deciding whether to accept amendments by the second house and, therefore, cause the title to be misleading.

While our court has not had occasion to consider title questions, it has considered the single-subject requirement which is contained in the same section of the constitution and been lenient in finding compliance with that requirement. However, the Alaska Supreme Court

Representative Gene Therriault

May 2, 1997

Page 2

has begun to reevaluate its broad interpretation of the single-subject rule. (State v. First National bank of Anchorage, 660 P.2d 406 (Alaska 1982); Yute Air Alaska, Inc. v. McAlpine, 698 P.2d 1173 (Alaska 1985)) These cases suggest that the court may be reluctant to adopt an expansive view of the constitutional title requirement.

GU:glc

97-295.glc

#7

# LEGAL SERVICES

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130 Seward Street, Suite 409  
Juneau, Alaska 99801-2105

## MEMORANDUM

May 3, 1997

**SUBJECT:** Exxon Valdez oil spill restoration fund capital appropriations (Work Order No. 20-LS8000A.25)

**TO:** Virginia Stonkus  
Division of Legislative Finance

**FROM:** George Utermohle *GU*  
Legislative Counsel

Enclosed is an amendment containing appropriations of funds received as the result of litigation involving the Exxon Valdez oil spill that you had requested on behalf of Senator Pearce.

Please note that the appropriation to the Department of Community and Regional Affairs for grants to unincorporated rural communities for restoring, replacing, or enhancing resources or services lost as a result of the oil spill does not specify any authority under which the department may make grants for the stated purposes. The appropriation references grants under AS 44.47.050; however that statute does not authorize the Department of Community and Regional Affairs to make any grants. The fact that this same process was used to make similar grants under a prior appropriation (sec. 11, ch. 79, S.L.A. 1993) does not immunize the current appropriation from a potential challenge on the ground that the appropriation violates the confinement requirement of the Alaska Constitution by amending substantive law in an appropriation bill. The appropriate authority for such grants would be the unincorporated community grant program under AS 37.05.317; however such grants require individual appropriations by the legislature that identify the unincorporated community and set the amount of the grant.

The other alternative is to establish the appropriate grant program through the enactment of substantive legislation. Also enclosed is an amendment that would establish such a grant program in the Department of Community and Regional Affairs. The amendment is retroactive to June 29, 1993 in order to cover the 1993 appropriation to the department for similar grants. The proposed amendment may fit within the subject and title of SB 55.

If I may be of further assistance, please advise.

GU:glc  
97-297.glc  
Enclosure

*need amend to SB 55. Show them memo + amend. Tell them we will know before they go to floor!*

*Craig  
at  
Jim A. if  
they  
want  
have to  
know  
Sunday!  
Alex House  
(Gene) we*

Failed  
3-6

#-1

Amendment- SB55

Representative Gary Davis

pg. 4, after line 13 insert:

**(X) receipts of the Alaska Pioneers' Home program established under AS 47.55.030;**

Adopted

0-GS0049\FA.5  
Utermohle  
5/3/97

#2

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 55(FIN) am

- 1 Page 5, line 4, following "allocation":
- 2       Insert "unless the department determines that an award of the grant would not
- 3 be in the public interest"

W. Th...  
#3

0-GS0049\FA.3  
Utermohle  
4/30/97

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 55(FIN) am

DAVID

1 Page 1, lines 3 - 5:

2 Delete ", eliminating the authority of a department to award a grant to a  
3 recipient other than the one named in the appropriation or allocation for the grant"

4 Page 4, line 17, through page 5, line 4:

5 Delete all material and insert:

6 "(a) A [WHEN AN AMOUNT IS APPROPRIATED OR ALLOCATED TO  
7 A DEPARTMENT AS A] grant for a named recipient that is not a municipality must  
8 be made under this section. The [, THE DEPARTMENT TO WHICH THE]  
9 appropriation or allocation making the grant must be directed to the Legislative  
10 Council and must include the amount of the grant, the named recipient of the  
11 grant, the purpose of the grant, and the source of funds from which the grant is  
12 made. The Legislative Council [IS MADE] shall promptly notify the named  
13 recipient of the availability of the grant and request the named recipient to submit a  
14 proposal to provide the goods or services specified in the appropriation act for which  
15 the appropriation or allocation is made. At the same time, the Legislative Council  
16 [DEPARTMENT] may issue a request for proposals from other qualified persons to  
17 provide the same goods or services in the same area. The Legislative Council  
18 [DEPARTMENT] shall award the grant to the named recipient unless the Legislative  
19 Council [OFFICE OF THE GOVERNOR], with due regard for the local expertise or  
20 experience of those making proposals, determines that an award to a different party  
21 would better serve the public interest. [IF THE GRANT IS AWARDED TO A  
22 PARTY OTHER THAN THAT NAMED BY THE LEGISLATURE, THE BASIS OF  
23 THAT ACTION SHALL BE STATED IN WRITING AT THE TIME THE GRANT  
24 IS ISSUED AND A COPY OF THE WRITTEN STATEMENT SHALL BE SENT

1 TO THE LEGISLATIVE BUDGET AND AUDIT COMMITTEE.] A grant agreement  
2 must be executed within 60 days after the effective date of the appropriation or  
3 allocation."

