

ALASKA LEGISLATURE

1962

HOUSE and SENATE FINANCE COMMITTEE FILES, 1999 - 2000

Board of Supervisors
R.S.A. #25 Bogard
P.O. Box 2274
Palmer, AK. 99645

January 24, 1998

TO: Senator Sean Parnell
State Capitol Room 504
Juneau, AK. 99801

Dear Senator Parnell,

The board of supervisors for R.S.A. # 25 Bogard has discussed Senate Bill 208 and we enthusiastically support it. We believe it is still important to allow taxpayers to have a voice in the spending of their tax monies. Local control is important to the residents of this road service area. Thank you for your assistance in maintaining it.

Sincerely Yours,

Valen C. Bair
Primary R.S.A. # 25

Valen C. Bair

William Larkin
Board R.S.A. # 25

William Larkin

Wrex Diem
Board R.S.A. # 25

Wrex R Diem

Reused to support
HB 133 with
Permission of those
signed above

1998 Officers

Pres. Bill Kuhlmann 694-2426
V. Pres. Jim Yeargan 694-2571
Sec. Barbara Ferrell 696-2570
Treas. Floyd Gori 694-6088



1998 Directors

Michelle Adams 696-1274
Dr. Gregory Culbert 696-4878
Jim Young 689-5200

**EAGLE RIVER COMMUNITY COUNCIL
PO BOX 773952
EAGLE RIVER, ALASKA 99577**

FEB 20 1998

12 February, 1998

Senator Sean Parnell
State Capital
Juneau, Alaska 99801-1182

Subject: Senate Bill 208

Dear Senator Parnell;

Eagle River Community Council supports the passage of Senate Bill 208. We agree that the abolishment or alteration of service areas within a borough or municipality should be prohibited without first requiring a vote of the people residing in or owning a business within that service area.

We appreciate your sponsorship of this bill and look forward to its passage.

Sincerely,

Bill Kuhlman, President
Eagle River Community Council

cc: Senator Rick Halford
Senator Randy Phillips
Representative Fred Dyson
Representative Vic Kohring
Representative Pete Kott

*Reused to support
HB 133 with permission
of Bill Kuhlman*

cc:Mail for: Senator Sean Parnell

Subject: SB208

From: vhoefler@mosquionet.com (Vaughan Hoefler) at CC2MHS1 1/28/98 11:18 AM

To: Senator Sean Parnell at LAA_TRANS

Dear Senator Parnell,

On behalf of the road service area commissioners for the Ester Lump Service Area located near Fairbanks, we support your effort to implement SB 208.

Voter approval for the formation, alteration, or abolishment of certain service areas would allow residents to more fairly decide on such changes. Our service area recently faced an annexation issue in which the Borough sought to add non-contiguous roads several miles distant to our road system. The condition of the roads proposed for annexation were significantly different than our own, built at different times, and subject to

slightly different weather conditions. Nevertheless, the North Star Borough

Rural Services Division presented this annexation issue as the only option to the residents of both areas. Many of our area's residents vented their frustration for not having any "say" in the ability to direct the future of our roads.

After two Assembly meetings, and following the testimony of many residents, the assembly moved for the creation of a separate service area.

Had AS 29.35.450 (voter approval of alteration or abolishment of service areas)

been in effect, our concerns would have been brought forth long before the Borough expended considerable time and funds developing this plan.

Thank you for taking the effort to make these changes, as they will provide service area residents the opportunity to more effectively govern the growth or change of their areas.

Carol Hoefler

This letter is
being reused to
support HB 133
with permission of
sender



Hillside East Community Council

March 13, 1998

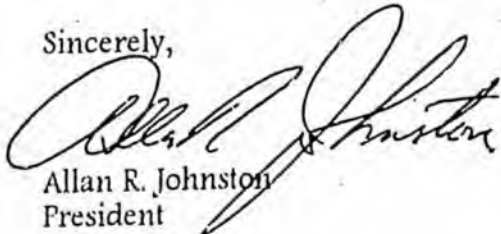
Senator Sean Parnell
State Capital Room 504
Juneau, AK 99801

Re: Senate Bill 208

Dear Senator Parnell:

Congratulations on your introduction and good work on Senate Bill 208. Please put Hillside East Community Council unanimously behind your bill.

Sincerely,


Allan R. Johnston
President

This letter is being
reused for HB 133
with permission of
Allan R Johnston
former President
and
Ann Ballaw
President - Hillside East CC

Community Councils Center

301 E. Fireweed Lane, Suite #101 Anchorage, AK 99503-2110

Allan R. Johnston, President H 346-1087
John O'Brien, 1st Vice-President H 562-6949
Richard Day, 2nd Vice-President H 346-3689

Inge Lentfer, Treasurer H 346-1567
Ann Ballaw, Secretary H 346-1989
James Cazort, Director H 346-8308

Jennifer Williams, Director H 346-0188
Linda Orell, Director H 346-2745
Joan Dewey, Director H 346-1756



Municipality of Anchorage

Rick Mystrom, Mayor



Girdwood Board of Supervisors

P.O. Box 890 • Girdwood, Alaska 99587

February 25, 1998

Senator Sean Parnell
State Capitol
Room 504
Juneau, AK 99801-1182

Re: Senate Bill 208

Dear Sen. Parnell,

The Girdwood Board of Supervisors unanimously supported a motion to endorse the passage of Senate Bill 208 at our last regular meeting, February 16, 1998. The board also supports Rep. Bunde's companion bill, HB 365.

The board strongly feels both bills strengthen the intent of the Municipal Charter as we understand it.

Sincerely,

Keith Tryck
Keith Tryck
Chairman

*Refused to Support
HB 133 with
Permission of
Keith Tryck*

Mid-Hillside Community Council

10005 Main Tree Drive Anchorage, Alaska 99516-6430
Chris Birch, Board President
907 346-3265 (home)
907 346-3197 (fax)



February 13, 1998

Senator Sean Parnell
State Capitol
Juneau, Alaska 99801-1182

Subject: **SB 208, A:1 Act Relating to Municipal Service Areas**

Dear Senator Parnell;

VIA FAX ONLY

Thank you for providing a copy of the subject legislation for community review and comment.

The Mid-Hillside Community Council is forcefully on record supporting the community right of decision regarding self-determination in service area related annexations. I very much appreciate your efforts to affirm in statute what most would assume was well outlined in our municipal charter, the right of a community to vote their approval of additional proposed services and taxes.

You have our full support in your efforts to advance this vital legislation. You may even wish to consider a means of enabling existing Anchorage service areas an opportunity to competitively bid current neighborhood services. I have heard repeated complaints from the members of the Anchorage Road and Drainage Service Area (ARDSA), the service area providing municipal road maintenance, about the 3 day delay in snow removal and excessive costs for this service. Our Valli Vue Road Service Area contractor provides a much better quality of service for half the ARDSA mill rate. It would be wonderful if the residents of Anchorage could enjoy these same competitive advantages, kind a reverse annexation opportunity!

I hope to see you in Juneau next week or tomorrow at the Anchorage Caucus and District 18 Town Meetings.

Sincerely,

Chris Birch
Board President

This letter is being
reused to support
HB 133 with the
Permission of
Chris Birch

XC: Mid Hillside Board of Directors
Allan Johnston, President, Hillside East Board of Directors

FEB 18 1998



Karen L. Hendrickson

DESIGN OPTIONS CONSULTANT

February 12, 1998

Senator Sean Parnell
State Capitol Room 504
Juneau, AK 99801

Dear Senator Parnell:

I am writing to you on behalf of the Board of Supervisors of the Talus West Limited Road Service Area. The board wishes to express its support for Senate Bill 208. The legislation you have sponsored speaks directly to our ability as residents of a particular area to decide upon, and contract for, the services that best suit our particular needs. The recent forced annexation of the hillside to the Anchorage Police Departments jurisdiction, against the wishes and votes of the residents, has made it obvious the service areas lack protection from a local government takeover of those services they choose to administer for themselves. We urge you to vigorously pursue passage of protection for our service area.

Sincerely,

Karen L. Hendrickson

Karen L. Hendrickson
Member - Talus West LRSA Board of Supervisors
4731 Talus Drive
Anchorage, AK 99516

This letter is
being reused to
support HB 133
with permission of
Karen L. Hendrickson

HB

133

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/18/00

REPORTED OUT OF
SFC 4/19/00

FURTHER:

DATE TURNED
IN TO OFFICE: 4/19/00

Finance Committee considered CS FOR HOUSE BILL NO. 133(FIN)(efd fld)

"An Act relating to municipal service areas and providing for voter approval of the formation, alteration, or abolishment of certain service areas."

and recommends:

- be replaced with _____ CS _____
- adopt previous ✓ CS CS HB 133 (CRA)
- 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>[Signature]</i> | ✓ | <i>[Signature]</i> | ✓ | | |
| <i>[Signature]</i> | ✓ | <i>[Signature]</i> | X | | |
| <i>[Signature]</i> | ✓ | <i>[Signature]</i> | ✓ | | |
| <i>[Signature]</i> | ✓ | | | | |
| Co-Chair: <i>[Signature]</i> | ✓ | Co-Chair: | | | |
| Co-Chair: <i>[Signature]</i> | ✓ | Co-Chair: | | | |

NEW FISCAL NOTE(S):

| Department | Date | Zero | Fiscal |
|------------|------|------|--------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

PREVIOUS FISCAL NOTE(S):*

| Department | Date | Zero | Fiscal |
|------------|---------|------|--------|
| CRA | 4/27/00 | ✓ | |
| DCED | 3/7/00 | ✓ | |
| | | | |
| | | | |
| | | | |

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

REPORTED OUT OF
SFC 4/19/00

Bill Version: HB 133
(H) Publish Date: 3/31/99

STATE OF ALASKA
1999 LEGISLATIVE SESSION

FISCAL NOTE

Revision Date: _____ Dept. Affected: Community & Regional Affairs
 Title: An Act relating to municipal service areas BRU: _____
and providing for voter approval ... Component: _____
 Sponsor: REPRESENTATIVES BUNDE, Halcro
 Requestor: House CRA Committee COMPONENT SERIAL NO. _____

Expenditures/Revenues: (Thousands of Dollars)

| OPERATING | FY 00 | FY 01 | FY 02 | FY 03 | FY 04 | FY 05 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| CAPITAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

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

FUNDING: (Thousands of Dollars)

| | | | | | | |
|--------------------------|-----|-----|-----|-----|-----|-----|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1006 GF/MHTIA | | | | | | |
| Other | | | | | | |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

POSITIONS:

| | | | | | | |
|-----------|--|--|--|--|--|--|
| FULL-TIME | | | | | | |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

Estimate of current (FY99) impact \$ none

ANALYSIS: (Attach a separate page if necessary)

This legislation provides for voter approval of the formation, alteration, or abolishment of certain municipal service areas. This legislation would have no fiscal impact on the department.

Prepared by: Yvonne Chase, Acting Director *Yvonne Chase* Phone: 465-4709
 Division: Division of Administrative Services / Date: 4/22/99
 Approved by Commissioner: *Mike Durbin* Date: 4/22/99
 Agency: Community & Regional Affairs

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FISCAL NOTE

No. 2
Bill Version: SOS CSHB 133(SM)
(S) Publish Date: 4-18-00

STATE OF ALASKA
2000 LEGISLATIVE SESSION

Revision Date/Time (Note if correction) _____ Dept. Affected DCED
Title voter approval of municipal service areas BRU _____
Component _____
Sponsor Representatives Bunde, Halcro
Requester (S) CRA Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| OPERATING EXPENDITURES | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 | FY 2006 |
|------------------------|------------|------------|------------|------------|------------|------------|
| Personal Services | | | | | | |
| Travel | | | | | | |
| Contractual | | | | | | |
| Supplies | | | | | | |
| Equipment | | | | | | |
| Land & Structures | | | | | | |
| Grants & Claims | | | | | | |
| Miscellaneous | | | | | | |
| TOTAL OPERATING | 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 GF | | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1037 GF/Mental Health | | | | | | |
| Other (Statutory Designated P/R) | | | | | | |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimate of any current year (FY2000) cost: _____

POSITIONS

| | | | | | | |
|-----------|---|---|---|---|---|---|
| Full-time | 0 | 0 | 0 | 0 | 0 | 0 |
| Part-time | | | | | | |
| Temporary | | | | | | |

ANALYSIS: (Attach a separate page if necessary)

This legislation provides for voter approval of the formation, alteration, or abolishment of certain municipal service areas. This legislation would have no fiscal impact on the department.

Prepared by: Jeffrey W. Bush Phone 465-2500
Division Commissioner's Office
Approved by Commissioner Deborah B. Sedwick Date 03/07/00
Agency Department of Community and Economic Development

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FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. SCS CSHB 133(STA

Revision Date/Time (Note if correction) _____ Dept. Affected DCED
 Title voter approval of municipal service areas BRU _____
 Component _____
 Sponsor Representatives Bunde, Halcro
 Requester (S) CRA Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| OPERATING EXPENDITURES | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 | FY 2006 |
|------------------------|------------|------------|------------|------------|------------|------------|
| Personal Services | | | | | | |
| Travel | | | | | | |
| Contractual | | | | | | |
| Supplies | | | | | | |
| Equipment | | | | | | |
| Land & Structures | | | | | | |
| Grants & Claims | | | | | | |
| Miscellaneous | | | | | | |
| TOTAL OPERATING | 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 GF | | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1037 GF/Mental Health | | | | | | |
| Other (Statutory Designated P/R) | | | | | | |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimate of any current year (FY2000) cost: _____

POSITIONS

| | | | | | | |
|-----------|---|---|---|---|---|---|
| Full-time | 0 | 0 | 0 | 0 | 0 | 0 |
| Part-time | | | | | | |
| Temporary | | | | | | |

ANALYSIS: (Attach a separate page if necessary)

This legislation provides for voter approval of the formation, alteration, or abolishment of certain municipal service areas. This legislation would have no fiscal impact on the department.

Prepared by: Jeffrey W. Bush
 Division Commissioner's Office
 Approved by Commissioner Deborah B. Sedwick
 Agency Department of Community and Economic Development

Phone 465-2500
 Date 03/07/00

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Alaska State Legislature

Information from Representative Cor Bunde



Session:
State Capitol, Room 501
Juneau, AK 99801-1182
Phone: (907) 465-4843
Fax: (907) 465-3871
[Send E-Mail](#)

Interim:
716 West 4th Avenue
Anchorage, AK 99501
Phone: (907) 269-0181
Fax: (907) 269-0184

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Sponsor Statement for HB 133

Voter Approval of Service Area Changes

An Act relating to municipal service areas and providing for voter approval of the formation, alteration, or abolishment of certain service areas; and providing for an effective date.

