

ALASKA LEGISLATURE

2045

HOUSE and SENATE FINANCE COMMITTEE FILES, 1999 - 2000

SB

4

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 1/25/99

REPORTED OUT OF
FURTHER: SFC 4/27/99

DATE TURNED
IN TO OFFICE: 4/27/99

Finance Committee considered **SENATE BILL NO. 4**
OFFICE OF VICTIMS' ^{RIGHTS} ~~ADVOCACY~~

and recommends:

- be replaced with _____ CS SB 4 (FIN)
- adopt previous _____ CS CS ()
- attached amendment(s) forthcoming
- adopt Letter of Intent by _____
- further referral to the _____

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Chell & Title</i>	✓	<i>ul & down</i>	X		
<i>By Dan Huelson</i>	✓				
<i>Walter Kelly</i>	✓				
<i>Michael Kelly</i>	✓				
<i>Gary White</i>	✓				
Co-Chair: <i>Joey</i>	✓	Co-Chair:			
Co-Chair: <i>Sean R. Powell</i>	✓	Co-Chair:			

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

Forthcoming fiscal note Public Safety Commissioner's Office			

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

Admin/OPA	1/22/99	✓	
Admin/PDA	1/22/99	✓	
Law	1/22/99		*
Public Safety ^{COA}	1/22/99	✓	
Corrections	1/21/99		46.5
PS/VCCB	1/22/99		750

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

4/27/99

NO. _____
BILL VERSION: CSSB 4 (FIN)

Revision Date: 4/27/99
Title: "An Act relating to establishing an office of
of victims' rights; relating to compensation of victims..."
Sponsor: Senator Halford
Requestor: Senate Finance

Department Affected: Dept. of Public Safety
BRU: Statewide Support
Component: Commissioner's Office

COMPONENT SERIAL NO:

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
PERSONAL SERVICES	14.8	415.3	415.3	415.3	415.3	415.3
TRAVEL	0.0	4.2	4.2	4.2	4.2	4.2
CONTRACTUAL	13.8	28.6	28.6	28.6	28.6	28.6
SUPPLIES	1.0	2.0	2.0	2.0	2.0	2.0
EQUIPMENT	43.4	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	73.0	450.1	450.1	450.1	450.1	450.1

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS						
OTHER FUND SOURCE 1050	73.0	450.1	450.1	450.1	450.1	450.1
TOTAL	73.0	450.1	450.1	450.1	450.1	450.1

POSITIONS:

FULL-TIME	0	7	7	7	7	7
PART-TIME	1	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary) CSSB4(FIN) establishes an Office of Victims' Rights
in the Department of Public Safety. The Victims' Advocate will be appointed for 5 years. It is anticipated
the Victim's Advocate will be selected in FY00 and begin work in FY01. A part time position will select office
space, acquire furniture and supplies and set up the office during the last four months of FY00. The office will be
fully staffed beginning in FY01. Staff include 2 attorney's, 1 paralegal, and 3 clerical personne). DPS will
process payroll, provide accounting and teleconference assistance and DP support at no cost to the Office of
Victims' Rights. Funding for this office will be from the Permanent Fund Dividend Fund. This bill adds the Office
of Victim's Rights to the three other programs under AS 43.23.028(b) that require annual appropriation from the
the Permanent Fund Dividend Fund by the Legislature.

Prepared By: Sandy Perry- Provost, Special Assistant Phone: 465-4322
Division: Commissioner's Office Date: April 27, 1999

Approved By: Ronald. L. Otte, Commissioner
Department of Public Safety Date: _____

CONTINUATION OF FISCAL NOTE: CSSB4 (FIN)

Expenses of the victims' advocate selection committee will be absorbed within existing budgets.

Personal Services

It is anticipated that the Secretary position will work with Admin. Svcs. to obtain office space, equipment and supplies. The Secretary position will begin work in March 2000. 1 Secretary 4 months **14,800**

FY01	Monthly		Annual		Health	
	Salary	#	Salary	Benefits	Insurance	Total
Victims Advocate - 26A	5,850	1	70,200	85,089	5,718	90,808
2 Attorney's - 23A	4,918	2	118,032	143,067	11,437	154,504
1 Paralegal - 16A	3,049	1	36,588	44,348	5,718	50,067
1 Secretary - 14A	2,656	1	31,872	38,632	5,718	44,351
1 Secretary - 12A	2,338	1	28,056	34,007	5,718	39,725
1 Secretary - 10A	2,071	1	24,852	30,123	5,718	35,842
						415,296

FY00 **14,800**
FY01 **415,296**

Travel

Travel is not anticipated for FY00.

In FY01, it is anticipated that the victims' advocate will make 3 trips to attend in state meetings and 1 trip to meet with victims' rights organizations in other states.

	Travel	Per Diem		
3 trips in state	1,110	1,629	2,739	
1 trip out of state	780	680	<u>1,460</u>	FY00 0
			4,199	FY01 4,199

Contractual

It is anticipated that the Office of the Victims' Rights will install phones, incur phone bills, and use postage and need maintenance on their copier machine.

	FY00	FY01	
Phones	1,500	3,600	
Postage	300	3,000	
Advertising positions	5,000	0	
Copier Maintenance	200	600	
Membership Dues	0	500	
Subscriptions	0	500	
Office Space 1,000 Sq. Ft.	6,800	20,400	FY00 13,800
	13,800	28,600	FY01 28,600

Supplies

It is anticipated that the Office of the Victims' Rights will need office supplies.

	FY00	FY01	FY00	FY01
Office Supplies	1,000	2,000	1,000	2,000

Equipment

It is anticipated that the Office of Victims' Rights will need equipment.

7 Phones	3,500	
1 Fax Machine	650	
3 Executive Desks	4,500	
4 Secretarial Desks	4,000	
7 Chairs	1,400	
		FY00 43,350

7 File Cabinets	2,800
7 Computers	14,000
3 Printers	4,500
1 Copy Machine	8,000
Total	43,350

FY01

0

Page 2 of 2

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

1, 7
Bill Version: CSSB 4 (JUD)
BILL NO. (S) Publish Date: 1/25/99
S: 4/27/99

Revisor Date/Time (Note if correction) _____ Dept. Affected Administration _____
Title "An Act relating to establishing an office..." BRU Legal and Advocacy Services
Component Office of Public Advocacy
Sponsor Senator Halford
Requester (S) JUD Component Serial No. 43

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						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY99) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill will have no fiscal impact on OPA.

Prepared by Brant McGee, Public Advocate Phone 269-3500
Division Office of Public Advocacy Date/Time _____
Approved by Commissioner Robert G. Poe Date 1/22/99
Agency Administration

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4/27/99
No. 6
Bill Version: CSSB 4(JUD)
(S) Publish Date: 1/25/99

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

Revision Date: _____
Title: "An Act establishing an office of victims' rights..."
Sponsor: Senator Halford
Requestor: (S) JUD

Department Affected: Administration
BRU: Legal and Advocacy Services
Component: Public Defender Agency
COMPONENT SERIAL NO. 1631

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
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						
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CHANGE IN REVENUES ()						
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FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

See attached sheet.

Prepared by: Barbara Brink, Director
Division: Public Defender Agency

Phone: (907) 264-4414
Date: _____

Approved by Commissioner: Robert Poe Jr.
Agency: Department of Administration

Date: 1/22/99

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FISCAL NOTE

STATE OF ALASKA

BILL NO. SB 4 #6

1999 LEGISLATIVE SESSION

ANALYSIS: (continued)

This bill would create an Office of Victims' Rights as a legislative agency. The Victims' Advocate would have broad powers to act as an attorney for victims of crime to enforce constitutional guarantees and make statements on behalf of victims in court. It is difficult to say whether or not there would be any fiscal impact on the Public Defender Agency (PDA) as a result of this bill. PDA believes that much of what the Victims' Advocate would do is currently being done by Victim/Witness Coordinators in the Department of Law. If the Victim/Witness Coordinators' work is done by another agency, there should be no fiscal impact on PDA.

Somewhat troubling is Section 9 which disqualifies any misdemeanants from obtaining a PFD if they have a prior felony conviction or two prior misdemeanors. The end result is that an individual victim of an offense is much less likely to get their court-ordered restitution if an offender may not directly assign their PFD check to them. While these funds may then be allocated to the Office of Victims' Rights, the contribution would likely be small. It may be more in an individual victim's interests to have that assignment directly made.

FISCAL NOTE

No. 5
 Bill Version: CS SB 4 (JUD)
 (S) Publish Date: 1/25/99

**STATE OF ALASKA
 1999 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction)		Dept. Affected
Title	...establishing an office of crime victims' advocacy;	BRU
amending	Rules of Criminal Procedure...Delinquency Rules...	Component
Sponsor	Senator Halford	1st-4th Jud Dist, Crim Apps/Spec Lit
Requester	Senate Judiciary Committee	Component Serial No.
		2198-99/2261/79/01/03
		2206

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						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	*****	*****	*****	*****	*****	*****

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
1002 Federal Receipts						
1003 GF Match						
1004 GF	*****	*****	*****	*****	*****	*****
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	*****	*****	*****	*****	*****	*****

Estimate of any current year (FY99) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill establishes in the legislative branch the Office of the Victims' Advocate. The victims' advocate will advocate on behalf of crime victims in felony cases in the courts of the state and investigate complaints of crime victims in felony and certain class A misdemeanor cases that they have been denied their rights under the constitution and laws of the state.

The potential fiscal impact from enactment of this law on the Department of Law is dependent on the philosophy and depth of involvement of the victims' advocate. At a minimum, the length of time required for cases in which the victims' advocate participates will increase, simply by virtue of having an additional attorney involved. The potential that the victims' advocate will be at odds with the prosecutor over matters involving trial strategy, tactics, and plea negotiations would add additional time and expense. These costs are speculative, and the department cannot assign a cost without additional experience.

Prepared by Joan M. Kasson *[Signature]*
 Division Attorney General's Office
 Approved by Commissioner Bruce M. Botelho, Attorney General
 Agency Department of Law

Phone 465-5370
 Date/Time 1/22/99, 9:33 AM
 Date 1/22/99

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FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

No. 4
Bill Version: CSSB4(JUD)
(S) Publish Date: 1/25/99
4/21/99

Revision Date: 1/21/99 Dept. Affected: Public Safety
Title: Office of Victims' Advocacy BRU: CDVSA
Sponsor: Sen. Halford Component: CDVSA
Requestor: S. Judiciary COMPONENT SERIAL NO. _____

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

OPERATING	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING						

CAPITAL EXPENDITURES	0	0	0	0	0	0
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CHANGE IN REVENUES () Revenue Code						
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FUNDING: (Thousands of Dollars)

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

Estimate of current year (FY 99) impact: \$ 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.)

Prepared By: Mona C. Maehara, Acting Executive Director Phone: 465-4356
Division: CDVSA Date: 1/21/99
Approved by Commissioner: Ronald L. Otte Date: 1/22/99
Agency: Dept. of Public Safety

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FISCAL NOTE

REPORTED OUT OF

NO. 30 4/27/99
 Bill Version: CSSB4(JUD)
 (S) Publish Date: 1/25/99

STATE OF ALASKA
 1999 LEGISLATIVE SESSION

Revision Date/Time (Note if correction) _____ Dept. Affected Department of Corrections
 Title Act relating to establishing and office of crime BRU Administration and Operations
victim's rights; relating to compensation of victims of violent ... Component Data and Word Processing
 Sponsor Senator Halford
 Requester Senate Judiciary 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	43.0	43.0	43.0	43.0	43.0	43.0
Travel						
Contractual	0.5	0.5	0.5	0.5	0.5	0.5
Supplies	0.5	0.5	0.5	0.5	0.5	0.5
Equipment	2.5					
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	46.5	44.0	44.0	44.0	44.0	44.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	46.5	44.0	44.0	44.0	44.0	44.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	46.5	44.0	44.0	44.0	44.0	44.0

Estimate of any current year (FY99) cost: 0.0

POSITIONS

Full-time	1	1	1	1	1	1
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Section 9 of this legislation amends AS 43.23.005(d) which would deny PFD eligibility for people who are convicted and incarcerated for a misdemeanor and they had been previously been convicted of a prior felony, or two or more prior misdemeanors. The Dept. of Corrections has previously asked for a Statistical Tech I position to accommodate appeals and information requests resulting from PFD denials. The data and word processing unit will be unable to carry out their daily operations if more appeals and computer programming are added without a position.

Prepared by Bruce Richards Phone 465-3307
 Division Commissioner's Office Date/Time 1/21/99 12:54 PM
 Approved by Commissioner Margaret M. Pugh *Margaret M. Pugh* Date 1-21-99
 Agency Department of Corrections

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FISCAL NOTE

STATE OF ALASKA

.o. 2
 Bill Version: CS584 (Jud)
 (S) Publish Date: 1/25/99
 4/27/99

1999 LEGISLATIVE SESSION

Revision Date: CORRECTED 1/22/99 10:30am Dept. Affected: Public Safety
 Title: Crime Victims' Rights and Advocacy Act of 1999 BRU: Violent Crimes Compensation Board
 Sponsor: Senator Halford Component: _____
 Requestor: Senate Judiciary COMPONENT SERIAL NO. _____

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

OPERATING	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
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	75.0	99.7	132.7	176.4	234.7	312.1
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	75.0	99.7	132.7	176.4	234.7	312.1

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
Revenue Code						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts		30.0	27.9	42.0	53.8	72.4
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other	75.0	69.7	104.8	134.4	180.9	239.7
TOTAL	75.0	99.7	132.7	176.4	234.7	312.1

Estimate of current year (FY 99) impact: \$ 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

 See Attached

Prepared By: Susan L. Browne, Administrator Phone: 465-5525
 Division: Violent Crimes Compensation Board Date: 1/19/99
 Approved by Commissioner: *Ronald L. Otte* Date: 1/20/99
 Agency: Ronald L. Otte, Dept. of Public Safety

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Revision Date: _____ Dept. Affected: Public Safety

ANALYSIS CONTINUED:

It is not possible to predict how many claim requests for compensation will be received and/or awarded from one year to the next. Neither is it possible to predict how many claim requests will involve homicides or be eligible for compensation at maximum levels. Several claims awarded the maximum allowable by statute, significantly impacts this program's budget. This bill would increase the maximum available by statute to award on claims. The figures provided are based on the number of claims awarded at maximum levels in a typical year with the increased maximum factored in.