26

AMENDMENT

#4 Failed

OFFERED IN THE HOUSE

BY

DAVIES

TO: CSSB 55 (FIN) am

Page 4, following line 15:

Insert "(W) program receipts from users of the state park system;

AMENDMENT

#5 Failed

~~#6~~  
6

THE HOUSE

BY

DAVIES

SB 55 (FIN) am

ing line 15:

(W) occupational licensing receipts under AS 08.01;

(X) division of insurance receipts under Title 21, except  
remium tax receipts

AMENDMENT

#6

failed

OFFERED IN THE HOUSE

BY

DAVIES

TO: CSSB 55 (FIN) am

Page 4, page 16:

Delete through page 5, line 4

*Adopted*

0-LS8(X)XA.26  
Utermohle  
5/3/97

A M E N D M E N T 7

1 \* Sec. A. AS 44.47.050 is amended by adding a new subsection to read:

2 (d) There is created in the department the Exxon Valdez oil spill  
3 unincorporated rural community grant fund. The fund consists of money appropriated  
4 to the fund from the Exxon Valdez oil spill restoration fund, the Alyeska settlement  
5 fund, or other sources. Appropriations to the fund do not lapse unless otherwise  
6 provided by the legislature in the bill making the appropriation to the fund. The  
7 department may use the fund to make grants to unincorporated rural communities in  
8 the area affected by the Exxon Valdez oil spill for capital projects for purposes of  
9 restoring, replacing, or enhancing subsistence resources or services or other services  
10 damaged or lost as the result of the Exxon Valdez oil spill. In this subsection,

11 (1) "Alyeska settlement fund" means the trust fund established in the  
12 state treasury for the purpose of receiving, holding, and disbursing the settlement  
13 proceeds received by the state under the Agreement and Consent Decree in re: The  
14 Exxon Valdez, United States District Court, District of Alaska, Case No. A92-175  
15 Civil, decree entered November 25, 1992;

16 (2) "Exxon Valdez oil spill restoration fund" means the fund  
17 established by the Department of Revenue, to implement the judgment entered by the  
18 United States District Court for Alaska in the criminal case United States of America  
19 v. Exxon Shipping Company and Exxon Corporation, No. A90-015 CR.

20 \* Sec. B. Section A of this Act is retroactive to June 29, 1993.

**SB**

**55**

SFIN

FILE

# SENATE FINANCE COMMITTEE REPORT

REPORTED OUT OF

SFC APR 16 1997

DATE: 4/3/97

FURTHER:

DATE TURNED

IN TO OFFICE:

4-16-97

Finance Committee considered

SENATE BILL NO. 55

"An Act relating to the definition of certain state receipts; and providing for an effective date."

and recommends:

- be replaced with \_\_\_\_\_ CS SB 55 ( FIN )
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ ( \_\_\_\_\_ )
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

**Senate Bill:**

- same title
- new title
- House Bill:**
- same title
- technical change
- new: SCR# \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Paul S. Bell</i>	✓	<i>Sean Parnell</i>	✓		
<i>John Stinson</i>	✓	<i>Al Adams</i>	X		
<i>Douglas Douley</i>	✓				
Co-Chair: <i>Peace</i>	✓	Co-Chair:			
Co-Chair: <i>Bob May</i>	✓	Co-Chair:			

**NEW FISCAL NOTE(S):**

Department                      Date    Zero    Fiscal

S. FINANCE	4/16	✓	

**PREVIOUS FISCAL NOTE(S):\***

Department                      Date    Zero    Fiscal


APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

# FISCAL NOTE

**STATE OF ALASKA**  
**1997 LEGISLATIVE SESSION**

**BILL NO.** CS for SB55 (FIN)

Revision Date 4/16/97 Dept. Affected Various Departments  
 Title An Act relating to the definition of certain state BRU \_\_\_\_\_  
receipts; and providing for an effective date. Component \_\_\_\_\_  
 Sponsor Rules Committee at the request of the Governor  
 Requester Senate Finance Component Serial No. \_\_\_\_\_

Expenditures/Revenues		(Thousands of Dollars)				
OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CAPITAL EXPENDITURES</b>						
<b>CHANGE IN REVENUES</b>						

FUND SOURCE		(Thousands of Dollars)				
1002 Federal Receipts						
1004 GF						
1077 Gifts, Grants & Bequests	(2,512.5)	(2,512.5)	(2,512.5)	(2,512.5)	(2,512.5)	(2,512.5)
1091 Designated Program Receipts	(4,199.5)	(4,199.5)	(4,199.5)	(4,199.5)	(4,199.5)	(4,199.5)
Test Fisheries Receipts	2,594.5	2,594.5	2,594.5	2,594.5	2,594.5	2,594.5
AK Public Utilities Commission	4,117.5	4,117.5	4,117.5	4,117.5	4,117.5	4,117.5
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY97) cost: 0.0

**POSITIONS**

Full-time						
Part-time						
Temporary						

This bill addresses seven fund sources under AS 37.05.146.