Updated: April 2, 1999.

Alaska's Constitution provides for maximum local self-government ([Art. X sec. 1](#)) and for the creation, alteration, or abolishment of service areas subject to the provisions of law ([Art. X sec. 5](#)).

[AS. 29.35.450](#) codifies these Constitutional provisions and establishes the mechanism by which service areas are created, altered, and abolished.

Alaska has approximately 200 service areas; in these areas, the local residents assess themselves to pay for a particular service, like snow plowing and road maintenance from private contractors.

HB 133 amends AS. 29.35.450 to support local control by clearly identifying whom should vote on the abolishment and alteration of a service area under three scenarios:

1. **Abolishment of a service area.** Subject to approval by the majority of the voters residing in the service area.
2. **Abolishment and replacement of a service area.** Must be approved separately by a majority of voters inside an existing service area and by a majority of the voters residing in the proposed service area BUT OUTSIDE the existing service area.
3. **Alteration of a service area or combining it with another service area.** Must be approved, separately, by a majority of the voters who vote on the question and who reside in each of the service areas or in a proposed service area affected by the proposal.

This proposed legislation would settle a long time debate about who is entitled to vote during the creation, alteration or abolishment of a service area. This legislation has support throughout service areas in Alaska and I urge the

Alaska State Legislature

DURING SESSION
STATE CAPITOL, ROOM 501
JUNEAU, AK 99801-1182
(907) 465-4843 (800) 892-4843
FAX: (907) 465-3871

WEB SITE
<http://www.akrepublicans.org/Bundo.htm>



REPRESENTATIVE CON BUNDE

District 18

VICE-CHAIR: HOUSE FINANCE COMMITTEE
MEMBER: LEGISLATIVE BUDGET & AUDIT COMMITTEE

DURING INTERIM
716 W. FOURTH AVE.
ANCHORAGE, AK 99501-2133
(907) 269-0181
FAX: (907)269-0184

E-MAIL
Representative_Con_Bunde@legis.state.ak.us

Sectional Analysis SCSCSHB 133(STA)

“An Act relating to municipal service areas and providing for voter approval of the formation, alteration, or abolishment of certain service areas.”

Sec.1. This adds AS 29.35.450 to the list of statutes that apply as limitations on the power to home rule municipalities. The result of this is to require home rule municipalities to adhere to AS 29.10.450, which now applies only to general law municipalities.

Sec. 2. This addresses service areas in unified municipalities and contains a cross-reference to subsection (c), added in this draft. There are three unified municipalities in the state: Anchorage, Juneau, and Sitka.

Sec. 3. This adds subsection (c) to AS 29.10 450 which requires, before a service area is expanded, a separate vote to be held in the area of the existing service area and in the area proposed to be added. A separate vote is also required when a service area is altered or combined with another service area. Before the service area change may occur it must be approved in each of the areas that votes separately on the question. This section does not apply when a fire service area is increased in size by less than 10% or to a second class borough with a population that is over 50,000 and under 80,000

Sec. 4. Adds a new subsection to AS 29.35.470, which is not a home rule limitation. This allows borough assemblies to set up differential tax zones in service areas, so that different rates of taxes may be levied in different portions of a service area. Under existing law, only cities set up differential tax zones.

Continued from Page B-1
 existing areas oppose them because the taxes flow from one area to help the other."

Hove figures the bill will, at the very least, stem the growth of service areas. And he hopes the disparate tax scheme will prompt some consolidations. Of the borough's 120 service areas, 108 deal exclusively with roads.

"We've demonstrated to them that there are some really measurable economies of scale there," he said.

Hove and many borough assembly members opposed a similar bill last year. That bill, which ultimately died, mandated only that all sides vote on an annexation.

While that sounds fair, Hove and other borough officials at the time argued against it. They feared such a policy would result in a mushrooming of the little governments, since residents of original service areas often oppose annexations.

This latest version of the bill, however, renders those arguments moot since it allows the differing tax structure.

Separate from the legislation in Juneau is a fund that Hove hopes to establish. Service areas would be able to borrow from the account to immediately bring their roads up to standard, rather than wait and let the money accumulate before making improvements.

Hove thinks the borough could start off with \$500,000 as an initial investment. "We'll keep making appropriations until we feel it's imprudent to make any more. Then we'll wait for the payments to come in," he said.

But Jantz, who is leading an ad-hoc group of service area commissioners interested in consolidation efforts, questions whether huge savings can be found. He doubts the cost of blading a mile of gravel road will decline because of consolidation. And he has yet to find substantive decreases in administrative costs.

"We're not far enough along to say whether there's a disadvantage or advantage (to consolidation)," he said. "There seem to be some thought that few service areas are better. I think the state's not in the best of

Bill may ease consolidation of borough service areas

By DOUGLAS FISCHER
 Staff Writer

JUNEAU—For Fairbanks North Star Borough Mayor Hank Hove, small government has grown too big over the years.

Of the state's 200 or so service areas—miniature governments within municipalities that handle everything from water delivery to road repair—the borough has 120. Keeping track of them gives Hove a headache.

The Legislature might change that. The House Finance Committee approved a bill Monday that removes two major obstacles to consolidation. It gives all sides a vote in any annexation, and it allows for disparate taxes within a service area if, say, road condi-

tions within it vary.

"We couldn't consolidate them before because no one would vote for it," Hove said. A lot of small service areas are inefficient, he added.

In a service area, local residents vote to tax themselves extra to pay for a particular service, like snow plowing and road maintenance from private contractors. Under current law, only residents in an area up for annexation may vote. Residents in the core service area may not.

That doesn't sit well with most residents, so what often happens are appeals to the assembly. Residents driving on smooth roads have little incentive to dip into their service

area's savings account so another neighborhood can upgrade rutted roads.

House Bill 133, sponsored by Rep. Con Bunde, R-Anchorage, removes that disincentive. Those two areas could merge, with the residents bumping over gravel roads paying a bit more to bring their infrastructure up to par with the others.

"Let's face it—areas outside of a service area want to join a service area because their roads are in lousy shape and they want to improve them," said Merle Jantz, a road service area commissioner for Peede Country Estates. "The difficulty we're having in annexation is that

See SERVICE, Page B-2

FEB 06 1998

February 2, 1998
Cordes Drive Service Area
Service Area Commissioners
Fairbanks, Alaska

Senator Sean Parnell
State Capitol Room 504
Juneau, Alaska 99801

Dear Senator Parnell,

Thank-you for introducing Senate Bill #208. We support it and are contacting our representatives to let them know. We agree that the residents of existing service areas should have control of any proposed changes to their service areas.

Sincerely,

Francis O'Connor
Francis O'Connor

Jean Leder
Jean Leder

Bill Griffith
Bill Griffith

Refused to support
HB 133 with permission
of Cordes Drive SAC

Author: ffjha@aurora.alaska.edu (James H Anderson) at CC2MHS1
Date: 2/12/98 1:29 PM
Priority: Normal
TO: Senator Sean Parnell at LAA_TRANS
CC: bdelana@polarnet.com at CC2MHS1, alaskarc@polarnet.com at CC2MHS1
Subject: SB 208
Dear Senator Parnell,

Thank you for your letter of January 20 explaining your bill, SB 208.

I have discussed the matter addressed in your bill with the other members of the Spinach Creek Road Service Area Commission. We agree enthusiastically with the intent of the bill, and we extend to you our support of it.

I will send messages in support of SB 208 to John Davies and Gary Wilken.

Thank you for helping us to provide the best service to the residents of our service area.

Jim Anderson
Chairman
Spinach Creek Road Service Area Commission
Fairbanks North Star Borough

907 455-6077

PO Box 84607
Fairbanks AK 99708

Reused to support
HB 133 with
Permission of
SCRSAC

Board of Supervisors
R.S.A. #25 Bogard
P.O. Box 2274
Palmer, AK. 99645

January 24, 1998

TO: Senator Sean Parnell
State Capitol Room 504
Juneau, AK. 99801

Dear Senator Parnell,

The board of supervisors for R.S.A. # 25 Bogard has discussed Senate Bill 208 and we enthusiastically support it. We believe it is still important to allow taxpayers to have a voice in the spending of their tax monies. Local control is important to the residents of this road service area. Thank you for your assistance in maintaining it.

Sincerely Yours,

Valen C. Bair
Primary R.S.A. # 25

Valen C. Bair

William Larkin
Board R.S.A. # 25

William Larkin

Wrex Diem
Board R.S.A. # 25

Wrex R Diem

Refused to support
HB 133 with
Permission of those
signed above

1998 Officers

Pres. Bill Kuhlmann 694-2426
V. Pres. Jim Yeargan 694-2571
Sec. Barbara Ferrell 696-2570
Treas. Floyd Gori 694-6088



1998 Directors

Michelle Adams 696-1274
Dr. Gregory Culbert 696-4878
Jim Young 689-5200

**EAGLE RIVER COMMUNITY COUNCIL
PO BOX 773952
EAGLE RIVER, ALASKA 99577**

17 February, 1998

FEB 20 1998

Senator Sean Parnell
State Capital
Juneau, Alaska 99801-1182

Subject: Senate Bill 208

Dear Senator Parnell;

Eagle River Community Council supports the passage of Senate Bill 208. We agree that the abolishment or alteration of service areas within a borough or municipality should be prohibited without first requiring a vote of the people residing in or owning a business within that service area.

We appreciate your sponsorship of this bill and look forward to its passage.

Sincerely,

Bill Kuhlman, President
Eagle River Community Council

cc: Senator Rick Halford
Senator Randy Phillips
Representative Fred Dyson
Representative Vic Kohring
Representative Pete Kott

Reused to support
HB 133 with permission
of Bill Kuhlman

cc:Mail for: Senator Sean Parnell

Subject: SB208

From: vhoefler@mosquitonet.com (Vaughan Hoefler) at CC2MHS1 1/28/98 11:18 AM

To: Senator Sean Parnell at LAA_TRANS

Dear Senator Parnell,

On behalf of the road service area commissioners for the Ester Lump Service Area located near Fairbanks, we support your effort to implement SB 208.

Voter approval for the formation, alteration, or abolishment of certain service areas would allow residents to more fairly decide on such changes. Our service area recently faced an annexation issue in which the Borough sought to add non-contiguous roads several miles distant to our road system. The condition of the roads proposed for annexation were significantly different than our own, built at different times, and subject to

slightly different weather conditions. Nevertheless, the North Star Borough

Rural Services Division presented this annexation issue as the only option to the residents of both areas. Many of our area's residents vented their frustration for not having any "say" in the ability to direct the future of our roads.

After two Assembly meetings, and following the testimony of many residents, the assembly moved for the creation of a separate service area.

Had AS 29.35.450 (voter approval of alteration or abolishment of service areas)

been in effect, our concerns would have been brought forth long before the Borough expended considerable time and funds developing this plan.

Thank you for taking the effort to make these changes, as they will provide service area residents the opportunity to more effectively govern the growth or change of their areas.

Carol Hoefler

This letter is
being reused to
support HB 133
with permission of
sender of



Hillside East Community Council

March 13, 1998

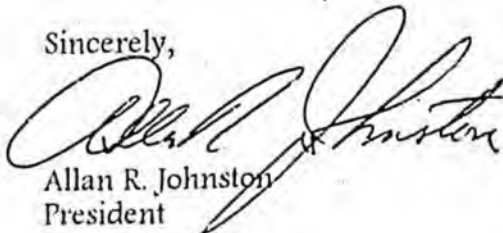
Senator Sean Parnell
State Capital Room 504
Juneau, AK 99801

Re: Senate Bill 208

Dear Senator Parnell:

Congratulations on your introduction and good work on Senate Bill 208. Please put Hillside East Community Council unanimously behind your bill.

Sincerely,



Allan R. Johnston
President

This letter is being
reused for HB 133
with permission of

Allan R Johnston
former President
and

Ann Ballow
President - Hillside East CC

Community Councils Center

301 E. Fireweed Lane, Suite #101 Anchorage, AK 99503-2110

Allan R. Johnston, President H 346-1087
John O'Brien, 1st Vice-President H 562-6949
Richard Day, 2nd Vice-President H 346-3689

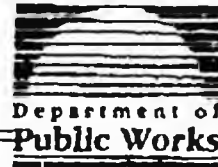
Inge Lentfer, Treasurer H 346-1567
Ann Ballow, Secretary H 346-1989
James Cazort, Director H 346-8308

Jennifer Williams, Director H 346-0188
Linda Orell, Director H 346-2745
Joan Dewey, Director H 346-1756



Municipality of Anchorage

Rick Mystrom, Mayor



Girdwood Board of Supervisors

P.O. Box 890 • Girdwood, Alaska 99587

February 25, 1998

Senator Sean Parnell
State Capitol
Room 504
Juneau, AK 99801-1182

Re: Senate Bill 208

Dear Sen. Parnell,

The Girdwood Board of Supervisors unanimously supported a motion to endorse the passage of Senate Bill 208 at our last regular meeting, February 16, 1998. The board also supports Rep. Bunde's companion bill, HB 365.

The board strongly feels both bills strengthen the intent of the Municipal Charter as we understand it.

Sincerely,

Keith Tryck
Keith Tryck
Chairman

*Refused to Support
HB 133 with
Permission of
Keith Tryck*

Mid-Hillside Community Council

10005 Main Tree Drive Anchorage, Alaska 99516-6430
Chris Birch, Board President
907 346-3265 (home)
907 346-3197 (fax)



February 13, 1998

Senator Sean Parnell
State Capitol
Juneau, Alaska 99801-1182

Subject: **SB 208, An Act Relating to Municipal Service Areas**

Dear Senator Parnell;

VIA FAX ONLY

Thank you for providing a copy of the subject legislation for community review and comment.

The Mid-Hillside Community Council is forcefully on record supporting the community right of decision regarding self-determination in service area related annexations. I very much appreciate your efforts to affirm in statute what most would assume was well outlined in our municipal charter, the right of a community to vote their approval of additional proposed services and taxes.

You have our full support in your efforts to advance this vital legislation. You may even wish to consider a means of enabling existing Anchorage service areas an opportunity to competitively bid current neighborhood services. I have heard repeated complaints from the members of the Anchorage Road and Drainage Service Area (ARDSA), the service area providing municipal road maintenance, about the 3 day delay in snow removal and excessive costs for this service. Our Valli Vue Road Service Area contractor provides a much better quality of service for half the ARDSA mill rate. It would be wonderful if the residents of Anchorage could enjoy these same competitive advantages, kind a reverse annexation opportunity!