The number of claims received in recent years has continued to increase due to progressive outreach measures. This trend is likely to continue and estimates given here are based on an annual increase of 33%. The estimate for potential federal revenues is based upon 40% of the state funds awarded the previous year. This is the formula used by the Federal Government in awarding state compensation programs. The funds are contingent upon annual grant application and award.

moved by Sen. Parnell
w/o objection, ADOPTED

LETTER OF INTENT

It is the intent of the Legislature to fund the Office of Victim's Rights solely from the additional revenue generated by the new provisions established in CSSB 4(FIN) under AS 43.23.005(d)(B)(i) and (ii) that make additional criminals ineligible to receive the permanent fund dividend. It is further the intent of the legislature that the funding for the Office of Victim's Rights shall in no way result in a decrease of funding for crime victim's compensation, council on domestic violence and sexual assault, and the Department of Corrections from the funds available due to criminals being ineligible for the permanent fund dividend under AS 43.23.005 as it read before the effective date of this act.

I-LS0029\H
Luckhaupt
4/22/99

*moved by Sen. Donley
w/o obj. ADOPTED
as working draft.*

CS FOR SENATE BILL NO. 4()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY

**Offered:
Referred:**

Sponsor(s): SENATORS HALFORD, Donley, Green, Leman, Taylor, Wilken

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to establishing an office of victims' rights; relating to
2 compensation of victims of violent crimes; relating to eligibility for a permanent
3 fund dividend for persons convicted of and incarcerated for certain offenses;
4 relating to notice of appropriations concerning victims' rights; and amending Rule
5 16, Alaska Rules of Criminal Procedure, Rule 9, Alaska Delinquency Rules, and
6 Rule 501, Alaska Rules of Evidence."

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

8 * **Section 1. SHORT TITLE.** This Act may be known as the Crime Victims' Rights and
9 Advocacy Act of 1999.

10 * **Sec. 2.** AS 12.55.023(b) is amended to read:

11 (b) A victim may submit to the sentencing court a written statement that the
12 victim believes is relevant to the sentencing decision [,] and may give sworn testimony
13 or make an unsworn oral presentation to the court at the sentencing hearing. If there

1 are numerous victims, the court may limit the number of victims who may give sworn
 2 testimony or make an unsworn oral presentation during the hearing. When requested
 3 by the victim of a felony or a class A misdemeanor, if the class A misdemeanor
 4 is a crime involving domestic violence or a crime against a person under
 5 AS 11.41, when the victim does not submit a statement, give testimony, or make
 6 an oral presentation, the victims' advocate appointed under AS 12.61.200 may
 7 submit a written statement or make an unsworn oral presentation at the
 8 sentencing hearing on behalf of the victim.

9 * Sec. 3. AS 12.61 is amended by adding new sections to read:

10 **Article 2A. Office of Victims' Advocacy.**

11 **Sec. 12.61.200. Office of victims' advocacy established; duties.** (a) The
 12 office of victims' advocacy is established in the Department of Public Safety. The
 13 office shall be directed by the victims' advocate. The victims' advocate shall be
 14 appointed by the commissioner of public safety and shall be an attorney admitted to
 15 practice law in this state. The victims' advocate is in the partially exempt service
 16 under AS 39.25.125. The office may employ assistant victims' advocates and clerical
 17 staff that the victims' advocate determines are needed to perform the duties set out in
 18 this section. Assistant victims' advocates and clerical staff employed by the office are
 19 in the classified service under AS 39.25.100.

20 (b) The office of victims' advocacy shall, as provided in AS 12.61.200 -
 21 12.61.300,

22 (1) work to ensure that victims of crimes receive the rights to which
 23 they are entitled under the constitution and the laws of this state;

24 (2) act as a liaison between state agencies and victims of crimes;

25 (3) advocate on behalf of crime victims in the courts of the state; and

26 (4) investigate and report on complaints of victims of crimes that state
 27 agencies have not complied with the duties imposed on the agencies regarding victims
 28 of crimes.

29 (c) Each state agency shall cooperate with the office of victims' advocacy
 30 when the office is performing the duties imposed under AS 12.61.200 - 12.61.300.

31 (d) The office shall administer grants to nonprofit victims' rights organizations

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in the amounts and to the recipients designated in the appropriation for the grant.

Sec. 12.61.210. Procedure; fees. (a) The victims' advocate shall, by regulations adopted under AS 44.62 (Administrative Procedure Act), establish procedures for advocacy on behalf of crime victims, receiving and processing complaints, conducting investigations, reporting findings, and ensuring that confidential information obtained by the victims' advocate in the course of advocacy on behalf of a crime victim or in the course of an investigation will not be improperly disclosed. The victims' advocate may establish procedures so that advocacy and investigations on behalf of crime victims in felony cases take a priority over advocacy and investigations on behalf of crime victims in misdemeanor cases.

(b) The office of victims' rights may not charge fees for the submission or investigation of complaints.

Sec. 12.61.220. Jurisdiction; duties. (a) The victims' advocate has jurisdiction to advocate on behalf of crime victims of felony offenses or class A misdemeanors, if the class A misdemeanor is a crime involving domestic violence or a crime against a person under AS 11.41, in the courts of the state and to investigate the complaints of crime victims of felony offenses or class A misdemeanors, if the class A misdemeanor is a crime involving domestic violence or a crime against a person under AS 11.41, that they have been denied their rights under the constitution and the laws of the state. In this subsection, "crime involving domestic violence" has the meaning given in AS 18.66.990.

(b) The victims' advocate shall exercise reasonable care to

(1) ensure that the victims' advocate's exercise of jurisdiction granted under this section does not interfere with an ongoing criminal investigation or with a criminal prosecution;

(2) prevent employees of the office of victims' rights from making extrajudicial statements that the victims' advocate is prohibited from making under the Alaska Rules of Professional Conduct.

(c) The victims' advocate may not advise, counsel, or advocate on behalf of a victim in a way that would,

(1) prevent or discourage a victim from cooperating with law

1 enforcement authorities in a criminal investigation;

2 (2) encourage a victim to withhold evidence from law enforcement
3 authorities in a criminal investigation; or

4 (3) prevent or discourage a victim from testifying in a criminal
5 proceeding.

6 **Sec. 12.61.230. Advocacy on behalf of crime victims; records.** (a) The
7 victims' advocate shall assist crime victims in obtaining the rights crime victims are
8 guaranteed under the constitution and laws of the state with regard to the contacts
9 crime victims have with the justice agencies of the state.

10 (b) The victims' advocate may make the statement a crime victim is authorized
11 to make under art. I, sec. 24, Constitution of the State of Alaska, and AS 12.55.02?,
12 in a court of the state when requested by the crime victim and when the crime victim
13 does not personally make a statement.

14 (c) When advocating on behalf of a crime victim in an ongoing criminal case
15 or juvenile adjudication, the victims' advocate is entitled to all information available
16 to the defendant or juvenile.

17 (d) Records obtained by the victims' advocate shall remain in the exclusive
18 custody of the victims' advocate. The victims' advocate may not disclose confidential
19 information to any person.

20 **Sec. 12.61.240. Investigations.** (a) The victims' advocate may investigate
21 complaints from crime victims that they have been denied the rights they are
22 guaranteed under the constitution and laws of this state.

23 (b) In an investigation, the victims' advocate may

24 (1) make inquiries and obtain information considered necessary;

25 (2) hold private hearings; and

26 (3) notwithstanding other provisions of law, have access at all times to
27 records of justice agencies, including court records of criminal prosecutions and
28 juvenile adjudications, necessary to ensure that the rights of crime victims are not
29 being denied; with regard to court and prosecution records, the victims' advocate is
30 entitled to obtain access to every record that the defendant is entitled to access or
31 receive.

1 (c) The victims' advocate shall maintain confidentiality with respect to all
2 matters and the identities of the complainants or witnesses coming before the victims'
3 advocate except insofar as disclosures may be necessary to enable the victims' advocate
4 to carry out duties and to support recommendations. However, the victims' advocate
5 may not disclose a confidential record obtained from a court or justice agency.

6 (d) Subject to the privileges that witnesses have in the courts of this state, the
7 victims' advocate may compel by subpoena, at a specified time and place, the

8 (1) appearance and sworn testimony of a person who the victims'
9 advocate reasonably believes may be able to give information relating to a matter
10 under investigation under this section; and

11 (2) production by a person of a record or object that the victims'
12 advocate reasonably believes may relate to the matter under investigation under this
13 section.

14 (e) If a person refuses to comply with a subpoena issued under (d) of this
15 section, the superior court may, on application of the victims' advocate, compel
16 obedience by proceedings for contempt in the same manner as in the case of
17 disobedience to the requirements of a subpoena issued by the court or refusal to testify
18 in the court.

19 (f) This section does not authorize the victims' advocate to issue a subpoena
20 to

21 (1) a justice, judge, magistrate, or a law clerk acting under the direction
22 of a justice, judge, or magistrate, concerning a judicial action or nonaction taken by,
23 or under the direction of, the justice, judge, or magistrate;

24 (2) a person acting under the direction of a justice, judge, or magistrate,
25 other than a law clerk, concerning a judicial action or nonaction taken by, or under the
26 direction of, a justice, judge, or magistrate except to establish the occurrence or
27 nonoccurrence of the action or nonaction or the person's own actions or nonactions;
28 this paragraph does not authorize the victims' advocate to inquire into the decision-
29 making or thought process of the justice, judge, or magistrate;

30 (3) a member of a jury concerning a matter that was considered by the
31 jury; or

1 (4) the person accused or convicted of committing the crime that is the
2 basis for the complaint, and investigation under AS 12.61.240, concerning a denial of
3 rights.

4 (g) Before giving an opinion or recommendation that is critical of a justice
5 agency or person as a result of an investigation under this section, the victims'
6 advocate shall consult with that agency or person. The victims' advocate may make
7 a preliminary opinion or recommendation available to the agency or person for review,
8 but the preliminary opinion or recommendation is confidential and may not be
9 disclosed to the public by the agency or person.

10 (h) The victims' advocate shall report the advocate's opinion and
11 recommendations to a justice agency if the victims' advocate finds, after investigation
12 under this section, that the agency has denied a crime victim rights the crime victim
13 is guaranteed under the constitution and laws of this state.

14 (i) The victims' advocate may request the justice agency to notify the victims'
15 advocate, within a specified time, of any action taken on the recommendations.

16 (j) The report provided under (h) of this section is confidential and may not
17 be disclosed to the public by the justice agency. The victims' advocate may disclose
18 the report under (k) of this section only after providing notice that the investigation has
19 been concluded to the agency and after receiving the written approval of the
20 complainant to release the report.

21 (k) Except as provided in (j) of this section, within a reasonable amount of
22 time after the victims' advocate reports the advocate's opinion and recommendations
23 to a justice agency, the victims' advocate may present the opinion and
24 recommendations to the governor, the attorney general, the legislature, a grand jury,
25 the public, or any of these. The victims' advocate shall include with the opinion any
26 reply made by the agency.

27 **Sec. 12.61.250. Annual report.** The victims' advocate shall submit to the
28 public an annual report of the victims' advocate's activities under AS 12.61.200 -
29 12.61.300 and notify the legislature that the report is available.

30 **Sec. 12.61.260. Judicial review.** A proceeding or decision of the victims'
31 advocate may be reviewed in superior court only to determine if it is contrary to the

1 provisions of AS 12.61.200 - 12.61.300.

2 **Sec. 12.61.270. Immunity of the victims' advocate.** A civil action may not
3 be brought against the victims' advocate or a member of the victims' advocate's staff
4 for anything done, said, or omitted in performing the victims' advocate's duties or
5 responsibilities under AS 12.61.200 - 12.61.300.

6 **Sec. 12.61.280. Victims' advocate's privilege not to testify or produce**
7 **documents or other evidence.** The victims' advocate and the staff of the victims'
8 advocate may not be compelled to testify or produce documents or other evidence in
9 a court regarding matters coming to their attention in the exercise or purported exercise
10 of their official duties except as may be necessary to enforce the provisions of
11 AS 12.61.200 - 12.61.300.

12 **Sec. 12.61.290. Penalty.** A person who knowingly hinders the lawful actions
13 of the victims' advocate or the staff of the victims' advocate, or who knowingly refuses
14 to comply with their lawful demands, is guilty of a misdemeanor and upon conviction
15 may be punished by a fine of not more than \$1,000. In this section, "knowingly" has
16 the meaning given in AS 11.81.900.

17 **Sec. 12.61.300. Definitions.** In AS 12.61.200 - 12.61.300,

18 (1) "justice agency" means a department, office, institution, corporation,
19 authority, organization, commission, committee, council, court, or board in the
20 executive or judicial branches of the state government that is, in any manner, involved
21 with or responsible for the apprehension, prosecution, incarceration, or supervision of
22 criminal or juvenile offenders; it also includes an officer, employee, or member of an
23 agency acting or purporting to act in the exercise of official duties, including the
24 governor and lieutenant governor, when acting with regard to executive clemency,
25 judges, and magistrates;

26 (2) "victim" has the meaning given in AS 12.55.185.