1. Establishes a new fund source titled Designated Program Receipts. These receipts are defined as: money that is received by the state from a source other than the state or federal government that is restricted to a specific use by the terms of a gift, grant, bequest, or contract.
  2. Establishes a new fund source titled Test Fisheries Receipts. These receipts are derived from Department authorized test fish operations under AS 16.05.050 (15). NOTE: The Governor's FY98 budget includes these receipts in the Designated Program Receipts category. Upon passage of this legislation they will be moved to the appropriate fund source.
  3. Establishes a new fund source titled Alaska Public Utilities Commission. These receipts are derived from the imposition of the Regulatory Cost Charge. By statute, these receipts are intended to cover the full costs of the Commission.
  4. Deletes the separate fund source "Gifts, Grants & Bequests." These funds will be included in the Designated Program Receipts category.
  5. Establishes, for the first time, a definition for Corporate Receipts. This is a "house-keeping" provision which codifies current budgetary practices.
  6. Amends the language relating to the Public School Trust Fund to comport with statutory language.
  7. Establishes a separate fund source reference for the Alaska Children's Trust.
- Increases or decreases, to any of these fund sources, will have no impact on the state's fiscal gap.

Prepared by Royce Weller Phone 465-4694  
 Division OMB Date 4/16/97  
 Approved by Annalee McConnell Date \_\_\_\_\_  
 Agency Director, Office of Management & Budget

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**DESIGNATED PROGRAM RECEIPTS**  
**FY96 -FY98 Comparison**  
**CS for SB55 (FIN)**

Spreadsheet KEY: C= contracts; TF= Test Fisheries; APUC= AK. Public Utilities Commission; GGB= Gifts, Grants & Bequests				FY96	FY97	FY98	FY97-98
Dept	BRU/Component	Description	Type	Actuals	Auth	Request	Change
Administration	Information Services	Various contractual services; including repairs to Kenai TV system	C	20.0	55.0	55.00	0.00
Administration	Public Communications Ser.	Repair & maintenance agreements with user communities. Note: Governor's budget amendment reduces amount by <450.0>.	C	9.9	15.0	763.70	748.70
Commerce	Alaska Tourism Marketing Council (ATMC)	Industry portion of contract for co-operative marketing.	C	1,426.9	1,428.8	1,496.50	67.70
Education	AK Voc. Tech. Center	Training classes, under contract, for Cominco employees	C	41.3	237.7	239.20	1.50
DEC	Spill Prevent. & Response	Industry funds to mitigate/cleanup pollution at APC & KPC facilities.	C	191.9	25.0	455.00	430.00
DEC	Air & Water	Reimbursable services agreement for major industrial permit fees	C	240.6	645.1	465.30	-179.80
Fish & Game	Com. Fish Management & Dev.	Lake fertilization studies funded by private hatcheries (Limnology)	C	0.0	99.7	0.00	-89.70
Fish & Game	Com. Fish Management & Dev.	Special Projects: funded, under contract, by private entities	C	0.0	1,070.8	1,183.40	112.80
Fish & Game	Habitat & Restoration	Projects/studies funded, under contract, with private firms (i.e. ARCO, BP, NSB)	C	273.5	264.7	267.30	2.60
Fish & Game	Sport Fish	Fish raising project funded by Southern SE Aquaculture Association (Earl West Cove Project)	C	0.0	200.0	200.00	0.00
Fish & Game	Subsistence	Special studies & Shismaref subsistence practices project	C	68.0	121.2	193.20	72.00
Fish & Game	Wildlife Conservation	Contracts with non-state entities for wildlife management projects	C	299.0	300.3	304.60	4.30
H&SS	Family & Youth Services	Anchorage Muni. funds, provided under contract, for "Making a difference" project	C	92.0	125.0	125.00	0.00
Labor	Administrative Services	Contractual agreements with private & non-state agencies for specialized reports and on-site assistance	C	1.0	2.0	2.00	0.00
Labor	Employment Security	Data/Record services provided under contract with private/municipal entities	C	33.5	53.9	54.30	0.40
DNR	Resource Development	Receipts received under contract to implement Municipal land entitlements and various small contracts	C	22.6	15.0	15.00	0.00
DNR	Resource Development	User pay agreements for work on Badami Project, TAPS monitoring, and TAGS gas project	C	2,022.7	989.4	1,630.00	641.40
DOT	Central Region Design & Const.	Rights-of-Way services under lease or sale provisions, e.g. cable companies, Tourism oriented direction signs (TODS)	C	83.6	128.7	87.70	-41.00
DOT	North. Region Design & Const.	Rights-of-Way services under lease or sale provisions	C	30.0	21.8	44.60	22.80
DOT	SE Region Highway/Aviation	Road maintenance service contracts with various non-state entities, including: FAA, CBJ, USFS	C	71.7	75.0	76.00	1.00
		<b>Contract - Totals</b>	<b>C</b>	<b>4,928.2</b>	<b>5,874.1</b>	<b>7,658.60</b>	<b>1,704.50</b>



## **ADDENDUM to fiscal note for CS for SB55 (FIN)**

An Act relating to the definition of certain state receipts

The numbers below reflect the impact of reclassifying certain receipts from General Fund to Non-General Fund fund sources

	<u>FY96 Act.</u>	<u>FY97 Auth.</u>	<u>FY98 Governor</u>	
<b>Current Law</b>	10,341.70	12,062.30	14,370.60	
GF-Desig. PR (C)				
<b>Total</b>	<b>\$10,341.70</b>	<b>\$12,062.30</b>	<b>\$14,370.60</b>	<b>General Funds (includes Test Fish. &amp; APUC)</b>
<b>Proposed Law</b>				
Desig. PR (C)	4,928.20	5,874.10	7,658.60	
Test Fish.	2,031.40	2,223.30	2,594.50	
APUC	3,382.10	3,964.90	4,117.50	
<b>Total</b>	<b>\$10,341.70</b>	<b>\$12,062.30</b>	<b>\$14,370.60</b>	<b>Non-General Funds</b>
<b>Net Change FY to FY</b>		<b>\$1,720.30</b>	<b>\$2,308.30</b>	

NOTE: (C) means Designated PR that are contractual in nature.  
Gifts, Grants & Bequests are not included because they are Non-GF funds  
under both current law and this bill.