I hope to see you in Juneau next week or tomorrow at the Anchorage Caucus and District 18 Town Meetings.

Sincerely,

Chris Birch
Board President

*This letter is being
reused to support
HB 133 with the
Permission of
Chris Birch*

XC: Mid Hillside Board of Directors
Allan Johnston, President, Hillside East Board of Directors

FEB 18 1998



Karen L. Hendrickson

DESIGN OPTIONS CONSULTANT

February 12, 1998

Senator Sean Parnell
State Capitol Room 504
Juneau, AK 99801

Dear Senator Parnell:

I am writing to you on behalf of the Board of Supervisors of the Talus West Limited Road Service Area. The board wishes to express its support for Senate Bill 208. The legislation you have sponsored speaks directly to our ability as residents of a particular area to decide upon, and contract for, the services that best suit our particular needs. The recent forced annexation of the hillside to the Anchorage Police Departments jurisdiction, against the wishes and votes of the residents, has made it obvious the service areas lack protection from a local government takeover of those services they choose to administer for themselves. We urge you to vigorously pursue passage of protection for our service area.

Sincerely,

Karen L. Hendrickson

Karen L. Hendrickson
Member - Talus West LRSA Board of Supervisors
4731 Talus Drive
Anchorage, AK 99516

This letter is
being reused to
support HB 133
with permission of
Karen L. Hendrickson



Teleconference Participants

TCN: 10809

Participant Lists

View List for

Participants

Unidentified Testifiers: Unidentified Observers:

ANCHORAGE (ANC)

1 Name: Mr. Mike Burns Ans ?s Phone:
 Address: Affiliation: ADEC
 City /St /Zip: Type: Testifier
 Bill: HB 304: CLEAN WATER FUND/DRINKING WATER FUND

FAIRBANKS (FBX)

1 Name: Mr. Andy Warwick Phone:
 Address: Affiliation: Utility Se
 City /St /Zip: Type: Testifier
 Bill: HB 304: CLEAN WATER FUND/DRINKING WATER FUND

MATSU (MAT)

1 ✓ Name: Mr. Ocie Adams Phone:
 Address: Affiliation:
 City /St /Zip: Type: Testifier
 Bill: HB 133: VOTER APPROVAL OF SERVICE AREA CHANGES

2 ✓ Name: Ms. Valen Bair Phone:
 Address: Affiliation:
 City /St /Zip: Type: Testifier
 Bill: HB 133: VOTER APPROVAL OF SERVICE AREA CHANGES



Teleconference Update Summary

TCN: 10809

Main Menu

Search

System Access

Summary Data

| | |
|---|--------------------------------|
| TC Date: April 19, 2000 | Moderator: |
| Time: 9:00 AM TO 11:00 AM | Toll Free Number: 800 368 8772 |
| Status: In-Progress | Dial-up Number: |
| Sponsor: SFIN: FINANCE | Personal Number: 907 258 8772 |
| Chairs: Parnell | Testimony Allowed: Yes |
| Torgerson | Time Limit: 5 minutes |
| Purpose: PUB | Backup Material: No |
| Contact: Darwin 4652138 | Meeting ID: 7346 |
| Public Remarks: | |
| Internal Comments: Other sites may add. | |

Agenda

| Bill Number | Bill Subject |
|-------------|--|
| SB 308 | MARINE PASSENGER VESSELS |
| HB 133 | VOTER APPROVAL OF SERVICE AREA CHANGES |
| HB 211 | HEALTH CARE INSURANCE |
| HB 304 | CLEAN WATER FUND/DRINKING WATER FUND |

LIO Sites

| Chair | Name | Room |
|-------|-----------|--------|
| | ANCHORAGE | |
| x | JUNEAU | CAP532 |
| | MATSU | |

VTS Sites

| Chair | Code | Name | Location | LIO |
|-------|------|------|----------|-----|
|-------|------|------|----------|-----|

Off-net Sites

| Chair | Code | Name | Location | Phone |
|-------|------|------------------|-----------|--------------|
| | OF1 | Bill Green hb133 | Anchorage | 907-343-4357 |
| | OF2 | Dan Heincy hb211 | | 916-791-3750 |

Participants

| Name | Type | Bill |
|------|------|------|
|------|------|------|

John Hanson - Vancouver BC

HB

136

HFIN

FILE

DRAFT

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. HB 136

Title: "An Act relating to tourism and tourism
marketing; eliminating the Alaska Tourism..."
Sponsor: REPRESENTATIVE Gene Therriault
Requestor: House FIN Committee

Dept. Affected: Commerce and Economic Dev
BRU: Tourism
Components: ATMC
Serial # _____

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

| OPERATING | FY 00 | FY 01 | FY 02 | FY 03 | FY 04 | FY 05 |
|------------------------|---------------|------------|------------|------------|------------|------------|
| Personal Services | 216.8 | | | | | |
| Travel | 53.4 | | | | | |
| Contractual | 4361.1 | | | | | |
| Supplies | 4.0 | | | | | |
| Equipment | 0.0 | | | | | |
| Land & Structures | 0.0 | | | | | |
| Grants, Claims | 0.0 | | | | | |
| Miscellaneous | 0.0 | | | | | |
| TOTAL OPERATING | 4635.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| | | | | | | |
|---------|-----|-----|-----|-----|-----|-----|
| CAPITAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
|---------|-----|-----|-----|-----|-----|-----|

| | | | | | | |
|---------|-----|-----|-----|-----|-----|-----|
| REVENUE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
|---------|-----|-----|-----|-----|-----|-----|

FUNDING: (THOUSANDS OF DOLLARS)

| | | | | | | |
|--------------|---------------|------------|------------|------------|------------|------------|
| General Fund | 3335.4 | | | | | |
| Federal Fund | 0.0 | | | | | |
| Other | 1299.9 | | | | | |
| TOTAL | 4635.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

POSITIONS:

| | | | | | | |
|-----------|---|---|---|---|---|---|
| Full-Time | 3 | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 | 0 |
| Temporary | 0 | 0 | 0 | 0 | 0 | 0 |

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

Prepared by: House Finance Committee
Eldon Mulder
Gene Therriault

Date: 04/14/99
Phone: 465-2647
Phone: 465-4797

DRAFT

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. HB 136

Title: "An Act relating to tourism and tourism marketing; eliminating the Alaska Tourism..."
Sponsor: REPRESENTATIVE Gene Therriault
Requestor: House FIN Committee

Dept. Affected: Commerce and Economic Dev
BRU: Tourism
Components: Tourism Development
Serial # _____

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

| OPERATING | FY 00 | FY 01 | FY 02 | FY 03 | FY 04 | FY 05 |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Personal Services | 573.6 | 400.0 | 400.0 | 400.0 | 400.0 | 400.0 |
| Travel | 71.1 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 |
| Contractual | 1361.2 | 5200.0 | 4700.0 | 4200.0 | 4200.0 | 4200.0 |
| Supplies | 12.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| Equipment | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Land & Structures | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Grants, Claims | 60.0 | 60.0 | 60.0 | 60.0 | 60.0 | 60.0 |
| Miscellaneous | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL OPERATING | 2077.9 | 5700.0 | 5200.0 | 4700.0 | 4700.0 | 4700.0 |
| CAPITAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| REVENUE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

FUNDING: (THOUSANDS OF DOLLARS)

| | | | | | | |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General Fund | 2011.1 | 5700.0 | 5200.0 | 4700.0 | 4700.0 | 4700.0 |
| Federal Fund | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 94.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL | 2106.0 | 5700.0 | 5200.0 | 4700.0 | 4700.0 | 4700.0 |

POSITIONS:

| | | | | | | |
|-----------|----|---|---|---|---|---|
| Full-Time | 11 | 6 | 6 | 6 | 6 | 6 |
| Part-Time | 3 | 3 | 3 | 3 | 3 | 3 |
| Temporary | 0 | 0 | 0 | 0 | 0 | 0 |

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

See attached sheet for additional details.

Prepared by: House Finance Committee
Eldon Mulder
Gene Therriault

Date: 04/16/99
Phone: 465-2647
Phone: 465-4797

DRAFT

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. HB 136

Title: "An Act relating to tourism and tourism marketing; eliminating the Alaska Tourism..."
Sponsor: REPRESENTATIVE Gene Therriault
Requestor: House FIN Committee

Dept. Affected: Commerce and Economic Dev
BRU: Tourism
Components: ATMC
Serial # _____

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

| OPERATING | FY 00 | FY 01 | FY 02 | FY 03 | FY 04 | FY 05 |
|------------------------|---------------|------------|------------|------------|------------|------------|
| Personal Services | 216.8 | | | | | |
| Travel | 53.4 | | | | | |
| Contractual | 4361.1 | | | | | |
| Supplies | 4.0 | | | | | |
| Equipment | 0.0 | | | | | |
| Land & Structures | 0.0 | | | | | |
| Grants, Claims | 0.0 | | | | | |
| Miscellaneous | 0.0 | | | | | |
| TOTAL OPERATING | 4635.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| | | | | | | |
|----------------|------------|------------|------------|------------|------------|------------|
| CAPITAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
|----------------|------------|------------|------------|------------|------------|------------|

| | | | | | | |
|----------------|------------|------------|------------|------------|------------|------------|
| REVENUE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
|----------------|------------|------------|------------|------------|------------|------------|

FUNDING: (THOUSANDS OF DOLLARS)

| | | | | | | |
|--------------|---------------|------------|------------|------------|------------|------------|
| General Fund | 3335.4 | | | | | |
| Federal Fund | 0.0 | | | | | |
| Other | 1299.9 | | | | | |
| TOTAL | 4635.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

POSITIONS:

| | | | | | | |
|-----------|---|---|---|---|---|---|
| Full-Time | 3 | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 | 0 |
| Temporary | 0 | 0 | 0 | 0 | 0 | 0 |

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

Prepared by: House Finance Committee
Eldon Muider
Gene Therriault

Date: 04/14/99
Phone: 465-2647
Phone: 465-4797

DRAFT

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. HB 136

Title: "An Act relating to tourism and tourism marketing; eliminating the Alaska Tourism..."
Sponsor: REPRESENTATIVE Gene Therriault
Requestor: House FIN Committee

Dept. Affected: Commerce and Economic Dev
BRU: Tourism
Components: Tourism Development
Serial # _____

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

| OPERATING | FY 00 | FY 01 | FY 02 | FY 03 | FY 04 | FY 05 |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Personal Services | 573.6 | 400.0 | 400.0 | 400.0 | 400.0 | 400.0 |
| Travel | 71.1 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 |
| Contractual | 1361.2 | 5200.0 | 4700.0 | 4200.0 | 4200.0 | 4200.0 |
| Supplies | 12.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| Equipment | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Land & Structures | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Grants, Claims | 60.0 | 60.0 | 60.0 | 60.0 | 60.0 | 60.0 |
| Miscellaneous | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL OPERATING | 2077.9 | 5700.0 | 5200.0 | 4700.0 | 4700.0 | 4700.0 |
| CAPITAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| REVENUE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

FUNDING: (THOUSANDS OF DOLLARS)

| | | | | | | |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General Fund | 2011.1 | 5700.0 | 5200.0 | 4700.0 | 4700.0 | 4700.0 |
| Federal Fund | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 94.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL | 2106.0 | 5700.0 | 5200.0 | 4700.0 | 4700.0 | 4700.0 |

POSITIONS:

| | | | | | | |
|-----------|----|---|---|---|---|---|
| Full-Time | 11 | 6 | 6 | 6 | 6 | 6 |
| Part-Time | 3 | 3 | 3 | 3 | 3 | 3 |
| Temporary | 0 | 0 | 0 | 0 | 0 | 0 |

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

See attached sheet for additional details.

Prepared by: House Finance Committee
Eldon Mulder
Gene Therriault

Date: 04/16/99
Phone: 465-2647
Phone: 465-4797

DRAFT

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. HB 136

Title: "An Act relating to tourism and tourism marketing; eliminating the Alaska Tourism..."
Sponsor: REPRESENTATIVE Gene Therriault
Requestor: House FIN Committee

Dept. Affected: Commerce and Economic Dev
BRU: Tourism
Components: ATMC
Serial #: _____

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

| OPERATING | FY 00 | FY 01 | FY 02 | FY 03 | FY 04 | FY 05 |
|------------------------|---------------|------------|------------|------------|------------|------------|
| Personal Services | 216.8 | | | | | |
| Travel | 53.4 | | | | | |
| Contractual | 4361.1 | | | | | |
| Supplies | 4.0 | | | | | |
| Equipment | 0.0 | | | | | |
| Land & Structures | 0.0 | | | | | |
| Grants, Claims | 0.0 | | | | | |
| Miscellaneous | 0.0 | | | | | |
| TOTAL OPERATING | 4635.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| CAPITAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| REVENUE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

FUNDING: (THOUSANDS OF DOLLARS)

| | | | | | | |
|--------------|---------------|------------|------------|------------|------------|------------|
| General Fund | 3335.4 | | | | | |
| Federal Fund | 0.0 | | | | | |
| Other | 1299.9 | | | | | |
| TOTAL | 4635.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

POSITIONS:

| | | | | | | |
|-----------|---|---|---|---|---|---|
| Full-Time | 3 | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 | 0 |
| Temporary | 0 | 0 | 0 | 0 | 0 | 0 |

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

Prepared by: House Finance Committee
Eldon Mulder
Gene Therriault

Date: 04/14/99
Phone: 465-2647
Phone: 465-4797

DRAFT

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. HB 136

Title: "An Act relating to tourism and tourism marketing; eliminating the Alaska Tourism..."
Sponsor: REPRESENTATIVE Gene Therriault
Requestor: House FIN Committee

Dept. Affected: Commerce and Economic Dev
BRU: Tourism
Components: Tourism Development
Serial # _____

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

| OPERATING | FY 00 | FY 01 | FY 02 | FY 03 | FY 04 | FY 05 |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Personal Services | 573.6 | 400.0 | 400.0 | 400.0 | 400.0 | 400.0 |
| Travel | 71.1 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 |
| Contractual | 1361.2 | 5200.0 | 4700.0 | 4200.0 | 4200.0 | 4200.0 |
| Supplies | 12.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| Equipment | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Land & Structures | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Grants, Claims | 60.0 | 60.0 | 60.0 | 60.0 | 60.0 | 60.0 |
| Miscellaneous | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL OPERATING | 2077.9 | 5700.0 | 5200.0 | 4700.0 | 4700.0 | 4700.0 |

| | | | | | | |
|----------------|------------|------------|------------|------------|------------|------------|
| CAPITAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
|----------------|------------|------------|------------|------------|------------|------------|

| | | | | | | |
|----------------|------------|------------|------------|------------|------------|------------|
| REVENUE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
|----------------|------------|------------|------------|------------|------------|------------|

FUNDING: (THOUSANDS OF DOLLARS)

| | | | | | | |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General Fund | 2011.1 | 5700.0 | 5200.0 | 4700.0 | 4700.0 | 4700.0 |
| Federal Fund | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 94.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL | 2106.0 | 5700.0 | 5200.0 | 4700.0 | 4700.0 | 4700.0 |

POSITIONS:

| | | | | | | |
|-----------|----|---|---|---|---|---|
| Full-Time | 11 | 6 | 6 | 6 | 6 | 6 |
| Part-Time | 3 | 3 | 3 | 3 | 3 | 3 |
| Temporary | 0 | 0 | 0 | 0 | 0 | 0 |

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

See attached sheet for additional details.