27 * **Sec. 4.** AS 18.67.130(c) is amended to read:

28 (c) Compensation may not be awarded under this chapter in an amount in
29 excess of \$30,000 [\$25,000] per victim per incident. However, in the case of the death
30 of

31 (1) a victim who has more than one dependent eligible for

1 compensation, the total compensation that may be awarded as a result of that death
2 may not exceed \$50,000; the [\$40,000. THE] board may prorate the total awarded
3 among those dependents according to relative need; or

4 (2) two or more victims in the same incident who jointly have a
5 dependent eligible for compensation, the total compensation that may be awarded
6 as a result of those deaths may not exceed \$50,000.

7 * Sec. 5. AS 18.67.130 is amended by adding a new subsection to read:

8 (e) The dollar amounts in (c) of this section change, as provided in this
9 subsection, according to and to the extent of increases in the Consumer Price Index for
10 all Urban Consumers for the Anchorage Metropolitan Area compiled by the Bureau
11 of Labor Statistics, United States Department of Labor (the index). The index for
12 January of 1996 is the reference base index. The dollar amounts increase on October 1
13 of each even-numbered year if the percentage of change, calculated to the nearest
14 whole percentage point, between the index for January of that year and the most recent
15 index used to change the exemption amount, is one percent or more. If the index is
16 revised, the percentage of increase is calculated on the basis of the revised index. If
17 a revision of the index changes the reference base index, a revised reference base
18 index is determined by multiplying the reference base index applicable by the rebasing
19 factor furnished by the United States Bureau of Labor Statistics. If the index is
20 superseded, the index referred to in this section is the one represented by the Bureau
21 of Labor Statistics as reflecting most accurately changes in the purchasing power of
22 the dollar for Alaska consumers. The board shall adopt a regulation announcing

23 (1) on or before June 30 of each year in which dollar amounts are to
24 increase, the increases in dollar amounts required by this subsection; and

25 (2) promptly after the changes occur, changes in the index required by
26 this subsection, including, if applicable, the numerical equivalent of the reference base
27 index under a revised reference base index and the designation or title of any index
28 superseding the index.

29 * Sec. 6. AS 39.25.120(c) is amended by adding a new paragraph to read:

30 (25) the victims' advocate established under AS 12.61.200.

31 * Sec. 7. AS 43.23.005(d) is amended to read:

1 (d) Notwithstanding the provisions of (a) - (c) of this section, an individual is
2 not eligible for a permanent fund dividend for a dividend year when

3 (1) during the qualifying year, the individual was sentenced as a result
4 of conviction in this state of a felony;

5 (2) during all or part of the qualifying year, the individual was
6 incarcerated as a result of the conviction in this state of a

7 (A) felony; or

8 (B) misdemeanor if the individual has been convicted of

9 (i) a prior felony as defined in AS 11.81.900; or

10 (ii) two or more prior misdemeanors [CRIMES] as

11 defined in AS 11.81.900.

12 * Sec. 8. AS 43.23.028(b) is amended to read:

13 **Sec. 43.23.028. Public notice.** (a) By October 1 of each year, the
14 commissioner shall give public notice of the value of each permanent fund dividend
15 for that year and notice of the information required to be disclosed under (3) of this
16 subsection. In addition, the stub attached to each individual dividend check and direct
17 deposit advice must

18 (1) disclose the amount of each dividend attributable to income earned
19 by the permanent fund from deposits to that fund required under art. IX, sec. 15,
20 Constitution of the State of Alaska;

21 (2) disclose the amount of each dividend attributable to income earned
22 by the permanent fund from appropriations to that fund and from amounts added to
23 that fund to offset the effects of inflation;

24 (3) disclose the amount by which each dividend has been reduced due
25 to each appropriation from the dividend fund, including amounts to pay the costs of
26 administering the dividend program and the hold harmless provisions of AS 43.23.075;

27 (4) include a statement that an individual is not eligible for a dividend
28 when

29 (A) during the qualifying year, the individual was convicted of
30 a felony;

31 (B) during all or part of the qualifying year, the individual was

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incarcerated as a result of the conviction of a

(i) felony; or

(ii) misdemeanor if the individual has been convicted of

a prior felony or two or more prior misdemeanors [CRIMES];

(5) include a statement that the legislative purpose for making individuals listed under (4) of this subsection ineligible is to

(A) obtain reimbursement for some of the costs imposed on the state criminal justice system related to incarceration or probation of those individuals;

(B) provide funds for services for and payments to crime victims and for grants for the operation of domestic violence and sexual assault programs;

(6) disclose the total amount that would have been paid during the previous fiscal year to individuals who were ineligible to receive dividends under AS 43.23.005(d) if they had been eligible;

(7) disclose the total amount appropriated for the current fiscal year under (b) of this section for each of the funds and agencies listed in (b) of this section.

(b) To the extent that amounts appropriated for a fiscal year do not exceed the total amount that would have been paid during the previous fiscal year to individuals who were ineligible to receive dividends under AS 43.23.005(d) if they had been eligible, the notice requirements of (a)(3) of this section do not apply to appropriations from the dividend fund to [THE]

(1) the crime victim compensation fund established under AS 18.67.162 for payments to crime victims;

(2) the council on domestic violence and sexual assault established under AS 18.66.010 for grants for the operation of domestic violence and sexual assault programs; [OR]

(3) the Department of Corrections for incarceration and probation programs;

(4) the office of victims' ights; or

(5) the office of victims' rights for grants to nonprofit victims'

1 rights organizations.

2 * **Sec. 9.** AS 12.61.230 and 12.61.240, added by sec. 3 of this Act, have the effect of
3 amending Rule 16, Alaska Rules of Criminal Procedure, and Rule 9, Alaska Delinquency
4 Rules, by allowing the victims' advocate a right of access to information in criminal
5 prosecutions and juvenile adjudications that is equal to that available to criminal defendants
6 or juveniles when the advocate is engaging in advocacy or that is unlimited when the advocate
7 is engaging in investigations concerning victims' rights.

8 * **Sec. 10.** AS 12.61.280, added by sec. 3 of this Act, amends Rule 501, Alaska Rules of
9 Evidence, by creating a new privilege from being compelled to testify or produce documents
10 or other evidence in a court.

SENATE FINANCE
COMMITTEE

SENATE AMENDMENT

Amendment Number: 1
Bill Number: CS SB 4 (JUD)
Sponsor: Donley Date: 3/20/99
Logged In By: Mindy

By SEN DONLEY

To: _____ SENATE BILL No. CSSB4(JUD)
To: _____ HOUSE BILL No. _____

PAGE: 12 ^{between} LINES: 7-8

add new sentence

(5) ~~designated~~ grants to non-profit
crime victims ~~groups~~ advocacy groups.

SENATE FINANCE
COMMITTEE

Amendment Number: 2
Bill Number: CS SB 4 (JUD)
Sponsor: Donley Date: 3/30/99
Logged In By: J Mindy

SENATE AMENDMENT

BY SEN DONLEY moved U
w/o obj. adopted

To: _____ SENATE BILL No. CS SB 4 (JUD)

To: _____ HOUSE BILL No. _____

PAGE: one LINE: 13

after "may" insert "reasonably"

AMENDMENT

OFFERED IN THE SENATE
TO: CSSB 4(JUD)

BY SENATOR TORGERSON

1 Page 11, line 25:

2 Delete "AS 43.23.028(b)"

3 Insert "AS 43.23.028"

4 Page 11, following line 25:

5 Insert a new subsection to read:

6 "Sec. 43.23.028. Public notice. (a) By October 1 of each year, the
7 commissioner shall give public notice of the value of each permanent fund dividend
8 for that year and notice of the information required to be disclosed under (3) of this
9 subsection. In addition, the stub attached to each individual dividend check and direct
10 deposit advice must

11 (1) disclose the amount of each dividend attributable to income earned
12 by the permanent fund from deposits to that fund required under art. IX, sec. 15,
13 Constitution of the State of Alaska;

14 (2) disclose the amount of each dividend attributable to income earned
15 by the permanent fund from appropriations to that fund and from amounts added to
16 that fund to offset the effects of inflation;

17 (3) disclose the amount by which each dividend has been reduced due
18 to each appropriation from the dividend fund, including amounts to pay the costs of
19 administering the dividend program and the hold harmless provisions of
20 AS 43.23.075;

21 (4) include a statement that an individual is not eligible for a dividend
22 when

23 (A) during the qualifying year, the individual was convicted of
24 a felony;

1 (B) during all or part of the qualifying year, the individual was
2 incarcerated as a result of the conviction of a

3 (i) felony; or

4 (ii) misdemeanor if the individual has been convicted
5 of a prior felony or two or more prior misdemeanors [CRIMES];

6 (5) include a statement that the legislative purpose for making
7 individuals listed under (4) of this subsection ineligible is to

8 (A) obtain reimbursement for some of the costs imposed on the
9 state criminal justice system related to incarceration or probation of those
10 individuals;

11 (B) provide funds for services for and payments to crime
12 victims and for grants for the operation of domestic violence and sexual
13 assault programs;

14 (6) disclose the total amount that would have been paid during the
15 previous fiscal year to individuals who were ineligible to receive dividends under
16 AS 43.23.005(d) if they had been eligible;

17 (7) disclose the total amount appropriated for the current fiscal year
18 under (b) of this section for each of the funds and agencies listed in (b) of this
19 section."

SENATE FINANCE
COMMITTEE

Amendment Number: 4
Bill Number: CS SB 4 (JUD)
Sponsor: Torgerson Date: 4/20/99
Logged In By: Mindy

1-LS0029\D.2
Luckhaupt
4/19/99

A M E N D M E N T

moved by Sen. Donley

OFFERED IN THE SENATE
TO: CSSB 4(JUD)

BY SENATOR TORGERSON
REMOVED

1 Page 1, line 3, following "offenses;":

2 Delete "and"

*Sen. Donley moved effective
date; w/o obj. ADOPTED*

3 Page 1, line 5, following "Evidence":

4 Insert "; and providing for an effective date"

5 Page 14, following line 15:

6 Insert new bill sections to read:

7 *** Sec. 17.** Notwithstanding the effective date of secs. 1 - 8 and 11 - 16 of this Act, to
8 the extent that there are appropriations for the purpose, the executive director of the
9 Legislative Affairs Agency may purchase supplies and equipment, obtain office space, and
10 employ clerical staff so that the office of victims' rights, created in sec. 6 of this Act, is able
11 to begin work on July 1, 2001.

12 *** Sec. 18.** Sections 9, 10, and 17 of this Act take effect immediately under
13 AS 01.10.070(c).

14 *** Sec. 19.** Sections 1 - 8 and 11 - 16 take effect July 1, 2001."

ANALYSIS [continued]

and project coordination--plus much larger annual expenditures of at least \$12 million for land preparation costs (subdivision design, survey and platting). These historic land preparation costs were lower than they would be in the present day, as DNR was exempt from municipal platting requirements in the early 1980's, and there were fewer municipalities. Nevertheless, this analysis uses the hypothetical assumption that the cost to offer more than two-and-a-half times as much land as DNR ever previously offered will cost only about twice as much as in 1980. Nor have these figures been adjusted for the inflation that has occurred since the early 1980's.

Personal services includes staff to identify land sale projects, prepare for and conduct the sales, issue and administer contracts, prepare and print disposal brochures, contract for and review appraisals, contract for and review surveys, staff the 20 advisory boards, and coordinate disposal projects.

Travel costs include the cost for travel for the 20 regional advisory boards, as well as travel for site inspections of parcels/areas proposed for sale (required for survey and appraisal work).

Contractual costs include the survey and appraisal. The contractual costs do not include costs to build roads that will likely be required for subdivisions in most municipalities.

Large first-year costs for equipment include computers and other office equipment for new Commission staff.

Revenue projections assume that in any given year, only 100,000 acres are actually sold. This is because of several factors - quality of the land, remoteness, and lack of demand (saturation of land market). The average sale value is assumed to be \$400/acre, which is greater than the average of all state land sales for the past 11 years (\$386/acre). The analysis assumes that the state will receive 10% down payments and that the average life of a sales contract will be 15 years.

SB

5

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/5/99

FURTHER: 3/16/99

DATE TURNED

IN TO OFFICE: 16 March 99

Finance Committee considered

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 5

"An Act relating to the crime of misprision of felony."

and recommends:

be replaced with _____ CS _____ (_____)

adopt previous _____ CS SS SB 5 (JUD)

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>Roller E (JUD)</i>	✓	<i>Lynne Meyer</i>	✓		
		<i>Al Adams</i>	X		
<i>Edna White</i>	✓				
<i>Brew D. Luman</i>	✓				
<i>Robert Donley</i>	✓				
<i>Walter ...</i>	✓				
Co-Chair: <i>John ...</i>	✓	Co-Chair:			
Co-Chair: <i>Steve ...</i>	✓	Co-Chair:			

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

Department	Date	Zero	Fiscal
Corrections	3/4	2/1/99	*
Att. Car	3/9	2/2/99	*
Law	3/5	2/2/99	*
Admin. OPF		2/3/99	*
Admin. Public Def.		2/3/99	*

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

3/16/99
BILL NO. CSSSSB 5(JUD)

STATE OF ALASKA
1999 LEGISLATIVE SESSION

Revision Date _____ Dept. Affected Alaska Court System
 Title Misprision of felony BRU Alaska Court System
 Component Trial Courts
 Sponsor Senator Pearce
 Requester Senate Finance Component Serial No. 769

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

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 (Specify Type)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY99) cost: None

POSITIONS

Full-time						
Part-time						
Temporary						

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

Under CSSSSB 5(JUD), a person commits the crime of misprision of a felony if he or she witnesses or has actual knowledge of the commission by another of first or second degree murder, kidnapping, sexual assault in the first degree, sexual abuse of a minor in the first degree, or arson in the first degree and does not report the crime in a timely manner. It is an affirmative defense if the the person reasonably believed that reporting the crime would expose him or her to substantial risk of physical injury. Misprision of a felony is a class A misdemeanor. Although this bill is likely to have some impact on the court system , current estimates suggest that it will not be significant. However, should this assumption turn out to be in error, the court system may return to the legislature for additional funding.