FISCAL NOTE

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

BILL NO. CSSB 55(FIN)

Revision Date: 04/16/97  
Title: An Act relating to the definition of certain state receipts; and providing for an effective date  
Sponsor: Rules Committee at the Request of the Governor  
Requester: \_\_\_\_\_

Dept. Affected Various State Agencies  
BRU \_\_\_\_\_  
Component \_\_\_\_\_  
Component Serial No. \_\_\_\_\_

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES [ ]						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1091 Designated Program Receipts						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY97) cost: \_\_\_\_\_

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)  
  
(SEE ATTACHED ANALYSIS)

Prepared by Mike Greany  
Division Legislative Fiscal Analyst  
Approved by SENATE FINANCE COMMITTEE  
Agency SENATE FINANCE COMMITTEE

Phone 465-3795  
Date 4/16/97  
Date 4-16-97

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CS SB 55 (FIN)  
**DEFINITION OF DESIGNATED PROGRAM RECEIPTS**  
 C = Contracts G = Gifts, Grants and Bequests TF = Test Fisheries

Dept	BRU/Component	Description	Type	FY97 Auth	Gov Amend
Adm	Information Services: Info Svcs Fund Front Section	Various contractual svcs; including repairs to Kenai TV system	C	55.0	55.0
Adm	Public Communications Services: AK Rural Communications Services	Repair & maintenance agreements with user communities	C	15.0	313.7
DCED	Alaska Tourism Marketing Council (ATMC)	Industry portion of contract for co-operative marketing	C	1,429.0	1,496.5
Educ	AK Vocational Technical Center	Training classes, under contract, for Cominco employees	C	91.9	239.2
DEC	Spill Prevent & Response: Contaminated Sites	Industry fund to mitigate/cleanup pollution at APC & KPC facilities.	C	0.0	455.0
DEC	Air & Water: Water Quality	Reimbursable svcs agreements for major industrial permit fees	C	75.0	465.3
F&G	Com Fish Mgmt & Dev: Fisheries Development	Lake fertilization studies funded by private hatcheries (Limnology)	C	99.7	0.0
F&G	Com Fish Mgmt & Dev: Special Projects	Special Projects; funded, under contract, by private entities.	C	1,070.8	1,183.4
F&G	Habitat & Restoration: combines Habitat, Special Projects and Habitat Permitting/Title 16 components	Projects/studies funded, under contract, with private firms (i.e. ARCO, BP, NSB)	C	264.7	267.3
F&G	Sport Fisheries	Fish raising project funded by Southern SE Aquaculture Association (Earl West Cove Project)	C	140.0	200.0
F&G	Subsistence: Special Projects	Special studies & Shishmaref subsistence practices project	C	0.0	193.2
F&G	Wildlife Conservation: Special Projects	Contracts with non-state entities for wildlife management projects	C	300.3	304.6
H&SS	Family & Youth Svcs: Probation Services	Anchorage Muni. funds, provided under contract, for "Making a difference" project	C	125.0	125.0
Labor	Administrative Svcs: Labor Market Information	Contractual agreements with private & non state agencies for specialized reports and on-site assistance	C	2.0	2.0
Labor	Employment Security: Emp/Unemp Svcs	Data/Record services provided under contract with private/municipal entities.	C	53.9	54.3
DNR	Resource Development: Land Development	Receipts received under contract to implement Municipal land entitlements and various small contracts	C	15.0	15.0
DNR	Resource Development: Pipeline Coordinator	User pay agreements for work on Badami Project, TAPS monitoring, and TAGS gas project	C	989.4	1,478.3

CS SB 55 (FIN)

