

ALASKA LEGISLATURE

1821

HOUSE and SENATE FINANCE COMMITTEE FILES, 1997-1998

**SB**

**233**

SFIN

FILE

FISCAL NOTE

REPORTED OUT OF

NO. 42 4/2/98  
Bill Version: SB 233  
(S) Publish Date: 3-18-98

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
Title: Alcohol Beverage Control Board BRU: Alcoholic Beverage Control Board  
Component: Alcoholic Beverage Control Board  
Sponsor: Senate Labor & Commerce Committee  
Requestor: Senate Labor & Commerce Committee COMPONENT SERIAL NO. 100

Expenditures/Revenues: (Thousands of Dollars)

	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
<b>OPERATING EXPENDITURES</b>						
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)

	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
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 (FY96) cost \$ 0

POSITIONS:

	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

No expenditure of funds is necessary to extend the life of the ABC Board for another four (4) years.

As a functioning regulatory board, the ABC Board is funded as part of the operating budget for the Department of Revenue. All funding for the ABC Board is derived from program receipts for liquor license, permit fees and miscellaneous payments.

Prepared by: Douglas B. Griffin  
Division: Alcoholic Beverage Control Board  
Approved by Commissioner: Wilson L. Condon  
Agency: Department of Revenue

Phone: 907-277-8638  
Date: March 18, 1998  
Date: March 18, 1998

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# SENATE FINANCE COMMITTEE REPORT

DATE: 3/18/98

FURTHER: 4/2/98

DATE TURNED  
IN TO OFFICE: 4/6/98

Finance Committee considered

SENATE BILL NO. 233

"An Act extending the termination date of the Alcoholic Beverage Control Board."

and recommends:

- be replaced with CS SB 233 ( 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 title
  - new: SCR# \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>John Sawyer</i>	✓	<i>Sean Powell</i>	X		
<i>John Sawyer</i>	✓	<i>Lee Adams</i>		X	
		<i>James Wiley</i>			X
Co-Chair:		Co-Chair: <i>Pearce</i>	✓		
Co-Chair: <i>Bob Wherry</i>		Co-Chair:			

**NEW FISCAL NOTE(S):**

Department                      Date              Zero              Fiscal

Department	Date	Zero	Fiscal

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

Department                      Date              Zero              Fiscal

Department	Date	Zero	Fiscal
Rev / ABC Board	3/18/98	φ	

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR DONLEY

TO: SB 233

*moved by Donley  
objection waived  
1-6 FAILED  
(Donley)*

1 Page 1, line 1, following "Act":

2 Insert "relating to the police powers of certain employees of the Alcoholic  
3 Beverage Control Board; and"

4 Page 1, following line 2:

5 Insert new bill sections to read:

6 **\*\* Section 1.** AS 04.06.110 is amended by adding a new subsection to read:

7 (b) For purposes of (a) of this section, the exercise of peace officer powers  
8 includes carrying a weapon.

9 **\* Sec. 2.** AS 18.65.290(5) is amended to read:

10 (5) "police officer" means

11 (A) a full-time employee of the state or a local police  
12 department with the authority to arrest and issue citations; detain a person  
13 taken into custody until that person can be arraigned before a judge or  
14 magistrate; conduct investigations of violations of and enforce criminal laws,  
15 regulations, and traffic laws; search with or without a warrant persons,  
16 dwellings, and other forms of property for evidence of a crime; carry a  
17 concealed weapon; and take other action consistent with exercise of these  
18 enumerated powers when necessary to maintain the public peace;

19 (B) an officer or employee of the Department of Transportation  
20 and Public Facilities who is stationed at an international airport and has been  
21 designated to have the general police powers authorized under  
22 AS 02.15.230(a);

23 (C) a University of Alaska public safety officer with general  
24 police powers authorized under AS 14.40.043;

1                                    (D) an employee of the Alcoholic Beverage Control Board  
2                                    who has the right to exercise peace officer powers under AS 04.06.110:"

3 Page 1, line 3:

4                    Delete "\* Section 1."

5                    Insert "\* Sec. 3."

A M E N D M E N T

OFFERED IN THE SENATE  
TO: SB 233

BY SENATOR DONLEY  
moved Donley  
objection  
2-5 FAILED

1 Page 1, line 1, following "Act":

2 Insert "relating to membership on the Alcoholic Beverage Control Board; and"

3 Page 1, following line 2:

4 Insert new bill sections to read:

5 "\* Section 1. AS 04.06.020 is amended to read:

6 **Sec. 04.06.020. Appointment and qualifications.** The board consists of  
7 seven [FIVE] members appointed by the governor and confirmed by a majority of the  
8 members of the legislature in joint session. A member of the board may not hold any  
9 other state or federal office, either elective or appointive. Two members of the board  
10 shall be persons actively engaged in the alcoholic beverage industry, except that no  
11 member may hold a wholesale license or be an officer, agent, or employee of a  
12 wholesale alcoholic beverage enterprise. No three members of the board may be  
13 engaged in the same business, occupation, or profession. At least five [THREE]  
14 members of the board shall represent the general public. A board member representing  
15 the general public or an immediate family member of a board member representing  
16 the general public may not have any financial interest in the alcoholic beverage  
17 industry. In this section, "immediate family member" means a spouse, child, or  
18 parent.

Amended by  
Donley

19 *delete* \* Sec. 2. AS 04.06.060 is amended to read:

20 **Sec. 04.06.060. Quorum and majority.** Four [THREE] members of the  
21 board constitute a quorum for the conduct of business, except that a majority of the  
22 whole membership of the board must approve all applications for new licenses, and  
23 all renewals, transfers, suspensions, and revocations of existing licenses. If a majority  
24 of the board is present and voting, the director, with the consent of the members

1 present, may cast a tie-breaking vote."

2 Page 1, line 3:

3 Delete "\* Section 1."

4 Insert "\* Sec. 3."

SENATE FINANCE

COMMITTEE

Amendment Number: #2

0-LS1313A.4

Bill Number: SB 233

Ford

Sponsor: Donley Date: 4/1/98

3/30/98

Logged In By: J Mindy

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR DONLEY

TO: SB 233

*moved Donley*

*1-6  
(Donley)*

FAILED

1 Page 1, line 1, following "Act":

2 Insert "relating to peace officer powers of employees of the Alcoholic Beverage  
3 Control Board; and"

4 Page 1, following line 2:

5 Insert a new bill section to read:

6 **\*\* Section 1.** AS 04.06.110 is amended to read:

7 **Sec. 04.06.110. Peace officer powers.** The director and the persons  
8 employed for the administration and enforcement of this title may, with the  
9 concurrence of the commissioner of public safety, exercise the powers of peace  
10 officers when those powers are specifically granted by the board. Powers granted by  
11 the board under this section may be exercised only when necessary for the  
12 enforcement of the criminally punishable provisions of this title, regulations of the  
13 board, and other criminally punishable laws and regulations [GOVERNING THE  
14 MANUFACTURE, BARTER, SALE, CONSUMPTION, AND POSSESSION OF  
15 ALCOHOLIC BEVERAGES IN THE STATE]."

16 Page 1, line 3:

17 Delete **\*\* Section 1.**

18 Insert **\*\* Sec. 2.**

SENATE FINANCE  
COMMITTEE  
Amendment Number: #5  
Bill Number: SB 233  
Sponsor: Donley Date: 4/1  
Logged In By: J. Mindy

0-LS1313A.8  
Ford  
3/30/98

AMENDMENT

OFFERED IN THE SENATE  
TO: SB 233

BY SENATOR DONLEY  
moved Donley

2-5 FAILURE

1 Page 1, line 1, following "Act":

2 Insert "relating to protests concerning the issuance, renewal, relocation, or  
3 transfer of liquor licenses; and"

4 Page 1, following line 2:

5 Insert a new bill section to read:

6 **\*\* Section 1.** AS 04.11.480(a) is amended to read:

7 (a) A local governing body may protest the issuance, renewal, relocation, or  
8 transfer to another person of a license by sending the board and the applicant a protest  
9 and the reasons for the protest within 60 days of receipt from the board of notice of  
10 filing of the application. A local advisory council, including a community council,  
11 established by a local governing body for an area that includes, or an area with  
12 a boundary that is within one-half mile of, the location of the proposed licensed  
13 premises may protest the proposed action by sending a notice of the protest to  
14 the local governing body and to the board. After a local advisory council has  
15 protested the proposed action, the board shall deny the application or continued  
16 operation unless the board approves the proposed action by the affirmative vote  
17 of two-thirds of the members of the board. A protest received after the 60-day  
18 period may not be accepted by the board, and in no event may a protest cause the  
19 board to reconsider an approved renewal, relocation, or transfer. The local governing  
20 body may protest the continued operation of a license during the second year of the  
21 biennial license period by sending the board and the licensee a protest and the reasons  
22 for the protest by January 31 of the second year of the license. The procedures for  
23 action on a protest of continued operation of a license are the same as the procedures  
24 for action on a protest of a renewal application. The board shall consider a protest

1 and testimony received at a hearing conducted under AS 04.11.510(b)(2) or (4) when  
2 it considers the application or continued operation, and the protest and the record of  
3 the hearing conducted under AS 04.11.510(b)(2) or (4) shall be kept as part of the  
4 board's permanent record of its review. If an application or continued operation is  
5 protested, the board shall deny the application or continued operation unless the board  
6 finds that the protest is arbitrary, capricious, and unreasonable."

7 Page 1, line 3:

8 Delete "\* Section 1."

9 Insert "\* Sec. 2."

SUBJECT: #CS 233 Tech Amnd.  
DATE: \_\_\_\_\_

SUBJECT: \_\_\_\_\_  
DATE: \_\_\_\_\_

	YEA	NAY
SENATOR PHILLIPS	✓	
SENATOR DONLEY	✓	
SENATOR TORGERSON	✓	
SENATOR PARNELL	✓	
SENATOR ADAMS		✓
SENATOR SHARP	✓	
SENATOR PEARCE	✓	
TOTAL:	<hr/>	
	6/1	

	YEA	NAY
SENATOR DONLEY		
SENATOR TORGERSON		
SENATOR PARNELL		
SENATOR ADAMS		
SENATOR PHILLIPS		
SENATOR SHARP		
SENATOR PEARCE		
TOTAL:	<hr/>	

SUBJECT: \_\_\_\_\_  
DATE: \_\_\_\_\_

SUBJECT: \_\_\_\_\_  
DATE: \_\_\_\_\_

	YEA	NAY
SENATOR TORGERSON		
SENATOR PARNELL		
SENATOR ADAMS		
SENATOR PHILLIPS		
SENATOR DONLEY		
SENATOR SHARP		
SENATOR PEARCE		
TOTAL:	<hr/>	

	YEA	NAY
SENATOR PARNELL		
SENATOR ADAMS		
SENATOR PHILLIPS		
SENATOR DONLEY		
SENATOR TORGERSON		
SENATOR SHARP		
SENATOR PEARCE		
TOTAL:	<hr/>	

0-LS1313VH

Ford

4/1/58

move Sen Donley under amend.  
object Sen Adams  
accept b-1 (Sen Adams)  
way

CS FOR SENATE BILL NO. 233(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): SENATE LABOR AND COMMERCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act extending the termination date of the Alcoholic Beverage Control Board;  
2 relating to sales of beer and wine on a golf course or at a recreational site; and  
3 providing for an effective date."

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

5 \* Section 1. AS 04.11.210(a) is amended to read:

6 (a) The holder of a recreational site license may sell beer and wine at a  
7 recreational site while recreation is occurring or during and one hour before and after  
8 a recreational event that is not a school event, for consumption on designated areas at  
9 the site.

10 \* Sec. 2. AS 04.11.210(c) is amended to read:

11 (c) In this section,

12 (1) "golf course" means a course that either has at least nine holes  
13 or covers at least 2,950 yards and that is open to the public;

14 (2) "recreational site" means a golf course or [, BUT IS NOT

1 LIMITED TO,] a location where baseball games, car races, hockey games, dog sled  
2 racing events, or curling matches are regularly held during a season.

3 \* Sec. 3. AS 44.66.010(a)(1) is amended to read:

4 (1) Alcoholic Beverage Control Board (AS 04.06.010) -- June 30, 2002  
5 [1998];

6 \* Sec. 4. This Act takes effect July 1, 1998.

SENATE FINANCE  
COMMITTEE

Amendment Number: #10  
Bill Number: SB 233  
Sponsor: Donley Date: 1/11  
Logged In By: Mundy

0-LS1313A.9

Ford

3/31/98

AMENDMENT

OFFERED IN THE SENATE

TO: SB 233

BY SENATOR DONLEY

*moved Donley  
w/o objection, adopted*

1 Page 1, line 1, following "Act":

2 Insert "relating to notice of alcohol-related arrests; and"

3 Page 1, following line 2:

4 Insert a new bill section to read:

5 **\* Section 1.** AS 12.25 is amended by adding a new section to read:

6 **Sec. 12.25.075. Notice of alcohol-related arrest.** If a peace officer makes  
7 an arrest on premises licensed under AS 04.11.080, the law enforcement agency that  
8 employs the peace officer shall, within 60 days of the arrest, provide notice of the  
9 arrest, including a description of the location and circumstances of the arrest, to the  
10 Alcoholic Beverage Control Board."

