

ALASKA LEGISLATURE

2537

HOUSE and SENATE FINANCE COMMITTEE FILES, 2003-2004

603



**AAA Projects Prevention of 1.5 Million Crashes
and Savings of Over \$9 Billion
over next decade through
National Adoption of GDL Laws**

	TEN YEAR INJURIES PREVENTED	TEN YEAR CRASHES PREVENTED	TEN YEAR TOTAL COST SAVINGS		TEN YEAR INJURIES PREVENTED	TEN YEAR CRASHES PREVENTED	TEN YEAR TOTAL COST SAVINGS	
Alabama	10,260	32,020	\$223,062,990		Missouri	10,390	32,280	\$225,469,800
Alaska	970	3,020	\$21,077,810		Montana	2,240	6,990	\$48,691,910
Arizona	6,030	18,690	\$130,689,870		Nebraska	4,360	13,580	\$94,702,930
Arkansas	4,710	14,670	\$102,340,600		Nevada	2,790	8,710	\$60,683,380
California*	30,210	93,650	\$654,987,830		New Hampshire	2,350	7,290	\$50,920,750
Colorado	7,480	23,280	\$162,449,270		New Jersey	5,440	16,320	\$116,454,450
Connecticut	3,180	9,780	\$68,732,690		New Mexico	3,480	10,890	\$75,739,690
Delaware	1,120	3,450	\$24,172,500		New York	15,080	46,550	\$326,483,330
D.C.	230	700	\$4,915,760		North Carolina	15,560	48,580	\$338,193,690
Florida	26,690	83,220	\$579,998,340		North Dakota	1,710	5,330	\$37,127,450
Georgia	11,670	36,310	\$253,399,620		Ohio	17,870	55,450	\$387,561,370
Hawaii	1,430	4,420	\$30,911,100		Oklahoma	7,430	23,140	\$161,368,770
Idaho	3,460	10,810	\$75,273,590		Oregon	4,900	15,200	\$106,281,310

Illinois	20,170	62,490	\$436,497,860		Pennsylvania	13,330	41,270	\$288,869,510	
Indiana	10,680	33,160	\$231,665,410		Rhode Island	800	2,420	\$17,161,200	
Iowa	6,950	21,710	\$151,136,000		South Carolina	6,470	20,130	\$140,455,970	
Kansas	7,200	22,470	\$156,493,400		South Dakota	2,140	6,670	\$46,451,940	
Kentucky	6,300	19,540	\$136,583,620		Tennessee	10,530	32,850	\$228,819,010	
Louisiana	6,760	20,980	\$146,683,870		Texas	40,110	125,000	\$871,322,210	
Maine	1,800	5,570	\$38,996,100		Utah	6,590	20,540	\$143,195,450	
Maryland	6,210	19,250	\$134,566,700		Vermont	1,000	3,100	\$21,705,250	
Massachusetts	5,460	16,680	\$117,783,060		Virginia	12,120	38,590	\$265,531,830	
Michigan	14,260	44,150	\$309,076,220		Washington	9,000	27,960	\$195,339,760	
Minnesota	7,830	24,260	\$169,654,660		West Virginia	2,880	8,960	\$62,581,740	
Mississippi	5,140	15,770	\$111,560,420		Wisconsin	10,770	33,490	\$233,729,770	
					Wyoming	570	1,710	\$12,173,900	
TEN YEAR TOTALS	416,060	1,293,270	\$9,029,726,750						



Graduated Driver Licensing (GDL)

Note: References shown by number in parenthesis following statistic. Full references listed at end.

Overall Effectiveness:

- With varying lengths of learner phases (LPs), studies have shown that GDLs are effective in reducing teen crash rates:
 - California: 5% reduction with 6 week LP (1)
 - San Diego, California: 20% reduction with 6 month LP (2)
 - Connecticut: 22% reduction with 3-6 month LP (3)
 - Kentucky: 32% reduction with 180 day LP (4)
 - Michigan: 25% reduction with 50 hour LP (5)
 - Ohio: 11% reduction with 6 month LP (6)
 - New Zealand: 7% reduction with 6 month LP (7)
 - North Carolina: 27% reduction with 12 month LP (8)
 - Nova Scotia: 24% reduction with 6 month LP (9)
- GDL has also been shown to be effective in reducing injury/fatality crash rates:
 - Michigan: 24% reduction (5)
 - Florida: 11% reduction (10)

Passenger Restrictions (PRs):

- Compared to other age groups, fatal crashes are more likely to occur when 16- and 17-year-old drivers had male passengers, passengers aged 20 to 29, or teenaged passengers (11)
- For drivers aged 16 and 17, the risk of death per 10 million trips with 3 or more other passengers was more than 2 and ½ times greater when compared to without passengers (11)
- 16-year-old drivers with passengers, compared to drivers of aged 30-59 with passengers, were 4.72 times more likely to be involved in a fatal crash (12)
- New Zealand: After PRs were implemented, a 9% reduction in proportion of crashes involving teens resulted (13)
- San Diego, California: Passenger injuries per licensed driver decreased by 23% after implementation of PRs (2)

Night Restrictions (NRs):