DEFINITION OF DESIGNATED PROGRAM RECEIPTS

C = Contracts G = Gifts, Grants and Bequests 'TF' = Test Fisheries

Dept	BRU/Component	Description	Type	FY97 Auth	Gov Amend
DOT	Central Region Design & Const	Utility Rights-of-Way services under lease or sale provisions, e.g. cable companies. Tourism oriented direction signs (TODS)	C	128.7	87.7
DOT	North Region Design & Const	Utility Rights-of-Way services under lease or sale provisions	C	21.8	44.6
DOT	SE Region Hwy/Aviation	Road maintenance svcs contracts with various non-state entities, including: FAA, CBJ,USFS	C	75.0	86.0
<b>Subtotal:</b>				<b>4,952.2</b>	<b>7,066.1</b>
Adm	Public Communications Services: AK Rural Communications Svcs	Gifts, Grants & Bequests	G	140.7	60.0
DCRA	Community & Economic Devel: Community & Econ Devel	Gifts, Grants & Bequests	G	0.0	30.0
DCRA	Employment Training/Rural Devel: Community Devel Assistance	Gifts, Grants & Bequests	G	99.8	69.8
Educ	Teaching and Learning Support:				
Educ	Special and Suppl Service	Gifts, Grants & Bequests	G	3.5	83.5
Educ	Basic Ed & Instructional Improve	Gifts, Grants & Bequests	G	338.6	0.0
Educ	Education Special Projects	Gifts, Grants & Bequests	G	0.0	339.3
Educ	Adult Special Education	Gifts, Grants & Bequests	G	80.0	0.0
Educ	Commissions and Boards: State Council on the Arts	Gifts, Grants & Bequests	G	50.0	50.0
Educ	AVTEC: AVTEC Operations	Gifts, Grants & Bequests	G	14.1	24.2
Educ	Vocational Rehab: Assistive Tech	Gifts, Grants & Bequests	G	62.0	62.0
Educ	AK State Library: Operations	Gifts, Grants & Bequests	G	75.0	75.0
Educ	AK State Museums: Operations	Gifts, Grants & Bequests	G	10.1	10.3
H&SS	Purchased Services: Foster Care	Gifts, Grants & Bequests	G	0.0	0.0
H&SS	State Health Svcs: HS Medicaid	Gifts, Grants & Bequests	G	0.0	100.0
H&SS	Admin Services: Commis Office	Gifts, Grants & Bequests	G	80.9	0.0
DNR	Resource Development: Pipeline Coordinator	Gifts, Grants & Bequests	G	1,472.2	1,238.4
DNR	Resource Development: Special Projects	Gifts, Grants & Bequests	G	500.0	500.0
<b>Subtotal:</b>				<b>2,926.9</b>	<b>2,642.5</b>

CS SB 55 (FIN)

DEFINITION OF DESIGNATED PROGRAM RECEIPTS

C = Contracts G = Gifts, Grants and Bequests TF = Test Fisheries

Dept	DRD/Component	Description	Type	FY97 Auth	Gov Amend
F&G	Com. Fish Management & Development, Fisheries Management	Funds restricted for test fisheries projects	TF	2,223.3	2,594.5
F&G	SE Region Fisheries Mgmt				
F&G	Central Region Fisheries Mgmt				
F&G	AYK Region Fisheries Mgmt				
F&G	Western Region Fisheries Mgmt				
F&G	A-Y-K Region		TF	0.0	0.0
<b>Subtotal:</b>				<b>2,223.3</b>	<b>2,594.5</b>
DCFD	APUC: APUC Operations	Receipts are restricted by state law; rates required to cover full cost of program.		3,964.9	4,117.5
<b>TOTAL</b>				<b>14,067.3</b>	<b>16,420.6</b>

# FISCAL NOTE

Bill Number: SB55

(S) Publish Date: 1/16/97

## STATE OF ALASKA 1997 LEGISLATIVE SESSION

Revision Date \_\_\_\_\_ Dept. Affected Various Departments  
 Title An Act relating to the definition of certain state BRU \_\_\_\_\_  
receipts; and providing for an effective date. Component \_\_\_\_\_  
 Sponsor Rules Committee at the request of the Governor \_\_\_\_\_  
 Requester \_\_\_\_\_ Component Serial No. \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CAPITAL EXPENDITURES</b>						
<b>CHANGE IN REVENUES</b>						

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1005 GF/Program Receipts						
1077 Gifts, Grants & Bequests	(2,512.5)	(2,512.5)	(2,512.5)	(2,512.5)	(2,512.5)	(2,512.5)
1091 Designated Program Receipts	(82.0)	(82.0)	(82.0)	(82.0)	(82.0)	(82.0)
Test Fisheries Receipts	2,594.5	2,594.5	2,594.5	2,594.5	2,594.5	2,594.5
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY97) cost: 0.0

**POSITIONS**

Full-time						
Part-time						
Temporary						

This bill addresses six fund sources under AS 37.05.146.

1. Establishes a new fund source titled Designated Program Receipts. These receipts are defined as: money that is received from a source other than the state and that is (A) restricted to a specific use under the terms of a gift, grant, bequest, contract or federal law; or (B) subject to appropriation for another purpose, but, is designated by state law as available for a specific use. NOTE: The Governor's FY98 budget includes \$50,900.1 in Designated Program Receipts.
2. Establishes a new fund source titled Test Fisheries Receipts. These receipts are derived from Department authorized test fish operations under AS 16.05.050 (15). NOTE: The Governor's FY98 budget includes these receipts in the Designated Program Receipts category. Upon passage of this legislation they will be moved to the appropriate fund source.
3. Deletes the separate fund source "Gifts, Grants & Bequests." These funds will be included in the Designated Program Receipts category.
4. Establishes, for the first time, a definition for Corporate Receipts. This is a "house-keeping" provision which codifies current budgetary practices.
5. Amends the language relating to the Public School Trust Fund to comport with statutory language.
6. Establishes a separate fund source reference for the Alaska Children's Trust.