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

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

Phone: 264-8265
 Date/Time: 3/9/99 3:36 PM
 Date: 3/9/99

FISCAL NOTE

3/16/99

**STATE OF ALASKA
1999 LEGISLATIVE SESSION**

No. 6
Bill Version: CSSSSB 5 (Jud)
(S) Publish Date: 3-5-99

Revision Date/Time (Note if correction)	Dept. Affected	Law
Title <u>An Act relating to the crime of misprison</u>	BRU	Criminal Division; Civil Division
of felony.	Component	1st-4th Judicial Districts; Criminal
Sponsor <u>Senator Pearce</u>		Appeals/Special Lit; Human Services
Requester <u>Senate Judiciary Committee</u>	Component Serial No.	<u>2198/99/2261/79/01/03/08</u>

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						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	*****	*****	*****	*****	*****	*****

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 (Specify Type)						
TOTAL	*****	*****	*****	*****	*****	*****

Estimate of any current year (FY99) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 CSSSSB 5 (JUD) would make it a class A misdemeanor to witness the commission of an unclassified felony against a person or arson in the 1st degree, or having knowledge of the actual commission of an unclassified felony against a person or arson in the 1st degree by another, and not reporting it to law enforcement.

The Department of Law has no way to estimate how many cases this new offense might generate. Anytime a new crime is created, there is a cost for prosecution. How much that is, however, depends on the volume of new cases. Until some experience is gained, the department cannot estimate the fiscal impact of this bill.

Prepared by Joan M. Kasson
 Division Attorney General's Office
 Approved by Commissioner Bruce M. Bolger, Attorney General
 Agency Department of Law

Phone 465-5370
 Date/Time 3/5/99, 8:56 AM
 Date 3/5/99

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FISCAL NOTE

No. 7

3/16/99

**STATE OF ALASKA
1999 LEGISLATIVE SESSION**

Bill Version: CS SSSB 5 (Jud)
(S) Publish Date: 3-5-99

Revision Date/Time (Note if correction) 3/4/99 Dept. Affected Department of Corrections
 Title An Act relating to the crime of misprision of felony. BRU Administration and Operations
 Component All
 Sponsor Senator Pearce
 Requester Senate Judiciary Committee Component Serial No. #0694

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						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	***	***	***	***	***	***

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 (Specify Type)						
TOTAL	***	***	***	***	***	***

Estimate of any current year (FY99) cost: ***

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

SSSB 5 would make witnessing the commission of a felony or having knowledge of the actual commission of a felony by another person a crime punishable as an A misdemeanor (up to 1 year incarceration) if not reported immediately.

Based on discussions with the Department of Law, we were unable to estimate the impact for the Department of Corrections. DOC will have to evaluate the costs after time has passed and the number of cases per year are determined and the sentences evaluated. Therefore, DOC is submitting an indeterminate fiscal at this time.

Prepared by Bruce Richards Phone 465-3307
 Division Commissioner's Office Date/Time 3/4/99 1:31 PM
 Approved by Commissioner Margaret M. Pugh *Margaret M. Pugh* Date 3/4/99
 Agency Department of Corrections

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FISCAL NOTE No. 2

3/16/99

STATE OF ALASKA
1999 LEGISLATIVE SESSION

Bill Version: SSSB 5
(S) Publish Date: 3-5-99

Revision Date/Time (Note if correction) _____ Dept. Affected Administration _____
 Title "An Act relating to the crime of mis prison of felony..... BRU Legal and Advocacy Services
 Component Office of Public Advocacy
 Sponsor Senator Pearce
 Requester (S) JUD Component Serial No. 43

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	**	**	**	**	**	**
Supplies	**	**	**	**	**	**
Equipment	**	**	**	**	**	**
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	**	**	**	**	**	**

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 (Specify Type)						
TOTAL	**	**	**	**	**	**

Estimate of any current year (FY99) cost: \$ _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The Office of Public Advocacy is currently unable to provide precise cost data.

Prepared by Brant McGee, Public Advocate Phone 269-3500
 Division Office of Public Advocacy Date/Time _____
 Approved by Commissioner Robert Poe Jr. Date 2/3/99
 Agency Administration

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FISCAL NOTE

3/16/99

STATE OF ALASKA
1999 LEGISLATIVE SESSION

No. 1
Bill Version: SSSB 5
(S) Publish Date: 3-5-99

Revision Date: 1/27/99
Title: "An Act relating to the crime of misprision of felony."
Sponsor: Senator Pearce
Requestor: (S) JUD

Department Affected: Administration
BRU: Legal and Advocacy Services
Component: Public Defender Agency
COMPONENT SERIAL NO. 1631

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2 002	FY 2003	FY 2004	FY 2005
PERSONAL SERVICES	**	**	**	**	**	**
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	**	**	**	**	**	**
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						
TOTAL	**	**	**	**	**	**

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

This bill creates a new crime if a person witnesses or has knowledge of a felony and does not immediately report that crime to the police. The crime is a C felony if the crime not reported is an unclassified, A, or B felony crime against a person; otherwise it is an A misdemeanor.

It is impossible to predict the numbers of cases that may arise under this scheme. Turning every citizen who may be an inadvertent witness into a potential felon may have huge consequences.

Challenges based upon constitutional rights of privacy and protections against self-incrimination are certain. Problems of proof concerning what "knowledge" the accused possessed, what level of crime existed, and the interplay of evidentiary privileges all pose serious challenges to enforcement.

Prepared by: Barbara Brink, Director
Division: Public Defender Agency

Phone: (907) 264-4414
Date: _____

Approved by Commissioner: Bob Poe
Agency: Department of Administration

Date: 2/3/99

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State Capitol
Juneau, Alaska 99801-1182
(907) 465-4993
Fax (907) 465-3872

Senator Drue Pearce

Sponsor Statement

SB 5

“An Act relating to the crime of misprision of felony.”

A person commits the crime of “misprision” if he/she witnesses or has knowledge of a serious felony crime committed against another person, and fails to immediately report it to a peace officer or law enforcement agency. This is sometimes known as the “Good Samaritan Law.”

This bill was drafted in response to the Las Vegas incident: A 7 year old girl was raped and murdered in a casino restroom. A college student witnessed his friend committing the crime, but he walked away and did not report it. He was not charged with any crime because Nevada does not have a “Good Samaritan Law.”

Senate Bill 5 will make it a class A misdemeanor if the crime is not reported in a timely manner. The witness of crimes committed include murder in the first or second degree, kidnapping, sexual assault in the first degree, sexual abuse of a minor in the first degree, and arson in the first degree. Senate Bill 5 makes an exception to this rule if the witness believes that reporting the crime would put them in serious physical danger.

Teen gets life for murdering girl, 7, in casino

By TIM DAHLBERG

The Associated Press

LAS VEGAS — A former honor student avoided the death penalty by pleading guilty Tuesday to molesting and strangling a 7-year-old girl in a casino toilet stall.

Under a plea bargain, Jeremy Strohmeyer, 19, will go to prison for the rest of his life for the 1997 slaying of Sherrice Iverson.

The Long Beach, Calif., teen-ager agreed to the plea bargain hours before he was to go on trial, admitting that he sexually assaulted the girl with his fingers and choked her over the Memorial Day weekend at the Primadonna Casino on the California-Nevada state line.

Not only did prosecutors have his confession, but video surveillance cameras had captured Strohmeyer going into the bathroom with the little girl in a game of hide-and-seek.

District Attorney Stewart Bell said that "death verdicts are always hard to get" and that the plea assures Strohmeyer will be off the street. Strohmeyer will be sentenced next month to life in prison without parole.

Defense attorney Leslie Abramson called Strohmeyer a good boy until seven months before the killing, when "evil influences" took over his life. She listed drugs, Internet

pornography and friends like David Cash Jr., whom she suggested "is not a witness but a co-perpetrator in this case."

Cash, 19, told authorities he entered the restroom a few minutes after his friend, peered over the wall of an adjoining stall and saw Strohmeyer with his hand over Sherrice's mouth, muffling her screams. Cash said he told Strohmeyer to let her go and then left the restroom.

Cash was not charged because Nevada has no "Good Samaritan" law requiring someone who witnesses a crime to try to stop it or to seek help from law enforcement.

Sherrice's mother, angered by Cash's inaction, led a petition drive that gathered more than 30,000 signatures in support of a Good Samaritan law scheduled to be introduced in Congress on Wednesday.

The case also drew attention to the safety of children in casinos. The Los Angeles girl had been left in the casino arcade with her older brother while their father, LeRoy Iverson, gambled in the early-morning hours.

Security guards said that three times, they found the girl alone and told her father to come get her.



JIM LAURIE / Las Vegas Review Journal

Former honor student Jeremy Strohmeyer, with attorney Leslie Abramson at his side, pleaded guilty Tuesday hours before his trial was to begin.

STATE OFFICE
ALASKA PEACE OFFICERS ASSOCIATION

P.O. Box 240106 Anchorage, Alaska 99524-0106 Phone (907) 277-0515 Fax (907) 272-5355



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Unalaska
Pres. Aleutian Islands Chapter

Senator Pearce
Alaska State Legislature
State Capital
Juneau, Alaska 99801-1182

February 19, 1999

RECEIVED
FEB 22 1999

Ans'd.....

Dear Senator Pearce,

At a recent meeting of the APOA Board of Directors, we unanimously agreed to endorse SB 5.

Please contact us if there is anything we can do to assist you with this bill as it proceeds through the legislative process. You may contact us at the APOA office in Anchorage at 277-0515.

Thank you for sponsoring this legislation.

Sincerely,

John Charbonneau
State President
Alaska Peace Officers Association

OCT 28 1998

105TH CONGRESS
2D SESSION

H. R. 4531

To amend the Child Abuse Prevention and Treatment Act to require States receiving funds under section 106 of such Act to have in effect a State law providing for a criminal penalty on an individual who fails to report witnessing another individual engaging in sexual abuse of a child.

RECEIVED
JAN 27 1999

Ans'd.....

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 9, 1998

Mr. LAMPSON (for himself, Mr. SANDLIN, and Mr. CRAMER) introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To amend the Child Abuse Prevention and Treatment Act to require States receiving funds under section 106 of such Act to have in effect a State law providing for a criminal penalty on an individual who fails to report witnessing another individual engaging in sexual abuse of a child.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Sherrice Iverson Act".

1 **SEC. 2. REQUIREMENT ON STATES RECEIVING GRANTS FOR**
2 **CHILD ABUSE AND NEGLECT PREVENTION**
3 **AND TREATMENT PROGRAMS.**

4 (a) **IN GENERAL.**—Section 106(b)(2) of the Child
5 Abuse Prevention and Treatment Act (42 U.S.C.
6 5106a(b)(2)) is amended—

7 (1) in subparagraph (C), by striking “and” at
8 the end;

9 (2) in subparagraph (D), by striking the period
10 at the end and inserting “; and”; and

11 (3) by adding at the end the following:

12 “(E) an assurance in the form of a certifi-
13 cation by the chief executive officer of the State
14 that the State has in effect and is enforcing a
15 State law providing for a criminal penalty on an
16 individual 18 years of age or older who fails to
17 report to a State or local law enforcement offi-
18 cial that the individual has witnessed another
19 individual in the State engaging in sexual abuse
20 of a child.”.

21 (b) **EFFECTIVE DATE.**—The amendment made by
22 subsection (a) shall take effect on December 31, 2004.

○

SB

6

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 1/26/99

FURTHER: 3/9/00

DATE TURNED IN TO OFFICE: 15 March 00

Finance Committee considered **SENATE BILL NO. 6**

"An Act relating to the disposal of state land."

and recommends:

- be replaced with _____ CS SB 6 (FIN)
- adopt previous _____ CS _____
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>		<i>[Signature]</i>			<input checked="" type="checkbox"/>
<i>[Signature]</i>	<input checked="" type="checkbox"/>	<i>[Signature]</i>	<input checked="" type="checkbox"/>		
<i>[Signature]</i>	<input checked="" type="checkbox"/>	<i>[Signature]</i>	<input checked="" type="checkbox"/>		
		<i>[Signature]</i>	<input type="checkbox"/>		
Co-Chair: <i>[Signature]</i>	<input checked="" type="checkbox"/>	Co-Chair:			
Co-Chair: <i>[Signature]</i>	<input checked="" type="checkbox"/>	Co-Chair:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
DNR	7/9/00		3,447.0

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. CSSB 6 (Fin)

Revision Date: 09-Mar-00 3/9/00
 Title: DISPOSALS OF STATE LAND
 Sponsor: Sen. Taylor
 Requestor: (S) Finance

Dept Affected: Natural Resources
 BRU: Minerals, Land and Water Development
 Component: Land Sales & Municipal Entitlements
 Component Serial No. 2456

Expenditures/Revenues (Inflation not included unless otherwise noted below) (Thousands of Dollars)

OPERATING EXPENDITURES	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
PERSONAL SERVICES	3,540.0	941.0	1,876.0	939.0	719.0	819.0
TRAVEL	200.0	100.0	100.0	100.0	100.0	100.0
CONTRACTUAL	5,482.0	2,686.0	3,282.0	1,942.0	1,936.0	1,936.0
SUPPLIES	25.0	25.0	25.0	25.0	25.0	25.0
EQUIPMENT	200.0	50.0	25.0	25.0	25.0	25.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	9,447.0	3,802.0	5,308.0	3,031.0	2,805.0	2,905.0

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

CHANGE IN REVENUES (1005)		875.0	1,895.0	3,542.0	4,957.0	6,025.0
---------------------------	--	-------	---------	---------	---------	---------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	37.0	2,927.0	3,413.0			
1005 GF/Program Receipts		875.0	1,895.0	3,031.0	2,805.0	2,905.0
1037 GF/Mental Health						
Other (Const. Budget Reserve)	9,410.0					
TOTAL	9,447.0	3,802.0	5,308.0	3,031.0	2,805.0	2,905.0

Estimate of any current year (FY00) cost: \$ none

POSITIONS

FULL-TIME	16	16	16	16	12	14
PART-TIME	0	0	0	0	0	0
TEMPORARY	22	21	15	0	0	0

ANALYSIS: (Attach a separate page if necessary)

This bill requires DNR to offer 75,000 acres for sale per year. This is a large land disposal program and requires many assumptions to develop a fiscal analysis.