Prepared by: House Finance Committee
Eldon Mulder
Gene Therriault

Date: 04/16/99
Phone: 465-2647
Phone: 465-4797

FISCAL NOTE

Bill Version: CSHB 136 (L&C)

(H) Publish Date: 4/13/99

**STATE OF ALASKA
1999 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) _____ Dept. Affected DCED
 Title An Act relating to tourism and tourism marketing; eliminating the ATMC BRU Tourism
 Sponsor Therrisault Component Tourism Development
 Requester House Labor and Commerce Component Serial No. 1026 & 2278

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| OPERATING EXPENDITURES | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 |
|------------------------|-------------|------------------|------------------|------------------|------------------|------------------|
| Personal Services | 0.0 | (219.0) | (219.0) | (219.0) | (219.0) | (219.0) |
| Travel | 0.0 | (53.4) | (53.4) | (53.4) | (53.4) | (53.4) |
| Contractual | 20.0 | (1,027.5) | (1,027.5) | (1,027.5) | (1,027.5) | (1,027.5) |
| Supplies | | | | | | |
| Equipment | | | | | | |
| Land & Structures | | | | | | |
| Grants & Claims | | | | | | |
| Miscellaneous | | | | | | |
| TOTAL OPERATING | 20.0 | (1,299.9) | (1,299.9) | (1,299.9) | (1,299.9) | (1,299.9) |

| | | | | | | |
|-----------------------------|------------|--|--|--|--|--|
| CAPITAL EXPENDITURES | 0.0 | | | | | |
|-----------------------------|------------|--|--|--|--|--|

| | | | | | | |
|-------------------------------|--|--|--|--|--|--|
| CHANGE IN REVENUES () | | | | | | |
|-------------------------------|--|--|--|--|--|--|

FUND SOURCE (Thousands of Dollars)

| | | | | | | |
|--------------------------|-------------|------------------|------------------|------------------|------------------|------------------|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | 20.0 | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1037 GF/Mental Health | | | | | | |
| 1108 Stat. Designated PR | 0.0 | (1,299.9) | (1,299.9) | (1,299.9) | (1,299.9) | (1,299.9) |
| TOTAL | 20.0 | (1,299.9) | (1,299.9) | (1,299.9) | (1,299.9) | (1,299.9) |

Estimate of any current year (FY99) cost: _____

POSITIONS

| | | | | | | |
|-----------|--|-----|-----|-----|-----|-----|
| Full-time | | (6) | (6) | (6) | (6) | (6) |
| Part-time | | | | | | |
| Temporary | | | | | | |

ANALYSIS: (Attach a separate page if necessary)

Eliminates the 3 ATMC positions and transfers ATMC personal services (219.0) and travel (53.4) to contractual. Eliminates AVA match to ATMC funding, because bill takes match off budget. Eliminates 3 positions in the Division of Tourism Inquiry Section and transfers personal services (114.4) to contractual.

One time contractual cost of 20.0 in FY00 to conduct a feasibility study on the contracting out of the inquiry section function, "determining the potential costs and benefits which would result from contracting out the work in question," per Article 13 of the GGU Agreement.

Prepared by Tom Lawson, Director
 Division Administrative Services
 Approved by Commissioner Deborah B. Sedwch
 Agency Commerce and Economic Development

Phone 465-2506
 Date/Time 4/12/99 11:07 AM
 Date 4.12.99

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FISCAL NOTE

Bill Version: CSHB 136 (L&C)

(H) Publish Date: 4/13/99

**STATE OF ALASKA
1999 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) _____ Dept. Affected DCED
 Title An Act relating to tourism and tourism marketing; eliminating the ATMC BRU Tourism
 Component Tourism Development
 Sponsor Therrisault ATMC
 Requester House Labor and Commerce Component Serial No. 1026 & 2278

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| OPERATING EXPENDITURES | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 |
|------------------------|-------------|------------------|------------------|------------------|------------------|------------------|
| Personal Services | 0.0 | (219.0) | (219.0) | (219.0) | (219.0) | (219.0) |
| Travel | 0.0 | (53.4) | (53.4) | (53.4) | (53.4) | (53.4) |
| Contractual | 20.0 | (1,027.5) | (1,027.5) | (1,027.5) | (1,027.5) | (1,027.5) |
| Supplies | | | | | | |
| Equipment | | | | | | |
| Land & Structures | | | | | | |
| Grants & Claims | | | | | | |
| Miscellaneous | | | | | | |
| TOTAL OPERATING | 20.0 | (1,299.9) | (1,299.9) | (1,299.9) | (1,299.9) | (1,299.9) |

| | | | | | | |
|-----------------------------|------------|--|--|--|--|--|
| CAPITAL EXPENDITURES | 0.0 | | | | | |
|-----------------------------|------------|--|--|--|--|--|

| | | | | | | |
|-------------------------------|--|--|--|--|--|--|
| CHANGE IN REVENUES () | | | | | | |
|-------------------------------|--|--|--|--|--|--|

FUND SOURCE (Thousands of Dollars)

| | | | | | | |
|--------------------------|-------------|------------------|------------------|------------------|------------------|------------------|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | 20.0 | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1037 GF/Mental Health | | | | | | |
| 1108 Stat. Designated PR | 0.0 | (1,299.9) | (1,299.9) | (1,299.9) | (1,299.9) | (1,299.9) |
| TOTAL | 20.0 | (1,299.9) | (1,299.9) | (1,299.9) | (1,299.9) | (1,299.9) |

Estimate of any current year (FY99) cost: _____

POSITIONS

| | | | | | | |
|-----------|--|-----|-----|-----|-----|-----|
| Full-time | | (6) | (6) | (6) | (6) | (6) |
| Part-time | | | | | | |
| Temporary | | | | | | |

ANALYSIS: (Attach a separate page if necessary)

Eliminates the 3 ATMC positions and transfers ATMC personal services (219.0) and travel (53.4) to contractual. Eliminates AVA match to ATMC funding, because bill takes match off budget. Eliminates 3 positions in the Division of Tourism Inquiry Section and transfers personal services (114.4) to contractual.

One time contractual cost of 20.0 in FY00 to conduct a feasibility study on the contracting out of the inquiry section function, "determining the potential costs and benefits which would result from contracting out the work in question," per Article 13 of the GGU Agreement.

Prepared by Tom Lawson, Director Phone 465-2506
 Division Administrative Services Date/Time 4/12/99 11:07 AM
 Approved by Commissioner Deborah B. Sedwick Date 4.12.99
 Agency Commerce and Economic Development

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FISCAL NOTE

Bill Version: CSHB 136 (L&C)

(H) Publish Date: 4/13/99

**STATE OF ALASKA
1999 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) _____ Dept. Affected DCED
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 Component Tourism Development
 Sponsor Therrisault ATMC
 Requester House Labor and Commerce Component Serial No. 1026 & 2278

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| OPERATING EXPENDITURES | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 |
|-------------------------------|-------------|------------------|------------------|------------------|------------------|------------------|
| Personal Services | 0.0 | (219.0) | (219.0) | (219.0) | (219.0) | (219.0) |
| Travel | 0.0 | (53.4) | (53.4) | (53.4) | (53.4) | (53.4) |
| Contractual | 20.0 | (1,027.5) | (1,027.5) | (1,027.5) | (1,027.5) | (1,027.5) |
| Supplies | | | | | | |
| Equipment | | | | | | |
| Land & Structures | | | | | | |
| Grants & Claims | | | | | | |
| Miscellaneous | | | | | | |
| TOTAL OPERATING | 20.0 | (1,299.9) | (1,299.9) | (1,299.9) | (1,299.9) | (1,299.9) |
| CAPITAL EXPENDITURES | 0.0 | | | | | |
| CHANGE IN REVENUES () | | | | | | |

FUND SOURCE (Thousands of Dollars)

| | | | | | | |
|--------------------------|-------------|------------------|------------------|------------------|------------------|------------------|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | 20.0 | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1037 GF/Mental Health | | | | | | |
| 1108 Stat. Designated PR | 0.0 | (1,299.9) | (1,299.9) | (1,299.9) | (1,299.9) | (1,299.9) |
| TOTAL | 20.0 | (1,299.9) | (1,299.9) | (1,299.9) | (1,299.9) | (1,299.9) |

Estimate of any current year (FY99) cost: _____

POSITIONS

| | | | | | | |
|-----------|--|-----|-----|-----|-----|-----|
| Full-time | | (6) | (6) | (6) | (6) | (6) |
| Part-time | | | | | | |
| Temporary | | | | | | |

ANALYSIS: (Attach a separate page if necessary)

Eliminates the 3 ATMC positions and transfers ATMC personal services (219.0) and travel (53.4) to contractual. Eliminates AVA match to ATMC funding, because bill takes match off budget. Eliminates 3 positions in the Division of Tourism Inquiry Section and transfers personal services (114.4) to contractual.

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Prepared by Tom Lawson, Director Phone 465-2506
 Division Administrative Services Date/Time 4/12/99 11:07 AM
 Approved by Commissioner Deborah B Sedwick Date 4.12.99
 Agency Commerce and Economic Development

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Alaska State Legislature

REPRESENTATIVE
GENE THERRIALT

Mailing Address:
1130 Cushman, Suite 101
Fairbanks, Alaska 99701
907) 488-0857
Fax: (907) 488-4271



While in session
State Capitol
Juneau, Alaska
99801-1182
(907) 465-4797
Fax: (907) 465-3854

House Of Representatives

House District 33

House Bill 136

"An Act relating to tourism and tourism marketing; eliminating the Alaska Tourism Marketing Council; and Providing for an effective date."

SPONSOR: Representative Gene Therriault

SPONSOR STATEMENT:

House Bill 136 is based on a plan brought forward by the tourism industry and is similar to legislation sponsored last session by the House and Senate Finance Committees. It consolidates the state's tourism marketing efforts, reduces the size and functions of the Division of Tourism, and allows the state to reduce its contribution to tourism marketing over time.

Currently, Alaska's statewide tourism marketing efforts are carried out by three organizations—the Alaska Tourism Marketing Council, the Alaska Visitors Association, and the Division of Tourism. These efforts will be consolidated into a single marketing function that is broadly representative of the various sectors of the visitor industry in the state. This organization will put together a marketing program to address media advertising, visitor inquiries, publishing and distributing information regarding vacation planning, and establishing and maintaining Internet sites that provide tourism information.

The Division of Tourism will provide inquiry assistance, administer visitor information centers, and plan and advocate for tourism and tourism development in coordination with the private sector, municipalities, and state and federal agencies. They will enter into a contract with a single, qualified trade organization for the purpose of planning and executing the state's destination tourism marketing campaign. The contract may include promotion of distinct segments of tourism, such as highway, seasonal, cultural, regional, rural, and ecotourism. This will take the state out of the business of marketing and reduce the number of employees required to carry out the functions of the division.

A central feature of the contract is that the organization awarded it will be required to match the state's effort with 30% of its own money. It is expected that the organization

will grow and its membership collections increase. Therefore, the match will rise to 60% in 2002. The benefits of this are twofold: first, the state will be able to reduce its contribution without doing extreme harm to the industry; second, the private sector will contribute more of its own funds towards the marketing efforts they benefit from.

The industry is coming forward with more of its own dollars. Coupled with efficiencies provided by consolidation, the marketing efforts to bring more visitors to the state will be more effective. This is a responsible approach to reduce the state's monetary contribution without harming the growth of the industry.

The New Millennium Plan

A Concept for the Future of Tourism in Alaska

**Alaska Travel Industry Association
Organizational Outline**

Revised December 1998

Alaska Travel Industry Association

A New Concept for the Future

A. OVERVIEW

Presented in this document is an industry-led initiative to regain Alaska's competitive position as a visitor destination and to consolidate Alaska's statewide tourism organizations – the Alaska Tourism Marketing Council, the Alaska Visitors Association, and the marketing functions of the Alaska Division of Tourism – into one new, non-profit organization.

This streamlined structure is the industry's solution to several issues facing Alaska tourism: greatly reduced government funding, continued threats of industry taxes, increased competition from other destinations, and a decline in the rate of visitor growth. Without a renewed effort to regain our position in the marketplace, the downward trends will continue.

Rather than continue to watch Alaska's marketing decline further, the tourism industry has taken a proactive approach to deal with the problem. Under this plan, the industry would greatly increase its marketing contribution and the State would continue to provide a core level of funding through a fee-for-services contract with the new non-profit organization. After a phase-in period, the goal is to raise a minimum of \$10 million, with \$6 million coming from the private sector and \$4 million coming from the State. This represents a 25 percent reduction in state general funds and a more than 300 percent increase in private sector funds.

B. A NEW ORGANIZATION

Dissolve the Alaska Tourism Marketing Council, the Alaska Visitors Association, and the marketing functions of the Alaska Division of Tourism. In their place, create a new statewide organization that would accomplish much of what is being done by all three, while realizing efficiencies from streamlining. While all the marketing functions would be consolidated, the Division of Tourism (DoT) would remain a separate entity within state government for planning, government coordination and advocacy.

Within the organization, there would be three major program areas. A board of directors would set overall policy and budget, overseeing the Tourism Industry Services, Administration and Marketing functions. The marketing program would be implemented by a professional staff at the direction of the Alaska Travel Industry Association board of directors or a committee thereof. It is intended that developmental programs aimed at expanding fall/winter/spring, highway travel, and international markets would continue.