11 Page 1, line 3:

12 Delete **\* Section 1.**

13 Insert **\* Sec. 2.**

SENATE FINANCE  
COMMITTEE

Amendment Number: # 4  
Bill Number: SB 233  
Sponsor: Donley Date: 4/11  
Logged In By: J. Mincy

0-LS1313A.7  
Ford  
3/30/98

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR DONLEY

TO: SB 233

*moved Donley*

1 Page 1, line 1, following "Act":

2 Insert "relating to protests concerning the issuance, renewal, relocation, or  
3 transfer of liquor licenses; and"

4 Page 1, following line 2:

5 Insert a new bill section to read:

6 **\*\* Section 1.** AS 04.11.480(a) is amended to read:

7 (a) A local governing body may protest the issuance, renewal, relocation, or  
8 transfer to another person of a license by sending the board and the applicant a protest  
9 and the reasons for the protest within 60 days of receipt from the board of notice of  
10 filing of the application. A local advisory council, including a community council,  
11 established by a local governing body for an area that includes, or an area with  
12 a boundary that is within one-half mile of, the location of the proposed licensed  
13 premises may protest the proposed action by sending a notice of the protest to  
14 the local governing body and to the board. After a local advisory council has  
15 protested the proposed action, the board shall deny the application or continued  
16 operation unless the local governing body approves the proposed action by the  
17 affirmative vote of two-thirds of the members of the local governing body. A  
18 protest received after the 60-day period may not be accepted by the board, and in no  
19 event may a protest cause the board to reconsider an approved renewal, relocation, or  
20 transfer. The local governing body may protest the continued operation of a license  
21 during the second year of the biennial license period by sending the board and the  
22 licensee a protest and the reasons for the protest by January 31 of the second year of  
23 the license. The procedures for action on a protest of continued operation of a license  
24 are the same as the procedures for action on a protest of a renewal application. The

1 board shall consider a protest and testimony received at a hearing conducted under  
2 AS 04.11.510(b)(2) or (4) when it considers the application or continued operation,  
3 and the protest and the record of the hearing conducted under AS 04.11.510(b)(2) or  
4 (4) shall be kept as part of the board's permanent record of its review. If an  
5 application or continued operation is protested, the board shall deny the application  
6 or continued operation unless the board finds that the protest is arbitrary, capricious,  
7 and unreasonable."

8 Page 1, line 3:

9 Delete "**\* Section 1.**"

10 Insert "**\* Sec. 2.**"

**SB**

**234**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

DATE: 1/21/98

FURTHER: 4/1/98

DATE TURNED  
IN TO OFFICE: 1 April 98

Finance Committee considered

SENATE BILL NO. 234

"An Act extending the termination date of the Board of Governors of the Alaska Bar Association."

and recommends:

- be replaced with CS SB 234 ( 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 title
- new: SCR#

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>POORE</i>	✓				
<i>Alan Adair</i>	✓				
<i>Adair</i>	✓				
<i>Johnson</i>	✓				
<i>Alan Danley</i>	✓				
Co-Chair: <i>DeLoach</i>	✓	Co-Chair:			
Co-Chair: <i>Beatty</i>	✓	Co-Chair:			

**NEW FISCAL NOTE(S):**

Department                      Date      Zero      Fiscal


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

Department                      Date      Zero      Fiscal


APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

4/1/98

# FISCAL NOTE

STATE OF ALASKA  
1998 LEGISLATIVE SESSION

BILL NO. SB 234

Revision Date: \_\_\_\_\_  
Title: Extend the term for the Board of  
Governors of the Alaska Bar Association  
Sponsor: Senate Labor & Commerce  
Requestor: Senate Finance

Dept. Affected: Alaska Court System  
BRU: Trial Courts  
Component: \_\_\_\_\_  
COMPONENT SERIAL NO. 799

Expenditures/Revenues		(Thousands of Dollars)				
OPERATING EXPENDITURES	FY 98	FY 00	FY 01	FY 02	FY 03	FY 04
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						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
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 (FY 98) cost: \$ None

Positions						
Full-Time						
Part-Time						
Temporary						

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

No fiscal impact.

Prepared by: Doug Wooliver, Administrative Attorney  
 Agency: Alaska Court System

Approved by: Stephanie J. Cole, Administrative Director  
 Agency: Alaska Court System

Phone: 264-8228  
 Date: 01/27/98

Date: 01/27/98

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Rev 1/98

**SB**

**235**

HFIN

FILE

# FISCAL NOTE

**STATE OF ALASKA**  
**1998 LEGISLATIVE SESSION**

**BILL NO. SB 235**

Revision Date: \_\_\_\_\_ Department: Commerce and Economic Development  
 Title: An Act extending the termination date of the Board BRU: Occupational Licensing  
of Certified Real Estate Appraisers Component: Operations  
 Sponsor: Senate Labor and Commerce  
 Requestor: Senate Labor and Commerce COMPONENT SERIAL NO. 1844

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
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

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

CHANGE IN REVENUES						
--------------------	--	--	--	--	--	--

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 98) cost: \$ 35.5

POSITIONS						
FULL-TIME						
PART-TIME						
TEMPORARY						

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

SB 235 extends the Board of Certified Real Estate Appraisers to June 30, 2002. Funding for continuation of the board in the amount of \$35.5 is included in the department's FY 99 operating budget request; therefore, new funds are not needed. The program is required to cover its costs with licensing fees under AS 08.01.055, and revenue generated by board fees are anticipated to cover its full operating costs.

Prepared by: Jennifer Strickler, Administrative Manager Phone: 465-2144  
 Division: Occupational Licensing Date: 1/23/98  
 Approved by Commissioner: Deborah B. Sedwick Date: 1-26-98  
 Agency: Commerce and Economic Development

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# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 9, 1998

FURTHER REFERRALS:

Date of Committee Action: 5/4/98

The FINANCE Committee considered:

CSSB 235(FIN)

CS FOR SENATE BILL NO. 235(FIN)

BOARD OF CERTIFIED REAL ESTATE APPRAISERS

“An Act extending the termination date of the Board of Certified Real Estate Appraisers.”

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) DCED, 2/11/98

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Care Therriault</i> Therriault			X	
<i>Gidon Mulder</i> Mulder	X			
<i>Wic Kohring</i> Kohring	X			
<i>Ben Gussendorf</i> Gussendorf	X			
<i>Paul E. Moses</i> Moses	X			
<i>George Davis</i> G. DAVIS	X			
<i>Peter Kelly</i> Kelly	X			

CHAIR'S SIGNATURE *Care Therriault*

# ANNUAL REPORT

FISCAL YEAR 1997

**BOARD OF CERTIFIED  
REAL ESTATE APPRAISERS**

December 1997

**BOARD OF CERTIFIED REAL ESTATE APPRAISERS**

**ANNUAL REPORT**

**TABLE OF CONTENTS**

	<b>Page</b>
IDENTIFICATION OF THE BOARD .....	1-2
NARRATIVE STATEMENT .....	3-4
GOALS AND OBJECTIVES - FISCAL YEAR 98 .....	5
STATISTICAL OVERVIEW .....	6-7
BUDGET RECOMMENDATIONS .....	8
ANNUAL REGULATIONS REPORT .....	9

**BOARD OF CERTIFIED REAL ESTATE APPRAISERS  
IDENTIFICATION OF THE BOARD**

**Term**

**Vacant**

**Paige R. Hodson**  
Residential Real Estate Appraiser  
903 W. Northern Lights, #220  
Anchorage, AK 99503  
(Work) 274-8258  
(Fax) 274-8259

**June 30, 1998**

**Susan K. Crosson**  
Vice Chairperson  
General Real Estate Appraiser  
2509 Eide Street, Suite 6  
Anchorage, AK 99503  
(Home) 243-3003  
(Work) 274-2270  
(Fax) 274-2272

**June 30, 1998**

**Jon B. Wolfe**  
Chairperson  
Member at Large  
P.O. Box 240365  
Douglas, AK 99824-0365  
(Home) 364-4624  
(Work) 789-2536  
(Fax) 789-4856

**June 30, 2000**

**Eileen R. Bechtol**  
Public Member  
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**June 30, 1999**

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## BOARD OF CERTIFIED REAL ESTATE APPRAISERS

### NARRATIVE STATEMENT

The certification and licensing of appraisers is a relatively new phenomenon and, naturally, there has been a "learning curve" at both the federal and state levels. Regulations under which the Alaska Board of Certified Real Estate Appraisers functions have been amended a number of times, either in response to changing federal mandates promulgated by the Appraisal Foundation or in response to changing state needs. Fine tuning of the regulations can be expected to be an ongoing exercise for the Board.

In addition to revising regulations, the primary functions of the board include: reviewing and approving applications for initial certification of residential, general and trainee appraisers; approving courses for both initial certification and continuing education; reviewing applications from nonresident appraisers seeking courtesy licenses or initial certification by endorsement; and directing the investigation and resolution of complaints against appraisers. While the processing of complaints is a staff function, the board is informed of the general nature of complaints and approves the final disposition of complaints.

### MEMBERSHIP

The full compliment of the Alaska Board of Certified Real Estate Appraisers consists of five members appointed by the Governor and subject to legislative confirmation. As of this writing, there is one vacant position which the board expects will be filled sometime in early 1998. Immediately following renewal of certifications in July 1997, there were 76 certified residential appraisers, 67 certified general appraisers, and 3 registered trainees in the State of Alaska.

Eileen R. Bechtol	Public
Susan K. Crosson	General Real Estate Appraiser, Vice Chairperson
Paige R. Hodson	Residential Real Estate Appraiser
Jon B. Wolfe	At-Large, Chairperson
Vacant	Mortgage Banking Executive

### OBJECTIVES ACCOMPLISHED

Regulation changes dealing primarily with education and experience requirements were public noticed in 1995. However, they languished in the Department of Law awaiting review so long that the board had to repeat the public notice and hearing procedure. These were finally adopted during FY 97. Regulations permitting distance education for continuing education are in process. While at the present time there are not many courses available specifically for appraisers this is a void which can be expected to be filled as more states approve distance education.

The first renewal period for certifications occurred at the beginning of FY 97. Although primarily a staff accomplishment, the renewals were processed in a timely fashion. A random sample of appraisers was audited for proof of completing their required continuing education.

The board has discussed issues related to reciprocity and a review of state reciprocity issues has been undertaken. The majority of applicants for either initial certification by endorsement or courtesy licenses have come from the State of Washington. In order to expedite the processing of requests for initial certification and course approvals, the board has approved the use of mail balloting.

## **STATUTE CHANGES**

The board is subject to a sunset review at the end of FY 97. This will entail an audit of the board's functions and public purpose by Legislative Audit. Following this exercise, the statutes governing the board will be subject to continuation or cease under sunset provisions. At this time, it is opportune to undertake a review of the statutes and to suggest changes. The board has identified three areas for attention as follows:

- Require mandatory state certification for all appraisers.
- Require appraisal assistants to become certified trainees.
- Increase required continuing education requirements to 40 hours for each biennial renewal period.

**BOARD OF CERTIFIED REAL ESTATE APPRAISERS**  
**GOALS AND OBJECTIVES - FISCAL YEAR 1998**

The board reviews its goals and objectives at each meeting. The primary goals for this coming year is to investigate revisions to statutes and regulations to enhance consistency with the policy of the Appraisal Subcommittee.

1. Modify current statutes and regulations to include changes as needed and encourage their implementation.
2. Seek comments/input from other organizations who are involved in or use appraisal services in Alaska.
  - Circulate to appraisal organizations, interested individuals, and users of appraisal services the board meeting dates.
  - Provide public notice of all meetings in the newspapers.
  - Continue to make listings of approved, denied, and expired initial certification and continuing education courses/seminars available to certified individuals.
3. Review recommendations for changes in the enabling statutes of the certified real estate appraisers program.

**FISCAL YEAR 97**

**Board/Commission:** Board of Certified Real Estate Appraisers

**Authority for Licensure:** Check the appropriate method in which licenses are issued (not including examination), and cite the specific statutory authority.

<u>      </u>	Credentials	AS 08. _____
<u>      </u>	Reciprocity	AS 08. _____
<u>      </u>	Comity	AS 08. _____
<u>  x  </u>	Endorsement	AS 08. <u>87.110(c)</u>

**Licenses\*:** List each category and the number of current/active licenses within each category. Category should be subdivided into licenses issued by examination or credential if applicable.