To estimate the costs of this program DNR used the actual costs of past state and borough land disposal programs. The analysis assumes a mixture of different land disposal programs, including remote land disposals and subdivisions. Costs include design, survey and appraisal. For remote staking programs, many of these costs will be paid by the purchaser, but DNR still has to review and approve all surveys and appraisals and coordinate the design of disposal areas. All land disposal programs include significant costs to sell the land itself—appraisals, public notice, conducting the sales, contract administration, planning, brochure printing, and project coordination. [continued]

Prepared by: Bob Loeffler, Director Phone: 269-8600
 Division: Mineral, Land and Water Date: 09-Mar-00
 Approved by Commissioner: [Signature] Date: 09-Mar-00
 Agency: Natural Resources

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ANALYSIS [continued]

FY01 budget includes preparation of 75,000 acres to offer for sale in FY 02 & 03. The 75,000 acres would be offered under three programs: 50,000 acres of reoffers at a cost of \$12.90/acre; 20,000 acres remotes at \$250.00/acre; and 5,000 acres subdivisions at \$753.00/acre. The budget also includes the land disposal advisory commission at \$37,000/year. Advisory board cost assumes four two-day meetings in FY 01-03 (when larger acreages are involved), then two two-day meetings in FY 04-06. Budget includes travel, per diem, advertising, meeting preparations, etc.

FY 02 and subsequent years includes funding for preparing land for sale to replace land sold, so that 75,000 acres remain available for sale every year starting FY 04. The costs per acre are the same as above. The estimated new average needed per FY to replace land sold is listed below. There is a two-year time lag between the budget expenditure and subdivision offerings and a one-year lag for remote offerings, due to the time needed to prepare the land for offering. For example, sales funded in FY 02 are offered in FY 04.

FY	Total Replacement Acres	Remote Acres	Subdivision Acres
02	15,000	12,500	2,500
03	6,500	4,500	2,000
04	5,000	3,500	1,500
05	5,000	3,500	1,500
06	5,000	3,500	1,500

Personal services includes staff to identify land sale projects, prepare for and conduct the sales, issue and administer contracts, prepare and print disposal brochures, contract for and review appraisals, contract for and review surveys, and coordinate disposal projects.

Personal Services costs are estimated as 1/4 of the total for reoffers, 1/2 of the total for remotes, and 1/4 of the total for subdivisions.

Travel costs include the cost for travel for the advisory boards as well as travel for site inspections of parcels/areas proposed for sale (required for survey and appraisal work).

Most of the remaining costs are for contractual services (survey, appraisal, printing, and advertising). The contractual costs do not include costs to build roads that will likely be required for subdivisions in some municipalities. Note: Many additional contractual costs for remote offerings will be paid by purchasers.

Large first-year costs for equipment include computers and other office equipment for new staff.

Revenues: The following assumptions were used to generate revenue figures:

Reoffers: FY 02 and FY 03: 25,000 acres offered each year and 10% sell, average size 10 acres, value \$10,000/parcel. FY 04-06: 1,000 acres sold each year

Remotes: FY 02 and FY 03: 10,000 acres offered, 5,000 leased for two years and 2,500 sold after two years. FY 04-06: The amount offered increases, but percentage of acreage leased and sold declines.

Subdivisions: No FY 02 offerings resulting from SB 6 due to time needed to prepare sales. FY 03-06: 5,000 acres offered, 2,500 acres sold, 500 parcels at five acres per parcel, average value \$14,000.

The revenue projections assume that in any given year, only a portion of the land is sold. This is because of several factors – quality of the land, remoteness, and lack of demand (saturation of land market).

SENATE FINANCE COMMITTEE
2000 COMMITTEE ACTION

Bill Number	SB 6
Amendment	#3
Motion	Adopt
<u>Motion by</u>	W
<u>Objection</u>	
<u>Objection by</u>	
<u>Removed</u>	
<u>Second Objection by</u>	
<u>Committee Member</u>	<u>Vote</u>
Senator Loren Leman	Y
Senator Al Adams	Y
Senator Gary Wilken	Y
Senator Pete Kelly	Y
Senator Lyda Green	Y
Senator Randy Phillips	Y
Senator Dave Donley	Y
Co-Chair Sean Parnell	Y
Co-Chair John Torgerson	Y
<u>Tally</u>	
Yea	0 3
Ncy	0 5
Absent	0 1
<u>MOTION</u>	FAIL

Pg 4 line 12 & 13 - delete "no less than 70 percent of"
 line 27 & 28 - delete "be the fair market value of the
 land as determined by the
 Commissioner"

SENATE FINANCE COMMITTEE
2000 COMMITTEE ACTION

Bill Number	SB 6
Amendment	#4
Motion	delete pg 3 line 14, 15 & 16
<u>Motion by</u>	K
Objection	
<u>Objection by</u>	L
Removed	
Second Objection by	
<u>Committee Member</u>	<u>Vote</u>
Senator Al Adams	0
Senator Gary Wilken	0
Senator Pete Kelly	0
Senator Lyda Green	2
Senator Randy Phillips	1
Senator Dave Donley	2
Senator Loren Leman	2
Co-Chair Sean Parnell	0
Co-Chair John Torgerson	0
<u>Tally</u>	
Yea	0 6
Nay	0 2
Absent	0 1
<u>MOTION</u>	ADOPTED

delete " Land offered for disposal under this ~~part~~ section but not disposed of may be advertised on the Internet and offered by sealed bid auction in accordance with department regulations "

SENATE FINANCE COMMITTEE
2000 COMMITTEE ACTION

Bill Number	586
Amendment	#5
Motion	pg 3 ln 17 "70% of" insert
<u>Motion by</u>	N
<u>Objection</u>	
<u>Objection by</u>	
<u>Removed</u>	
<u>Second Objection by</u>	
<u>Committee Member</u>	<u>Vote</u>
Senator Pete Kelly	
Senator Lyda Green	
Senator Randy Phillips	
Senator Dave Donley	
Senator Lor. Leman	
Senator Al Adams	
Senator Gary Wilken	
Co-Chair Sean Parnell	
Co-Chair John Torgerson	
<u>Tally</u>	
Yea	0
Nay	0
Absent	0
<u>MOTION</u>	ADOPT

no obj
J

insert "70 percent of" before "the appraised fair market value" ~~and~~

1-LS0071W

Kurtz

3/3/00

Adopted

CS FOR SENATE BILL NO. 6(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): SENATOR TAYLOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the state land disposal bank; relating to the disposal of state
2 land; providing that at least 75,000 acres of state land shall be offered for
3 disposal annually; and relating to appraisal and survey of state land being sold."

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

5 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new
6 section to read:

7 **FINDINGS AND INTENT.** (a) The legislature finds that Alaska is rich in natural
8 resources, of which only a few have been developed. Over the past 20 years, the state has
9 become almost solely dependent on oil revenues, which fluctuate drastically depending on
10 world events. It is imperative for the future well-being of our state and its citizens that we
11 develop a more stable source of revenue.

12 (b) It is the intent of the legislature

13 (1) that the Department of Natural Resources immediately embark on a
14 systematic process of identifying land to be sold to the public to promote the development and

1 use of our resources:

2 (2) that the Department of Natural Resources make available for sale not less
3 than 75,000 acres a year from the land disposal bank, commencing as soon as practicable after
4 the effective date of this Act; and

5 (3) to reevaluate this disposal program at the end of five years to determine
6 market conditions and make any appropriate changes consistent with market conditions.

7 * Sec. 2. AS 38.04 is amended by adding a new section to article 2 to read:

8 **Sec. 38.04.016. Land Disposal Advisory Committee.** (a) The Land Disposal
9 Advisory Committee is established in the Department of Natural Resources. The
10 committee is composed of 11 members. The governor shall appoint five members of
11 the committee. The president of the senate shall appoint three members of the
12 committee. The speaker of the house of representatives shall appoint three members
13 of the committee. Each member serves at the pleasure of the appointing authority.
14 Members of the committee serve without compensation but are entitled to per diem
15 and travel expenses authorized for members of boards and commissions under
16 AS 39.20.180.

17 (b) The committee shall nominate land for inclusion in the land disposal bank
18 under AS 38.04.020(j) in quantities sufficient to satisfy the annual land disposal
19 requirement under AS 38.04.020(a).

20 (c) The committee shall review nominations under AS 38.04.020(j) and the
21 inventory of land in the land disposal bank and shall create a list of parcels in the land
22 disposal bank recommended for disposal. The committee shall submit its list of
23 parcels recommended for disposal to the governor and commissioner in time for the
24 parcels to be considered in the preparation of the commissioner's five-year schedule
25 of planned disposals of land under AS 38.04.020(d).

26 * Sec. 3. AS 38.04.020(a) is amended to read:

27 (a) The commissioner shall establish a land disposal bank containing state land
28 classified for disposal into private ownership. From this land disposal bank, a
29 minimum of 75,000 acres each year shall be offered for disposal.

30 * Sec. 4. AS 38.04.020(d) is repealed and reenacted to read:

31 (d) At the beginning of each regular legislative session, the commissioner shall

1 submit to the legislature the list of parcels in the land disposal bank recommended for
 2 disposal by the land disposal advisory committee under AS 38.04.016(c), and a five-
 3 year schedule of planned disposals of land under this section. The schedule shall
 4 identify at least 75,000 acres of land to be offered for disposal under (a) of this section
 5 each year. In identifying land to be offered for disposal, the commissioner shall
 6 consider nominations under (j) of this section and the recommendations of the Land
 7 Disposal Advisory Committee. The five-year schedule must include a list of parcels
 8 to be offered for disposal each year, categorized by potential use, and the list must
 9 include parcels suitable for homesteading, parcels suitable for subdivision, parcels
 10 suitable for agricultural, commercial, or industrial use, and parcels suitable for other
 11 purposes. The legislature may change the classification or categorization of parcels
 12 identified for disposal or remove parcels from the list. The remaining land on the list
 13 submitted to the legislature shall be offered for disposal according to the five-year
 14 schedule. ~~Land offered for disposal under this section but not disposed of may be~~
 15 ~~advertised on the Internet and offered at sealed-bid auction in accordance with~~
 16 ~~department regulations. Land may not be disposed of under this section for less than~~
 17 ~~the appraised fair market value.~~ ^{+10% of}

18 * Sec. 5. AS 38.04.020(j) is amended to read:

19 (j) A person, the Land Disposal Advisory Committee, or an agency of the
 20 state may nominate land retained in state ownership for inclusion in the land disposal
 21 bank or may nominate land in the land disposal bank for retention in state ownership.
 22 The commissioner shall hold public hearings semiannually to take nominations under
 23 this subsection. A transfer of land from retention in state ownership to the land
 24 disposal bank or from the land disposal bank to retention in state ownership shall be
 25 accomplished through a classification order under AS 38.05.300 and with notice under
 26 AS 38.05.945. The commissioner shall make a written determination within six
 27 months after receipt of a nomination if the commissioner determines that the land
 28 nominated will not be classified or reclassified as requested.

29 * Sec. 6. AS 38.04.045 is amended by adding a new subsection to read:

30 (c) Sales of land from the land disposal bank are subject to AS 38.05.064.

31 * Sec. 7. AS 38.04.060(a) is amended to read:

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(a) The commissioner shall prepare and maintain on a continuing basis an inventory of all state land and water and their resource and other values, giving priority to areas of potential settlement, economic development, and critical environmental concern. The inventory must identify the land that is in the land disposal bank established under AS 38.04.020. This inventory shall be kept current so as to reflect changes in conditions and to identify new and emerging resource and other values.

* Sec. 8. AS 38.05.055 is amended to read:

Sec. 38.05.055. Auction sale procedures. Unless another method of sale is required under this chapter, AS 38.08, or AS 38.09, the sale of state land shall be made at public auction to the highest qualified bidder as determined by the director. The director may accept bids and sell state land under this section at ~~no less than 70 percent of the appraised fair market value of the land.~~ To qualify to participate under this section in a public auction of state land that is other than commercial, industrial, or agricultural land, a bidder shall have been a resident of the state for at least one year immediately preceding the date of the auction and submit proof of that fact, as the commissioner requires by regulation. A bidder may be represented by an attorney or agent at the auction. An aggrieved bidder may appeal to the commissioner within five days after the sale for a review of the director's determination. The sale shall be conducted by the director, and, at the time of sale, the successful bidder shall deposit an amount specified by the director equal to at least five percent and no more than 25 percent of the purchase price. The director shall immediately issue a receipt containing a description of the land or property purchased, the price bid, and the amount deposited. The receipt shall be acknowledged in writing by the bidder.

Conceptual
#3
failed

* Sec. 9. AS 38.05.057(a) is amended to read:

(a) The commissioner may dispose of land, including land limited to use for agricultural purposes, by lottery. The purchase price of land sold by lottery shall be ~~the fair market value of the land as determined by the commissioner.~~ The commissioner may sell land by lottery for less than the fair market value of the land on a determination that scarcity of land for private use in the area of the land to be sold has resulted in unrealistic land values. The lottery shall be conducted in public

#3

1 by the commissioner. A purchaser selected by lot shall deposit an amount specified
2 by the director equal to at least five percent and no more than 25 percent of the
3 purchase price within 30 days after receiving notification of the selection.