- North Carolina: With NRs at 9 pm, total crashes for 16-year-old drivers decreased by 47% at night (8)
- Florida: With NRs at 11 pm, night crashes for 16-year-olds decreased 17% (10)
- Michigan: With NRs from midnight to 5 am, there was a 53% reduction in night crashes for 16-year-olds (5)
- New Zealand: After NRs were imposed at 10 pm, a 37% reduction in night crashes occurred for 16-year-olds (7)

References

1. Hagge RA, Marsh WC. The traffic Safety impact of provisional licensing. Report no. 116. Sacramento, CA: California Department of Motor Vehicles, 1988.
2. Smith AM, Pierce J, Upledger R, et al. Motor vehicle occupant crashes among teens: impact of the graduated licensing law in San Diego. 45th Annual Proceeding of the Association for Advancement of Automotive Medicine. Barrington, Illinois, 2001.
3. Ulmer RG, Ferguson SA, Williams AF, et al. Teenage crash reduction associated with delayed licensure in Connecticut. Trumbull, CT: Preusser Research Group, 2000.
4. Agent KR, Steenbergen L, Pigman J, et al. Impact of partial graduated license program on teen motor vehicle crashes in Kentucky. Transportation Research Record 1779: Traffic Safety 2001. Transportation Research Board, 2001.
5. Shope JT, Molnar LJ, Elliott MR, et al. Graduated licensing in Michigan; early impact on motor vehicle crashes among 16-year-olds. JAMA 2001;286:1593-632.
6. Kilgore E. An evaluation of Ohio's graduated driver license law. Columbus, OH: Office of the Governor's Highway Safety Representative, Ohio Department of Public Safety, 2001.
7. Langley JD, Wagenaar AC, Begg DJ. An evaluation of the New Zealand graduated driver licensing system. *Accid Anal Prev* 1996;28:139-46.
8. Foss RD, Feaganes JR, Rodgman EA. Initial effects of graduated driver licensing on 16-year-old driver crashes in North Carolina. JAMA. 2001; 286: 1588-1592.
9. Mayhew DR, Simpson HM, Des Groseillers, et al. Impact of the graduated licensing program in Nova Scotia. *Journal of Crash Prevention and Injury Control* 2001;2:179-92.
10. Ulmer RG, Preusser DF, Williams AF, et al. Effect of Florida's graduated licensing program on the crash rate of teenage drivers. *Accid Anal Prev* 2000;32:529-32.
11. Chen L, Baker S, Braver ER, Li G. Carrying Passengers as a risk factor for crashes fatal to 16- and 17-year-old drivers. JAMA 2000; 283: 1579-1582.
12. Preusser DF, Ferguson SA and Williams AF. The Effect of Teenage Passengers on the Fatal Crash Risk of Teenage Drivers. *Accid Anal Prev* 1989; 30:217-222.
13. Begg DJ, Alsop JA, Langley J. The impact of the graduated driver licensing restrictions on young driver crashes in New Zealand. Dunedin, New Zealand: University of Otago, 2001.

Subject: [Fwd: HB 213]

Date: Thu, 29 Jan 2004 13:14:04 -0900

From: Bruce Weyhrauch <representative_Bruce_Weyhrauch@Legis.state.ak.us>

Organization: Alaska State Legislature

To: Linda Sylvester <Linda_Sylvester@legis.state.ak.us>

Subject: HB 213

Date: Thu, 29 Jan 2004 08:30:33 -0900

From: Pete & Cathie Mauro <alaskamauro@gci.net>

To: Representative_Bruce_Weyhrauch@legis.state.ak.us

Do I support Graduated drivers licensing...ABSOLUTELY !! Automobile crashes are the leading cause of death for our children. In the last six years Alaska has lost 130 of our youth to traffic crashes...one of those 130 people was my daughter. That very day she was studying for her permit and missed her 15th birthday by days. We as a family are devastated by this loss and don't wish this to happen to another family. Do I think HB 213 will save lives..ABSOLUTELY !! Do I think practice and experience will save lives...ABSOLUTELY. This legislation will help give parents the tools to restrict their children from driving with the distraction of other teens in the car and the limit the times when teens are on the road and when that car should be parked in your driveway and your child be safe at home. Nothing good happens from 1-5 in the morning. In my mind, this is a no brainer...the message is pure and simple...this legislation SAVES LIVES. There is overwhelming data on this issue

"ROAD READY TEENS" ...YES!!!!

Sincerely and Sadly

Cathie Mauro

Subject: [Fwd: HB 213 Graduated Driver's License bill]
Date: Wed, 28 Jan 2004 13:42:16 -0900
From: Bruce Weyhrauch <Representative_Bruce_Weyhrauch@Legis.state.ak.us>
Organization: Alaska State Legislature
To: Linda Sylvester <Linda_Sylvester@legis.state.ak.us>

Subject: HB 213 Graduated Driver's License bill
Date: Tue, 27 Jan 2004 20:28:40 -0900
From: Nancy Tankersley Fair <fairwinds@gci.net>
To: Representative_Bruce_Weyhrauch@legis.state.ak.us
CC: Con Bunde <Senator_Con_Bunde@legis.state.ak.us>,
Les Gara <Representative_Les_Gara@Legis.state.ak.us>,
Lesil McGuire <Representative_Lesil_McGuire@legis.state.ak.us>,
"Bob Lynn/Rep." <Representative_Bob_Lynn@legis.state.ak.us>

Dear Rep. Weyhrauch:

As a mother of two teenagers, ages 15 and 19, and a victim of an accident caused by a teenage driver, I strongly support the Graduated Driver's Licensing bill.