<b>A. Category: Current/Active</b>	<b>New - Issued During FY 97</b>	<b>As of 6/30/97</b>	<b>Notes</b>
1. General	2	83	Endorsement - 2 Examination - 0
2. Residential	3	84	Endorsement - 1 Examination - 2
3. Institutional	0	0	
4. Trainee	3	5	
<b>TOTAL</b>	<b>8</b>	<b>172</b>	
<b>B. Category: Current/Inactive (not lapsed)**</b>			
1. Not Applicable			
2.			
3.			
<b>TOTAL</b>			
<b>C. Category: Permits/Endorsements, etc.</b>			
1. Courtesy	7	2	
2.			
3.			
<b>TOTAL</b>	<b>7</b>	<b>2</b>	
<b>D. Other statistics applicable to a specific board</b>			

\*Whenever the word *license* is used, it may also refer to registrations, certificates, endorsements, which are issued as applicable.

\*\*Note some professions do not have inactive status.

**Expiration Date of Licenses for this program:** If the expiration date is different for each category, indicate the category after each date.

CATEGORY	EXPIRATION DATE
General	06/30/99
Residential	06/30/99
Institutional	06/30/99
Trainee	06/30/99

**Examination:** List each examination separately indicating the licensure category (such as RN, LPN, Dentist, Dental Hygienist), the total number of examinees, number passed and failed.

**Exam Statute Authority:** AS 08.87.110

Category	Date	Total Candidates	No. Passed	No. Failed
Computerized testing available weekly in Anchorage, monthly in Fairbanks, and quarterly in Juneau.				

**Meetings:** List Date(s) and Location(s)

1. October 8, 1996 - Anchorage
2. February 7, 1997 - Anchorage
3. May 30, 1997 - Anchorage
- 4.

**Teleconferences:** List Date(s) and Site(s)

- 1.
- 2.
- 3.
- 4.

**Name of Individual completing form:** Anne-Lise Hagevig

**Date:** June 30, 1997

(Use additional pages if necessary)

**BOARD OF CERTIFIED REAL ESTATE APPRAISERS**  
**BUDGET RECOMMENDATIONS**

The board has agreed to reduce the number of annual meetings to two or three times per year in the interest of economy. This may result in some delays in critical areas such as revision of regulations and the approval of courses. The Appraisal Foundation is constantly developing recommendations and advising states on the revision of regulations. The states are expected to comply with these recommendations and if Alaska "looses ground" on these changes, it could result in sanctions against the state. The inadequate budget continues to pose problems for the board not merely in scheduling meeting, but also in our inability to participate on a national level.

We have been unable to join the Association of Appraiser Regulatory Officials (AARO) or to participate in meetings or conferences. Meetings of the AARO would be extremely helpful to the board to remain on the cutting edge of national trends and changes in the appraisal profession. In requiring all boards to "pay their own way," the State Legislature lost sight of the fact that the only valid reason for creating a state board or professional regulatory body is to protect the public. We merely have to return a few short years to the period of the savings and loan debacle to recall what can result from unregulated appraisal practice. State boards, even small boards, provide a public purpose and there ought to be a base level of funding which guarantees any board the ability to carry out its purposes on behalf of the public.

**BOARD OF CERTIFIED REAL ESTATE APPRAISERS**  
**ANNUAL REGULATIONS REPORT**  
**FY 97**

<b>1. Regulations projects pending at the end of FY 96</b>	<b>Status</b>
A. Education Standards	A. Effective 6/13/97
B. Update USPAP reference	B. Effective 9/6/96
C.	

<b>2. New projects started in FY 97</b>	<b>Status</b>
*A. Distance education	A. Adopted - pending final review by Department of Law
*B. Courtesy licensing	B. Approved for public notice
C.	

**3. Number of regulations hearings held in FY 97:   1**

(\*Indicates a regulations project that is pending at the end of FY 97)

(5) "psychologist" means a person who practices psychology;

(6) "to practice psychology" means to render or offer to render for a fee to individuals, groups, organizations, or the public for the diagnosis, prevention, treatment, or amelioration of psychological problems and emotional and mental disorders of individuals or groups or for conducting research on human behavior, a psychological service involving the application of psychological principles, methods, and procedures of understanding, predicting, and influencing behavior, including

(A) the principles pertaining to learning, perception, motivation, emotions, and interpersonal relationships;

(B) the methods and procedures of interviewing, counseling, psychotherapy, biofeedback, behavior modification, and hypnosis;

(C) constructing, administering and interpreting tests of mental abilities, aptitudes, interests, attitudes, personality characteristics, emotions, and motivations. (§ 1 ch 136 SLA 1967; am §§ 12, 13 ch 65 SLA 1973; am § 55 ch 218 SLA 1976; am §§ 18 — 20, 22, 24 ch 58 SLA 1980; am § 6 ch 29 SLA 1983; am § 9 ch 63 SLA 1986; am § 10 ch 51 SLA 1996)

**Revisor's notes.** — Reorganized in 1987 to alphabetize the defined terms.

**Effect of amendments.** — The 1996 amendment, effective September 4, 1996, in paragraph (4), deleted

"specific" following "who renders" and "in association with a licensed psychologist" following "psychological services."

#### NOTES TO DECISIONS

Applied in *Allred v. State*, 554 P.2d 411 (Alaska 1976).

## Chapter 87. Real Estate Appraisers.

### Article

1. Board of Certified Real Estate Appraisers (§§ 08.87.010, 08.87.020)
2. Certification (§§ 08.87.100 — 08.87.120)
3. Prohibited Practices and Disciplinary Proceedings (§§ 08.87.200, 08.87.210)
4. General Provisions (§§ 08.87.300 — 08.87.900)

### Article 1. Board of Certified Real Estate Appraisers.

#### Section

10. Board created
20. Powers and duties of board

**Sec. 08.87.010. Board created.** There is created in the Department of Commerce and Economic Development the Board of Certified Real Estate Appraisers. The board is composed of five members appointed by the governor. At least one member shall be a person licensed under this chapter as a general real estate appraiser, at least one member shall be a person licensed under this chapter as a residential real estate appraiser, at least one member shall be an executive in a mortgage banking entity, and at least one member shall represent the public. The board shall elect a chair from among its membership. (§ 1 ch 177 SLA 1990)

**Cross references.** — For qualifications of members of initial board, see § 5, ch. 177, SLA 1990 in the Temporary and Special Acts.

**Sec. 08.87.020. Powers and duties of board.** In addition to the powers and duties conferred on the board by AS 08.01, the board shall

(1) establish the examination specifications for certification as a general real estate appraiser, as a residential real estate appraiser, and as an institutional real estate appraiser;

(2) adopt rules of professional conduct to establish and maintain a high standard of integrity in the real estate appraisal profession; and

(3) adopt regulations necessary to carry out the purposes of this chapter, including regulations necessary to comply with the requirements of 12 U.S.C. 3331 — 3351 (Title XI, Financial Institutions Reform, Recovery, and Enforcement Act of 1989); the regulations adopted by the board under AS 08.87.110, 08.87.120, and 08.87.310 may not be more stringent than the corresponding minimum requirements for receiving approval of the state's program of certification of real estate appraisers under 12 U.S.C. 3331 — 3351 or other federal law. (§ 1 ch 177 SLA 1990; am § 1 ch 42 SLA 1992; am § 2 ch 88 SLA 199-

*CC 1  
fed 10/2/92  
4/6/92*

**Effect of amendments.** — The 1992 amendment, effective September 1, 1992, added “, and as an institutional real estate appraiser” to the end of paragraph (1) and made a related stylistic change. The 1994 amendment, effective September 4, 1994, rewrote paragraph (3).

**Article 2. Certification.**

<p><b>Section</b> 100. Certificate required 110. General, residential, and institutional real estate appraiser certificates</p>	<p><b>Section</b> 120. Continuing education requirements for renewal of certificate</p>
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**Sec. 08.87.100. Certificate required.** A person is guilty of a class B misdemeanor who

(1) does not hold a certificate issued by the board, whose certificate is suspended or revoked, or whose certificate has lapsed or terminated, and holds out as a certified real estate appraiser in any way, orally or in writing, directly or by implication;

(2) is certified as a residential real estate appraiser and holds out as certified to appraise real estate other than

(A) residential real property of four or fewer units; or

(B) residential real property of 12 or fewer units when a net income capitalization analysis is not required by the terms of the appraisal assignment and a secondary mortgage market form is used; or

(3) is certified as an institutional real estate appraiser and

(A) holds out as certified to appraise real estate other than

(i) residential real property of four or fewer units having a transaction value of less than \$1,000,000; or

(ii) commercial property having a transaction value of less than \$250,000;

(B) holds out as performing real estate appraisal services for a fee or for the public on a large;

(C) accepts a fee for real estate appraisal services other than for services conducted as a full-time employee of a financial institution with offices in the state and other than the salary received as a full-time employee of the financial institution; or

(D) performs a real estate appraisal for other than the portfolio of the financial institution for which the person is employed. (§ 1 ch 177 SLA 1990; am § 2 ch 42 SLA 1992)

**Effect of amendments.** — The 1992 amendment, effective July 1, 1992, inserted “or terminated” in paragraph (1), added paragraph (3), and made related stylistic changes.

**Sec. 08.87.110. General, residential, and institutional real estate appraiser certificates.** (a) The board shall issue a general real estate appraiser certificate to a person who presents evidence satisfactory to the board that the person

(1) has successfully completed classroom instruction in subjects related to real estate appraisal, as required by the board in regulation, from an appraisal organization or academic institution approved by the board;

(2) has successfully completed classroom instruction related to standards of professional practice as a real estate appraiser, as required by the board in regulation;

(3) successfully completes an examination prescribed by the board;

(4) has not been convicted of a crime involving moral turpitude; and

(5) has paid the required fees.

(b) The board shall issue a residential real estate appraiser certificate to a person who presents evidence satisfactory to the board that the person

(1) meets the requirements of (a)(2) — (5) of this section; and

(2) has successfully completed classroom instruction in subjects related to residential real estate appraisal, as required by the board in regulation, from an appraisal organization or academic institution approved by the board.

*Smith* (c) Notwithstanding (a) and (b) of this section, the board shall, without requiring the examination specified in (a)(3) of this section, issue a general real estate appraiser or residential real estate appraiser certificate to a person who can, by evidence satisfactory to the board, show that the person

(1) has been certified in another state that has certification requirements substantially equivalent to the requirements established by this chapter and by regulations issued by the board under this chapter, and that provides for certification of nonresidents under conditions similar to those set out in this subsection and without discriminatory costs;

(2) is not the subject of an unresolved complaint or disciplinary action before an authority regulating real estate appraisers or a professional real estate appraisers' association;

(3) has not failed the examination for certification as a real estate appraiser in this state;

(4) has not had certification as a real estate appraiser revoked or suspended in this state or in another jurisdiction;

(5) has submitted proof of continued competency satisfactory to the board;

(6) successfully completes an examination that may be prescribed by the board relating to appraisal matters unique to Alaska; and

(7) has paid the required fees.

(d) A certificate may be issued to a natural person only. A certified real estate appraiser may sign an appraisal report on behalf of a corporation, partnership, firm, or group practice.

(e) The board shall issue an institutional real estate appraiser certificate to a person who presents evidence satisfactory to the board that the person meets the educational and testing requirements of 12 U.S.C. 3331 — 3351 (Title XI, Financial Institutions Reform, Recovery, and Enforcement Act of 1989) as implemented by the board and that the person is a full-time employee of a financial institution with offices in the state. A person receiving certification under this subsection may perform an appraisal only

(1) for and as an employee of a financial institution with offices in the state;

(2) for the financial institution's own portfolio; and

(3) of

(A) commercial property with a transaction value of less than \$250,000; or

(B) residential property of four or fewer units having a transaction value of less than \$1,000,000.

(f) A certificate issued under (e) of this section terminates when the person certified leaves the full-time employment of the financial institution with offices in the state for whom the person was employed when the certificate was issued.

(g) A person certified under (e) of this section as an institutional real estate appraiser may not perform real estate appraisal services for the general public or for a fee other

than the salary the person receives as a full-time employee of a financial institution with offices in the state. (§ 1 ch 177 SLA 1990; am §§ 3, 4 ch 42 SLA 1992; am §§ 3 — 5 ch 88 SLA 1994)

**Effect of amendments.** — The 1992 amendment, effective September 1, 1992, rewrote subsection (e) and added subsections (f) and (g).

The 1994 amendment, effective September 4, 1994, inserted ", as required by the board in regulation," in paragraphs (a)(1), (a)(2), and (b)(2); in subsection (a), substituted "completed classroom instruction" for "completed 150 or more classroom hours of instruction" in paragraph (1), substituted "completed classroom instruction" for "completed 15 classroom hours of instruction" in paragraph (2), deleted former para-

graph (3), relating to real property appraisal experience, and redesignated former paragraphs (4)-(6) as present paragraphs (3)-(5); in subsection (b), made an internal reference substitution in paragraph (1), deleted "60 hours of" preceding "classroom instruction" in paragraph (2), deleted paragraph (3), relating to real property appraisal experience, and made related stylistic changes; and, in subsection (c), made an internal reference substitution in the introductory language.