Prepared by Royce Weller Phone 465-4694  
 Division OMB Date 1/15/97  
 Approved by Annalee McConneli Date 1-15-97  
 Agency Director, Office of Management & Budget

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**DESIGNATED PROGRAM RECEIPTS**  
**FY96 -FY98 Comparison**

Spreadsheet KEY: A= assessments; C= contracts; F= restricted fees; L= legal; T= third party billings; TF= Test Fisheries						
Dept	BRU/Component	Description	Type	FY96 Actuals	FY97 Auth	FY98 Request
Commerce	Alaska Seafood Marketing Institute (ASMI)	Marketing Assesments & Marketing Tax used to market Alaska Seafood	A	10,001.0	7,894.2	7,887.40
H&SS	State Health Services	Food vendor contributions provided under agreement to Maternal Child & Family Health for the purpose of advertising the "Five a Day" Program.	A	0.0	0.0	0.00
<b>Assessment Subtotal</b>				<b>10,001.0</b>	<b>7,894.2</b>	<b>7,887.40</b>
Administration	Information Services	Various contractual services; including repairs to Kenai TV system	C	29.0	55.0	55.00
Administration	Public Communications Ser.	Repair & maintenance agreements with user communities	C	9.9	15.0	763.70
Commerce	Alaska Tourism Marketing Council (ATMC) ✓	Industry portion of contract for co-operative marketing.	C	1,426.9	1,428.8	1,496.50
Education	AK Voc. Tech. Center	Training classes, under contract, for Cominco employees	C	41.3	237.7	239.20
DEC	Spill Prevent. & Response	Industry funds to mitigate/cleanup pollution at APC & KPC facilities.	C	191.9	25.0	455.00
DEC	Air & Water	Reimbursable services agreement for major industrial permit fees	C	240.6	645.1	465.30
Fish & Game	Com. Fish Management & Dev.	Lake fertilization studies funded by private hatcheries (Limnology)	C	0.0	99.7	0.00
Fish & Game	Com. Fish Management & Dev.	Special Projects: funded, under contract, by private entities	C	0.0	1,070.8	1,183.40
Fish & Game	Habitat & Restoration	Projects/studies funded, under contract, with private firms (i.e. ARCO, BP, NESB)	C	273.5	264.7	267.30
Fish & Game	Sport Fish	Fish raising project funded by Southern SE Aquaculture Association (Earl West Cove Project)	C	0.0	200.0	270.00
Fish & Game	Subsistence	Special studies & Shismaref subsistence practices project	C	68.0	121.2	193.20
Fish & Game	Wildlife Conservation	Contracts with non-state entities for wildlife management projects	C	299.0	300.3	304.60
H&SS	Family & Youth Services	Anchorage Muni. funds, provided under contract, for "Making a difference" project	C	92.0	125.0	125.00
Labor	Administrative Services	Contractual agreements with private & non-state agencies for specialized reports and on-site assistance	C	1.0	2.0	2.00
Labor	Employment Security	Data/Record services provided under contract with private/municipal entities	C	33.5	53.9	54.30
DNR	Resource Development	Receipts received under contract to implement Municipal Fund entitlements and various small contracts	C	22.6	15.0	15.00
DNR	Resource Development	User pay agreements for work on Badami Project, TAPS monitoring, and TAGS gas project	C	2,022.7	989.4	1,630.80
DOT	Central Region Design & Const.	Utility Rights-of-Way services under lease or sale provisions, e.g. cable companies, Tourism oriented direction signs (TODS)	C	83.6	128.7	87.70
DOT	North. Region Design & Const.	Utility Rights-of-Way services under lease or sale provisions	C	30.0	21.8	44.60

**DESIGNATED PROGRAM RECEIPTS**  
**FY96 -FY98 Comparison**

Spreadsheet KEY: A= assessments; C= contracts; F= restricted fees; L= legal; T= third party billings; TF= Test Fisheries						
Dept	BRU/Component	Description	Type	FY96 Actuals	FY97 Auth	FY98 Request
DOT	SE Region Highway/Aviation	Road maintenance service contracts with various non-state entities, including: FAA, CBJ, USFS	C	71.7	75.0	76.00
		<b>Contract Subtotal</b>		<b>4,928.2</b>	<b>5,874.1</b>	<b>7,658.60</b>
Administration	Ak. Professional Development Institute	Receipts collected from non-state entities (local govts) for state sponsored training sessions.	F	113.7	147.7	147.70
Commerce	Tourism Development	Private party joint participation commitments for advertising; workshops; trade shows; marketing.	F	126.3	160.0	559.80
Education	Teaching & learn. Support	Teacher Certificate fees used by DPS for criminal background checks	F	110.0	110.0	110.00
DEC	Spill Prevent. & Response	Risk assessment fees to fund private toxicology assessments	F	0.0	25.0	25.00
Labor	Labor Standards & Safety	Safety Advisory Council conference activities restricted to participant fees	F	92.9	106.8	107.20
Public Safety	DPS Statewide Support	Fees collected to access criminal records by non-state entities which are restricted to maintenance of the criminal records system.	F	305.6	361.7	361.70
Public Safety	Fire Prevention	Fire Service training activities tied to fees collected from non-state entities	F	51.9	171.5	100.00
DOT	Central Region Design & Const.	Inspection services (utility permits) dependent upon payment of fees	F	195.4	196.8	196.80
DOT	North. Region Design & Const.	Inspection services dependent upon payment of fees	F	33.5	42.7	66.40
DOT	S.E. Region Design & Const.	Inspection services dependent upon payment of fees	F	67.3	80.6	81.80
Labor	Employment Security	Conference for "People with Disabilities" directly related to participant fees	F	0.0	4.9	4.90
		<b>Restricted Fee Subtotal</b>		<b>1,096.6</b>	<b>1,407.7</b>	<b>1,761.30</b>
Commerce	APUC	Receipts are restricted by state law; rates required to cover full cost of program	L	3,382.1	3,964.9	4,117.50
Commerce	Insurance	Receipts are restricted by state law; rates required to cover full cost of program	L	3,842.2	4,759.9	4,163.40
Commerce	Occupational Lic. (boards)	Receipts are restricted by state law; rates required to cover full cost of program	L	175.6	240.8	153.30
Commerce	Occupational Lic. (operations)	Receipts are restricted by state law; rates required to cover full cost of program	L	3,901.2	5,273.3	4,371.90