We have instituted slightly stronger policies with our teens, to good results. However, it would be much better to have the same ground rules for all teens. As other states have shown, a system like this saves lives.

This is a very reasonable first step in making our roads safer. If the rural areas find this too restrictive, perhaps you can add a clause that makes this pertain only to larger communities with a bigger road system.

Thank you for sponsoring this important piece of safety legislation.

Sincerely,

Nancy Fair
4741 E. 112th Avenue
Anchorage, AK 99516

[Fwd: Graduated Drivers License Law - GDL]

Subject: [Fwd: Graduated Drivers License Law - GDL]
Date: Tue, 27 Jan 2004 10:50:56 -0900
From: Bruce Weyhrauch <Representative_Bruce_Weyhrauch@Legis.state.ak.us>
Organization: Alaska State Legislature
To: Linda Sylvester <Linda_Sylvester@legis.state.ak.us>

Subject: Graduated Drivers License Law - GDL
Date: Mon, 26 Jan 2004 18:18:35 -0900
From: Bill & Cindy Sims <simsfamily@qci.net>
To: Representative_Bruce_Weyhrauch@legis.state.ak.us

Hello Rep. Weyhrauch ... I am a parent of 3 teenagers here in Anchorage and wish to respond to the information I received pertaining to HB 213 you are sponsoring. I am in total support of this bill and ask that you continue to push to get this bill through to law.

I had heard rumors about this "restrictive" bill that was being proposed and after reading the actual proposed law, I was amazed that this law is actually very similar to restrictions I have given my own teenagers when they get their permit and driver's license. I have an 18 year old daughter, 16 year old son, and 14 year old daughter, and I have always been involved in our public schools and volunteer quite a bit at Dimond High -- so in other words, I am around teenagers quite a bit. One thing I have seen is that a lot of parents do not really think about adding restrictions to their teenagers when they obtain a license. Parents are busy and most actually look forward to when their child can drive to help out with getting them to and from sports, activities, etc. But we as parents need to look beyond our "conveniences" and realize that we have a responsibility to teach our young drivers. I have found that when you put more than one teenager in the car at a time things change -- the music is turned up, there are more distractions in the car, etc. We need to not only protect ourselves, but also those teenagers whose parents are not aware of the additional dangers that are associated with new young drivers.

Thank you for your support of HB 213. Please feel free to use this e-mail in support of the Alaska Graduated Driver's Licensing Law.

Cindy Sims
907.344.7748 or simsfamily@qci.net

Rep. Bruce Weyhrauch
 Capitol Building
 Juneau, Alaska 99801
 465-2273

Dear Representative Weyhrauch:

Thank you for introducing HB213.

Considering that motor vehicle crashes are the leading cause of death for 15-18 year olds, something must be done. I believe that young people should be introduced to the driving experience gradually by phasing in full driving privileges over time and in lower-risk settings. Your bill would help to achieve this... thereby saving the lives of our teenage drivers and their passengers.

You have my total support.

<u>NAME</u>	<u>ADDRESS</u>	<u>SIGNATURE</u>
Brenda Sadler	P.O. Box 57045 North Pole 99705	Brenda Sadler
Perry J. Williamson	1221 Loir Lane Fairbanks, AK 99702	Perry J. Williamson
Sandra Trumbauer	P.O. Box 81305 Fairbanks AK 99708	Sandra Trumbauer
Gabrielle Lorry	1853 Bridgewater Dr Fairbanks, AK 99708	Gabrielle Lorry
BILL LARRY	1853 BRIDGE WATER DR	Bill Lorry
LINDA L. PEARSON	3252 HELEN PL FAIRBANKS, AK 99709	Linda L. Pearson

Rep. Bruce Weyhrauch
Capitol Building
Juneau, Alaska 99801
465-2273

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You have my total support.

Sincerely,

name Ronald F. Taylor
organization _____
address 1090 North Spen Drive
city/state/zip Anchorage, Alaska 99508
telephone (907) 770-1843
email RFT1e.dell@mail.com

Ronald F. Taylor

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Capitol Building
Juneau, Alaska 99801
465-2273

Dear Representative Weyrauch:

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Sincerely,



name Beth Thorne
organization Alaska Trauma Prevention Center
address 3701 E Tudor St Ste 105
city/state/zip Anchorage AK 99511
telephone 929-3939
email _____

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Capitol Building
Juneau, Alaska 99801
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You have my total support.

Sincerely,



name Stephen, Steven's
organization Anchorage Police Dept.
address 4501 S. Bragaw
city/state/zip Anchorage, AK 99507
telephone 780 8749
email cstevens@ci.anchorage.ak.us

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Capitol Building
Juneau, Alaska 99801
465-2273


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You have my total support.

Sincerely,



NAME Sam O'Connell
organization Juneau Community Patrol
address 4936 Laurel #A
city/state/zip Juneau AK 99807
telephone 252 5157
email SamOConnell@jcp.net



MADD
Activism Victim Services Education™

Anchorage Chapter
4105 Turnagain Boulevard, Suite A • Anchorage, AK 99517
(907) 562-6890/Fax (907) 562-6896
Email: info@maddalaska.com
Visit our Web Site: www.maddalaska.com

Our Mission is to stop drunk driving, support the victims of this violent crime and prevent underage drinking

January 27, 2004

Representative Bruce Weyhrauch
Capitol Building
Juneau, AK 99801

Dear Representative Weyhrauch,

I am writing on behalf of the Anchorage Chapter of Mothers Against Drunk Driving in support of HB 213, Graduated Drivers Licensing.