**Sec. 08.87.120. Continuing education requirements for renewal of certificate.**

(a) The board may not renew a certificate issued under this chapter unless the person applying for renewal presents evidence satisfactory to the board that the person has, within the two years preceding the application for renewal, attended classroom instruction, as required by the board in regulation, in courses or seminars that have received the approval of the board.

(b) The board may grant credit toward some or all of the requirements of (a) of this section to a person who has

(1) successfully completed a program of study determined by the board to be equivalent for continuing education purposes to a course or seminar approved by the board for continuing education credit; or

(2) participated, other than as a student, in educational programs that related to real estate analysis or real property appraisal theory, practice, or technique, including teaching, program development, and preparation of textbooks, monographs, articles, and other instructional materials.

(c) The board shall adopt regulations on continuing education to ensure that persons applying for renewal of certificates have thorough knowledge of current theories, practices, and techniques of real estate analysis and appraisal. The regulations must provide for

(1) procedures for the sponsor of a course or seminar to apply for board approval for continuing education credit; the regulations must require the sponsor to show that claimed attendance at a course or seminar can be verified; and

(2) procedures for evaluating equivalency claims for applicants for certificate renewal under (b) of this section.

(d) In considering whether to approve courses and seminars under this section, the board shall give special consideration to courses, seminars, and other appraisal education programs developed by or under the auspices of organizations or associations of professional real estate appraisers that are utilized by those organizations or associations for the purposes of awarding real estate appraisal designations or of indicating compliance with the continuing education requirements of the organizations or associations.

(e) An amendment or repeal of a regulation adopted by the board under this section shall not operate to deprive a person holding a certificate under this chapter of credit toward renewal of the person's certificate for a course of instruction or seminar that had been completed by the person before the amendment or repeal of the regulation. (§ 1 ch 177 SLA 1990; am § 6 ch 88 SLA 1994)

**Effect of amendments.** — The 1994 amendment, effective September 4, 1994, substituted "attended classroom instruction, as required by the board in

regulation," for "attended 40 classroom hours of instruction" in subsection (a).

### Article 3. Prohibited Practices and Disciplinary Proceedings.

#### Section

200. Prohibited practices  
210. Disciplinary proceedings

**Sec. 08.87.200. Prohibited practices.** A certified real estate appraiser may not

- (1) act negligently or incompetently or fail without good cause to exercise reasonable diligence in developing an appraisal, preparing an appraisal report, or communicating an appraisal;
- (2) wilfully disregard or violate a provision of this chapter or of a regulation adopted by the board under this chapter;
- (3) fail to comply with the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board of the Appraisal Foundation;
- (4) accept a fee for an appraisal assignment that is contingent upon the appraiser reporting a predetermined estimate, analysis, or opinion or upon the opinion, conclusion, or valuation reached, or upon the consequences resulting from the appraisal assignment;
- (5) knowingly make a false statement, submit false information, or fail to provide complete information in response to a question in an application for certification or for renewal of a certificate; or
- (6) violate the confidential nature of government records to which the person gains access through retention as an appraiser by the government agency. (§ 1 ch 177 SLA 1990)

**Sec. 08.87.210. Disciplinary proceedings.** The board may exercise its disciplinary powers under AS 08.01.075 if, after hearing, the board finds a certified real estate appraiser has

- (1) violated a provision of this chapter or a regulation adopted by the board under this chapter;
- (2) been convicted of a crime that involves moral turpitude; or
- (3) committed, while acting as a real estate appraiser, an act or omission involving dishonesty, fraud, or misrepresentation with the intent to benefit the appraiser or another person or to injure another person. (§ 1 ch 177 SLA 1990)

### Article 4. General Provisions.

#### Section

300. Retention of records  
310. Registered trainees  
320. Actions by uncertified real estate appraisers prohibited

#### Section

330. Exemptions  
340. Appraisals by uncertified appraisers permitted  
900. Definitions

**Sec. 08.87.300. Retention of records.** (a) A certified real estate appraiser shall retain for not less than three years copies of all written contracts engaging the appraiser's services for real property appraisal work, and all reports and supporting data assembled and formulated by the appraiser in preparing the reports.

(b) The three-year period specified in (a) of this section for retention of records is applicable to each engagement of the services of the appraiser and commences upon the date of the submittal of the appraisal reports to the client unless, within the three-year period, the appraiser is notified that the appraisal report is involved in litigation, in which case the three-year retention period commences upon the date of the final disposition of the litigation.

(c) All records that a certified appraiser must maintain under (a) of this section shall be made available to the board or department for inspection and copying upon reasonable notice to the appraiser. (§ 1 ch 177 SLA 1990)

**Sec. 08.87.310. Registered trainees.** (a) A person engaged in the practice of real estate appraisal who is employed by or under the direct supervision of a certified real estate appraiser may become a registered trainee by submitting proof to the board that the person has successfully completed the number of classroom hours required by the board in regulation of courses in subjects related to real estate appraisal from an appraisal organization or academic institution approved by the board.

(b) A registered trainee may prepare or assist in the preparation of an appraisal report issued by a certified real estate appraiser if the report is also signed by the certified real estate appraiser and if the certified real estate appraiser accepts full responsibility for the report. (§ 1 ch 177 SLA 1990; am § 7 ch 88 SLA 1994)

**Effect of amendments.** — The 1994 amendment, effective September 4, 1994, substituted "completed the number of classroom hours required by the board" in regulation" for "completed at least 30 classroom hours" in subsection (a).

**Sec. 08.87.320. Actions by uncertified real estate appraisers prohibited.** A person may not bring an action in a court of this state for compensation for an act done or service rendered as a certified real estate appraiser if the person did not hold a certificate under this chapter at the time that the person performed the act or service or offered to perform the act or service. (§ 1 ch 177 SLA 1990)

**Sec. 08.87.330. Exemptions.** This chapter does not apply to a person who appraises real estate as part of the tax assessment process of a municipality. (§ 1 ch 177 SLA 1990)

**Sec. 08.87.340. Appraisals by uncertified appraisers permitted.** Nothing in this chapter precludes a person who is not certified as a real estate appraiser from appraising real estate for compensation if the person does not hold out to be a certified appraiser and if appraisal by a certified appraiser is not required by federal law. (§ 1 ch 177 SLA 1990)

**Sec. 08.87.900. Definitions.** In this chapter

(1) "analysis assignment" means an analysis, opinion, or conclusion prepared by a real estate appraiser that relates to the nature, quality, or utility of certified real estate or real property;

(2) "appraisal" means an analysis, opinion, or conclusion prepared by a real estate appraiser relating to the nature, quality, value, energy efficiency, or utility of specified interests in, or aspects of, identified real estate, and includes a valuation appraisal, an analysis assignment, and a review assignment;

(3) "appraisal assignment" means an engagement for which an appraiser is employed or retained to act, or would be perceived by third parties or the public as acting, as a disinterested person rendering an unbiased analysis, opinion, or conclusion relating to the nature, quality, value, or utility of specified interests in, or aspects of, identified real estate;

(4) "appraisal report" means any communication, written or oral, of an appraisal;

(5) "board" means the Board of Certified Real Estate Appraisers;

(6) "department" means the Department of Commerce and Economic Development;

(7) "general real estate appraiser" means a real estate appraiser certified to appraise all types of real property;

(8) "institutional real estate appraiser" means a real estate appraiser employed full-time by a financial institution with offices in the state;

(9) "real estate" means an identified parcel or tract of land, including improvements, but excluding subsurface natural resource values;

(10) "real property" means one or more defined interests, benefits, and rights inherent in the ownership of real estate;

(11) "residential real estate appraiser" means a real estate appraiser certified to appraise residential real property, subject to the limitations of AS 08.87.100(2);

(12) "review assignment" means an analysis, opinion, or conclusion prepared by a real estate appraiser that forms an opinion as to the adequacy and appropriateness of a valuation appraisal or an analysis assignment;

(13) "valuation appraisal" means an analysis, opinion, or conclusion prepared by a real estate appraiser that estimates the value of an identified parcel of real estate, or identified real property at a particular time. (§ 1 ch 177 SLA 1990; am § 5 ch 42 SLA 1992)

Revisor's notes. — Reorganized in 1992 to maintain alphabetical order.

Effect of amendments. — The 1992 amendment, effective September 1, 1992, added paragraph (8).

## Chapter 88. Real Estate Brokers and Salesmen.

### Article

1. Real Estate Commission (§§ 08.88.011 — 08.88.141)
2. Licensing (§§ 08.88.161 — 08.88.251)
3. Miscellaneous Provisions (§§ 08.88.263 — 08.88.405)
4. Real Estate Surety Fund (§§ 08.88.450 — 08.88.495)
5. General Provisions (§§ 08.88.900, 08.88.990)

Collateral references. — 12 Am. Jur. 2d, Brokers, §§ 6-29.

12 C.J.S., Brokers, §§ 14-24.

Necessity of having real estate broker's license in order to recover commission as affected by fact that business sold includes real property. 82 ALR3d 1139.

### Article 1. Real Estate Commission.

#### Section

11. Creation and membership of commission
31. Executive secretary of commission
37. Investigation and injunction
41. Qualifications of commission members
51. Commission meetings and officers
61. Assistants
71. Duties of the commission

#### Section

81. Commission regulations
91. Education of applicants and licensees
111. Commission regulations
131. Applicability of the Administrative Procedure Act
141. Compensation

*Sec. 08.88.010. [Repealed, § 3 ch 95 SLA 1964.]*

**Sec. 08.88.011. Creation and membership of commission.** There is created a Real Estate Commission. It consists of seven members. (§ 1 ch 95 SLA 1964; am § 9 ch 258 SLA 1976)

*Sec. 08.88.020. [Repealed, § 3 ch 95 SLA 1964.]*

*Sec. 08.88.021. Appointment and term of office. [Repealed, § 49 ch 94 SLA 1987. For current law, see AS 08.01.035.]*

*Sec. 08.88.026. Terms of office. [Repealed, § 20 ch 80 SLA 1996, effective January 1, 1997.] For current law, see AS 39.05.053.*

*Sec. 08.88.030. [Repealed, § 3 ch 95 SLA 1964.]*

**Sec. 08.88.031. Executive secretary of commission.** The department shall, after consultation with the commission, employ a person, who is not a member of the commission, to serve as executive secretary for the commission. The executive secretary shall perform duties as assigned by the commission. (§ 1 ch 95 SLA 1964; am § 1 ch 28 SLA 1974; am § 56 ch 218 SLA 1976; am § 1 ch 167 SLA 1980; am § 5 ch 74 SLA 1987)

**SB**

**235**

SFIN

FILE

# SENATE FINANCE COMMITTEE REPORT

DATE: 2/11/98

FURTHER: 3/11/98

DATE TURNED  
IN TO OFFICE: 3/11/98

Finance Committee considered SENATE BILL NO. 235

"An Act extending the termination date of the Board of Certified Real Estate Appraisers."

and recommends:

- be replaced with CS SB 235 ( F IV )
- 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>Rel. E. App.</i>	✓	<i>Rel. E. App.</i>	✓		
<i>John Powell</i>	✓				
<i>John Brown</i>	✓				
<i>John Donley</i>	✓				
Co-Chair: <i>Peacock</i>	✓	Co-Chair:			
Co-Chair: <i>                    </i>	✓	Co-Chair:			

**NEW FISCAL NOTE(S):**

Department                      Date      Zero      Fiscal


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

Department                      Date      Zero      Fiscal

Commerce & Economic Dev.	11/20/98	✓	

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

# FISCAL NOTE

3/11/98

**STATE OF ALASKA**  
**1998 LEGISLATIVE SESSION**

No. 1  
 Bill Version: SB 235  
 (S) Publish Date: 2-11-98

Revision Date: \_\_\_\_\_  
 Title: An Act extending the termination date of the Board  
of Certified Real Estate Appraisers  
 Sponsor: Senate Labor and Commerce  
 Requestor: Senate Labor and Commerce

Department: Commerce and Economic Development  
 BRU: Occupational Licensing  
 Component: Operations

COMPONENT SERIAL NO. 1844

**Expenditures/Revenues**

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
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

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

CHANGE IN REVENUES						
--------------------	--	--	--	--	--	--

**FUND SOURCE**

(Thousands of Dollars)

FUND SOURCE	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 98) cost: \$ 35.5

**POSITIONS**

POSITIONS	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
FULL-TIME						
PART-TIME						
TEMPORARY						

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

SB 235 extends the Board of Certified Real Estate Appraisers to June 30, 2002. Funding for continuation of the board in the amount of \$35.5 is included in the department's FY 99 operating budget request; therefore, new funds are not needed. The program is required to cover its costs with licensing fees under AS 08.01.065, and revenue generated by board fees are anticipated to cover its full operating costs.