Marketing Membership Dues

Based on peak-season employee counts, as follows:

| <u># of Employees</u> | <u>Amount</u> |
|-----------------------|---------------|
| < 5 | \$200 |
| 5-15 | 300 |
| 16-50 | 500 |
| 51-100 | 1,000 |
| 101-300 | 2,000 |
| 301-500 | 3,000 |
| 501-1,000 | 4,000 |
| 1000+ | 5,000 |

Cruise Lines

In addition to the membership fees, cruise lines would pay a voluntary assessment based on their percentages of the total Alaska cruise market. The formula-based assessment would be phased in over a three-year period, with a funding goal of \$2 million in the third year.

| | |
|---|-------------------------|
| <u>Company's Alaska passenger cruise days*</u> | x \$1.0 million in FY01 |
| <u>Total passenger cruise days** in Alaska market</u> | x \$1.5 million in FY02 |
| | x \$2.0 million in FY03 |

See Appendix for contributions beyond FY03.

Destination Marketing Organizations and Communities

Local destinations would have the opportunity to dovetail with the state program as a community partner and leverage their marketing dollars with the Visit Alaska efforts. In addition to the membership benefits, participating destinations would receive additional marketing and promotion tools for their communities, such as advertising and label discounts.

Partnering communities and destination marketing organizations (DMOs) would receive benefits such as:

- Participation in press trips coming to Alaska
- 25 percent discount on mailing labels
- Editorial coverage in marketing materials
- Convention and meeting leads
- Vacation Planner advertising*
 - Buy-ins between \$500-\$4,000 receive a narrative ad
 - Buy-ins between \$4,000-\$7,000 receive a 2" color display ad
 - Buy-ins between \$7,000-\$30,000 receive a ¼ page display ad
 - Buy-ins above \$30,000 receive a ½ page display ad
 - Opportunity to access Pay-to-Play and all other cooperative marketing programs

*Based on community buy-in at FY01 level see Appendix for further details.

- State Vacation Planner ads
- Sector Guide ads, such as highway travel, winter guide, sportfishing guide
- Mailing label and film footage access
- Trade Show participation, both international and domestic
- Newspaper cooperative ads, Internet ads and link purchase
- Brochure distribution
- Trade promotion, media events, and fairs participation
- Research
- Meeting and workshop registrations

E. STATE PARTICIPATION

The State's responsibility to assist Alaskan businesses with economic development and growth dictates a need to help level the playing field for Alaska's tourism industry as we compete against other destinations receiving millions of dollars from their own states' general funds. In addition, the tourism industry's direct contributions to government (over \$123 million in taxes and fees to state and local governments in 1995) demonstrate that funds spent on tourism promotion are a long-term investment which would come back to the state in increasing amounts as the industry continues to grow.

The state fee-for-service contract of \$4 million represents a 25 percent decrease from current state general fund spending on tourism programs and a 40 percent decrease in total tourism program spending. This decrease would be phased in over a three-year period as the private sector's contributions increase.

The new, non-profit Alaska Travel Industry Association would contract with the State of Alaska to provide marketing services, which may include:

- Producing and distributing a state vacation planner or other materials
- Producing and maintaining a tourism web site
- Responding to visitor inquiries received by the state
- Including state information such as border crossings, hunting/fishing licenses, and road conditions in visitor publications and on the Internet
- Support to communities just beginning tourism development

Division of Tourism

A separate Division of Tourism within the Department of Commerce and Economic Development (DCED) would be maintained for governmental coordination, state policy development, business development, advocacy, planning, and any visitor information centers. The DoT would also serve as a liaison to the new organization and enter into the marketing contract with ATIA.

H. TIMELINE

Implementation of this proposal would require approximately one full transition year, beginning in 1999. A transition team comprising representatives from the ATMC, AVA, State of Alaska, Destination Marketing Organizations, and Alaska Wilderness Tourism & Recreation Association was formed in July 1998 to write bylaws, incorporate the new organization, and facilitate the election of the first board of directors. The directors of each of the existing organizations (AVA, ATMC, and DoT) also serve as advisors to this transition team.

To ensure a smooth transition, the three current organizations would continue to operate concurrently with the new organization for a period of 6 to 12 months. On or before July 1, 2000, the new organization would officially take over the marketing functions currently served by the existing organizations. Once seated, the Alaska Tourism Industry Association Board of Directors would hire the Chief Staff Executive. Staff of the current organizations would be given first priority for positions with the new organization.

1998

| | |
|---------|--|
| January | Revised plan distributed to travel and tourism businesses statewide for approval |
| March | Legislation introduced |
| May | Legislature adjourns before enacting plan |
| July | Transition team formed to begin work on bylaws and articles of incorporation |

1999

| | |
|--------|--|
| Winter | New legislation introduced |
| Spring | Transition team coordinates election of first board of directors |
| July 1 | New organization begins initial operations |

2000

| | |
|--------|---|
| Spring | Full plan takes effect: marketing duties of ATMC and DoT are transferred to new organization and AVA and ATMC are dismantled. |
|--------|---|

Background

BUILDING ON OUR SUCCESS

History of Cooperative Marketing in Alaska

Cooperative Marketing in Alaska really began with the creation of the Alaska Visitors Association (AVA) in 1950. The major emphasis of the association was promotion, including production of the *Alaska Yukon Travel Manuals*. In fact, between 1959 and 1970, AVA was known as the Alaska Travel Promotion Association and worked on marketing projects with the Division of Tourism after it was formed in the '60s.

In 1976 the first formal cooperative tourism marketing efforts between the State of Alaska and the tourism industry began, when AVA approached the state with an innovative proposal to co-mingle private and state funds to draw visitors to Alaska. The idea was simple: combine funding from the state with money, marketing talent, and knowledge contributed by the private industry to build a program to promote the entire state as a destination. Program recommendations were provided by the Alaska Visitors Association Marketing Council and implemented by the Division of Tourism.

A Model Program

This melding of industry and state tourism efforts went a step further with legislation passed in 1988 to form the Alaska Tourism Marketing Council (ATMC). Jointly managed by the state and AVA, the ATMC oversees promotion of Alaska to the domestic and Canadian markets, while the State Division of Tourism (DoT) manages the international marketing efforts for Alaska.

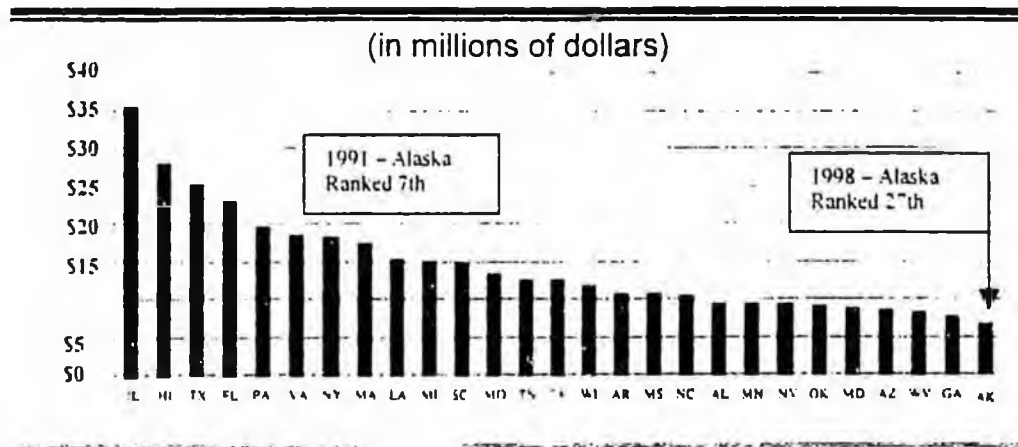
This unique program has created a consistent, high-quality marketing plan that has bolstered industry expansion efforts, as evidenced by the phenomenal growth in the number of visitors to the state. For many years, Alaska's sophisticated marketing techniques and public-private structure served as a model for other destinations. The marketing materials produced were award-winning.

TOURISM IN TRANSITION

Alaska is Losing Ground

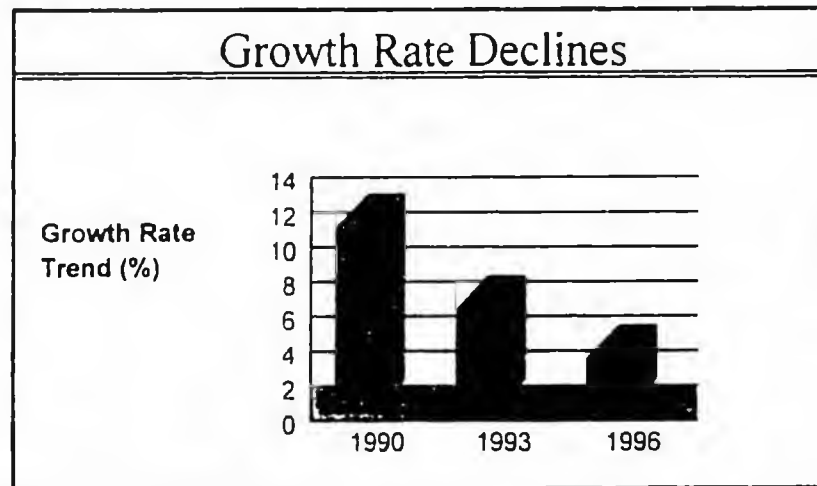
Since 1989, state funding for tourism programs has declined nearly 62 percent, from \$15 million in FY90 to under \$6.7 million in FY99. At the same time, other states have *increased* their tourism promotion by 26 percent in the last five years.

Top 27 State Tourism Budgets, 1998



Growth Rate is Declining

Alaska's relative decline in marketing competitiveness is being felt within the industry. While overall visitor numbers have continued to rise, the rate of growth has slowed. Some segments of the industry, most notably highway-dependent businesses, have felt the first effects of decline.



Visitor Industry Taxes and Fees Increase

Between 1992 and 1995, state taxes paid by visitors and visitor industry businesses increased by 99 percent, fees by 62 percent, and other revenue assessments by 6 percent. Despite these increases, general fund dollars going back to the industry *decreased* by over \$2 million - the equivalent of a 24 percent decrease during the same period of time.

Industry Attitudes Surveyed

The AVA surveyed its members in July 1997 to gauge the opinions and attitudes toward various funding and organization scenarios. As a result of this survey, four general points of agreement were clear:

- Members strongly believe a statewide tourism marketing program is needed.
- Members strongly believe the state has a role to play in providing funds for tourism promotion.
- Members oppose additional taxes focused on the visitor industry for the purpose of funding general government.
- Two out of three members believe some sort of assessment or fee should be used to support tourism marketing, although there is no consensus about what specific option should be implemented.

Developing A Concept

After researching funding alternatives and studying the survey results, the AVA board of directors contacted convention & visitors bureaus, government officials, and other industry leaders for input and ideas. When all of this information was taken into account, an outline of what was desired emerged. A plan was designed to accomplish the following:

- Shift marketing efforts to a private entity that combines the activities of the Division of Tourism and Alaska Tourism Marketing Council
- Return Alaska's marketing efforts to a competitive position
- Reach a goal of \$10 million for marketing
- Utilize pay-to-play programs
- Increase private sector funding while state general funds decrease under a phased-in approach
- Increase participation from businesses

New Millennium Plan Takes Shape

This concept was first presented to 650 industry members during the October 1997 AVA convention. There was general consensus for the proposal as outlined, both during the meeting and in follow-up questionnaires. Convention & visitors bureaus, tourism associations, chambers of commerce, and other organizations arranged meetings to distribute and debate the proposal. The administration and members of the Legislature were briefed and the details of the proposal were published in AVA's newsletter and other print media statewide. A number of changes were made to the draft based on feedback.

In January 1998 a revised plan was mailed to 3,000 tourism businesses statewide in order for them to determine if the plan should be further developed for presentation to the Legislature. Eighty-five percent of respondents recommended moving forward with the plan.

Legislation to implement much of the plan was introduced in 1998 and was passed by both the House and Senate, but failed to reach a final concurrence vote. The industry continued to actively support the legislation, communicating support to their legislators and AVA. A transition team formed in July 1998 to begin working on the details of implementing the plan. The team presented proposed changes to the 1998 AVA convention delegation and, based on their feedback, revised the plan to this present form for increased industry distribution and comment throughout the fall/early winter of 1998/1999.

HB

141

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. CSSSHB 141(STA)

Title: An Act relating to preferential voting
Sponsor: Representative Kott
Requestor: _____

Dept. Affected: Office of the Governor
BRU: Elections
Components: _____
Serial #: _____

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

| OPERATING | FY 00 | FY 01 | FY 02 | FY 03 | FY 04 | FY 05 |
|------------------------|--------------|--------------|------------|--------------|------------|--------------|
| Personal Services | | | | | | |
| Travel | | | | | | |
| Contractual | 175.0 | 295.0 | 0.0 | 295.0 | 0.0 | 295.0 |
| Supplies | | | | | | |
| Equipment | | | | | | |
| Land & Structures | | | | | | |
| Grants, Claims | | | | | | |
| Miscellaneous | | | | | | |
| TOTAL OPERATING | 175.0 | 295.0 | 0.0 | 295.0 | 0.0 | 295.0 |
| CAPITAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| REVENUE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

FUNDING: (THOUSANDS OF DOLLARS)

| | | | | | | |
|--------------|--------------|--------------|------------|--------------|------------|--------------|
| General Fund | 175.0 | 295.0 | 0.0 | 295.0 | 0.0 | 295.0 |
| Federal Fund | | | | | | |
| Other | | | | | | |
| TOTAL | 175.0 | 295.0 | 0.0 | 295.0 | 0.0 | 295.0 |

POSITIONS:

| | | | | | | |
|-----------|---|---|---|---|---|---|
| Full-Time | 0 | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 | 0 |
| Temporary | 0 | 0 | 0 | 0 | 0 | 0 |

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

See attached sheet for additional details.

FY 2000 expenditure of \$175.0 is for programming enhancements to the GEMS software.

The subsequent odd year funding includes: \$150.0 for ballot printing; \$20.0 for voter education/advertising; \$40.0 for training; \$40.0 for postage/shipping; and \$45.0 for election worker payments.

Prepared by: _____
Representative Gene Therriault
Representative Eldon Mulder

Date: 04/28/99
Phone: 465-4797
Phone: 465-2647

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. CSSSHB 141(STA)

Title: An Act relating to preferential voting

Dept. Affected: Office of the Governor

BRU: Elections

Sponsor: Representative Kott

Components: _____

Requestor: _____

Serial # _____

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

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| Personal Services | | | | | | |
| Travel | | | | | | |
| Contractual | 175.0 | 295.0 | 0.0 | 295.0 | 0.0 | 295.0 |
| Supplies | | | | | | |
| Equipment | | | | | | |
| Land & Structures | | | | | | |
| Grants, Claims | | | | | | |
| Miscellaneous | | | | | | |
| TOTAL OPERATING | 175.0 | 295.0 | 0.0 | 295.0 | 0.0 | 295.0 |

| | | | | | | |
|----------------|------------|------------|------------|------------|------------|------------|
| CAPITAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
|----------------|------------|------------|------------|------------|------------|------------|

| | | | | | | |
|----------------|------------|------------|------------|------------|------------|------------|
| REVENUE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
|----------------|------------|------------|------------|------------|------------|------------|

FUNDING: (THOUSANDS OF DOLLARS)

| | | | | | | |
|--------------|--------------|--------------|------------|--------------|------------|--------------|
| General Fund | 175.0 | 295.0 | 0.0 | 295.0 | 0.0 | 295.0 |
| Federal Fund | | | | | | |
| Other | | | | | | |
| TOTAL | 175.0 | 295.0 | 0.0 | 295.0 | 0.0 | 295.0 |

POSITIONS:

| | | | | | | |
|-----------|---|---|---|---|---|---|
| Full-Time | 0 | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 | 0 |
| Temporary | 0 | 0 | 0 | 0 | 0 | 0 |

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

See attached sheet for additional details.