This bill allows young, inexperienced drivers extra time to gain critical experience behind the wheel without the distractions of other youth in the vehicle, and also emphasizes the increased risk of driving during the late night/early morning hours.

Approximately four years ago, MADD participated in a series of youth forums during which young people 14-17 years of age, who discussed teen driving behaviors. The top reason they indicated for teen crashes was inattention, and they went on to describe the inattention as the result of paying attention to conversations and actions of their friends in the vehicle with them, including physically turning their head from the roadway to join in talk or actions going on around them.

Thank you, Representative Weyhrauch, for providing this step toward increasing the safety of Alaska's teen drivers.

Sincerely,

Marti Greeson

Marti Greeson
Executive Director
MADD Anchorage Chapter

Subject: [Fwd: HB 213]

Date: Tue, 27 Jan 2004 10:54:59 -0900

From: Bruce Weyhrauch <Representative_Bruce_Weyhrauch@Legis.state.ak.us>

Organization: Alaska State Legislature

To: Linda Sylvester <Linda_Sylvester@legis.state.ak.us>

Subject: HB 213

Date: Tue, 27 Jan 2004 08:03:26 -0900

From: "Michael Frost" <akshltzu@hotmail.com>

To: Representative_Bruce_Weyhrauch@legis.state.ak.us

Hello!

I am glad to see this type of legislation restricting the driving of a new driver for the first 6 months. This is exactly what I had implemented with my own son who is now 17 and my daughter will be 16 in a month and she will be restricted also.

I came up with this idea because I was hit 23 years ago by a new teen driver on her lunch break from school, with 3 other teens in the car with her. She ran a red light, totalled both cars and sent me and a couple of her friends to the doctor. I still suffer today from the injuries I recieved in that accident that may have been avoided if she had not been distracted with her friends in the car.

Nice going Mr. Weyrauch!

I hope this bill passes!

Michael Frost
Boreal Shelties
8326 Blackberry St.
Anchorage, Alaska 99502
Phone: (907) 248-0055
<http://mywebpage.netscape.com/BorealShelties/homepage.html>
E-Mail: akshltzu@hotmail.com

Shetland Sheepdog Club of Anchorage - Board Member & Show Chairperson
Alaska Kennel Club - Show Committee Member
Alyeska Canine Trainers - Puppy Obedience Instructor

Home to:

BIS Canada 2000, BISS, Am/Can CH Singltree Iresistible (1996-2003)

BIS Canada 2003, Am/Can CH Boreal Ring My Bell

Boreal Cafe' Kaladi

Beckward Dustcatcher

Simco Against All Odds

Skyview Storm Chaser

Boreal High Speed Traveler

[Fwd: Graduated Drivers License Law - GDL]

Subject: [Fwd: Graduated Drivers License Law - GDL]

Date: Tue, 27 Jan 2004 10:50:56 -0900

From: Bruce Weyhrauch <Representative_Bruce_Weyhrauch@Legis.state.ak.us>

Organization: Alaska State Legislature

To: Linda Sylvester <Linda_Sylvester@legis.state.ak.us>

Subject: Graduated Drivers License Law - GDL

Date: Mon, 26 Jan 2004 18:18:35 -0900

From: Bill & Cindy Sims <simsfamily@gci.net>

To: Representative_Bruce_Weyhrauch@legis.state.ak.us

Hello Rep. Weyhrauch ... I am a parent of 3 teenagers here in Anchorage and wish to respond to the information I received pertaining to HB 213 you are sponsoring. I am in total support of this bill and ask that you continue to push to get this bill through to law.

I had heard rumors about this "restrictive" bill that was being proposed and after reading the actual proposed law, I was amazed that this law is actually very similar to restrictions I have given my own teenagers when they get their permit and driver's license. I have an 18 year old daughter, 16 year old son, and 14 year old daughter, and I have always been involved in our public schools and volunteer quite a bit at Dimond High -- so in other words, I am around teenagers quite a bit. One thing I have seen is that a lot of parents do not really think about adding restrictions to their teenagers when they obtain a license. Parents are busy and most actually look forward to when their child can drive to help out with getting them to and from sports, activities, etc. But we as parents need to look beyond our "conveniences" and realize that we have a responsibility to teach our young drivers. I have found that when you put more than one teenager in the car at a time things change -- the music is turned up, there are more distractions in the car, etc. We need to not only protect ourselves, but also those teenagers whose parents are not aware of the additional dangers that are associated with new young drivers.

Thank you for your support of HB 213. Please feel free to use this e-mail in support of the Alaska Graduated Driver's Licensing Law.

Cindy Sims
907.344.7748 or simsfamily@gci.net

Subject: [Fwd: HB 213]

Date: Tue, 27 Jan 2004 10:54:59 -0900

From: Bruce Weyhrauch <Representative_Bruce_Weyhrauch@Legis.state.ak.us>

Organization: Alaska State Legislature

To: Linda Sylvester <Linda_Sylvester@legis.state.ak.us>

Subject: HB 213

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To: Representative_Bruce_Weyhrauch@legis.state.ak.us

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I came up with this idea because I was hit 23 years ago by a new teen driver on her lunch break from school, with 7 other teens in the car with her. She ran a red light, totalled both cars and sent me and a couple of her friends to the doctor. I still suffer today from the injuries I recieved in that accident that may have been avoided if she had not been distracted with her friends in the car.