Prepared by: Jennifer Strickler, Administrative Manager  
 Division: Occupational Licensing  
 Approved by Commissioner: Deborah B. Sedwick  
 Agency: Commerce and Economic Development

Phone: 465-2144  
 Date: 1/23/98  
 Date: 1-26-98

**SB**

**236**

**HFIN**

**FILE**



# ALASKA MINERS ASSOCIATION, INC.

3305 Arctic #202, Anchorage, Alaska 99503 FAX: (907) 563-9225 Telephone: (907) 563-9229

May 7, 1998

Honorable Mark Hanley  
Honorable Gene Therriault  
Co-Chairs, House Finance  
Capitol Building  
Juneau, AK 99801

RE: Senate Bill 236, Extending Citizens Advisory Committee of Federal Areas

Dear Representatives Hanley and Therriault,

We are writing to express our strong support for Senate Bill 236 which extends the Citizens Advisory Committee on Federal Areas.

This Committee has been extremely important in dealing with federal land management agencies. The Committee has provided badly needed continuity from one State Administration to the next to help insure that the intent of the promises that have been made, especially in ANILCA, is recognized

We urge passage of Senate Bill 236. If we can be of further assistance in this matter please contact me.

Sincerely,

Steven C. Borell, P.E.  
Executive Director

cc: House Finance Committee Members

# Alaska State Legislature

## Senate



Official Business

State Capitol  
Juneau, AK. 99801-1182

### Senate Labor & Commerce Committee

#### Sponsor Statement

#### SB 236: CITIZENS ADVISORY COM ON FED AREAS IN AK

The Citizens Advisory Commission on Federal Management Areas in Alaska was created in 1981. CS SB 236 (RES) extends the Commission another 5 years to June 30, 2003. Temporary legislation (Section 4, ch. 81, SLA 1981, as amended by sec. 1, ch.25, SLA 1988) created this commission, which will expire June 30, 1998.

This Commission does not have a wind-down year following its expiration. It ceases to exist after June 30, 1998, if not extended by the Legislature.

The Commission is tasked with the following duties:

- Evaluate federal management, operation, planning, development for consistency with federal law and congressional intent;
- Hold hearings on the impact of federal regulations and federal management decisions
- Make recommendations to state or federal land agencies
- Report annually to the Governor and the Legislature

The Senate Labor and Commerce Committee introduced the bill to ensure the extension could be considered by the Legislature.

SB 262 Extending CACFA

I testified in front of CACFA members early in the 90's on the Glacier Bay fisheries issue.

At the time, I was impressed by the thoroughness of questions asked by committee members in their effort to achieve a greater understanding of the issues.

On this year's stakeholder meetings of the Glacier Bay Working Group, I have found that CACFA's participation - has lent a much-needed perspective. Through an extensive interview process of Alaskan residents over many preceding years, their perspective has been invaluable. They are also able to cite examples of similar developments elsewhere in the state, that <sup>then</sup> serve as a corrective of some of our decisions.

Please continue funding of this working committee. Their advocacy can be of considerable weight in future testimony and they are looked at as being very evaluative before reaching a position or stand.

Debra Woodruff (907) 697-2293


Box 77

Glacier House, AK. 99824

→ (C stayed in Juneau an additional day in order to state my desire for continued funding of CACFA. C hope this gets added to future comments).

**CITIZENS' ADVISORY COMMISSION  
ON FEDERAL AREAS  
3700 AIRPORT WAY  
FAIRBANKS, AK 99709  
(907) 451-2775  
FAX (907) 451-2761**

**TO:** Senate Resource Committee

**FROM:**  Stan Leaphart- Executive Director

**DATE:** February 20, 1998

**SUBJECT:** Activities of the Citizens' Advisory Commission on Federal Areas

In order to provide Resource Committee members with information which may be useful in your consideration of SB 236 "An Act extending the termination date of the Citizens' Advisory Commission on Federal Areas in Alaska," we have prepared the following brief overview of the Commission's functions and activities. Additional information about activities during the previous year can be found in the Commission's 1997 Annual Report.

**Routine Activities**

In its 1981 enabling legislation, the Commission is mandated to "consider, research, and hold hearings on the consistency with federal law and congressional intent on management, operation, planning, development, and additions to federal management areas in the state." To that end, the majority of the Commission's efforts are focused on the review and analysis of proposed federal regulations and policies; management plans of various types for the conservation system units in Alaska; and proposed federal legislation. Commission staff works closely with other state agencies in these efforts. In addition, Commission staff maintains regular contact with federal agency personnel at both the unit and regional/state office level in order to discuss issues of concern and identify existing or potential management problems.

Probably the most important of the Commission's responsibilities is ensuring the public is made aware of management issues and proposals that may impact their abilities to use federal public lands. This is accomplished primarily through contacts with various organizations and interests groups who, in turn, can inform their membership directly. The Commission also solicits input from these same organizations and groups to help with our analysis of issues and preparation of comments and recommendations. Commission members and staff regularly participate in federal agency sponsored public meetings and workshops.

A small, but important, part of staff duties involves working in an ombudsman's role to resolve problems between individuals and federal agencies regarding use of public lands. This includes helping to secure permits for access to private property, use and construction of

Senate Resources Committee  
February 20, 1998

2

cabins and temporary facilities, guiding and outfitting, and for conducting other activities on federal lands. While the Commission cannot offer legal assistance, problems can often be resolved by helping an individual through the administrative process or by meeting with a land manager and the individual to find a solution to the problem.

### Current and Future Issues

**Commercial Fishing in Glacier Bay National Park.** Resolution of this issue continues to be one of the Commission's highest priorities. The Commission's 1997 Annual Report summarizes the most recent regulatory proposal by the National Park Service and the working group meetings held in November and December of last year. Since then, meetings were held on January 8-9 and on February 3-5. At those meetings considerable progress was made toward development of an acceptable compromise solution. While many points of disagreement remain and although legislation to implement a final solution will be necessary, there is optimism for success. An additional meeting is scheduled for mid-March to work on remaining details.

**Chugach National Forest Plan Revision.** The U.S. Forest Service is in the process of revising the forest plan for the Chugach National Forest. Major issues for this plan revision include: wild and scenic river recommendations, management of wilderness study areas, timber harvest, and recreation. The "scoping" phase of the revision process ended December 31. Alternatives that address issues of the forest plan are expected to be available for public comment sometime in Spring 1998, with a draft forest plan and environmental impact statement out by Fall 1998. Target completion date for a final plan is June 1999.

**National Petroleum Reserve- Alaska Draft IAP/EIS.** The Bureau of Land Management has released a draft Integrated Activity Plan and Environmental Impact Statement for the Northeast National Petroleum Reserve-Alaska(NPR-A). The document presents 5 alternatives for a land management plan for the 4.6 million acre planning area within NPR-A. The alternatives range from a status quo (no action or no leasing) alternative to one which would make the entire area available for oil and gas leasing. Additionally, various alternatives contain proposals for designation of "Special Areas" for geologic and biologic resources, recommendations to designate the Coville River under the Wild and Scenic Rivers Act and creation of a Bird Conservation Area under the Partners in Flight Program. Public comment period for the draft plan closes on March 12, 1998.

**U.S. Fish & Wildlife Service CCP Revisions.** Comprehensive Conservation Plans for the 16 National Wildlife Refuges in Alaska were prepared between 1982 and 1988. In 1998 the FWS will begin revising these 16 management plans. The first revision is scheduled for release in 1999, with the remaining 15 to be completed by 2007. This revision process will be critical, as many changes have occurred within these refuges since adoption of the original plans. These changes include: management of fish and game under the Federal Subsistence Management Program, management of big game hunting guides and outfitters, and extensive changes in land status and ownership.



# LAWS OF ALASKA

1981

Chapter No.

81

Source

CSSSB 36(R1s)

## AN ACT

Establishing the Citizens' Advisory Commission on Federal Management Areas in Alaska; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 10

Permitted to become law without signature  
Actual Effective Dates: Secs. 1 - 2 effective July 17, 1981;  
Sec. 3 effective June 30, 1988

his Act lapse into the general fund on June 30,

its effect immediately in accordance with AS 01.10.

AN ACT

Establishing the Citizens' Advisory Commission on Federal Management Areas in Alaska; and providing for an effective date.

\* Section 1. AS 41 is amended by adding a new chapter to read:

CHAPTER 37. CITIZENS' ADVISORY COMMISSION  
ON FEDERAL AREAS IN ALASKA.

Sec. 41.37.010. CITIZENS' ADVISORY COMMISSION ON FEDERAL AREAS IN ALASKA. (a) The Citizens' Advisory Commission on Federal Areas in Alaska is established.

(b) The commission is a temporary advisory agency of the executive branch of the state but is not allocated to a principal department of the executive branch. In the exercise of its responsibilities, the commission shall consider the views of citizens of the state and officials of the state.

Sec. 41.37.020. MEMBERSHIP AND OFFICERS. (a) The commission is composed of 16 members appointed in accordance with this section.

(b) The membership of the commission shall represent each judicial district in the state.

(c) The governor shall appoint eight members of the commission.

(d) The speaker of the house of representatives shall appoint two members of the commission from the membership of the state house of representatives and two members who are residents of the state.

(e) The president of the senate shall appoint two members of the

Chapter 81

1 commission from the membership of the state senate and two members who  
2 are residents of the state.

3 (f) The commission shall select a presiding officer of the com-  
4 mission from its membership. The commission may elect other officers.

5 Sec. 41.37.030. QUALIFICATIONS OF MEMBERS. The members of the  
6 commission appointed by the governor under AS 41.37.020(c) and members  
7 appointed under AS 41.37.020(d) and (e) who are not members of the  
8 legislature shall be representative of the diversity of users and users  
9 of federal land in the state.

10 Sec. 41.37.040. TERM OF MEMBERS OF THE COMMISSION. (a) A  
11 member of the commission appointed by the governor serves for a term  
12 four years and until his successor is appointed and qualifies.

13 (b) A member of the commission appointed from the legislature  
14 serves for his term of office as a legislator.

15 (c) A member of the commission appointed by a member of the  
16 legislature serves for two years and until his successor is appointed  
17 and qualifies.

18 Sec. 41.37.050. REMOVAL OF A MEMBER. (a) A member of the com-  
19 mission may be removed by the appointing authority for cause after  
20 notice and hearing or after missing three consecutive meetings of the  
21 commission. The presiding officer of the commission shall inform the  
22 appointing authority if a member misses three consecutive meetings.

23 (b) After a member of the commission misses two consecutive  
24 meetings and before the third meeting, the secretary of the commission  
25 shall notify the member in writing that failure to attend the next  
26 meeting may result in the removal of the member. The failure of the  
27 secretary of the commission to notify a member under this subsection  
28 does not prevent the appointing authority from removing a member under  
29 (a) of this section.

Chapter 81

Sec. 41.37.060. COMPENSATION, EXPENSES, AND PER DIEM. (a) A  
member of the commission who is a legislator or a full-time employee of  
the state or of a municipality of the state shall suffer no loss of  
compensation from the state or a municipality of the state as a result  
of service to the commission.

(b) A member of the commission is entitled to travel expenses and  
per diem prescribed for state boards and commissions.

Sec. 41.37.070. STAFF OF THE COMMISSION. The commission may  
employ staff and contract for services relating to matters within its  
authority. Staff employed under this section are responsible to the  
commission.

Sec. 41.37.080. DUTIES OF THE COMMISSION. (a) The commission  
shall consider, research, and hold hearings on the consistency with  
federal law and congressional intent on management, operation, planning,  
development, and additions to federal management areas in the state.

(b) The commission shall consider, research, and hold hearings on  
the impact of federal regulations and federal management decisions on  
the people of the state.

(c) The commission may, after consideration of the public policy  
concerns under (a) and (b) of this section, make a recommendation on  
the concerns identified under (a) and (b) of this section to an agency  
of the state or to the agency of the United States which manages federal  
land in the state.

(d) The commission shall consider the views, research, and reports  
of advisory groups established by it under AS 41.37.090 as well as the  
views, research, and reports of individuals and other groups in the  
state.

(e) The commission shall establish internal procedures for the  
management of the responsibilities granted to it under this chapter.

Chapter 81

(f) The commission shall report annually to the governor and the legislature within the first 10 days of a regular legislative session.

(g) The commission shall cooperate with each department or agency of the state or with a state board or commission in the fulfillment of their duties.

Sec. 41.37.090. ADVISORY GROUPS OF THE COMMISSION. (a) The commission may establish advisory groups in the state.

(b) The commission shall invite nominations for the membership on the advisory groups and shall consider the nominations in making its appointments to the groups.

(c) The membership of each advisory group shall be broadly representative of individuals involved in activities affected by the establishment or management of units of federal land within the state.

Sec. 41.37.100. SUIT. The commission may request the attorney general to file suit against a federal official or agency if the commission determines that the federal official or agency is acting in violation of an Act of Congress, congressional intent, or the best interests of the State of Alaska.

Sec. 41.37.110. AGENCY COOPERATION. Each state department, agency, board, and commission shall cooperate with the commission in the fulfillment of the duties of the commission under AS 41.37.020.