FY 2000 expenditure of \$175.0 is for programming enhancements to the GEMS software.

The subsequent odd year funding includes: \$150.0 for ballot printing; \$20.0 for voter education/advertising; \$40.0 for training; \$40.0 for postage/shipping; and \$45.0 for election worker payments.

Prepared by: _____
Representative Gene Therriault
Representative Eldon Mulder

Date: 04/28/99
 Phone: 465-4797
 Phone: 465-2647

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. CSSSHB 141(STA)

Title: An Act relating to preferential voting
Sponsor: Representative Kott
Requestor: _____

Dept. Affected: Office of the Governor
BRU: Elections
Components: _____
Serial #: _____

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

| OPERATING | FY 00 | FY 01 | FY 02 | FY 03 | FY 04 | FY 05 |
|------------------------|--------------|--------------|------------|--------------|------------|--------------|
| Personal Services | | | | | | |
| Travel | | | | | | |
| Contractual | 175.0 | 295.0 | 0.0 | 295.0 | 0.0 | 295.0 |
| Supplies | | | | | | |
| Equipment | | | | | | |
| Land & Structures | | | | | | |
| Grants, Claims | | | | | | |
| Miscellaneous | | | | | | |
| TOTAL OPERATING | 175.0 | 295.0 | 0.0 | 295.0 | 0.0 | 295.0 |

| | | | | | | |
|----------------|------------|------------|------------|------------|------------|------------|
| CAPITAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
|----------------|------------|------------|------------|------------|------------|------------|

| | | | | | | |
|----------------|------------|------------|------------|------------|------------|------------|
| REVENUE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
|----------------|------------|------------|------------|------------|------------|------------|

FUNDING: (THOUSANDS OF DOLLARS)

| | | | | | | |
|--------------|--------------|--------------|------------|--------------|------------|--------------|
| General Fund | 175.0 | 295.0 | 0.0 | 295.0 | 0.0 | 295.0 |
| Federal Fund | | | | | | |
| Other | | | | | | |
| TOTAL | 175.0 | 295.0 | 0.0 | 295.0 | 0.0 | 295.0 |

POSITIONS:

| | | | | | | |
|-----------|---|---|---|---|---|---|
| Full-Time | 0 | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 | 0 |
| Temporary | 0 | 0 | 0 | 0 | 0 | 0 |

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

See attached sheet for additional details.

FY 2000 expenditure of \$175.0 is for programming enhancements to the GEMS software.

The subsequent odd year funding includes: \$150.0 for ballot printing; \$20.0 for voter education/advertising; \$40.0 for training; \$40.0 for postage/shipping; and \$45.0 for election worker payments.

Prepared by: _____
Representative Gene Therriault
Representative Eldon Mulder

Date: 04/28/99
Phone: 465-4797
Phone: 465-2647

FISCAL NOTE

Bill Version: CSSSHB 141 (STA)
 (H) Publish Date: 4/8/99

STATE OF ALASKA
 1999 LEGISLATIVE SESSION

Revision Date/Time (Note if correction) _____ Dept. Affected Office of the Governor
 Title An Act relating to preferential voting BRU Elections
 Component _____
 Sponsor Representative Kott
 Requester House Finance Committee Component Serial No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| OPERATING EXPENDITURES | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 |
|------------------------|----------------|--------------|-------------|--------------|-------------|--------------|
| Personal Services | | | | | | |
| Travel | | | | | | |
| Contractual | 1,872.0 | 535.0 | 35.0 | 535.0 | 35.0 | 535.0 |
| Supplies | | | | | | |
| Equipment | | | | | | |
| Land & Structures | | | | | | |
| Grants & Claims | | | | | | |
| Miscellaneous | | | | | | |
| TOTAL OPERATING | 1,872.0 | 535.0 | 35.0 | 535.0 | 35.0 | 535.0 |

| | | | | | | |
|----------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES | | | | | | |
|----------------------|--|--|--|--|--|--|

| | | | | | | |
|------------------------|--|--|--|--|--|--|
| CHANGE IN REVENUES () | | | | | | |
|------------------------|--|--|--|--|--|--|

FUND SOURCE (Thousands of Dollars)

| | | | | | | |
|--------------------------|----------------|--------------|-------------|--------------|-------------|--------------|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | 1,872.0 | 535.0 | 35.0 | 535.0 | 35.0 | 535.0 |
| 1005 GF/Program Receipts | | | | | | |
| 1037 GF/Mental Health | | | | | | |
| Other (Specify Type) | | | | | | |
| TOTAL | 1,872.0 | 535.0 | 35.0 | 535.0 | 35.0 | 535.0 |

Estimate of any current year (FY99) cost: _____

POSITIONS

| | | | | | | |
|-----------|--|--|--|--|--|--|
| Full-time | | | | | | |
| Part-time | | | | | | |
| Temporary | | | | | | |

ANALYSIS: (Attach a separate page if necessary)

The \$1,872.0 includes the following: \$290.0 for increase in ballot printing costs; \$250.0 for programming enhancements to the GEMS software; \$1,092.0 for the purchase of 168 Accu-Vote precinct tabulators; \$40.0 for voter education/advertising; \$50.0 for an increase in election worker training; \$80.0 for an increase in postage and shipping; \$45.0 for additional election worker payments; \$25.0 for a contract with an outside accounting firm.

The division believes that in order to get the most accurate and quickest results, an Accu-Vote precinct tabulator must be purchased for the 168 hand-count precincts. If an Accu-Vote is not purchased in each hand-count precinct, the inaccuracy and timeliness of the ballot count will increase significantly. The division would prefer to deal with the logistics of shipping and storage of the additional Accu-Vote units versus the increase risk of counting errors in the 168 hand-count precincts.

Prepared by Gail Fenumai *Gail Fenumai* Phone 465-3935
 Division Division of Elections Date/Time 4/6/99 9:42 AM
 Approved by C. Lt. Governor Fran Ulmer *Fran Ulmer* Date 4/6/99
 Agency Office of the Lieutenant Governor

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Fiscal Note - CSSH 141(STA)
Prepared by the Division of Elections, 4/6/99
Page 2 of 2

Analysis continued

The subsequent year funding includes: \$290.0 for ballot printing; \$35.0 for equipment maintenance; \$20.0 for voter education/advertising; \$40.0 for training; \$80.0 for postage/shipping; \$45.0 for election worker payments; \$25.0 for a contract with an outside accounting firm.

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STATE OF ALASKA
 1999 LEGISLATIVE SESSION

Revision Date/Time (Note if correction) _____ Dept. Affected Office of the Governor
 Title An Act relating to preferential voting BRU Elections
 Component _____
 Sponsor Representative Kott
 Requester House Finance Committee Component Serial No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| OPERATING EXPENDITURES | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 |
|------------------------|----------------|--------------|-------------|--------------|-------------|--------------|
| Personal Services | | | | | | |
| Travel | | | | | | |
| Contractual | 1,872.0 | 535.0 | 35.0 | 535.0 | 35.0 | 535.0 |
| Supplies | | | | | | |
| Equipment | | | | | | |
| Land & Structures | | | | | | |
| Grants & Claims | | | | | | |
| Miscellaneous | | | | | | |
| TOTAL OPERATING | 1,872.0 | 535.0 | 35.0 | 535.0 | 35.0 | 535.0 |

| | | | | | | |
|----------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES | | | | | | |
|----------------------|--|--|--|--|--|--|

| | | | | | | |
|------------------------|--|--|--|--|--|--|
| CHANGE IN REVENUES () | | | | | | |
|------------------------|--|--|--|--|--|--|

FUND SOURCE (Thousands of Dollars)

| | | | | | | |
|--------------------------|----------------|--------------|-------------|--------------|-------------|--------------|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | 1,872.0 | 535.0 | 35.0 | 535.0 | 35.0 | 535.0 |
| 1005 GF/Program Receipts | | | | | | |
| 1037 GF/Mental Health | | | | | | |
| Other (Specify Type) | | | | | | |
| TOTAL | 1,872.0 | 535.0 | 35.0 | 535.0 | 35.0 | 535.0 |

Estimate of any current year (FY99) cost: _____

POSITIONS

| | | | | | | |
|-----------|--|--|--|--|--|--|
| Full-time | | | | | | |
| Part-time | | | | | | |
| Temporary | | | | | | |

ANALYSIS: (Attach a separate page if necessary)

The \$1,872.0 includes the following: \$290.0 for increase in ballot printing cos's; \$250.0 for programming enhancements to the GEMS software; \$1,092.0 for the purchase of 168 Accu-Vote precinct tabulators; \$40.0 for voter education/advertising; \$50.0 for an increase in election worker training; \$80.0 for an increase in postage and shipping; \$45.0 for additional election worker payments; \$25.0 for a contract with an outside accounting firm.

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Prepared by Gail Fenumaj Phone 465-3935
 Division Division of Elections Date/Time 4/6/99 9:42 AM
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 Agency Office of the Lieutenant Governor

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Fiscal Note - CSSH B 141(STA)
Prepared by the Division of Elections, 4/6/99
Page 2 of 2

Analysis continued

The subsequent year funding includes: \$290.0 for ballot printing; \$35.0 for equipment maintenance; \$20.0 for voter education/advertising; \$40.0 for training; \$80.0 for postage/shipping; \$45.0 for election worker payments; \$25.0 for a contract with an outside accounting firm.



STATE OF ALASKA
DEMONSTRATION BALLOT

August 29, 1999

Completely fill in the oval opposite the name of each candidate for which you wish to vote. ●

UNITED STATES
SENATOR
(Vote for one)

CRANE, MIKE Green
TRIGG, SANDI Democrat
VALENTINE, JUDY Republican

UNITED STATES
REPRESENTATIVE
(Vote for one)

THOMPSON, PAM Republican
GIANG, MELISSA Alaskan Independence
CARTER, SHELLY Democrat

GOVERNOR
(Vote for one)

CROW, BARBARA Green
WHITING, GAIL Alaskan Independence
DANIELS, DANA Republican

LIEUTENANT GOVERNOR
(Vote for one)

ALLRED, SANDRA Democrat
BREEZE, JOHN Republican
RUSH, MARILYN Alaskan Independence

STATE SENATOR
DISTRICT A
(Vote for one)

CURRIER, ELVA Alaskan Independence
SIMS, MITCH Democrat
COLLINS, LORRAINE Republican

STATE REPRESENTATIVE
DISTRICT 10
(Vote for one)

PRYOR, ALYCE Republican
HOUSTON, LYNDIA Alaskan Independence
SPEEGLE, MEGAN Democrat

CSSS HB141 ()
FISCAL NOTE EXPLANATION
Prepared by the Division of Elections, 4/27/99

| | |
|------------------|---|
| \$1,092.0 | Cost of purchasing precinct tabulators and ballot boxes for the 168 hand count precincts. |
| \$250.0 | Anticipated cost of modifying the GEMS software to accommodate preferential voting. |
| \$290.0 | Increase in ballot printing Doubled the cost of printing ballots for the 1998 primary and general elections. It is anticipated that preferential voting will double the size of the ballot. |
| \$40.0 | Voter education/advertising Statewide voter education drive with radio, tv, printed media, newspaper advertising. Voters must be educated about this new voting method prior to going to the polls on election day where their confusion may lead to potential problems for election workers, create long lines and turn people away from voting. |
| \$50.0 | Increase in election worker training We anticipate the number of hours required in a training will increase. Election workers are paid for their training hours. If it takes longer in each community to train, there can be fewer communities trained in a day. Therefore the travel costs to the division staff will also increase. Includes production of a training video for backup purposes. |
| \$80.0 | Increase in postage and shipping With an increase in ballot size, it will cost more to ship ballots to the precincts from the regional offices and from the precincts back to Juneau after the election. This also includes an increase cost in mailing absentee by mail ballots. |
| \$45.0 | Increase in election worker payments Additional election workers will be needed to count write in votes. During the 98 general election it cost approximately \$12.0 to count write in votes for only the gubernatorial race. Every write in vote will need to be counted for all races before the redistribution can take place. |
| \$25.0 | Contract with outside accounting firm Division staff are not math majors/statisticians. The redistribution process will be entirely new to the division and is complex. We would feel much more comfortable having an independent authority overseeing the redistribution process to ensure that it is done correctly. |
| \$1,872.0 | TOTAL |

**Timeline for Certification
Under HB141
Prepared by the Division of Elections, 4/27/99**

Primary Election

The timeframe between the primary and general election is very tight. There are generally 10-11 weeks between the primary and general election.

During the 1998 primary election, the certification timeline went as follows:

| | |
|------------------------------|------|
| Election day | 8/25 |
| SRB begins | 9/4 |
| 15 th day | 9/9 |
| HD31 recount | 9/16 |
| Senate R recount | 9/17 |
| Certification target date | 9/18 |
| Actual certification date | 9/18 |

Under HB141, it is anticipated that the certification timeline for the primary election would look as follows under the most optimistic of scenarios:

| | |
|---|-------------------------------|
| Election day | 8/22 |
| Determine redistribution races | 8/23 |
| 15th day | 9/6 |
| Redistribution process | 9/7 - 9/13 (5 working days) |
| Prep for SRB | 9/14 |
| SRB process | 9/15 - 9/29 (11 working days) |
| Election certified | 10/2 |
| Five days are allowed asking for recount: | 10/3 - 10/9 (5 working days) |
| 1 day to 5 days for house or statewide recounts respectively: | 10/10 - 10/16 |

Ballots for the precincts must be in the division of election offices no later than 25 days before an election (10/13). This timeframe puts us past the deadline of needing to have ballots in our office. This timeframe did not take into account any court challenges that could arise from close races in the primary election.