4 * Sec. 10. AS 38.05.057(f) is amended to read:

5 (f) If only one application for a parcel is received, the commissioner shall offer
6 the parcel to the applicant who applied for the parcel if the applicant is qualified to
7 participate in the lottery. If more than one application is received for a parcel, the
8 commissioner shall select the applicant who is entitled to receive a conveyance of the
9 land by lottery. If the commissioner does not receive an application for a parcel of
10 state land, [OR] if a purchaser fails to sign a [LEASE AGREEMENT OR] contract of
11 sale, or if a parcel previously disposed of under this section has been reacquired
12 by the state through foreclosure, the parcel shall be offered to the first eligible
13 person to apply for the parcel. [IF THE PARCEL WAS DESIGNATED AS A
14 HOMESITE AND OFFERED TO THE PUBLIC UNDER FORMER AS 38.05.047(f),
15 THE PARCEL SHALL BE DISPOSED OF UNDER THE TERMS REQUIRED BY
16 AS 38.08.]

17 * Sec. 11. AS 38.05.060 is amended to read:

18 **Sec. 38.05.060. Rejection of bids.** Before the signing of the formal
19 conveyance by the director, the commissioner may reject all bids when the best
20 interests of the state justify this action. Land offered at public sale but not sold, land
21 for which a purchaser fails to sign a contract of sale, or land previously disposed
22 of but reacquired by the state through foreclosure may be made available at private
23 sale for not less than its appraised value.

24 * Sec. 12. AS 38.05 is amended by adding a new section to read:

25 **Sec. 38.05.064. Appraisal and survey.** The commissioner shall require a
26 purchaser of land, whether the purchase is by auction, lottery, or other means, to
27 provide, at the purchaser's expense, an appraisal and survey of the land, completed in
28 the manner directed by the commissioner or, if an appraisal or survey has already been
29 completed by the state, to reimburse the state for the cost of the survey, the appraisal,
30 or both.

SENATE FINANCE
COMMITTEE
Amendment Number: #2
Bill Number: SB 6
Sponsor: Torgerson Date: 2/1/99
Logged In By: Goltz
A M E N D M E N T

1-LS0071VA.2
Luckhaupt ✓
1/29/99

moved Sen. Donley
object Sen. Green

OFFERED IN THE SENATE

BY SENATOR TORGERSON

TO: SB 6

- 1 Page 2, following line 25:
2 Insert a new bill section to read:
3 **** Sec. 4.** AS 38.05.840(a) is amended to read:
4 (a) Land may not be sold or leased, or a renewal lease issued, except in the
5 case of an oil or gas or mineral lease, unless it has been appraised within five [TWO]
6 years before the date fixed for the sale or lease, ^{or} unless the director finds by clear
7 and convincing evidence that the appraisal does not accurately reflect the current
8 value of the land. When land is offered at public sale but is not sold and is available
9 at private sale, a reappraisal is not required unless the director considers that a change
10 in value of the land may have occurred. A grazing lease may be granted to a lessee
11 of federal grazing land without prior appraisal if the federal lease was cancelled to
12 allow the state to select the land under lease. Land may not be sold or leased for less
13 than the approved, appraised market value, except as provided in AS 38.05.055,
14 38.05.057, 38.05.075 - 38.05.085, 38.05.097, 38.05.810, and 38.05.820."

to be clear and convincing standard... apply to
dept. rejection. Sen. Donley

SENATE FINANCE

COMMITTEE

Amendment Number: # 1

Bill Number: SB 6

Sponsor: Torgerson Date: 2/1/99

Logged In By: (Koltani)

1-LS0071\A.1

Luckhaupt ✓

1/29/99

A M E N D M E N T

*moved Sen. Denley
object Sen. Adams
removed*

OFFERED IN THE SENATE

BY SENATOR TORGERSON

TO: SB 6

1 Page 1, line 15, following "department":

2 Insert "and completed by an appraiser approved by the commissioner under
3 AS 38.05.840"

4 Page 2, line 14, following "department":

5 Insert "and completed by an appraiser approved by the commissioner under
6 AS 38.05.840"

7 Page 2, line 19, following "completed":

8 Insert "by an appraiser approved by the commissioner under AS 38.05.840"

9 Page 2, line 24, following "state":

10 Insert "under AS 38.05.840"

11 Page 2, following line 25:

12 Insert new bill sections to read:

13 **** Sec. 4.** AS 38.05.840(b) is amended to read:

14 (b) Appraisals required by this section may be made by

15 (1) employees or contractors of the department who are qualified to
16 determine the value of land under standards set by the commissioner; or

17 (2) appraisers certified under AS 08.87.110 not employed by the
18 department who are approved by the commissioner.

19 *** Sec. 5.** AS 38.05.840 is amended by adding a new subsection to read:

20 (c) The director may not reject an appraisal under this section that is
21 completed by an employee or contractor of the department or by an appraiser who is

*Sen. Adams delete sec. 5
Sen. Torgerson object.*

*Sen. Adams removed his
amendment.*

1 approved by the department under (b) of this section unless the director finds that the
2 appraisal was procured by fraud."

FISCAL NOTE Proposed

BILL NO. CSSB 6 (Fin)ver W

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date: _____
 Title: DISPOSALS OF STATE LAND
 Sponsor: Sen. Taylor
 Requestor: (S) Finance

Dept Affected: Natural Resources
 BRU: Minerals, Land and Water Development
 Component: Land Sales & Municipal Entitlements
 Component Serial No. 2456

Expenditures/Revenues (Inflation not included unless otherwise noted below)

(Thousands of Dollars)

OPERATING EXPENDITURES	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
PERSONAL SERVICES	3,540.0	941.0	1,876.0	938.0	719.0	819.0
TRAVEL	200.0	100.0	100.0	100.0	100.0	100.0
CONTRACTUAL	5,482.0	2,686.0	3,282.0	1,942.0	1,936.0	1,838.0
SUPPLIES	25.0	25.0	25.0	25.0	25.0	25.0
EQUIPMENT	200.0	50.0	25.0	25.0	25.0	25.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	9,447.0	3,802.0	5,308.0	3,031.0	2,805.0	2,905.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES (fund code)		875.0	1,895.0	3,542.0	4,957.0	6,025.0
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FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
1002 Federal Receipts						
1003 GF Match						
1004 GF	9,447.0	2,927.0	3,413.0			
1005 GF/Program Receipts		875.0	1,895.0	3,031.0	2,805.0	2,905.0
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	9,447.0	3,802.0	5,308.0	3,031.0	2,805.0	2,905.0

Estimate of any current year (FY00) cost: \$ none

POSITIONS

POSITIONS	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
FULL-TIME	16	16	16	16	12	14
PART-TIME	0	0	0	0	0	0
TEMPORARY	22	21	15	0	0	0

ANALYSIS:

(Attach a separate page if necessary)

This bill requires DNR to offer 75,000 acres for sale per year. This is a large land disposal program and requires many assumptions to develop a fiscal analysis.

To estimate the costs of this program DNR used the actual costs of past state and borough land disposal programs. The analysis assumes a mixture of different land disposal programs, including remote land disposals and subdivisions. Costs include design, survey and appraisal. For remote staking programs, many of these costs will be paid by the purchaser, but DNR still has to review and approve all surveys and appraisals and coordinate the design of disposal areas. All land disposal programs include significant costs to sell the land itself--appraisals, public notice, conducting the sales, contract administration, planning, brochure printing, and project coordination. [continued]

Prepared by: Bob Loeffler, Director Phone: 289-8600
 Division: Mining, Land and Water Date: 8-Mar-00
 Approved by Commissioner: _____
 Agency: Natural Resources Date: _____

Continuation of fiscal note for: CSSB 6 (Fin)ver W

ANALYSIS [continued]

FY01 budget includes preparation of 75,000 acres to offer for sale in FY 02 & 03. The 75,000 acres would be offered under three programs: 50,000 acres of reoffers at a cost of \$12.90/acre; 20,000 acres remotes at \$250.00/acre; and 5,000 acres subdivisions at \$753.00/acre. The budget also includes the land disposal advisory commission at \$37,000/year. Advisory board cost assumes four two-day meetings in FY 01-03 (when larger acreages are involved), then two two-day meetings in FY 04-06. Budget includes travel, per diem, advertising, meeting preparations, etc

FY 02 and subsequent years includes funding for preparing land for sale to replace land sold, so that 75,000 acres remain available for sale every year starting FY 04. The costs per acre are the same as above. The estimated new average needed per FY to replace land sold is listed below. There is a two-year time lag between the budget expenditure and subdivision offerings and a one-year lag for remote offerings, due to the time needed to prepare the land for offering. For example, sales funded in FY 02 are offered in FY 04.

FY	Total Replacement Acres	Remote Acres	Subdivision Acres
02	15,000	12,500	2,500
03	6,500	4,500	2,000
04	5,000	3,500	1,500
05	5,000	3,500	1,500
06	5,000	3,500	1,500

Personal services includes staff to identify land sale projects, prepare for and conduct the sales, issue and administer contracts, prepare and print disposal brochures, contract for and review appraisals, contract for and review surveys, and coordinate disposal projects.

Personal Services costs are estimated as 1/4 of the total for reoffers, 1/2 of the total for remotes, and 1/4 of the total for subdivisions.

Travel costs include the cost for travel for the advisory boards as well as travel for site inspections of parcels/areas proposed for sale (required for survey and appraisal work).

Most of the remaining costs are for contractual services (survey, appraisal, printing, and advertising). The contractual costs do not include costs to build roads that will likely be required for subdivisions in some municipalities. Note: Many additional contractual costs for remote offerings will be paid by purchasers.

Large first-year costs for equipment include computers and other office equipment for new staff.

Revenues: The following assumptions were used to generate revenue figures:

Reoffers: FY 02 and FY 03: 25,000 acres offered each year and 10% sell, average size 10 acres, value \$10,000/parcel. FY 04-06: 1,000 acres sold each year

Remotes: FY 02 and FY 03: 10,000 acres offered, 5,000 leased for two years and 2,500 sold after two years. FY 04-06: The amount offered increases, but percentage of acreage leased and sold declines

Subdivisions: No FY 02 offerings resulting from SB 6 due to time needed to prepare sales. FY 03-06: 5,000 acres offered, 2,500 acres sold, 500 parcels at five acres per parcel, average value \$14,000.

The revenue projections assume that in any given year, only a portion of the land is sold. This is because of several factors -- quality of the land, remoteness, and lack of demand (saturation of land market).

FISCAL NOTE

STATE OF ALASKA 2000 LEGISLATIVE SESSION

BILL NO. CSSB 6(FIN) w/o MANDATE

Revision Date: _____ Dept Affected: Natural Resources
 Title: DISPOSALS OF STATE LAND BRU: Minerals, Land and Water Development
 Component: Land Sales & Municipal Entitlements
 Sponsor: Sen. TAYLOR
 Requestor: (S) Finance Component Serial No. 2456

Expenditures/Revenues (inflation not included unless otherwise noted below) (Thousands of Dollars)

OPERATING EXPENDITURES	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
PERSONAL SERVICES	1,000.0	1,000.0	1,000.0	570.0	570.0	300.0
TRAVEL	75.0	75.0	25.0	15.0	10.0	
CONTRACTUAL	2,550.0	2,500.0	515.0			
SUPPLIES	5.0	5.0	5.0	5.0	5.0	
EQUIPMENT	100.0	25.0	15.0	5.0	5.0	
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	3,730.0	3,605.0	1,560.0	595.0	590.0	300.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES (fund code)	0.0	875.0	1,895.0	2,592.0	3,382.0	2,922.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	37.0	37.0				
1005 GF/Program Receipts				300.0	300.0	300.0
1037 GF/Mental Health						
Other (Specify Type) CBR(GB 287)	3,697.0	3,568.0	1,560.0	285.0	290.0	0.0
TOTAL	3,734.0	3,605.0	1,560.0	595.0	590.0	300.0

Estimate of any current year (FY00) cost: \$ none

POSITIONS

	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
FULL-TIME	17	17	17	10	10	5
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

This fiscal note assumes that DNR will offer 75,000 acres for sale in FY 02 and FY 03 combined. This is a large land disposal program and requires many assumptions to develop a fiscal analysis.

To estimate the costs of this program DNR used the actual costs of past state and borough land disposal programs. The analysis assumes a mixture of different land disposal programs, including remote land disposals and subdivisions. Costs include design, survey and appraisal. For remote staking programs, many of these costs will be paid by the purchaser, but DNR still has to review and approve all surveys and appraisals and coordinate the design of disposal areas. All land disposal programs include significant costs to sell the land itself--appraisals, public notice, conducting the sales, contract administration, planning, brochure printing, and project coordination. [continued]

Prepared by: Bob Loeffler, Director Phone: 289-8600
 Division: Mining, Land and Water Date: 8-Mar-00
 Approved by Commissioner: _____ Date: _____
 Agency: Natural Resources

Continuation of fiscal note for: CSSB 6(FIN) w/o

ANALYSIS [continued]

This fiscal note assumes a one-time appropriation of \$9.14 million to come from the Constitutional Budget Reserve, as proposed in SB 287. The appropriation is spread out over a five-year period with the intent of offering 75,000 acres for sale in FY 02 and 03. The 75,000 acres would be offered under three programs: 50,000 acres of reoffers at a cost of \$12.80/acre; 20,000 acres remotes at \$250.00/acre; and 5,000 acres of subdivisions at \$753.00/acre. The budget also includes the land disposal advisory commission at \$37,000/year. Advisory board cost assumes four two-day meetings in FY 01-03 (when larger acreages are involved). Budget includes travel, per diem, advertising, meeting preparations, etc.

Personal services include staff to identify land sale projects, prepare for and conduct the sales, issue and administer contracts, prepare and print disposal brochures, contract for and review appraisals, contract for and review surveys, and coordinate disposal projects.