Sec. 41.37.150. DEFINITION. In this chapter, "commission" means the Citizens' Advisory Commission on Federal Management Areas in Alaska.

\* Sec. 2. The terms of the first members of the Citizens' Advisory Commission on Federal Management Areas in Alaska appointed by the governor under AS 41.37.020 as enacted in sec. 1 of this Act are as follows: two members shall be appointed for four-year terms, two members shall be appointed for three-year terms, two members shall be appointed for two-year terms, and two members shall be appointed for one-year terms. The governor

Chapter 81

shall specify the term of office of each member appointed under this section.

\* Sec. 3. AS 41.37 is repealed.

\* Sec. 4. Section 3 of this Act takes effect June 30, 1988.

\* Sec. 5. Sections 1 and 2 of this Act take effect immediately in accordance with AS 01.10.070(c).

**STATE OF ALASKA**  
**Boards and Commissions**

---

**FEDERAL AREAS**

**BOARD:** Citizens' Advisory Commission on Federal Areas in Alaska

**BOARD IDENTIFICATION NUMBER:** 036

**DEPARTMENT:** Department of Natural Resources

**AUTHORITY:** AS 41.37.010

**STATUS:** Active

**TERM DATE:** June 30, 1998

**TERM:** 4 years

**DESCRIPTION:** 16 members: 8 appointed by Governor, plus 8 legislative appointments. House Speaker appoints 2 representatives and 2 Alaskan residents (public members serve 2 years); Senate President appoints 2 senators and 2 Alaskan residents; commission selects chair; members who are not legislators represent the diversity of users and uses of federal land in Alaska; represent each judicial district.

**FUNCTION:** Researches/holds hearings on consistency with federal law and congressional intent on management, operation, planning, development and additions to federal management areas; considers views of the citizens, officials, and advisory groups.

**CHAIR:** Commission selects.

**SPECIAL FACTS:** May be removed for cause (includes missing 3 consecutive meetings); annual report to Governor/Legislature.

**COMPENSATION:** Standard Travel and Per Diem. No additional compensation.

**MEETINGS:** 2 times per year; 4 days maximum.

**FOR FURTHER INFORMATION CONTACT:** Stan Leaphart, Executive Director, Citizen's Advisory Commission on Federal Areas, 3700 Airport Way, Fairbanks, AK, 99709 4699, Phone: 907 451 2775, Fax: 907 451 2761

# STATE OF ALASKA

## Boards and Commissions

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### Membership Roster FEDERAL AREAS (036)

Member	Appointed	Reappointed	Term Exp.
Vacant Public			12/31/97
Del Ackels Public P.O. Box 61520 Fairbanks, AK 99706	05/02/83	07/15/91	12/31/94
Charles Bussell House Appointment/Public P.O. Box 91325 Anchorage, AK 99509	03/23/93	04/25/97	12/31/98
William E. Dam, Sr. Public 211 East Cook Avenue Anchorage, AK 99501	04/14/92	12/17/93	12/31/97
Grant Doyle House Appointment/Public F.O. Box 81183 Fairbanks, AK 99706	03/03/95	04/25/97	12/31/98
Don Finney Public P.O. Box 739 Ward Cove, AK 99828	03/01/93		12/31/96
Clarence E. Furbush Public HC01 Box 6001 Palmer, AK 99645	07/15/91	12/31/92	12/31/96
Rick Halford Legislature/Senator Alaska State Senate State Capitol Juneau, AK 99801-1182			
Bill Hudson Legislature/Representative State Representative State Capitol Juneau, AK 99801-1182	04/25/97		
L. Jo King Public P.O. Box 169 Glenallen, AK 99588	04/14/92		12/31/95

STATE OF ALASKA  
Boards and Commissions

---

Membership Roster  
FEDERAL AREAS (036)

Member	Appointed	Reappointed	Term Exp.
Scott Ogan Legislature/Representative Alaska State Representative State Capitol Juneau, AK 99801-1182	04/25/97		
Steven B. Porter Public 122 First Avenue, Suite 102 Fairbanks, AK 99701	01/01/92		12/31/95
Arthur Robinson Public 35401 Kenai Spur Highway Soldotna, AK 99669-7698	07/15/91		12/31/94
Bert Sharp Legislature/Senator Alaska State Senator 119 North Cushman Street, Suite 201 Fairbanks, AK 99701	03/11/93		
Thyes Shaub Senate Appointment/Public 217 Second Street, Suite 206 Juneau, AK 99801	01/23/89	10/01/97	12/31/99
Kathleen A. Weeks Senate Appointment/Public Law Office of Kathleen A. Weeks 425 G Street, Suite 850 Anchorage, AK 99501	03/11/93	10/01/97	12/31/99

# FISCAL NOTE

No. 1

**STATE OF ALASKA**  
**1998 LEGISLATIVE SESSION**

**BILL** Bill Version: SB 236  
 (S) Publish Date: 3/10/98

Revision Date: \_\_\_\_\_ Dept Affected: Natural Resources  
 Title: An Act extending the termination date of the BRU: Statehood Defense  
 Citizens' Advisory Commission on Federal Areas in Alaska... Component: CACFA  
 Sponsor: Senate Labor & Commerce  
 Requestor: Senate Resources Component Serial No. #2225

(Thousands of Dollars)

Expenditures/Revenues	FY99	FY00	FY01	FY02	FY03	FY04
<b>OPERATING EXPENDITURES</b>						
PERSONAL SERVICES	76.0	76.0	76.0	76.0	76.0	76.0
TRAVEL	10.0	10.0	10.0	10.0	10.0	10.0
CONTRACTUAL	6.0	6.0	6.0	6.0	6.0	6.0
SUPPLIES	1.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>93.0</b>	<b>93.0</b>	<b>93.0</b>	<b>93.0</b>	<b>93.0</b>	<b>93.0</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 (fund code)</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>

(Thousands of Dollars)

FUND SOURCE	FY99	FY00	FY01	FY02	FY03	FY04
1002 Federal Receipts						
1003 GF Match						
1004 GF	93.0	93.0	93.0	93.0	93.0	93.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>93.0</b>	<b>93.0</b>	<b>93.0</b>	<b>93.0</b>	<b>93.0</b>	<b>93.0</b>

Estimate of any current year (FY98) cost: \$ none

**POSITIONS**

POSITIONS	FY99	FY00	FY01	FY02	FY03	FY04
FULL-TIME	1	1	1	1	1	1
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

**ANALYSIS:**

(Attach a separate page if necessary)

Expenditures are necessary for the continued operation of the Citizens' Advisory Commission on Federal Areas. Personal services covers the Executive Director, a permanent full-time position, budgeted for 11.1 months per year. Travel costs cover travel and per diem for Commission members for 2 meetings per year and staff travel and per diem necessary to conduct Commission business. Other expenditures are necessary for the day to day operation of the Commission's Fairbanks office.

Prepared by: Stan Leaphart, Executive Director *Stan Leaphart* Phone: 451-2275  
 Division: CACFA Date: 13-Feb-98  
 Approved by Commission: *Mico Burr for John King* Date: 2-13-98  
 Agency: Natural Resources

**PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE**

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 15, 1998

FURTHER REFERRALS:

Date of Committee Action: 5/10/98

The FINANCE Committee considered:

CSSB 236(RES)

CS FOR SENATE BILL NO. 236(RES)

CITIZENS ADVISORY COM ON FED AREAS IN AK

"An Act extending the termination date of the Citizens' Advisory Commission on Federal Areas in Alaska; and providing for an effective date."

recommends it be replaced  the same title  
 with the following committee substitute \_\_\_\_\_  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) \_\_\_\_\_  <sup>Senate</sup> fiscal note(s), DNR 3/10/98

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

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Edon W. Lued</i> Mulder	X			
<i>Terry Martin</i> Martin	X			
<i>Vig Kohring</i> Kohring	X			
<i>J. Waynes</i> J. Davies	X			
<i>Rose Kelly</i> Kelly	X			
<i>Capitol Moses</i> Moses	X			
<i>Terry L. Davis</i> G. Davis	X			

CHAIR'S SIGNATURE *Edon W. Lued*

**SB**

**236**

SFIN

FILE

# SENATE FINANCE COMMITTEE REPORT

DATE: 3/10/98

FURTHER: 3/27/98

DATE TURNED  
IN TO OFFICE: 27 March 98

Finance Committee considered

SENATE BILL NO. 236

"An Act extending the termination date of the Citizens' Advisory Commission on Federal Areas in Alaska; and providing for an effective date."

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous \_\_\_\_\_ CS SB 236 (RES)
- 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 title
  - new: SCR# \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Roll &amp; Allen</i>	✓	<i>Bob Adams</i>	✓		
<i>John S. ...</i>	✓	<i>James ...</i>	✓		
Co-Chair: <i>Peace</i>	✓	Co-Chair: _____			
Co-Chair: _____		Co-Chair: _____			

**NEW FISCAL NOTE(S):**

Department                      Date              Zero              Fiscal


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

Department                      Date              Zero              Fiscal

DNR - Statehood Debit	2/98		93.0

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

# FISCAL NOTE

STATE OF ALASKA  
1998 LEGISLATIVE SESSION

No. 1  
BILL Bill Version: SB 236  
(S) Publish Date: 3/10/98

Revision Date: \_\_\_\_\_ Dept Affected: Natural Resources  
Title: An Act extending the termination date of the BRU: Statehood Defense  
Citizens' Advisory Commission on Federal Areas in Alaska... Component: CACFA  
Sponsor: Senate Labor & Commerce  
Requestor: Senate Resources Component Serial No. #2225

Expenditures/Revenues (Thousands of Dollars)

	FY99	FY00	FY01	FY02	FY03	FY04
<b>OPERATING EXPENDITURES</b>						
PERSONAL SERVICES	76.0	76.0	76.0	76.0	76.0	76.0
TRAVEL	10.0	10.0	10.0	10.0	10.0	10.0
CONTRACTUAL	6.0	6.0	6.0	6.0	6.0	6.0
SUPPLIES	1.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>93.0</b>	<b>93.0</b>	<b>93.0</b>	<b>93.0</b>	<b>93.0</b>	<b>93.0</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 (fund code)</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	93.0	93.0	93.0	93.0	93.0	93.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>93.0</b>	<b>93.0</b>	<b>93.0</b>	<b>93.0</b>	<b>93.0</b>	<b>93.0</b>

Estimate of any current year (FY98) cost: \$ none

**POSITIONS**

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

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

Expenditures are necessary for the continued operation of the Citizens' Advisory Commission on Federal Areas. Personal services covers the Executive Director, a permanent full-time position, budgeted for 11.1 months per year. Travel costs cover travel and per diem for Commission members for 2 meetings per year and staff travel and per diem necessary to conduct Commission business. Other expenditures are necessary for the day to day operation of the Commission's Fairbanks office.

Prepared by: Stan Leaphart, Executive Director Phone: 451-2275  
 Division: CACFA Date: 13-Feb-98  
 Approved by Commissioner: [Signature] Date: 2-13-98  
 Agency: Natural Resources

**SB**

**240**

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(2) if the laws of the state, territory or district of the residence of the transferor at the time of death contained a reciprocal exemption provision under which nonresidents were exempted from death taxes of every character in respect to personal property, except tangible personal property having an actual situs therein, and if the state, territory or district of the residence of the nonresident decedent allowed a similar exemption to residents of the state, territory or district of residence of the decedent. (§ 2 ch 24 SLA 1970)

Revisor's notes. — Enacted as AS 43.30.410. Re-numbered in 1970.

**Sec. 43.31.420. Definitions.** In this chapter

- (1) "decedent" includes the testator, intestate grantor, bargainor, vendor, or donor;
- (2) [Repealed, § 38 ch 168 SLA 1990.]
- (3) "executor" means the executor, administrator or curator of the decedent, or if there is no executor, administrator or curator appointed qualified and acting, then any person who is in the actual or constructive possession of any property included in the gross estate of the decedent;
- (4) "gross estate" means the gross estate as determined under the provisions of the applicable federal revenue Act;
- (5) "net estate" means the net estate as determined under the provisions of the applicable federal revenue Act;
- (6) "nonresident" means a natural person domiciled outside the state;
- (7) "person" means persons, corporations, associations, joint stock companies and business trusts;
- (8) "real property" means real property as it is commonly understood and includes real property whose legal title is in the decedent but which is subject to a contract of sale to a third party;
- (9) "resident" means a natural person domiciled in the state;
- (10) "tangible personal property" means corporeal personal property, including money; and the term "intangible personal property" means incorporeal personal property including deposits in banks, negotiable instruments, mortgages, debts, receivables, shares of stock, bonds, notes, credits, evidences of an interest in property, evidences of debt and choses in action generally;
- (11) "transfer" includes the passing of property or any interest in property, in possession or enjoyment, present or future, by inheritance, descent, devise, succession, bequest, grant, deed, bargain, sale, gift, or appointment in the manner described in this chapter;
- (12) "United States" used in a geographical sense includes only the 50 states and the District of Columbia. (§ 2 ch 24 SLA 1970; am § 38 ch 168 SLA 1990)

Revisor's notes. — Enacted as AS 43.30.420. Re-numbered in 1970. Effect of amendments. — The 1990 amendment, effective June 22, 1990, repealed paragraph (2), which defined "department".