Nice going Mr. Weyrauch!

I hope this bill passes!

Michael Frost
Boreal Shelties
8326 Blackberry St.
Anchorage, Alaska 99502
Phone: (907) 248-0055
<http://mywebpage.netscape.com/BorealShelties/homepage.html>
E-Mail: akshltzu@hotmail.com

Shetland Sheepdog Club of Anchorage - Board Member & Show Chairperson
Alaska Kennel Club - Show Committee Member
Alyeska Canine Trainers - Puppy Obedience Instructor

Home to:
BIS Canada 2000, BISS, Am/Can CH Singltree Irresistible (1996-2003)
BIS Canada 2003, Am/Can CH Boreal Ring My Bell
Boreal Cafe' Kaladi
Beckward Dustcatcher
Simco Against All Odds
Skyview Storm Chaser
Boreal High Speed Traveler

[Fwd: Graduated Driver's Licensing Law]

Subject: [Fwd: Graduated Driver's Licensing Law]

Date: Tue, 27 Jan 2004 10:42:19 -0900

From: Bruce Weyhrauch <Representative_Bruce_Weyhrauch@Legis.state.ak.us>

Organization: Alaska State Legislature

To: Linda Sylvester <Linda_Sylvester@legis.state.ak.us>

Subject: Graduated Driver's Licensing Law

Date: Tue, 27 Jan 2004 09:02:47 -0900

From: "June Bewley" <ajb@da-insurance.com>

Organization: Denali Alaskan Insurance

To: <Representative_Bruce_Weyhrauch@legis.state.ak.us>

CC: "June Bewley" <ajb@da-insurance.com>

A resounding YES to the 3 stages enumerated in the brief I received this morning. Obviously, lack of experience is the prime contributor to crashes.

Please vote to enact the staged GDL as soon as possible!

Will the teens who already have their licenses be "grandfathered in"?

Please make the law effective as soon as possible:

Thank you,

June Bewley

Subject: HB213

Date: Mon, 26 Jan 2004 19:16:06 -0900

From: "Robin Near" <rnear@alaska.net>

To: <Linda_Sylvester@legis.state.ak.us>

Dear Representative Weyrauch,

Having lived in AK for almost 33 years, I have known several families devastated by the deaths of their loved ones in vehicular accidents. Many involved teenagers who were inexperienced and not ready to drive. I raised two boys here and gladly paid for approved driver's training courses before allowing them to drive. Even that didn't seem enough. I am appalled that anyone 16 years of age can obtain a driver's license with no education or driving experience...all they need do is pass a simple written and driving test.

Your bill regarding a Graduated Driving License makes tremendous sense to those of us who know that the way one learns to become a good driver is **only by time & experience**. No one should learn such a complex skill by practicing on other drivers. It's time our state took responsibility for safer roads for all, by making youthful drivers regard driving for what it really is; **a serious responsibility!** The best way to guarantee this, is for youth to earn the privilege thru a series of checks. Thirty five other states have proven that it works by lower death and injury rates. What in the world are we waiting for? I hope your cohorts realize how many lives could be saved and how much needless suffering could be avoided by implementing a graduated drivers license law. Thank you for your insight and willingness to try and make a big difference for families in Alaska.

Sincerely, Robin Near
P.O. Box 80847
Fairbanks, AK 99708

January 26, 2004

Pete Eagan
699 Yak Road
Fairbanks, AK 99709

Re: HB 213

Rep. Bruce Weyhrauch
Capitol Building
Juneau, Alaska 99801

Dear Representative Weyrauch:

I am a life-long Alaskan (49 years), and am familiar with many a tragedy on our highways and roads. Thank you for introducing HB213. I believe that it is a very good bill. Some opponents might argue that it will be an inconvenience for families with young drivers, but our families' lives are certainly worth a little inconvenience.

Motor vehicle crashes are the leading cause of death for 15-18 year olds. Statistics in other states have clearly shown a significant reduction in the number of accidents and fatalities in the teen driving ranks following the institution of similar GDL legislation. It makes very good sense to phase in full driving privileges over a relatively short period of time. Experience can be rapidly gained while the young driver is free of many distractions that are currently the norm (e.g. late hours, rowdy peers in the vehicle, possible underage drinking, etc.).

This is a very sound and responsible bill. I heartily support it, and I hope that our Interior legislators do too.

Sincerely,

PETE EAGAN

Pete Eagan
451-5462 w
455-4793 h

[Fwd: ODL legislation]

Subject: [Fwd: GDL legislation]

Date: Mon, 26 Jan 2004 16:12:31 -0900

From: Bruce Weyhrauch <Representative_Bruce_Weyhrauch@Legis.state.ak.us>

Organization: Alaska State Legislature

To: Linda Sylvester <Linda_Sylvester@legis.state.ak.us>

Subject: GDL legislation

Date: Mon, 26 Jan 2004 11:04:01 -0900

From: "L J Rowinski" <ffljr@aurora.uaf.edu>

To: representative_bruce_veyhrauch@legis.state.ak.us

Thank you for your good work on this bill. The people whose lives are spared will never know they were in danger; but, you know and I know that we are everyone of us at risk. Thank you, Christi Rowinski, 479-5317
ffljr@uaf.edu

Subject: Letter of support for HB 213

Date: Mon, 26 Jan 2004 17:25:30 -0800 (PST)

From: Linda Pearson <lpearson18@yahoo.com>

To: terry.harvey@legis.state.ak.us

Hi Terry:

This is the letter I tried unsuccessfully to fax....