**DESIGNATED PROGRAM RECEIPTS**  
**FY96 -FY98 Comparison**

Spreadsheet KEY: A= assessments; C= contracts; F= restricted fees; L= legal; T= third party billings; TF= Test Fisheries						
Dept	BRU/Component	Description	Type	FY95 Actuals	FY97 Auth	FY98 Request
Education	Voc. Rehabilitation	Vending machine receipts; restricted for use by Business Enterprise Program	L	165.0	165.0	165.00
DEC	Air & Water	Federal law requires annual fees to cover permitting program	L	0.0	350.0	0.00
H&SS	Family & Youth Services	Federal law restricts SSI (Foster Care) and Old Age Survivor Insurance to named "beneficiary" - funds used to offset cost of care for those in state custody	L	1,150.4	1,140.0	991.50
H&SS	State Health Services	Federal law restricts manufacturer's formula rebates to the WIC program	L	2,029.5	1,950.0	2,700.00
HSS	Alaska Temporary Assistance Program (ATAP). Formerly the AFDC program.	ATAP operations funded by statutorily required deposits of Child Support collections related to ATAP cases - includes fiscal note to SB98	L	5,987.7	9,022.6	10,269.40
DOT	All Regions	Leasing receipts collected at state maintained "rural" airports	L	2,275.4	2,728.1	3,285.20
Labor	Labor Standards & Safety	Hazardous Painting Certificate Program receipts are restricted by state law to carrying out the program	L	43.7	29.0	29.00
Public Safety	Police Standards Council	Fees deposited into the Police Standards Training Fund are restricted by state law as to their use.	L	103.6	613.6	620.00
		<b>Legal (State or Federal Law) Subtotal</b>		<b>23,056.4</b>	<b>30,237.2</b>	<b>30,866.20</b>
Commerce	Banking, Sec., & Corp.	Third party billings for travel expenditures	T	16.4	15.0	14.50
Commerce	Measurement Standards	Third party billings for travel expenditures	T	14.4	18.0	24.40
Commerce	Trade & Development	Third party billings for travel expenditures	T	1.8	15.0	14.50
Commerce	Insurance	Third party billings for travel expenditures	T	48.5	52.0	52.00
Commerce	Tourism Development	Third party billings for travel expenditures	T	2.6	5.0	5.00
Commerce	Occupational Lic. (boards)	Third party billings for travel expenditures	T		21.7	21.70
		<b>Third party billings Subtotal</b>		<b>83.7</b>	<b>126.7</b>	<b>132.10</b>
		<b>DESIGNATED PROGRAM RECEIPT TOTALS</b>		<b>39,165.9</b>	<b>45,539.9</b>	<b>48,305.60</b>
Various Dept.s	Various	Gifts, Grants & Bequests		794.7	2,926.9	2,512.50
		<b>DESIGNATED &amp; GIFTS, GRANTS &amp; BEQUESTS TOTALS</b>		<b>39,960.6</b>	<b>48,466.8</b>	<b>50,818.10</b>
Fish & Game	Com. Fish Management & Dev.	Funds restricted for test fisheries projects	TF	2,031.4	2,223.3	2,594.50
		<b>DESIGNATED / GIFTS, GRANTS &amp; BEQUESTS/ TEST FISH. TOTALS</b>		<b>41,992.0</b>	<b>50,690.1</b>	<b>53,412.60</b>



# Alaska State Senate

## Senate Finance Committee

Official Business

Mail Stop 3100  
State Capitol  
Juneau, Alaska 99801-1182

10 June 1997

TO: Sara Fisher  
907/488-4271 (fax)

FM: Jerry L. Jones-Soltani *Jerry Lee*  
Senate Finance Committee Secretary

RE: SB 55

Per my telcon with Mike Greany yesterday afternoon I have researched our file for SB 55. Please note the following:

Amendment #1 offered by Sen. Phillips failed by a vote of 2 - 4

Amendment #2 was not offered.

I have forwarded copies of those two amendments for you along with a copy of the work draft that was adopted without objection and later moved as a finance CS.

If there is any other information that you need, please call me at 907/465-2618.

4/7 moved by Sen. Phillips  
Sen. Adams object  
withdrawn by Sen. Phillip

Amendment

4/16 Moved by Phillips  
Peace object  
FAILED 2/1  
by Phillips

TO: SB 55

Page <sup>2</sup> ~~3~~, line <sup>3</sup> ~~16~~

add

(3) housing rental receipts

SENATE FINANCE  
COMMITTEE  
Amendment Number: 1  
Bill Number: SB 55  
Sponsor: Phillips Date: 4/7/17  
Logged In By: J. K. L. T. M.