Personal Services costs are estimated as 1/4 of the total for reoffers, 1/2 of the total for remotes, and 1/4 of the total for subdivisions.

Travel costs include the cost for travel for the advisory boards as well as travel for site inspections of parcels/areas proposed for sale (required for survey and appraisal work).

Most of the remaining costs are for contractual services (survey, appraisal, printing, and advertising). The contractual costs do not include costs to build roads that will likely be required for subdivisions in some municipalities. Note: Many additional contractual costs for remote offerings will be paid by purchasers.

Large first-year costs for equipment include computers and other office equipment for new staff.

Revenues: The following assumptions were used to generate revenue figures:

Reoffers: FY 02 and FY03: 25,000 acres offered each year and 10% sell, average size 10 acres, value \$10,000/parcel. FY 04-06: 1,000 acres sold each year

Remotes: FY 02 and FY03: 10,000 acres offered, 5,000 leased for two years and 2,500 sold after two years.

Subdivisions: No FY 02 offerings resulting from this bill due to time needed to prepare sales. FY 03-06: 5,000 acres offered, 2,500 acres sold, 500 parcels at five acres per parcel, average value \$14,000.

The revenue projections assume that in any given year, only a portion of the land is sold. This is because of several factors -- quality of the land, remoteness, and lack of demand (saturation of land market).

STATE OF ALASKA /

TONY KNOWLES, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES
Division of Mining, Land and Water

550 West 7th Avenue; Ste 1070
Anchorage, AK 99501
Telephone: (907) 269-8600

March 8, 2000

The Honorable Senator John Torgerson:
State Capital; Room 516
Juneau, Alaska 99801

Dear Senator Torgerson:

Attached are two fiscal notes for SB 6 and the financial analysis that explains them. The first fiscal note shows the fiscal effects — revenues as well as the cost— of the putting up the first 75,000 acres. The second shows the fiscal effects of putting up 75,000 acres each and every year. I would like to take this opportunity to explain.

Assumptions about Schedule: 75,000 are offered in FY 02 and 03 Combined.

Because of the time required to prepare and execute a sale, it is not possible to offer 75,000 acres in FY 01, and not realistic to offer the complete the amount in FY 02. We are assuming that we are offering 75,000 acres in FY 02 and 03, *combined*.

For some types of sales, there is a one-year lag between the date that funding and the date the sale is offered. The one-year delay applies to stake-it-yourself offerings where the applicant supplies survey and appraisal, and also to re-offer sales. Thus, remote and re-offer sales funded in the FY 01 budget are first offered in FY 02. Because of the large amount of sales, we estimate that half would be offered in FY 02 and half in FY 03.

Because of the need for survey and appraisal, there is a two-year lag between the time subdivision is funded and the date of sale. Subdivision sales funded in FY 01 will be offered in FY 03.

Assumptions about Cost. For the first 75,000 acres to be offered, we are assuming that the \$9.4 million will fund the process. Once additional acres are required to make up for those sold, we are assuming the same lower-than-historic costs that reflect a new way of doing business: \$250/acre for remote, stake-it-yourself sales; and \$753/acre for subdivisions.

Conclusions: One-time 75,000-acre Offering. The fiscal effects of a one-time 75,000-acre offering for FY 02 and 03 are contained in the second sheet of the attachment. That sheet shows that the offering starts returning revenue in FY 02 (the first year those sales are made), and that the revenue peaks in FY 05. The spreadsheet also shows that the initial \$9.4 million investment

Honorable Senator John Torgerson

Page 2 of 3

3/8/00

is not returned until FY 06. The cumulative revenue shows that by the end of 2012, the sale will have made over \$13 million in excess of all costs. This Internal Rate of Return for the cash flow in this offering is approximately 18%.

Conclusions: Continuous 75,000-acre Offering. The third sheet of the attachment shows the revenues and costs of the initial 75,000-acre offering plus the cost of maintaining a continuous offering of 75,000 acres beginning in FY 04. The spreadsheet shows that an additional capital cost will be required to maintain the level of land sales offered.

The spreadsheet is summarized in the table below. The table shows that \$3.8 million will be required for FY 02. This appropriation will fund subdivision sales in FY 04. Over \$5 million would be required in FY 03 and \$3 million in FY 04. The new land sales do not generate a positive annual cash flow until FY 04 and do not funds in excess of the initial costs to the general fund until FY 09. We expect that the Internal Rate of Return for this cash flow remains at approximately 18%.

Appropriation Needed		Appropriation would fund sales as follows:						Revenues by Year
		Remote Sales		Subdivision		Re-Offer		
FY	Cost	Year	Acreage	Year	Acreage	Year	Acreage	
2001	\$ 9,447	02 & 03	20,000	02 & 03	5,000	02 & 03	50,000	\$0
2002	\$ 3,802			FY 04	5,000			\$ 875
2003	\$ 5,308	FY 04	12,500	FY 05	2,500			\$ 1,895
2004	\$ 3,031	FY 05	4,500	FY 06	2,000			\$ 3,542
2005	\$ 2,805	FY 06	3,500	FY 07	1,500			\$ 4,957
2006	\$ 2,905	FY 07	3,500	FY 08	1,500			\$ 6,025
2007	\$ 3,005	FY 08	3,500	FY 09	1,500			\$ 7,122
2008	\$ 3,005	FY 09	3,500	FY 10	1,500			\$ 8,259
2009	\$ 3,005	FY 10	3,500	FY 11	1,500			\$ 9,396
2010	\$ 3,005	FY 11	3,500	FY 12	1,500			\$ 10,139
2011	\$ 3,005	FY 12	3,500	FY 13	1,500			\$ 10,328
TOTAL	\$ 42,319		61,500		25,000		50,000	\$ 62,539

Honorable Senator John Torgerson

Page 3 of 3

3/8/00

I hope this information is useful. Please let me know if you have additional questions.

Sincerely,

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

Bob Loeffler

Director

Attachment

Draft Fiscal Analysis for SB 6 (version W)

Re-offers:	Average Value = \$ 10,000 per parcel	Sales: 500 Sold in first two years; then 100/yr
Remote Sales:	Average Value = \$ 10,000 per parcel	Sales: Approx 1/2 sold when offered
Coastal/Subdiv	Average Value = \$ 14,000 per parcel	Sales: Approx 1/2 sold when offered

Interest Rate = 10.76% (Average rate of DNR's current portfolio)
 Term = 7 years
 Downpayment = 25% (We expect to charge approximately a 15% downpayment, but some will pay cash, so we can approximate the total portfolio by assuming a 25% downpayment for everyone.)

Note: We expect that many loans may have an average rate of greater than 7 years. However, some people pay cash for a parcel; others pay the loan off early. Thus, a seven year term is an approximation of the *average* situation that we expect. It is less than the 12-year term which is today's average because we expect to tighten the terms in future disposals.

Remote Acres = \$ 250 per acre
 Coastal/Suvdiv = \$ 753 per acre

Financial Analysis: 75,000 Acres offered over FY 02 and FY 03 Combined

Effect of FY 02 and 03 Disposals. All other disposals not shown.

Acres Offered and Sold						
Fiscal Year	2001	2002	2003	2004	2005	Total
Potential Re-offers						
Total Acres Offered		25,000	47,500			
New Acres Offered		25,000	25,000			50,000
Acres Sold		2,500	2,500			5,000
Parcels Sold		250	250			500
Remote Sales						
Total Acres Offered		10,000	15,000			
New Acres Offered		10,000	10,000			20,000
Acres Leased		5,000	5,000			10,000
Acres Sold				5,000	5,000	10,000
Parcels Sold				500	500	1,000
Coastal/Subdivision						
Total Acres Offered			5,000			
Acres Offered			5,000			5,000
Acres Sold			2,500			2,500
Parcels Sold			250			250
Total Acres						
Offered		35,000	67,500			
Sold (includes leased)		7,500	10,000			17,500

Costs and Revenues by Year (figures in thousands)												
Fiscal Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Re-offers												
Downpay; payoff, etc.		\$ 625	\$ 625									
Principal & Interest			\$ 395	\$ 790	\$ 790	\$ 790	\$ 790	\$ 790	\$ 790	\$ 395		
Remote Sales												
Downpay; payoff, etc.				\$ 1,250	\$ 1,250							
Lease Fees (\$50/ac)		\$ 250	\$ 250									
Principal & Interest					\$ 790	\$ 1,579	\$ 1,579	\$ 1,579	\$ 1,579	\$ 1,579	\$ 1,579	\$ 790
Coastal/Subdivision												
Downpay; payoff, etc.			\$ 625									
Principal & Interest				\$ 553	\$ 553	\$ 553	\$ 553	\$ 553	\$ 553	\$ 553		
Capital Cost	\$ 9,410											
New Operating Cost	\$ 37	\$ 37	\$ 37	300	300	300	300	300	300	200	200	100
Total Revenue / Year	0	\$ 875	\$ 1,895	\$ 2,592	\$ 3,382	\$ 2,922	\$ 2,922	\$ 2,922	\$ 2,922	\$ 2,527	\$ 1,579	\$ 790
Cumulative Revenue	\$(9,410)	\$(8,572)	\$(6,714)	\$(4,422)	\$(1,340)	\$ 1,282	\$ 3,904	\$ 6,525	\$ 9,147	\$ 11,474	\$ 12,853	\$ 13,543

Acres Offered and Sold by Year

Fiscal Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Total
Potential Re-offers												
Total Acres Offered		25,000	47,500	45,000	44,000	43,000	42,000	41,000	40,000	39,000	38,000	
New Acres Offered		25,000	25,000	-	-	-	-	-	-	-	-	50,000
Acres Sold		2,500	2,500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	13,000
Parcels Sold		250	250	100	100	100	100	100	100	100	100	1,300
Remote Sales												
Total Acres Offered		10,000	15,000	22,500	23,000	23,500	24,000	24,500	25,000	25,500	26,000	
New Acres Offered		10,000	10,000	12,500	4,500	3,500	3,500	3,500	3,500	3,500	3,500	58,000
Acres Leased		5,000	5,000	4,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	35,000
Acres Sold				5,000	5,000	4,000	3,000	3,000	3,000	3,000	3,000	29,000
Parcels Sold				500	500	400	300	300	300	300	300	2,900
Coastal Subdivision												
Total Acres Offered			5,000	7,500	8,000	8,500	9,000	9,500	10,000	10,500	11,000	
New Acres Offered			5,000	5,000	2,500	2,000	1,500	1,500	1,500	1,500	1,500	22,000
Acres Sold			2,500	2,000	1,500	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Parcels Sold			250	200	150	100	100	100	100	100	100	1,200
Total Acres												
Offered		35,000	67,500	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	
Sold (Includes leased)		7,500	10,000	7,000	5,500	5,000	5,000	5,000	5,000	5,000	5,000	60,000

Costs and Revenues by Year (figures in thousands)

Fiscal Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	TOTAL
Re-offers												
Downpay; payoff, etc.	\$ 625	\$ 625	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 3,250
Principal & Interest		\$ 395	\$ 790	\$ 1,000	\$ 1,211	\$ 1,421	\$ 1,632	\$ 1,843	\$ 1,858	\$ 1,858	\$ 1,474	\$ 11,424
Remote Sales												
Downpay; payoff, etc.			\$ 1,250	\$ 1,250	\$ 1,000	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 7,250
Lease Fees (\$50/ac)	\$ 250	\$ 250	\$ 200	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 1,750
Principal & Interest				\$ 790	\$ 1,579	\$ 2,422	\$ 3,053	\$ 3,685	\$ 4,317	\$ 4,948	\$ 4,948	\$ 20,794
Coastal/ Subdivision												
Downpay; payoff, etc.			\$ 625	\$ 500	\$ 375	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 3,000
Principal & Interest				\$ 553	\$ 1,142	\$ 1,585	\$ 1,879	\$ 2,174	\$ 2,469	\$ 2,764	\$ 2,508	\$ 15,072
Capital Cost	\$ 9,410	3,765	5,008	2,631	2,005	2,005	2,005	2,005	2,005	2,005	2,005	\$ 34,845
New Operating Cost	\$ 37	37	300	400	800	900	1,000	1,000	1,000	1,000	1,000	\$ 7,474
Total Cost/Yr	\$ 9,447	\$ 3,802	\$ 5,308	\$ 3,031	\$ 2,805	\$ 2,905	\$ 3,005	\$ 3,005	\$ 3,005	\$ 3,005	\$ 3,005	\$ 42,319
Total Revenue / Year	\$ -	\$ 875	\$ 1,895	\$ 3,542	\$ 4,957	\$ 6,025	\$ 7,122	\$ 8,259	\$ 9,398	\$ 10,139	\$ 10,328	\$ 62,539
Revenue - Cost	\$(9,447)	\$(2,927)	\$(3,413)	\$ 511	\$ 2,153	\$ 3,120	\$ 4,118	\$ 5,255	\$ 6,392	\$ 7,134	\$ 7,324	\$ 20,220
Cumulative Revenue	\$(9,447)	\$(12,374)	\$(15,787)	\$(15,275)	\$(13,123)	\$(10,002)	\$(5,885)	\$(630)	\$ 5,762	\$ 12,897	\$ 20,220	\$ 20,220

1-LS0071AS

Kurtz

2/28/00

adopted

CS FOR SENATE BILL NO. 6(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): SENATOR TAYLOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the state land disposal bank; providing that at least 75,000
2 acres of state land shall be offered for disposal annually; and relating to
3 appraisal and survey of state land being sold."

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

5 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new
6 section to read:

7 **FINDINGS AND INTENT.** (a) The legislature finds that Alaska is rich in natural
8 resources, of which only a few have been developed. Over the past 20 years, the state has
9 become almost solely dependent on oil revenues, which fluctuate drastically depending on
10 world events. It is imperative for the future well-being of our state and its citizens that we
11 develop a more stable source of revenue.