<?xml:namespace prefix = o ns = "urn:schemas-microsoft-com:office:office" />

January 26, 2004

Representative Bruce Weyhrauch

State Capitol Building- Room 30

<?xml:namespace prefix = st1 ns = "urn:schemas-microsoft-com:office:smarts" />Juneau, Alaska
99801

Dear Representative Weyhrauch,

Thank you for sponsoring and supporting House Bill 213- the Graduated Drivers License proposal. As a high school counselor for 30 years in the Fairbanks area, I had the opportunity to observe teens driving on a daily basis. Every day I saw kids showing off to their peers by speeding, gunning their engines, jumping stop signs, even challenging and racing other drivers and threatening pedestrians (playfully, of course). And this was before and after school in a school parking lot. This risky driving extends to the roads we all use.

As a proponent of safety, I practiced a type of GDL with my own children. They got their permits after their sophomore years, practiced driving with me for a year and a summer, and took a drivers' ed class before taking their licensing tests. I know that lots of practice under safe driving conditions helps novice drivers become good drivers and avoid risky behaviors.

Other states that have adopted GDLs have seen a reduction in teen accidents, deaths and injuries. Insurance companies also recognize the dangers posed by inexperienced drivers in the form of higher rates for young drivers.

Thank you for your concern for all drivers and for promoting HB 213.

Sincerely,

Linda L. Pearson

3252 Helen Place

Fairbanks, Alaska 99709



Do you Yahoo!?
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Subject: Support of HB 213

Date: Mon, 26 Jan 2004 10:31:36 -0900

From: Debbie Manning <dmanning@northstar.k12.ak.us>

To: Linda_Sylvester@legis.state.ak.us

Dear Rep Weyrauch,

I lost my daughter on March 26, 2003 in a traffic accident on the Parks Highway. She got her driving permit at age 14 and her driver's license at age 16. I tried to prepare her as best I could for all driving experiences by driving with her whenever possible. When she was on her own though or with friends, I know she didn't always follow the rules. She was a typical driver of her age group -- driving too fast and taking too many chances because she believed nothing could ever happen to her. At age 20 she was finally getting some experience under her belt and driving more defensively; however, she never got a chance to improve any more. She was in a head-on collision. I still don't know the cause of the accident but I believe it was a combination of lack of attention and inability to read road conditions correctly. Perhaps if she would have had a more restrictive driver's license from the beginning, she would have been more aware of her limited experience and taken more precautions. It's too late for her, but maybe this bill will save other young people.

Debbie Manning
North Pole, AK

*Debbie Manning, Human Resources Technician
Fairbanks North Star Borough School District
(907)452-2000, ext 381
<http://www.northstar.k12.ak.us>*

Re: HB 213 - Graduated Driver's License

Subject: Re: HB 213 - Graduated Driver's License

Date: Mon, 26 Jan 2004 11:49:10 -0900

From: "Don Henry" <donhenry@rntaonline.net>

To: "Linda Sylvester" <Linda_Sylvester@legis.state.ak.us>

I live in Palmer and the road conditions are anything but small town driving, plus a large percentage of our yearly driving is spent with winter (dark, snowy, icy) road conditions. I think adding the 50-hour instruction step with nighttime driving limited is a good one, but it should include or be in addition to a driver's ed (defensive driving) course. Here in the Valley, Community Schools offers a 4-week program (8 hours a week) that costs (if I remember right) \$80. They have simulated modeled driving situations that prepares new (young) drivers to be defensive, responsible drivers. Instead of (or in addition to) legislating more laws, I think the State government should put forth effort (money) for new driver training courses. If the driver's ed course was available more often, most parents can afford the \$80. Right now though there is limited space and the program is offered twice during the school year. So I do support the GDL bill but think there is room for improvement. One comment on the 6-month period that requires the presence of a parent or an over-21 adult, but allows for the driver to drive with two siblings (without a parent or over-21 adult it appears). This does not make sense, if I'm understanding it right. Thank you for allowing me to comment. Sincerely, Carole Henry, 25346 E. Buckshot Lane, Palmer, AK 99645 (907) 745-6578

Subject: Limiting Teenaged Drivers

Date: Mon, 19 Jan 2004 03:17:29 +0000

From: "Jeanne Baker" <skreech29@hotmail.com>

To: Representative_Bruce_Weyhrauch@legis.state.ak.us

Mr. Weyhrauch;

A friend of mine suggested I contact you regarding this state's young drivers. I work for the local electric company as a meter technician. I am on the road all day every day reading meters and connecting and disconnecting electricity. I drive in town on busy streets, on the highways and on low traffic country roads, flats and hills. I am on the road in every weather condition Mother Nature can come up with. My job puts me in contact with many, many other drivers, young ones, old ones, good ones and bad ones. I cannot tell you how many times I have yielded to young drivers in order to avoid an accident, even though I had right of way. I have been cut off, nearly run off the road and been the recipient of many rude gestures when I honk to let a fellow driver know that he is a little too close or has not yielded when he was supposed to. The majority of these incidents have been young men, although there have been a few mature men, a few girls and women. Most older drivers are slower, but stay in the slow lanes and stay home in bad weather.