Certification Timeline
HB141

General Election

During the 1998 general election, the certification timeline went as follows:

| | |
|------------------------------|-------|
| Election day | 11/3 |
| SRB begins | 11/13 |
| 15 th day | 11/18 |
| HD35 recount | 11/23 |
| HD36 recount | 11/24 |
| Certification target date | 11/30 |
| Actual certification date | 12/1 |
| Gov/Lt. Gov sworn in | 12/7 |

Under HB141, it is anticipated that the certification timeline would look as follows under the most optimistic of scenarios:

| | |
|---|--|
| Election day | 11/7 |
| Determine what races redistribution will most likely need to be done | 11/8 |
| Write-in votes counted | 11/9-22 |
| 15 th day | 11/22 |
| Redistribution process | 11/23-27 |
| SRB process | 11/27-12/11 |
| Potential recounts | approx. 1 day required for legislative race approx. 1 week minimum for statewide race |
| Gov/Lt Gov sworn in | 12/5 (according to article 3, section 4 AK Const.) |
| Election certified | 12/12 |

Under Article 3, Section 4 of the Alaska Constitution, the governor is to be sworn into office at noon on the first Monday in December. With a preferential voting system, it is extremely unlikely that this could happen.

SCENARIO 2 - Many mod rights and mod lefts only have first choices.

| <u>Party:</u> | <u>MODRIGHT</u> | <u>MODLEFT</u> | <u>FLAT EARTH</u> | <u>NEO NAZI</u> |
|----------------|-----------------|----------------|-------------------|-----------------|
| <u>Voters:</u> | | | | |
| (ROUND 1) | mm rr ww | v aa ff | k p u | a f |
| | in ss xx | w bb gg | l q | b g |
| | oo tt yy | x cc hh | m r | c h |
| | pp uu zz | y dd ii | n s | d i |
| | qq vv | z ee jj | o t | e i |
| | <hr/> 14 | kk | <hr/> 11 | <hr/> 10 |
| | | ll | | |
| | | <hr/> 17 | | |

| | <u>MODRIGHT</u> | <u>MODLEFT</u> | <u>FLAT EARTH</u> |
|----------------|-----------------|----------------|-------------------|
| (ROUND 2) Add: | <hr/> h | i | a f |
| | 1 | <hr/> j | b |
| | +14 | 2 | c |
| | <hr/> 15 | +17 | d |
| | | 19 | e |
| | | | <hr/> 7 |
| | | | +11 |
| | | | <hr/> 18 |

| | <u>MODLEFT</u> | <u>FLAT EARTH</u> |
|----------------|----------------------------------|---|
| (ROUND 3) Add: | | uu |
| | | vv |
| | | ll |
| | <hr/> ww | <hr/> mm |
| | 1 | 4 |
| | +19 | +18 |
| | <hr/> 20 | <hr/> 22 |
| | | |
| | (xx, yy, zz had only 1st choice) | (nn, oo, pp, qq, rr, ss, tt, had only 1st choice) |

Third choice wins, still no majority.

Surprising Results from HB 141

The following example of a general election shows that HB 141 does not keep candidates who are out of step with the public from being elected into office. In fact, it can hand them the election.

I. *A Simple Scenario*

A. **Three parties each place a candidate in the race**

- Alaska Party
- Frontier Party
- Oddball Party

B. **100 voters participate in election**

C. **Each voter remembers to rank each candidate with a 1, 2, or 3.**

D. **Each voter has one of five attitudes toward each candidate**

- Love
- Like
- Neutral
- Dislike
- Hate

II. *On Election Eve, A Poll of All 100 Voters*

A. Alaskan Candidate

- 49 love
- 26 ~~like~~ dislike
- 25 hate
- Approval rating: $49 + 26 = 75$
- Disapproval rating: 25

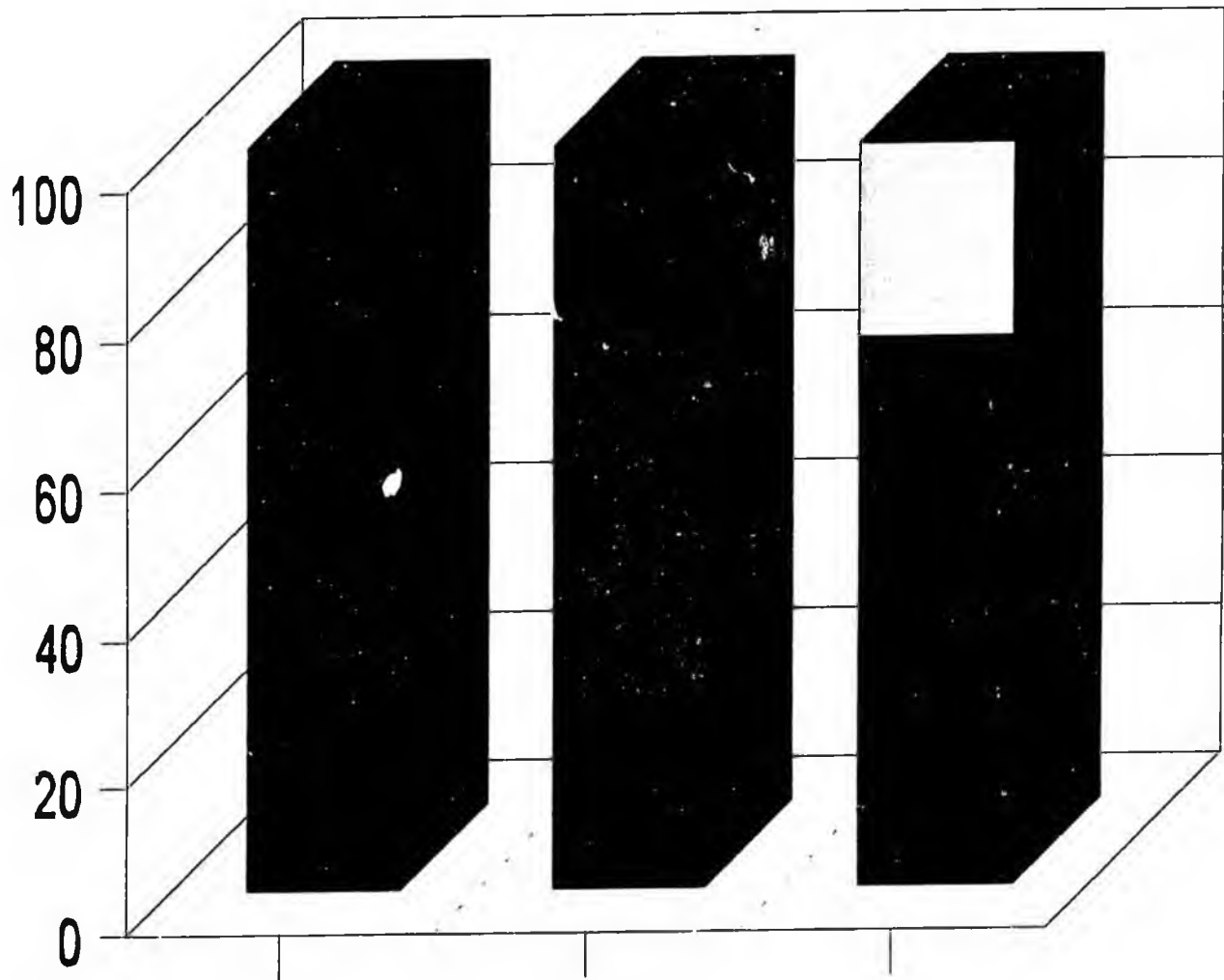
B. Frontier Candidate

- 49 like
- 26 hate
- 25 love
- Approval rating: $49 + 25 = 74$
- Disapproval rating: 26

C. Oddball Candidate

- 26 neutral
- 25 dislike
- 49 hate
- Approval rating: 0
- Disapproval rating: $49 + 25 = 74$

Voter Attitudes



Alaskan

Frontier

Oddball



Love



Like



Neutral



Dislike



Hate

III. *The 100 Voters Cast Their Ballots*

A. 49 voters

- Love Alaskan 13 1
- Like Frontier 13 2
- Hate Oddball 13 3

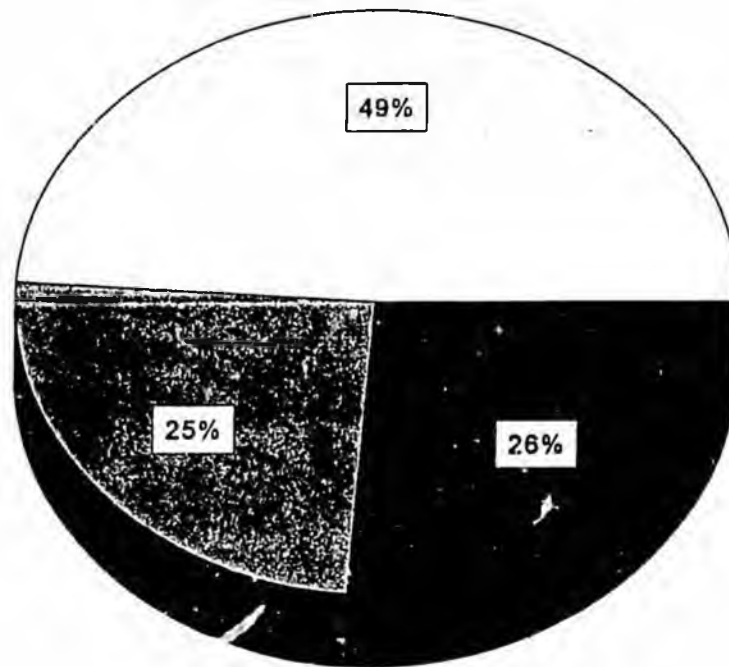
B. 26 voters

- Neutral toward Oddball 13 1
- Dislike Alaskan 13 2
- Hate Frontier 13 3

C. 25 voters

- Love Frontier 13 1
- Dislike Oddball 13 2
- Hate Alaskan 13 3

Current Law

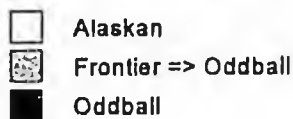
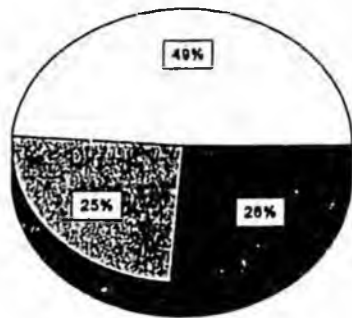


Alaskan Frontier Oddball

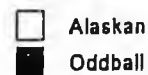
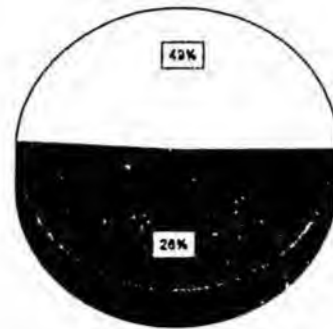
Under current law, which only counts first place votes, the winner is obvious

- Alaskan is first, with 49 votes
- Oddball is second, with 26 votes
- Frontier is third, with 25 votes

Current Law



HB 141



Under HB 141, which gives the last place finisher's votes to other candidates, the winner is surprising

- Alaskan again has 49 votes
- With just 25 votes, Frontier is eliminated
- The 25 votes Frontier received are given to Oddball, the second choice of Frontier's voters
- The 25 votes from Frontier are added to Oddball's 26 first place votes for a total Oddball vote of 51
- Oddball defeats Alaskan, 51-49

IV. *Why Oddball's Win under HB 141 is Surprising*

- A. Not one voter loves or likes Oddball, yet Oddball wins**
- B. 74 out of 100 voters dislike or hate Oddball, yet Oddball wins**
- C. 74 love or like Frontier, yet Frontier loses**
- D. 74 prefer Frontier to Oddball, yet Oddball wins**

HB 141 SECTIONAL ANALYSIS

- Section 1: This section defines "political party".
- Section 2: This section provides that the director will design the ballot to accommodate preferential voting for the offices of governor, lieutenant governor, legislature, President and Vice-President, and United States Congress.
- The ballot shall direct the voter to mark candidates in order of preference for up to five choices, and not to assign a particular ranking to more than one candidate. This ballot will also permit the ranking of write-in candidates, which will remain as one write-in per office.
- Section 3: This section sets forth the general procedure for ballot count. It gives the director the authority to adopt any and all regulations defining the manner in which ballot count is accomplished, so as to expedite the process.
- Section 4: This section explains how preferential voting works. The first choice votes shall be counted first. If after the first counting, a candidate has received a majority (50% + 1), there will be no further counting. If no candidate, after the first count, has received a majority, than all candidates with fewer than two percent of the first choice votes are declared defeated simultaneously, and their votes re-distributed. The process of elimination will continue until one candidate has received a majority of the votes.
- This section also explains what to do in the case of a mis-marked ballot. If a more than one candidate is given the same ranking (like three different candidates on one ballot all being ranked first), than that ballot will be declared invalid. However if only one candidate is ranked on the ballot, that one vote shall be counted. If a ballot skips a ranking, then all accurate rankings will be counted. This section also provides statutory language for ties.
- Section 5: This section provides for the completion of ballot count and directs the election board to make a certificate in duplicate of the results. It also directs the board where to send the certificates. The director is given the authority to prescribe the manner in which the ballots, registers and all other materials are thereafter preserved, transferred and destroyed.
- Section 6: This section authorizes payment of election board members, changing the language from "chairman" and "chairmen" to "chairs".
- Section 7: This section sets forth and defines "a review" of ballots. It removes language in accordance with punch-card ballots.

- Section 8: This section sets forth the certification of state ballot counting review. It adds "a majority" to the language and removes "the largest number" language.
- Section 9: This section provides the manner in which special state absentee ballots are handled.
- Section 10: This section defines the procedure for recount. It removes the language regarding punch-card ballots.
- Section 11: This section regards the preparation and distribution for the primary election ballots.
- Section 12: This section instructs the director to include instructions on blanket primary election ballots, for ranking candidates within each political party.
- Section 13: This section involves the placement of nominees on general election ballots.
- Section 14: This section defines "ballot" and takes out the language involving punch-card ballots.
- Section 15: This defines "political party", adding the language "first choice" votes cast where applicable.
- Section 16: This section adds a subsection that provides municipalities with the option to provide for preferential voting.
- Section 17: This section repeals all statutes necessary to accommodate preferential voting.

CSSS HB141 ()
FISCAL NOTE EXPLANATION
Prepared by the Division of Elections, 4/27/99

| | |
|------------------|---|
| \$1,092.0 | Cost of purchasing precinct tabulators and ballot boxes for the 1998 hand count precincts. |
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| \$1,872.0 | TOTAL |

**Timeline for Certification
Under HB141
Prepared by the Division of Elections, 4/27/99**

Primary Election

The timeframe between the primary and general election is very tight. There are generally 10-11 weeks between the primary and general election.