12 (b) It is the intent of the legislature

13 (1) that the Department of Natural Resources immediately embark on a
14 systematic process of identifying land to be sold to the public to promote the development and

1 use of our resources;

2 (2) that the Department of Natural Resources make available for sale not less
3 than 75,000 acres a year, commencing on the effective date of this Act; and

4 (3) to reevaluate this disposal program at the end of five years to determine
5 market conditions and make any appropriate changes consistent with market conditions.

6 * Sec. 2. AS 38.04 is amended by adding a new section to article 2 to read:

7 **Sec. 38.04.016. Land Disposal Advisory Committee.** (a) The Land Disposal
8 Advisory Committee is established in the Department of Natural Resources. The
9 committee is composed of 11 members. The governor shall appoint five members of
10 the committee. The president of the senate shall appoint three members of the
11 committee. The speaker of the house of representatives shall appoint three members
12 of the committee. Each member serves at the pleasure of the appointing authority.

13 (b) The committee shall nominate land for inclusion in the land disposal bank
14 under AS 38.04.020(j) in quantities sufficient to satisfy the annual land disposal
15 requirement under AS 38.04.020(a).

16 (c) The committee shall review nominations under AS 38.04.020(j) and the
17 inventory of land in the land disposal bank and shall create a list of parcels in the land
18 disposal bank recommended for disposal. The committee shall submit its list of
19 parcels recommended for disposal to the commissioner in time for the parcels to be
20 considered in the preparation of the commissioner's five-year schedule of planned
21 disposals of land under AS 38.04.020(d). The committee shall also submit its
22 recommendations to the governor and the legislature by the 10th day of each regular
23 session.

24 * Sec. 3. AS 38.04.020(a) is amended to read:

25 (a) The commissioner shall establish a land disposal bank containing state land
26 classified for disposal into private ownership. **From this land disposal bank, a**
27 **minimum of 75,000 acres each year shall be offered for disposal.**

28 * Sec. 4. AS 38.04.020(d) is repealed and reenacted to read:

29 (d) The commissioner shall prepare and submit, before the beginning of each
30 regular legislative session, a five-year schedule of planned disposals of land under this
31 section. The schedule shall identify at least 75,000 acres of land to be offered for

1 disposal under (a) of this section each year. In identifying land to be offered for
2 disposal, the commissioner shall consider nominations under (j) of this section and the
3 recommendations of the Land Disposal Advisory Board. The five-year schedule must
4 include a list of parcels to be offered for disposal each year, categorized by potential
5 use, and the list must include parcels suitable for homesteading, parcels suitable for
6 subdivision, parcels suitable for agricultural, commercial, or industrial use, and parcels
7 suitable for other purposes. The legislature may change the classification or
8 categorization of parcels identified for disposal or remove parcels from the list. The
9 remaining land on the list submitted to the legislature shall be offered for disposal
10 according to the five-year schedule. Land offered for disposal under this section but
11 not disposed of may be advertised on the Internet and offered at sealed-bid auction in
12 accordance with department regulations. Land may not be disposed of under this
13 section for less than the appraised fair market value.

14 * Sec. 5. AS 38.05.020(j) is amended to read:

15 (j) A person, the Land Disposal Advisory Board, or an agency of the state
16 may nominate land retained in state ownership for inclusion in the land disposal bank
17 or may nominate land in the land disposal bank for retention in state ownership. The
18 commissioner shall hold public hearings semiannually to take nominations under this
19 subsection. A transfer of land from retention in state ownership to the land disposal
20 bank or from the land disposal bank to retention in state ownership shall be
21 accomplished through a classification order under AS 38.05.300 and with notice under
22 AS 38.05.945. The commissioner shall make a written determination within six
23 months after receipt of a nomination if the commissioner determines that the land
24 nominated will not be classified or reclassified as requested.

25 * Sec. 6. AS 38.04.045 is amended by adding a new subsection to read:

26 (c) Sales of land from the land disposal bank are subject to AS 38.05.064.

27 * Sec. 7. AS 38.04.060(a) is amended to read:

28 (a) The commissioner shall prepare and maintain on a continuing basis an
29 inventory of all state land and water and their resource and other values, giving
30 priority to areas of potential settlement, economic development, and critical
31 environmental concern. The inventory must identify the land that is in the land

1 disposal bank established under AS 38.04.020. This inventory shall be kept current
2 so as to reflect changes in conditions and to identify new and emerging resource and
3 other values.

4 * Sec. 8. AS 38.05.030 is amended by adding a new subsection to read:

5 (h) The provisions of AS 38.05.005 - 38.05.037, 38.05.045 - 38.05.069, and
6 38.05.600 do not apply to the land disposal bank, except as specified in AS 38.04.

7 * Sec. 9. AS 38.05 is amended by adding a new section to read:

8 **Sec. 38.05.064. Appraisal and survey.** (a) The commissioner may require
9 a purchaser of land, whether the purchase is by auction, lottery, or other means, to
10 provide, at the purchaser's expense, an appraisal or survey of the land, or both,
11 completed in the manner directed by the commissioner.

12 (b) The commissioner may require a purchaser of land to reimburse the state
13 for the cost of an appraisal or survey of the land, or both, completed by the state.

1-LS0071M

Kurtz

2/16/00

CS FOR SENATE BILL NO. 6(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): SENATOR TAYLOR

A BILL

FOR AN ACT ENTITLED

1 "An Act creating a State Land Commission; relating to the state land disposal
 2 bank; providing that at least 100,000 acres of state land shall be offered for
 3 disposal annually; and changing the residency requirements for bidders at land
 4 auction sales."

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

6 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new
 7 section to read:

8 **FINDINGS AND INTENT.** (a) The legislature finds that Alaska is rich in natural
 9 resources, of which only a few have been developed. Over the past 20 years, the state has
 10 become almost solely dependent on oil revenues, which fluctuate drastically depending on
 11 world events. It is imperative for the future well-being of our state and its citizens that we
 12 develop a more stable source of revenue.

13 (b) It is the intent of the legislature

14 (1) that the Department of Natural Resources immediately embark on a

1 systematic process of identifying land to be sold to the public to promote the development and
2 use of our resources;

3 (2) that the Department of Natural Resources make available for sale not less
4 than 100,000 acres a year, commencing on the effective date of this Act; and

5 (3) to reevaluate this disposal program at the end of five years to determine
6 market conditions and make any appropriate changes consistent with market conditions.

7 * Sec. 2. AS 38.04 is amended by adding a new section to article 2 to read:

8 **Sec. 38.04.016. Creation of State Land Commission.** (a) There is created
9 the State Land Commission within the Department of Natural Resources. The
10 commission consists of five members appointed by the governor and confirmed by the
11 legislature in joint session.

12 (b) The members of the commission must include a real estate appraiser
13 certified under AS 08.87, a real estate broker licensed under AS 08.88, and a land
14 surveyor registered under AS 08.48, each chosen by the governor from a list of
15 nominees provided by the respective state licensing, certification, or registration
16 authority, and two other individuals. No more than three members of the commission
17 may be members of the same political party.

18 (c) The members of the commission serve staggered three-year terms.

19 (d) Members of the commission serve without compensation but are entitled
20 to per diem and travel expenses authorized for members of boards and commissions
21 under AS 39.20.180.

22 (e) The commission shall meet annually.

23 * Sec. 3. AS 38.04.020(a) is amended to read:

24 (a) The commissioner shall establish a land disposal bank containing state land
25 classified for disposal into private ownership. From this land disposal bank, a
26 minimum of 100,000 acres each year shall be offered for disposal by the State
27 Land Commission created under AS 38.04.016.

28 * Sec. 4. AS 38.04.020(d) is repealed and reenacted to read:

29 (d) The State Land Commission shall identify at least 100,000 acres of land
30 to be offered for disposal under (a) of this section each year. In identifying land to
31 be offered for disposal, the commission shall solicit and consider public suggestions.

1 The commission shall compile a list of parcels to be offered for disposal categorized
2 by potential use, and the list must include parcels suitable for homesteading, parcels
3 suitable for subdivision, parcels suitable for agricultural, commercial or industrial use,
4 and parcels suitable for other purposes. The commission shall submit this list to the
5 legislature before the beginning of each regular legislative session. The legislature
6 may change the classification or categorization of parcels identified for disposal, or
7 remove parcels from the list. The remaining land on the list submitted to the
8 legislature by the State Land Commission shall be offered for sale by the State Land
9 Commission at auction under AS 38.05.055, except land classified for homesite entry,
10 which shall be disposed of according to AS 38.08.010 - 38.08.120. Land offered at
11 auction but not sold may be advertised by the State Land Commission on the Internet
12 and offered at sealed-bid auction in accordance with department regulations. In no
13 case shall land be sold by the State Land Commission for less than appraised fair
14 market value.

15 * Sec. 5. AS 38.04.022(a) is amended to read:

16 (a) The revenue from the sale of state land shall be deposited in a special state
17 land disposal income account in the state general fund. The legislature may
18 appropriate money from the special state land disposal income account for expenditure
19 by the Department of Natural Resources for necessary costs incurred by the State
20 Land Commission [COMMISSIONER] in the implementation of state land disposal
21 programs authorized under this title.

22 * Sec. 6. AS 38.04.030 is amended to read:

23 **Sec. 38.04.030. Land availability programs.** Programs that may be used by
24 the State Land Commission [DIRECTOR] to make the state's land surface available
25 for private use under AS 38.04.020 - 38.04.055 include sale of whole or partial rights
26 to the fee simple estate, including conveyance of agricultural use rights. **Programs**
27 **that may be used by the director to make the state's land surface available for**
28 **private use under AS 38.04.020 - 38.04.055 include** [;] leasing, [;] open-to-entry, [;]
29 homesiting, [;] homesteading, [;] permitting for construction and occupation of cabins
30 in isolated locations on land retained in state ownership, [;] and other methods as
31 provided by law.

1 * Sec. 7. AS 38.04.060(a) is amended to read:

2 (a) The commissioner shall prepare and maintain on a continuing basis an
3 inventory of all state land and water and their resource and other values, giving
4 priority to areas of potential settlement, economic development, and critical
5 environmental concern. The inventory must identify the land that is in the land
6 disposal bank established under AS 38.04.020. This inventory shall be kept current
7 so as to reflect changes in conditions and to identify new and emerging resource and
8 other values.

9 * Sec. 8. AS 38.04.910 is amended by adding a new paragraph to read:

10 (14) "commission" means the State Land Commission created under
11 AS 38.04.016.

12 * Sec. 9. AS 38.05.030 is amended by adding a new subsection to read:

13 (h) The provisions of AS 38.05.005 - 38.05.037, 38.05.045 - 38.05.069, and
14 38.05.600 do not apply to the State Land Commission or to the land disposal bank,
15 except as specified in AS 38.04.

16 * Sec. 10. AS 38.05.055 is amended to read:

17 **Sec. 38.05.055. Auction sale procedures.** Unless another method of sale is
18 required under this chapter, AS 38.08, or AS 38.09, the sale of state land shall be
19 made at public auction to the highest qualified bidder as determined by the director or
20 the State Land Commission. The director may accept bids and sell state land under
21 this section at no less than 70 percent of the appraised fair market value of the land.
22 To qualify to participate under this section in a public auction of state land that is
23 other than commercial, industrial, or agricultural land, a bidder shall meet the
24 residency criteria for eligibility for a permanent fund dividend in the calendar
25 year [HAVE BEEN A RESIDENT OF THE STATE FOR AT LEAST ONE YEAR
26 IMMEDIATELY PRECEDING THE DATE] of the auction and submit proof of that
27 fact as the commissioner requires by regulation. A bidder may be represented by an
28 attorney or agent at the auction. An aggrieved bidder may appeal to the commissioner
29 within five days after the sale for a review of the director's or the State Land
30 Commission's determination. The sale shall be conducted by the director or the State
31 Land Commission, and, at the time of sale, the successful bidder shall deposit an

1 amount equal to five percent of the purchase price. The director shall immediately
2 issue a receipt containing a description of the land or property purchased, the price bid,
3 and the amount deposited. The receipt shall be acknowledged in writing by the bidder.

4 * **Sec. 11.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 **TRANSITIONAL PROVISIONS.** The commissioner of natural resources shall identify
7 and provide the State Land Commission with a list of the land in the land disposal bank on
8 the effective date of this section. The list must identify each parcel as specifically as possible,
9 providing legal descriptions where available. The list must include all land not classified for
10 retention in state ownership or selected by a municipality.

11 * **Sec. 12.** The uncodified law of the State of Alaska is amended by adding a new section
12 to read:

13 **INITIAL TERMS.** The initial terms of the members of the State Land Commission
14 appointed under AS 38.04.016 shall be set by the governor so that one member serves a one-
15 year term, two members serve two-year terms, and two members serve three-year terms.

1-LS0071\H

Kurtz

3/26/99

4/01 moved by Sen. Green
w/o obj. ADOPTED

CS FOR SENATE BILL NO. 6()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY

Offered:

Referred:

Sponsor(s): SENATOR TAYLOR

A BILL

FOR AN ACT ENTITLED

1 "An Act creating a State Land Commission and regional land disposal advisory
2 boards; providing for the disposal of 250,000 acres of state land annually;
3 changing the residency requirements for bidders at land auction sales; and
4 providing for an effective date."

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

6 * **Section 1. FINDINGS AND INTENT.** (a) The legislature finds that Alaska is rich in
7 natural resources, of which only a few have been developed. Over the past 20 years, the state
8 has become almost solely dependent on oil revenues, which fluctuate drastically depending
9 on world events. It is imperative for the future well-being of our state and its citizens that we
10 develop a more stable source of revenue.

11 (b) It is the intent of the legislature

12 (1) that the Department of Natural Resources immediately embark on a
13 systematic process of identifying land to be sold to the public to promote the development and
14 use of our resources;