I have 2 grown children and did allow them to drive at 16 years old. I did not, however allow them to transport a car full of kids, only an occasional one in an emergency, and they had curfews. They had to drive a full summer before I even thought of allowing them on the road. I used to take them to the school parking lot only when it was totally clear and have them slam on the brakes so they could learn how it felt if they skidded on the highway. We were only going about 20 MPH...but the effect was there. All this was done in a conscientious way so as to assure that they would not be a hazard on the road. They are in their mid-thirties now and have each had one speeding ticket, both in high school, and are very good drivers today.

I truly believe that if a program limiting teenaged kids was in effect, it would make the roads much safer for everyone. Of course, there would have to be stipulations for working teens...but the majority would be restricted in some ways. I really think this would give them a chance to mature a little bit and be a better driver and less of a hazard on the public roadways.

Sincerely,

Jeanne L. Daniel

Learn how to choose, serve, and enjoy wine at Wine @ MSN.
<http://wine.msn.com/>

Subject: boating safety and GDL

Date: Wed, 26 Mar 2003 21:35:40 -0900

From: Perkins <perkins@ak.net>

To: Representative_Bruce_Weyhrauch@legis.state.ak.us

Dear Representative Weyhrauch,

I'm impressed with your involvement with several safety issues. I'm an Eagle River constituent and an injury epidemiologist (I study injury patterns in various communities and populations). I have lived in Alaska for 25 years, 8 of which were in Dillingham. My injury prevention work with the U.S. Public Health Service took me to communities throughout Alaska before my retirement in 1998. I'm writing to encourage you in your support of HB93, to keep the Boating Safety Law active and in place. As you know, this Law brings in about \$600,000 of federal funds each year and the hardship on individuals is a miniscual \$10 registration fee every 3 years. It helps pay for flotation devices which are used on Kids Don't Float loaner boards throughout Anchorage and Alaska. It is a good law with huge positive impacts on the safety of all Alaskans and a very small impact on individuals. I introduced and encouraged the use of Float Coats throughout rural Alaska in the mid-seventies, and now they are used as the rule rather than the exception.

The other very positive legislation you are developing is the strengthening of the Graduated Driver's Licensing requirement for new drivers. Teens are 4 times more likely to die in a motor vehicle crash than their adult counterparts. Much of this increased risk is due to inexperience, lower seat belt useage, and alcohol. Teens rarely get into crashes when they are learning to drive with an adult present. Their risks increase tremendously shortly after they go solo, drive with other teens in the car, and drive after midnight. The good GDL laws that have been inacted in other states and countries have cut the teen crashes in half. They demand that teens have 6 months behind the wheel under an adult's supervision, no other non-family passengers, and no driving after midnight. Motor vehicles related injuries are the leading cause of death for our teens and we must see that they recieve the proper experience before turning them loose on the roads. School based driver's education has been shown to be ineffective, FYI.

I'm currently the Exec. Director of a non-profit injury prevention center and my special interest is to reduce the needless deaths and trauma from preventable injuries. If I can be of technical assitance to you on any injury prevention issues, please call 907-929-3941.

Ron Perkins, MPH

CAPITAL CHEVROLET
ROB SKINNER

5245 GLACIER HWY
JUNEAU, AK 99801

April 28, 2003

Rep. Bruce Weyhrauch

Dear Rep. Weyhrauch:

I'm pleased to add my support to HB 213, "Provisional Driver's License for Teen Drivers". Being the talker of the town, a responsible parent, and as the "Managing Partner" for Capital Chevrolet I feel the up side to this bill clearly outweighs the small inconveniences that would result from it.

While growing up in a small town in Oregon several of my classmates were in serious car accidents, resulting in two fatalities, two friends who are permanently paralyzed and several other injuries of varying degrees. Most likely had a bill like this been in place my friends would be alive today and those paralyzed would not be so.

In my business we see every day the young drivers and their behaviors. We experience losses from minor accidents as a course of business but almost never from an older more mature employee. It is almost without exception that young drivers feel a need to push the envelope when the rush of power and freedom is afforded them associated with driving. I myself experienced it and so has every one who has been behind the wheel of a car. My sales persons are continually reminding our younger potential car owners to watch the traffic laws while on test drives.

While I'm a huge fan of our youth and understand that HB 213 will disappoint a few, the facts are clear, accidents will decrease and lives will be saved. Nothing is more important to a father than that.

Sincerely,

Rob Skinner
Owner, Capital Chevrolet

Rep. Bruce Weyhrauch
Capitol Building
Juneau, Alaska 99801
January 25, 2004

Al Near
POB 80847
Fairbanks, AK 99708

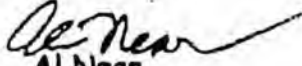
Dear Representative Weyrauch:

Thank you for introducing HB213.

Considering that motor vehicle crashes are the leading cause of death for 15-18 year olds, something must be done. I believe that young people should be introduced to the driving experience gradually by phasing in full driving privileges over time and in lower-risk settings. Your bill would help to achieve this... thereby saving the lives of our teenage drivers and their passengers.