**Sec. 43.31.430. Short title.** This chapter may be cited as the Estate Tax Law of Alaska. (§ 2 ch 24 SLA 1970)

Revisor's notes. — Enacted as AS 43.30.430. Re-numbered in 1970.

**Chapter 35. Coin-Operated Devices and Punchboards.**

- Article
- 1. Coin-Operated Amusement and Gaming Devices (§§ 43.35.010 — 43.35.090)
  - 2. Punchboards (§§ 43.35.100 — 43.35.160)

**Article 1. Coin-Operated Amusement and Gaming Devices.**

<p><b>Section</b></p> <p>10. Amount of tax</p> <p>20. Administration</p> <p>30. Distributor fees</p> <p>40. Operation by a minor</p>	<p><b>Section</b></p> <p>50. Distribution of tax</p> <p>60. Orders and regulations</p> <p>70. Gambling not legalized</p> <p>90. Definitions</p>
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**Collateral references.** — 38 Am. Jur. 2d, Gambling, §§ 10-26; 61 Am. Jur. 2d, Licenses and Permits, §§ 7, 39-41; 71 Am. Jur. 2d, State and Local Taxation, §§ 180-182.  
53 C.J.S., Licenses, §§ 3, 30-36, 64-73; 84 C.J.S., Taxation, §§ 121, 122.

**Validity and construction of statute or ordinance regulating commercial video game enterprises.** 38 ALR4th 930

**Sec. 43.35.010. Amount of tax.** (a) A person who maintains for use, or permits the use of on premises under the person's control, a coin-operated device class 1, class 2, or class 3 shall first pay a tax as follows:

- (1) \$48 a year for each coin-operated device class 1;
- (2) \$120 a year for each coin-operated device class 2;
- (3) \$240 a year for each coin-operated device class 3;
- (b) No additional tax is levied where a device within a given classification is replaced by another of the same classification.

(c) The tax imposed by this section is reduced by one-twelfth for the entirety of each month that elapses from the first day of the year to the date upon which the device is placed in operation. For the purpose of AS 43.35.010 — 43.35.090 a remaining portion of a month is considered as one full month. (§ 48-3-1 ACLA 1949; am ch 31 SLA 1949; am § 1 ch 142 SLA 1960)

**Cross references.** — For exemption for devices aboard certain cruise ships, that was in effect from May 19, 1995 through September 29, 1995, see § 1(h), ch. 31, SLA 1995 in the Temporary and Special Acts.

**NOTES TO DECISIONS**

The tax imposed by this section is not a license of the business of operating pinball machines in the sense that it confers a right which would not exist in the absence of the imposition of the tax. *State v. Pinball Machs, 404 P.2d 923 (Alaska 1965)*

Business not made lawful by imposition of tax. — A business expressly condemned and made unlawful by statute is not made lawful by the fact that a tax is imposed with respect to its operation. *State v. Pinball Machs, 404 P.2d 923 (Alaska 1965)*

This section says nothing about a license. *State v. Pinball Machs, 401 P.2d 923 (Alaska 1965)*

**Sec. 43.35.020. Administration.** (a) Tax payments specified in AS 43.35.010 shall be made to the commissioner before the installation for operation of a device taxable under AS 43.35.010, except that the tax shall be prorated for a taxable device installed after January 31 in a given year from the beginning of the month within which the device is installed through the remainder of the calendar year. The receipt of the commissioner for payment shall be kept for inspection in the manner required under regulations adopted by the commissioner.

(b) If the ownership of the taxable device changes, the receipt shall be transferred by the commissioner to the new owner or operator upon payment of a transfer fee of \$5. The fee shall be deposited in the general fund. Application for the transfer of the receipt shall be made within 30 days after the change of ownership. Tax on a device on which earlier taxes have been paid and which is in operation at the close of the preceding calendar year shall be paid before February 1 of the year in which the tax is due. (§ 48-3-3 ACLA 1949; am § 3 ch 142 SLA 1960)

**Sec. 43.35.030. Distributor fees.** A distributor of coin-operated equipment shall

(1) pay an annual permit fee of \$50 to the department, to be deposited by it in the general fund; and

(2) file an affidavit that the distributor is a citizen of the United States, a bona fide resident of the state for at least one year, and has never been convicted of a felony; in the case of a corporation an affidavit is required from each stockholder and employee of the corporation. (§ 48-3-4 ACLA 1949; am § 4 ch 142 SLA 1960; am § 118 ch 6 SLA 1984)

**Sec. 43.35.040. Operation by a minor.** (a) An operator or other person who has charge of a device covered by AS 43.35.010 — 43.35.090, except a music machine or a coin-operated device class 1,

(1) may not permit a person under 18 years of age to operate the device; and

(2) shall place a conspicuous notice of this prohibition on each device, in accordance with standards fixed by the commissioner.

(b) A machine, except a music machine, may not be placed, used, located, or operated within a radius of 100 yards of a school building. (§ 48-3-5 ACLA 1949; am § 5 ch 142 SLA 1960; am § 1 ch 164 SLA 1970)

**Sec. 43.35.050. Distribution of tax.** One-half of the proceeds of the gross revenue from the tax under AS 43.35.010 — 43.35.090, excluding distributors' fees, penalties, and the amount determined to have been spent by the state in its collection, shall be refunded to organized boroughs and cities of the first, second, and third classes by action of the legislature in the proportion that the revenue was earned within them, and the balance shall be retained by the state and deposited in the general fund. (§ 48-3-6 ACLA 1949; am ch 31 SLA 1949; am § 8 ch 142 SLA 1960; am § 2 ch 165 SLA 1962)

**Sec. 43.35.060. Orders and regulations.** The commissioner may issue orders and adopt regulations necessary to carry out AS 43.35.010 — 43.35.090. (§ 48-3-7 ACLA 1949; am § 7 ch 142 SLA 1960)

**Sec. 43.35.070. Gambling not legalized.** AS 43.35.010 — 43.35.090 do not legalize gambling or the possession of a gambling device. (§ 48-3-8 ACLA 1949; am § 8 ch 142 SLA 1960)

**Cross references.** — For legal activities involving games of chance, see generally AS 06.16; for limitations on authorized activities, see AS 06.16.160.

**NOTES TO DECISIONS**

**Legislative intent.** — In enacting the 1960 amendment to this section there was no intent on the part of the legislature to permit gambling. Pinball Mach., Serial No. 2334 v. State, 371 P.2d 806 (Alaska 1962).

**The use or possession of a pinball machine is not made lawful by the mere fact that such machine is defined by law for tax purposes.** State v. Pinball Mach., 404 P.2d 923 (Alaska 1965).

**Sec. 43.35.080. Penalties.** [Repealed, § 46 ch 113 SLA 1980. For current law, see AS 43.05.220 and 43.05.290.]

**Sec. 43.35.090. Definitions.** In AS 43.35.010 — 43.35.090

(1) "coin-operated device class 1" means an entertainment or amusement device or amusement apparatus that operates by means of insertion of a coin, token, or other similar object, except a coin-operated radio, that does not involve an element of chance;

(2) "coin-operated device class 2" means a pinball machine, including a bingo type coin-operated device, horse race machine or other apparatus or device that operates by means of insertion of a coin, token, or similar object and that, by embodying the elements

of chance or skill, awards free plays and that contains a device for releasing free plays and a meter for registering or recording the plays so released, or with a provision for multiple coin insertion for increasing the odds; class 2 does not include bona fide vending machines in which gaming or amusement features are not incorporated;

(3) "coin-operated device class 3" means a slot machine or other apparatus or device that operates by means of insertion of a coin, token, or similar object and that, by strict dependence upon the element of chance, may deliver or may entitle the person playing or operating the machine to receive cash, premiums, merchandise, or tokens; a device or apparatus otherwise falling within the classification of (2) of this section, though not strictly dependent upon the element of chance, is taxed according to the rate applicable to slot machines if the device or apparatus itself delivers cash directly to the person playing or operating it;

(4) "distributor" means a person who directly provides or furnishes a coin-operated device for operation on premises not owned by the person and not under the jurisdiction or control of the person. (§ 48-3-2 ACLA 1949; am § 2 ch 142 SLA 1960; am § 1 ch 135 SLA 1966)

**Legislative history reports.** — For report on ch. 135, SLA 1966, see 1966 House Journal, p. 870.

**Opinions of attorney general.** — The definition of a Class 3 device applies only to activities in which actual prize awards or payouts exist. Before the department can classify a machine as a Class 3 device,

the department must have sufficient evidence to sustain the determination; mere speculation is not enough. In the absence of evidence in a particular case that the house is making a payout, it would appear that the machine would be either a Class 2 or Class 1 device. July 20, 1960 Op. Atty Gen.

**NOTES TO DECISIONS**

**The legislature did not sanction the use of a pinball machine to the extent that it awards free plays and nothing else.** State v. Pinball Mach., 404 P.2d 923 (Alaska 1965), decided prior to the 1966 amendment.

**Construction of paragraph (2).** — Paragraph (2) cannot logically be construed as a legislative statement of the uses and purposes to which a pinball

machine may be put. State v. Pinball Mach., 404 P.2d 923 (Alaska 1965), decided prior to the 1966 amendment.

**A class 3 device is a gambling device in itself.** State v. Pinball Mach., 404 P.2d 923 (Alaska 1965), decided prior to the 1966 amendment.

**Quoted in Pinball Mach., Serial No. 2334 v. State, 371 P.2d 806 (Alaska 1962).**

**Article 2. Punchboards.**

**Section**  
100. License tax  
110. Regulations and orders  
120. Manner of paying tax

**Section**  
130. Refund to local governments  
140. Gambling not legalized  
150. Violations and penalties

**Collateral references.** — 51 Am. Jur. 2d, Licenses and Permits, §§ 39-41

53 C.J.S., Licenses, §§ 5-38, 64-73

**Sec. 43.35.100. License tax.** A distributor who distributes a punchboard in the state shall pay the following license tax before the punchboard is sold to the retail trade:

- (1) \$2 for each board of 2,000 holes, or less;
- (2) \$4 for each 1,000 holes or fraction in each board with more than 2,000 holes. (§ 1 ch 116 SLA 1949; am § 1 ch 63 SLA 1951)

**Sec. 43.35.110. Regulations and orders.** The department may issue orders and adopt regulations necessary to carry out AS 43.35.100 — 43.35.150. (§ 3 ch 116 SLA 1949; am § 1 ch 63 SLA 1951)

**Sec. 43.35.120. Manner of paying tax.** The tax shall be paid by purchasing stamps from the office of the department. The stamps shall be affixed to the punchboard before

it is placed in use, and the operator of the punchboard shall endorse upon the stamp the serial number of the punchboard. (§ 2 ch 116 SLA 1949; am § 1 ch 53 SLA 1961)

**Sec. 43.35.130. Refund to local governments.** The department shall refund 75 per cent of the tax collected from sales of punchboards in an organized borough or city of the first, second, or third class to the local government. The balance shall be deposited in the general fund. (§ 6 ch 116 SLA 1949; am § 1 ch 53 SLA 1961; am § 3 ch 155 SLA 1962)

**Sec. 43.35.140. Gambling not legalized.** AS 43.35.100 — 43.35.160 do not legalize gambling. (§ 4 ch 116 SLA 1949; am § 1 ch 53 SLA 1961)

**Cross references.** — For legal activities involving games of chance, see generally AS 05.16; for limitations on authorized activities, see AS 05.16.180.

**Sec. 43.35.160. Violations and penalties.** (a) A person may not  
(1) distribute in the state a punchboard for which the license tax provided in AS 43.35.100 — 43.35.150 is not paid; or  
(2) maintain for use, or permit the use of, in a place or premises occupied by the person a punchboard upon which the license stamp is not affixed.  
(b) A person violating a provision of AS 43.35.100 — 43.35.160 is guilty of a misdemeanor, and upon conviction is punishable by a fine of not more than \$50. (§ 6 ch 116 SLA 1949; am § 1 ch 53 SLA 1961)

## Chapter 40. Motor Fuel Tax.

<b>Section</b>	<b>Section</b>
10. Tax on transfers or consumption of motor fuel and expenditure of proceeds	80. Separate invoices
16. Exemption from collection of tax	70. Refund warrants
30. Refund for nonhighway use	80. Examination of books and records
35. Other refunds and credits	85. Preservation of books and records
50. Refund claim by affidavit	100. Definitions

**Collateral references.** — 71 Am. Jur. 2d, State and Local Taxation, §§ 818-824; 53 Am. Jur. 2d, Licenses and Permits, §§ 30, 39-41; 63 C.J.S., Licenses, § 34.