During the 1998 primary election, the certification timeline went as follows:

| | |
|------------------------------|------|
| Election day | 8/25 |
| SRB begins | 9/4 |
| 15 th day | 9/9 |
| HD31 recount | 9/16 |
| Senate R recount | 9/17 |
| Certification target date | 9/18 |
| Actual certification date | 9/18 |

Under HB141, it is anticipated that the certification timeline for the primary election would look as follows under the most optimistic of scenarios:

| | |
|---|-------------------------------|
| Election day | 8/22 |
| Determine redistribution races | 8/23 |
| 15 th day | 9/6 |
| Distribution process | 9/7 - 9/13 (5 working days) |
| Prep for SRB | 9/14 |
| SRB process | 9/15 - 9/29 (11 working days) |
| Election certified | 10/2 |
| Five days are allowed asking for recount: | 10/3 - 10/9 (5 working days) |
| 1 day to 5 days for house or statewide recounts respectively: | 10/10 - 10/16 |

Ballots for the precincts must be in the division of election offices no later than 25 days before an election (10/13). This timeframe puts us past the deadline of needing to have ballots in our office. This timeframe did not take into account any court challenges that could arise from close races in the primary election.

Certification Timeline
HB141

General Election

During the 1998 general election, the certification timeline went as follows:

| | |
|------------------------------|-------|
| Election day | 11/3 |
| SRB begins | 11/13 |
| 15 th day | 11/18 |
| HD35 recount | 11/23 |
| HD36 recount | 11/24 |
| Certification target date | 11/30 |
| Actual certification date | 12/1 |
| Gov/Lt. Gov sworn in | 12/7 |

Under HB141, it is anticipated that the certification timeline would look as follows under the most optimistic of scenarios:

| | |
|---|--|
| Election day | 11/7 |
| Determine what races redistribution will most likely need to be done | 11/8 |
| Write-in votes counted | 11/9-22 |
| 15 th day | 11/22 |
| Redistribution process | 11/23-27 |
| SRB process | 11/27-12/11 |
| Potential recounts | approx. 1 day required for legislative race approx. 1 week minimum for statewide race |
| Gov/Lt Gov sworn in | 12/5 (according to article 3, section 4 AK Const.) |
| Election certified | 12/12 |

Under Article 3, Section 4 of the Alaska Constitution, the governor is to be sworn into office at noon on the first Monday in December. With a preferential voting system, it is extremely unlikely that this could happen.

1-LS0669\S
Kurtz/
4/19/99

adopted N/D 4/20/99

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 141()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES KOTT, Porter, Cowdery, Green

A BILL

FOR AN ACT ENTITLED

1 "An Act providing for preferential voting in federal, state, and local elections;
2 relating to the preparation of ballots; relating to the definition of 'political party';
3 relating to the counting of ballots; and repealing punch-card voting."

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

5 * Section 1. AS 15.13.400(10) is amended to read:

6 (10) "political party" means

7 (A) an organized group of voters that represents a political
8 program and that nominated a candidate for governor who received at least
9 three percent of the total first choice votes cast at any one of the last five
10 preceding general elections for governor; and

11 (B) a subordinate unit of the organized group of voters
12 qualifying as a political party under (A) of this paragraph if, consistent with the
13 rules or bylaws of the political party, the unit conducts or supports campaign
14 operations in a municipality, neighborhood, election district, or precinct;

1 * Sec. 2. AS 15.15.030 is amended by adding a new paragraph to read:

2 (14) The director shall design the ballot to accommodate preferential
3 voting for candidates for the offices of governor and lieutenant governor, for
4 candidates for the legislature, for candidates for the offices of President and Vice-
5 President of the United States, and for candidates for the United States Congress. The
6 ballot shall direct the voter to mark candidates in order of preference and to mark no
7 more than five choices, but not to assign the same ranking to more than one candidate.
8 The ballot shall permit the ranking of write-in candidates as well as candidates whose
9 names are printed on the ballot.

10 * Sec. 3. AS 15.15.350 is amended to read:

11 **Sec. 15.15.350. General procedure for ballot count.** (a) The director may
12 adopt regulations prescribing the manner in which the [PRECINCT] ballot count is
13 accomplished so as to assure accuracy in the count and to expedite the process.

14 (b) An [THE] election board shall account for all ballots in its precinct by
15 completing a ballot statement containing (1) the number of official ballots received;
16 (2) the number of official ballots voted; (3) the number of official ballots spoiled; (4)
17 the number of official ballots unused and destroyed. The board shall count the number
18 of questioned ballots and shall compare that number to the number of questioned
19 voters in the register. Discrepancies shall be noted and the numbers included in the
20 certificate prescribed by AS 15.15.370. The election board shall count the ballots in
21 a manner that allows watchers to see the ballots when opened and read. A [NO]
22 person handling the ballot after it has been taken from the ballot box and before it is
23 placed in the envelope for mailing may not have a marking device in hand or remove
24 a ballot from the immediate vicinity of the polls.

25 (c) [(b)] Ballots may not be counted before 8:00 p.m., local time, on the day
26 of the election.

27 * Sec. 4. AS 15.15.350 is amended by adding a new subsection to read:

28 (d) The first choice votes shall be counted first. If, after all ballots are
29 counted, a candidate has obtained a majority of the first choice votes, further counting
30 is not necessary. If no candidate has obtained a majority of the first choice votes, then
31 all candidates with fewer than two percent of the first choice votes shall be declared

1 defeated simultaneously. Ballots cast for these defeated candidates shall be transferred
2 to the next choice candidate marked on each ballot. If no candidate receives a
3 majority of the retabulated votes, then the remaining candidate with the fewest first
4 choice votes shall be declared defeated. This process of elimination and transfer shall
5 be continued until one candidate has a majority of the votes or is the sole remaining
6 candidate, or there is a tie vote between all remaining candidates. If a ballot has no
7 more available preferences, that ballot shall be declared exhausted. A ballot assigning
8 the same ranking to more than one candidate for an office shall be declared invalid
9 when the double ranking is reached. If a ballot skips a ranking, then the next ranking
10 shall be counted. If there is a tie vote between all remaining candidates, the
11 procedures in AS 15.15.460 and AS 15.20.430 - 15.20.530 shall be followed.

12 * Sec. 5. AS 15.15.370 is amended to read:

13 **Sec. 15.15.370. Completion of ballot count.** When the count of ballots is
14 completed, and in no event later than the day after the election, the election board shall
15 make a certificate in duplicate of the results. The certificate includes the number of
16 first choice votes cast for each candidate, votes for and against each proposition, yes
17 or no votes on each question, and any additional information prescribed by the
18 director. The election board shall, immediately upon completion of the certificate or
19 as soon thereafter as the local mail service permits, send in one sealed package to the
20 director one copy of the certificate and the register. In addition, all ballots properly
21 cast shall be mailed to the director in a separate, sealed package. Both packages, in
22 addition to an address on the outside, shall clearly indicate the precinct from which
23 they come. Each board shall, immediately upon completion of the certification and
24 as soon thereafter as the local mail service permits, send the duplicate certificate to the
25 respective election supervisor. The director may authorize election boards in precincts
26 in those areas of the state where distance and weather make mail communication
27 unreliable to forward their election results by telephone, telegram, or radio. The
28 director may authorize the unofficial totaling of votes on a regional basis by election
29 supervisors, tallying the votes as indicated on duplicate certificates. To assure
30 adequate protection, the director shall prescribe the manner in which the ballots,
31 registers, and all other election records and materials are thereafter preserved,

1 transferred, and destroyed.

2 * Sec. 6. AS 15.15.390 is amended to read:

3 **Sec. 15.15.380. Payment of election board members.** The director shall pay
4 each election board member for time spent at election duties, including the receiving
5 of instructions. Election board chairs [CHAIRMEN] and the chair [CHAIRMAN] and
6 members of the absentee ballot review board, questioned ballot review board and
7 state ballot counting review boards shall be paid for time spent at their election duties.

8 The director shall set the compensation to be paid under this section by regulation.

9 * Sec. 7. AS 15.15.430(a) is amended to read:

10 (a) The review of ballot counting by the director shall include only a review

11 (1) [A REVIEW] and comparison of the tallies of hand-marked ballots
12 in the election poll books with the precinct election certificates to correct any
13 mathematical error in the count of hand-marked ballots; and

14 (2) [A REVIEW OF THE TALLIES OF WRITE-IN VOTES AND A
15 REVIEW OF ELECTION CERTIFICATES AS PROVIDED BY LAW FROM
16 PRECINCTS USING PUNCH-CARD BALLOTS;

17 (3) A REVIEW] of absentee and questioned ballots as prescribed by
18 law.

19 * Sec. 8. AS 15.15.450 is amended to read:

20 **Sec. 15.15.450. Certification of state ballot counting review.** Upon
21 completion of the state ballot counting review, the director shall certify the person
22 receiving a majority [THE LARGEST NUMBER] of votes for the office for which
23 that person was a candidate as elected to that office and shall certify the approval of
24 a justice or judge not rejected by a majority of the voters voting on the question. The
25 director shall issue to the elected candidates and approved justices and judges [,] a
26 certificate of their election or approval. The director shall also certify the results of
27 a proposition and other question except that the lieutenant governor shall certify the
28 results of an initiative, referendum, or constitutional amendment.

29 * Sec. 9. AS 15.20.082(c) is amended to read:

30 (c) A special state absentee ballot prepared for the state general election or for
31 a state special election shall, if the names of candidates are not yet certified, permit

1 a voter to cast a ballot for all the candidates of a particular political party that expects
2 to have candidates appear on the ballot; for this purpose, the director shall prepare the
3 ballot with party boxes and a blank line for each office to be voted on in that election.
4 The voter may vote for a candidate for that office by writing in the name of a person
5 and marking the box to the right of that name, or the voter may mark one of the party
6 boxes. If the voter puts a mark in a party box for that office, the director shall count
7 the mark as a vote cast for the candidate for that office nominated by that party. If
8 the voter writes in a name for an office, the vote shall be counted as a write-in vote
9 for that office. The director shall count the ballots under AS 15.15.350 and 15.15.360
10 [AS 15.15.360]. The director shall provide the voter with the names of each candidate
11 appearing on the primary election ballot and the names of any candidates who have
12 qualified by petition to appear on the general election ballot.

13 * **Sec. 10.** AS 15.20.480 is amended to read:

14 **Sec. 15.20.480. Procedure for recount.** In conducting the recount, the
15 director shall review all ballots whether the ballots were counted at the precinct or by
16 computer or by the district absentee counting board or the questioned ballot counting
17 board to determine which ballots, or part of ballots, were properly marked and which
18 ballots are to be counted in the recount, and shall check the accuracy of the original
19 count, the precinct certificate and the review. The director shall check the number of
20 ballots and questioned ballots cast in a precinct against the registers and shall check
21 absentee ballots voted against absentee ballots distributed. The director shall count
22 absentee ballots received before the completion of the recount. For administrative
23 purposes, the director may join and include two or more applications in a single review
24 and count of votes. The rules in AS 15.15.360 governing the counting of hand-marked
25 ballots [AND THE RULES IN AS 15.20.730 GOVERNING THE COUNTING OF
26 PUNCH-CARD BALLOTS] shall be followed in the recount. The ballots and other
27 election material must remain in the custody of the director during the recount, and the
28 highest degree of care shall be exercised to protect the ballots against alteration or
29 mutilation. The recount shall be completed within 10 days. The director may employ
30 additional personnel necessary to assist in the recount.

31 * **Sec. 11.** AS 15.25.060 is amended to read:

1 **Sec. 15.25.060. Preparation and distribution of ballots.** The primary
2 election ballot shall be prepared and distributed by the director in the manner
3 prescribed for general election ballots except as specifically provided otherwise for the
4 primary election. The director shall print the ballot on white paper and place the
5 names of all candidates who have properly filed in groups according to offices filed
6 for and [, WITHOUT REGARD TO] party affiliation. The order of the placement of
7 the names for each office shall be as provided for the general election ballot. Blank
8 spaces may not be provided on the ballot for the writing or pasting in of names.

9 * **Sec. 12.** AS 15.25.060 is amended by adding a new subsection to read:

10 (b) The director shall include instructions on blanket primary election ballots
11 directing the voter to mark candidates for an office within a single political party in
12 order of preference and to mark as many choices as the voter wishes within a single
13 political party, but not to assign the same ranking to more than one candidate or to
14 rank candidates from more than one party.

15 * **Sec. 13.** AS 15.25.100 is amended to read:

16 **Sec. 15.25.100. Placement of nominees on general election ballot.** Except
17 when an election results in a tie vote, [THE] director shall place the name of the
18 candidate receiving a majority [THE HIGHEST NUMBER] of votes for an office by
19 a political party on the general election ballot.

20 * **Sec. 14.** AS 15.60.010(2) is amended to read:

21 (2) "ballot" means a hand-marked ballot [AND A PUNCH-CARD
22 BALLOT];

23 * **Sec. 15.** AS 15.60.010(20) is amended to read:

24 (20) "political party" means an organized group of voters that
25 represents a political program and that either nominated a candidate for governor who
26 received at least three percent of the total first choice votes cast for governor at the
27 preceding general election or has registered voters in the state equal in number to at
28 least three percent of the total votes cast for governor at the preceding general election;

29 * **Sec. 16.** AS 29.26.060 is amended by adding a new subsection to read:

30 (d) A municipality may, by ordinance, provide for preferential voting under
31 which voters rank candidates in order of preference, and, if no candidate obtains a

1 majority of first choice votes, votes are transferred in sequential tabulations according
2 to voters' preferences in the manner set out in AS 15.15.350(c).

3 * Sec. 17. AS 15.15.030(12), 15.15.360(c); AS 15.20.190(b), 15.20.590, 15.20.600,
4 15.20.609, 15.20.610, 15.20.620, 15.20.630, 15.20.640, 15.20.650, 15.20.660, 15.20.670,
5 15.20.680, 15.20.685, 15.20.690, 15.20.700, 15.20.710, 15.20.720, 15.20.730, 15.20.740; and
6 AS 15.60.010(24) are repealed.

5-14-99

adopted NO/03j

#1

I-LS0669\S.1
Kurtz
4/20/99

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE THERRIAULT

TO: CSSSHB 141(), Draft Version "S"

- 1 Page 2, line 8:
- 2 Following "of":
- 3 Insert "one"
- 4 Following "write-in":
- 5 Delete "candidates"
- 6 Insert "candidate for each office"