Not offered

SENATE FINANCE  
COMMITTEE

Amendment Number: 2  
Bill Number: CS SB 55  
Sponsor: \_\_\_\_\_ Date: 4-16-97  
Logged In By: Pj

0-GS0049\A.1  
Utermohle  
4/15/97

A M E N D M E N T

Pj

OFFERED IN THE SENATE

TO: CSSB 55( )

1 Page 1, line 1, following "receipts":

2 Insert "and to state procurement practices and procedures"

3 Page 1, following line 3:

4 Insert a new bill section to read:

5 **"\* Section 1. AS 36.30.015(e) is amended to read:**

6 (e) The board of directors of the Alaska Railroad Corporation and the board  
7 of directors of the Alaska Aerospace Development Corporation shall adopt procedures  
8 to govern the procurement of supplies, services, professional services, and  
9 construction. The procedures must be substantially equivalent to the procedures  
10 prescribed in this chapter and in regulations adopted under this chapter.  
11 Notwithstanding the other provisions of this subsection, the Alaska Railroad  
12 Corporation and the Alaska Aerospace Development Corporation shall comply with  
13 AS 36.30.170(b), and, when procuring supplies, services, professional services, or  
14 construction contracts related to construction work that the Department of  
15 Transportation and Public Facilities authorizes the Alaska Railroad Corporation  
16 to perform on behalf of the Department of Transportation and Public Facilities,  
17 the Alaska Railroad Corporation shall use competitive sealed bidding or  
18 competitive sealed proposals under AS 36.30.100 - 36.30.270."

19 Page 1, line 4:

20 Delete "Section 1."

21 Insert "Sec. 2."

22. Renumber the following bill section accordingly.

**SB**

**56**

**HFIN**

**FILE**

(11)

Date Referred to Committee: February 13, 1997

FURTHER REFERRALS:

Date of Committee Action: 2/21/97

The FINANCE Committee considered:

SB 56

SENATE BILL NO. 56

BUSINESS SIGNS/OUTDOOR ADVERTISING

"An Act relating to tourist oriented directional signs that are 90 inches in width and 18 inches in height, relating to penalties for violations related to outdoor advertising, and annulling a regulation of the Department of Transportation and Public Facilities."

recommends it be replaced with the following committee substitute HCS CS SB 56 (FIN)  the same title  a new title

additional referral to \_\_\_\_\_ Committee

attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) \_\_\_\_\_

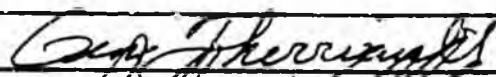


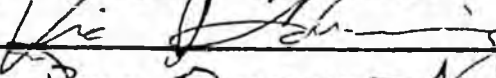
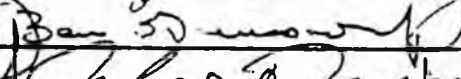



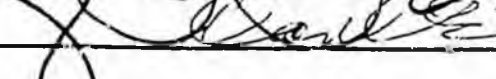
APPROVES PREVIOUS: (Dept/Date) \_\_\_\_\_

fiscal note(s) \_\_\_\_\_

fiscal note(s) DUTPF 1/29/97

zero fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
	Therriault	X			
	Kelly	X			
	Martin	X			
	Kohns	X			
	Gussendorf			X	
	J. Davies				X
	G. Davis			X	
	FOSTER	X			
	MOSES			X	

CO-CHAIR'S SIGNATURE



Therriault.

# FISCAL NOTE

No. 1

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

BILL NO.

Bill Version: SB56

(S) Publish Date: 1/29/97

Revision Date: \_\_\_\_\_  
Title: Business Signs/Outdoor Advertizing

Dept. Affected: DOT&PF  
BRU: Engineering and Ocerations  
Component: Engineering and Operations

Sponsor: Senator Green  
Requester: Senate Transportation

COMPONENT SERIAL NO. 547

**Expenditures/Revenues** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	10.5	10.5	10.5	10.5	10.5	10.5
TRAVEL	1.0	1.0	1.0	1.0	1.0	1.0
CONTRACTUAL	10.0					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>21.5</b>	<b>11.5</b>	<b>11.5</b>	<b>11.5</b>	<b>11.5</b>	<b>11.5</b>
<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CHANGE IN REVENUES ( )</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	21.5	11.5	11.5	11.5	11.5	11.5
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>21.5</b>	<b>11.5</b>	<b>11.5</b>	<b>11.5</b>	<b>11.5</b>	<b>11.5</b>

Estimate of any current year (FY97) cost: \$ 0.0

**POSITIONS**

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

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

It is assumed that owners of the businesses will be responsible for sign purchase, installation, permits, easments, other rental agreements and maintenance of the signs should this bill become law. It is also assumed that all andministrative and organizational costs will rest with the business erecting the sign.

Currently, no other state allows placement of official directional signs on private property due to the difficulties in controlling and enforcing sign placement on private property

One technical engineer will be required to spend approximately one month to review and administer the state aspects of the program. Estimated cost on \$10,500 plus \$1000 for travel

Writing regulations is estimated to cost \$10,000, \$5,000 to write regulations and \$5,000 for public hearings.

Prepared by: Sam Kito III  
Special Assistant

Division: Office of the Commissioner

Approved by: Joseph L. Rubin  
Commissioner

Agency: Department of Transportation and Public Facilites

Phone: 465-3900

Date: 1/28/97

Date: 1/28/97

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