State tax on or in respect of goods shipped in interstate commerce to consignee for sale on consignee's account without previous sale or order for purchase 4 ALR2d 244.

Loading or unloading interstate freight in performance of obligation resting upon one other than

interstate carrier as interstate commerce as regards local taxation. 10 ALR2d 661.

State tax on of motor carriers as affected by commerce clause. 17 ALR2d 421.

Power of legislature to remit, release, or compromise tax claim. 18 ALR2d 1426.

Financial hardship or inability to pay taxes as rendering inapplicable statutes denying remedy by injunction against assessment or collection of tax. 85 ALR2d 550.

**Sec. 43.40.010. Tax on transfers or consumption of motor fuel and expenditure of proceeds.** (a) There is levied a tax of eight cents a gallon on all motor fuel sold or otherwise transferred within the state, except that

- (1) the tax on aviation gasoline is four and seven-tenths cents a gallon;
  - (2) the tax on motor fuel used in and on watercraft of all descriptions is five cents a gallon; and
  - (3) the tax on all aviation fuel other than gasoline is three and two-tenths cents a gallon.
- (b) There is levied a tax of eight cents a gallon on all motor fuel consumed by a user, except that
- (1) the tax on aviation gasoline consumed is four and seven-tenths cents a gallon;

(2) the tax on motor fuel used in and on watercraft of all descriptions is five cents a gallon; and

(3) the tax on all aviation fuel other than gasoline is three and two-tenths cents a gallon.

(c) Every dealer who sells or otherwise transfers motor fuel in the state shall collect the tax at the time of sale, and remit the total tax collected during each calendar month of each year to the department by the last day of each succeeding month. Every user shall likewise remit the tax accrued on motor fuel actually used by the user during each month. If the monthly tax return is timely filed, one percent of the total monthly tax due, limited to a maximum of \$100, may be deducted and retained to cover the expense of accounting and filing the monthly tax return. At the time the remittance is made, each dealer or user shall submit a statement to the department showing all fuel which the dealer or user has distributed or used during the month.

(d) *[Repealed, § 3 ch 166 SLA 1976.]*

(e) Sixty per cent of the proceeds of the revenue from the taxes on aviation fuel, excluding the amount determined to have been spent by the state in its collection, shall be refunded to a municipality owning and operating or leasing and operating an airport in the proportion that the revenue was collected at the municipal airport. All other proceeds of the taxes on aviation fuel shall be paid into a special aviation fuel tax account in the state general fund. The legislature may appropriate funds from this account for aviation facilities.

(f) The proceeds from the revenue from the tax on motor fuel used in boats and watercraft of all descriptions shall be deposited in a special watercraft fuel tax account in the general fund. The legislature may appropriate from this account for water and harbor facilities.

(g) The proceeds of the revenue from the tax on all motor fuels, except as provided in (e), (f) and (j) of this section, shall be deposited in a special highway fuel tax account in the state general fund. The legislature may appropriate funds from it for expenditure by the Department of Transportation and Public Facilities directly or as matched with available federal-aid highway money for maintenance of highways, construction of highway projects and ferries included in the program provided for in AS 19.10.160, including approaches, appurtenances and related facilities and acquisition of rights-of-way or easements, and other highway costs including surveys, administration, and related matters. All departments of the state government authorized to spend funds collected from taxes imposed by this chapter shall perform, when feasible, all construction or reconstruction projects by contract after the projects have been advertised for competitive bids, except that, when feasible, arrangements shall be made with political subdivisions to carry out the construction or reconstruction projects. If it is not feasible for the work to be performed by state engineering forces, the commissioner of transportation and public facilities may contract on a professional basis with private engineering firms for road design, bridge design, and services in connection with surveys. If more than one private engineering firm is available for the work the contracts shall be entered into on a negotiated basis.

(h) All motor fuel tax receipts shall be paid into the general fund and distributed to the proper accounts in the general fund. Valid motor fuel tax refund claims shall be paid from the highway fuel tax account in the general fund.

(i) *[Repealed, § 35 ch 126 SLA 1994.]*

(j) The proceeds from the tax on motor fuel used in snow vehicles and, unless a tax refund is applied for under AS 43.40.050(a), other internal combustion engines not used in or in conjunction with a motor vehicle licensed to be operated on public ways shall be deposited in a special nonpublic highway use account in the general fund. The legislature may appropriate from this account to the Department of Transportation and Public Facilities for trail staking and shelter construction and maintenance.



Official Business

# Alaska State Senate

## Senate Finance Committee

Mail Stop 3100  
State Capitol  
Juneau, Alaska 99801-1182

### SPONSOR STATEMENT

#### SB 240: An Act Repealing Coin Operated Devices Tax Program

As part of a continuing effort to reduce the size and cost of government, Senate Bill 240 will repeal the outdated Coin Operated Devices and Punchboards Tax Program. The program began in 1941 as a tax on amusement machines such as billiard tables, jukebox machines and pinball games, serving the purpose to raise revenues and track the number of amusement games. Repeal of the program would lessen the burden on 250 businesses in the state and free up 400 hours of Department of Revenue (DOR) staff time for higher priority work. The amount of revenue lost from repealing the program will be offset by money collected from increasing compliance of larger tax programs.

Currently 250 businesses must annually file a return and pay the appropriate amount of tax. The current annual tax rate is \$48 per device; the rate has remained virtually unchanged since 1947. The current program collects \$90,000, shares \$32,000 back to local governments and costs \$15,000 to operate. Thus the net general fund revenue is \$43,000. Department of Revenue officials have discussed the program repeal with several local government officials and the Alaska Municipal League. All concurred that they could not afford to administer the program locally for the small amount of revenue received.

Repealing the lowest priority state programs is an important component of the majority's goal to downsize government. In addition to reducing the budget we must reduce the paperwork and regulatory requirements placed on businesses and government. Repealing the Coin Operated Device Tax Program makes both good business sense and public policy.

**Table 5  
Coin-Operated Devices Tax**

City	FY 96	FY 95	FY 94	FY 93	FY 92	Total All Years
Unalaska	237	168	360	0	216	981
Valdez	345	432	864	544	336	2,521
Wasilla	273	384	684	702	584	2,627
Wrangell	164	240	288	336	288	1,316
<b>Total Cities</b>	<b>12,686</b>	<b>17,380</b>	<b>15,922</b>	<b>16,364</b>	<b>19,118</b>	<b>81,472</b>
<b>GRAND TOTAL<sup>1</sup></b>	<b>\$32,219</b>	<b>\$47,015</b>	<b>\$47,161</b>	<b>\$48,289</b>	<b>\$51,881</b>	<b>\$226,564</b>
<b>Cost of Collection</b>	<b>\$10,200</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$10,200</b>
<b>Number of Communities Shared With</b>	<b>34</b>	<b>34</b>	<b>35</b>	<b>40</b>	<b>40</b>	<b>55</b>

<sup>1</sup> Net of cost of collection.

*N/A - Not Applicable. AS 43.35.050 authorizes that the amount determined to have been spent by the state in collection of taxes shall be excluded from the share payments made to municipalities. The department began deducting collection costs from sharable amounts for FY 96.*

**Table 5  
Coin-Operated Devices Tax**

<b>City</b>	<b>FY 96</b>	<b>FY 95</b>	<b>FY 94</b>	<b>FY 93</b>	<b>FY 92</b>	<b>Total All Years</b>
Haines	36	48	72	0	0	156
Homer	1,158	1,684	1,120	624	720	5,306
Hoonah	73	72	144	100	120	509
Huslia	0	0	0	24	48	72
Kachemak	36	0	0	0	0	36
Katlag	0	0	0	0	76	76
Kenai	1,057	1,953	1,661	1,642	1,800	8,113
Ketchikan	1,546	2,390	889	1,720	1,432	7,977
Kobuk	0	0	0	0	72	72
Kodiak	620	1,344	1,368	1,368	2,784	7,484
Lower Kalskag	0	0	0	0	24	24
Mekoryuk	73	0	120	168	0	361
Nenana	118	120	72	170	192	672
Nome	456	336	374	240	288	1,694
Noorvik	0	0	0	0	384	384
North Pole	346	240	468	312	0	1,366
Palmer	201	356	288	456	364	1,665
Pelican	55	15	72	72	72	286
Petersburg	346	600	456	552	528	2,482
Quinhagak	0	56	0	0	0	56
Scammon Bay	0	0	0	24	12	36
Seldovia	0	0	54	150	96	300
Seward	401	360	408	504	624	2,297
Shishmaref	0	0	0	120	168	288
Soldotna	966	1,800	1,152	1,176	1,340	6,434

**Table 5  
Coin-Operated Devices Tax**

<b>Municipality</b>	<b>FY 96</b>	<b>FY 95</b>	<b>FY 94</b>	<b>FY 93</b>	<b>FY 92</b>	<b>Total All Years</b>
Anchorage	\$12,492	\$22,965	\$23,042	\$23,275	\$25,996	\$107,770
Juneau	1,601	1,840	1,958	2,032	1,396	9,327
Sitka	1,148	1,588	1,136	768	936	5,576
<b>Total Municipalities</b>	<b>15,241</b>	<b>26,393</b>	<b>26,136</b>	<b>26,075</b>	<b>28,628</b>	<b>122,673</b>
<b>Borough</b>						
Bristol Bay	0	0	0	288	0	288
Denali	219	96	0	171	0	486
Fairbanks North Star	1,540	1,206	1,703	2,588	1,214	8,260
Haines	0	0	0	24	27	51
Kenai Peninsula	1,477	1,080	1,680	1,368	1,140	6,745
Ketchikan Gateway	0	0	0	24	24	48
Kodiak Island	128	144	192	240	528	1,232
Malanuska-Susitna	857	692	1,432	1,028	922	4,931
Yakutat	60	24	96	120	80	380
<b>Total Boroughs</b>	<b>4,290</b>	<b>3,242</b>	<b>5,103</b>	<b>5,851</b>	<b>3,935</b>	<b>22,420</b>
<b>City</b>						
Anderson	97	72	48	144	144	505
Cold Bay	109	0	0	192	192	493
Cordova	18	24	72	144	144	402
Craig	0	24	48	196	308	576
Delta Junction	18	40	24	90	0	172
Dillingham	0	120	96	120	184	520
Fairbanks	3,939	4,502	4,650	4,474	5,578	23,143
Gambell	0	0	70	0	0	70

**Table 3**  
**Program Revenue and Cost Detail**

(Sorted by Revenue)	Program				Per FTE <sup>1</sup>	
	Returns	Revenue	Cost <sup>1</sup>	FTE <sup>2</sup>	Revenue	Cost
<b>Tax Program</b>						
Corporation	14,887	\$317,881,916	\$2,406,035	38.6	\$8,235,283	\$62,333
Motor Fuel	1,910	35,317,981	282,671	4.7	7,514,464	60,143
Fisheries Business	710	30,967,567	182,955	3.2	9,677,365	57,173
Tobacco	567	16,150,312	39,865	0.8	***	***
Alcoholic Beverages	224	11,553,183	66,159	1.0	11,553,183	66,159
Fishery Resource Landing	99	8,278,994	35,803	0.7	***	***
APUC Regulatory Cost Charges	371	4,301,051	20,099	0.4	***	***
Salmon Enhancement	673	4,189,791	43,626	0.8	***	***
Salmon Marketing	800	3,522,739	43,542	0.8	***	***
Seafood Marketing Assessments	315	3,099,230	26,833	0.5	***	***
Estale	73	1,717,986	3,856	0.1	***	***
Electric Cooperative	18	1,436,660	1,834	<.1	***	***
Telephone Cooperative	7	1,302,139	860	<.1	***	***
Mining License	324	387,036	41,886	0.8	***	***
Coin-Operated Device	315	90,165	17,503	0.4	***	***
<b>Total Tax Programs</b>	<b>21,293</b>	<b>440,196,750</b>	<b>3,213,327</b>	<b>52.9</b>		
	(Reports)					
<b>Unclaimed Property Program</b>	<b>1,848</b>	<b>2,352,401</b>	<b>226,515</b>	<b>4.1</b>		
<b>Total All Programs</b>	<b>23,141</b>	<b>\$442,549,151</b>	<b>\$3,439,842</b>	<b>57.0</b> <sup>4</sup>		

<b>Tax Programs</b>	
Total Revenue per FTE	\$8,321,300
Total Cost per FTE	\$60,739

<b>Unclaimed Property Program</b>	
Total Revenue per FTE	\$573,756
Total Cost per FTE	\$55,248

<sup>1</sup> Includes total operating costs of the division.

<sup>2</sup> Full-time equivalent staff position.

<sup>4</sup> 56 full-time and 2 seasonal (1 FTE)

\*\*\* Combined revenues and costs for these programs are \$44,476,103 and \$275,507, respectively. These programs require 5.4 FTE positions. Combined revenue and cost per FTE are \$8,236,315 and \$51,020.