You have my total support.

Sincerely,


Al Near

Subject: gdl

Date: Sun, 25 Jan 2004 18:42:24 -0900

From: "Rhammond" <chickencoop@starband.net>

To: <Linda_Sylvester@legis.state.ak.us>

Dear Representative Weyrauch,

please know that our entire family is very supportive of the GDL. We urge you to do all you can to help it pass. The lives saved will be worth it.

Thank you, Robin & Dick Hammond of Chicken, AK 99732

[Fwd: Bill to change drivers licenses]

Subject: [Fwd: Bill to change drivers licenses]
Date: Fri, 11 Apr 2003 21:05:33 -0800
From: Bruce Weyhrauch <Representative_Bruce_Weyhrauch@Legis.state.ak.us>
Organization: Alaska State Legislature
To: Linda Sylvester <Linda_Sylvester@legis.state.ak.us>

bill file

Subject: Bill to change drivers licenses
Date: Fri, 11 Apr 2003 12:55:05 -0800
From: Craig <craig4@gci.net>
To: Representative_Bruce_Weyhrauch@legis.state.ak.us

Bruce – Just wanted to get a few comments in on the bill to change drivers' licenses. Hopefully it's not too late. I think the "stepped system" for drivers' licenses is a good idea but is too extreme. As a minimum, a newly licensed teen should be able to participate in family responsibilities and at least be able to transport their own siblings who have probably been riding with them throughout the permit period. I also don't see a problem with teens giving a ride to 1 or 2 friends while driving to and from school, or to after school activities such as to the track field. Since we live 20 miles from the high school and are constantly trying to carpool, it seems absurd that 3 kids from our area would all drive separately, or 1 drive and leave the others to catch the bus which leaves almost an hour and a half before school starts. I think the purpose of MADD should be to keep car-loads of teens off the road while "cruising" on a Saturday night, not to punish responsible teens who are driving to and from school and activities. Again, if the rule under the new bill is for teens to not drive with others under the age of 25, please at least have an exemption for family members riding in the car. Thank you for considering this.

JoAnne Craig

789-2955

Sent email



CITY/BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

OFFICE OF THE MAYOR

Telephone: (907) 586-5240; Facsimile: (907) 586-5385

Sally_Smith@ci.juneau.ak.us

April 23, 2003

The Honorable Bruce Weyhrauch
Alaska State Representative
State Capitol, Room 102
Juneau, Alaska 99801

Dear Representative Weyhrauch:

Juneau's assembly members have read an analysis of your House Bill 213, which would institute a graduated driver's license program. According to statistics provided by the Juneau Chapter of Mothers Against Drunk Driving (MADD), 3,889 of Alaska's youth between the ages of 16 and 20 were involved in traffic accidents during 2000. This is not acceptable, and begs the need for change.

We care about our youth and recognize that our current system of preparing them to drive is not working. House Bill 213 provides an opportunity to responsibly prepare our young Alaskan's for a lifetime of safe driving. You have the support of the City and Borough of Juneau on this important legislation. It can make the roads safer for all.

Sincerely,



Sally Smith

Mayor

cc: Cindy Cashen, MADD
The Honorable Kim Elton
The Honorable Beth Kerttula
CBJ Assembly
Clark Gruening
Jerry Mackie



JUNEAU SCHOOL DISTRICT
CITY AND BOROUGH OF JUNEAU
OFFICE OF THE SUPERINTENDENT

10014 CRAZY HORSE DRIVE • JUNEAU, ALASKA 99801-8529 • (907) 463-1700 • FACSIMILE (907) 463-1712

APR 29 2003

April 25, 2003

The Honorable Bruce Weyhrauch
Alaska State Legislature
State Capitol
Juneau, AK 99801

Dear Representative Weyhrauch:

Thank you for your sponsorship of House Bill 213 to establish a graduated driver's license program for Alaska. As I mentioned on Tuesday, the Juneau School Board unanimously supports this concept. I've written the members of the House Transportation Committee and hope they are responsive.

I'm glad to see that there are positive developments for Alyeska Correspondence School. Thank you for your continued support for education and for the Juneau Community in this matter.

Sincerely,

Peggy Cowan
Superintendent

Alaska's Proposed Graduated Driver's License Law, *GDL*

A Graduated Driver's License system (*GDL*) is about helping parents prepare their children for driving because we know that a teenager is more likely to die in a car crash than from any other cause. A new sixteen-year-old driver with quick and easy driving privileges has the highest risk of crashing his first month, which is almost 3 times higher than the risk of older teenagers. Under supervision, teens have very few crashes or citations. Studies show that a staged licensing system buys time for teens to practice driving with limitations, and within six months their crash rate drops by 40%. The findings suggest that novices can improve their driving in a relatively short period of time using a phased-in driving system. *GDL* programs already exist in at least 38 states.

The proposed *GDL* law allows our new drivers to learn to drive in 3 stages:

Stage I: Supervised learner's period; at age 14, a person may be issued a Learner's Permit.

Stage II: An intermediate licensing phase; at age 16, a person may be eligible for a Provisional License if:

- The driver has held a Learner's Permit for 6 months and has not been convicted of a traffic violation during the 6 months preceding the application.
- The driver's parent, guardian, or employer certifies that the teenager has at least 40 hours of supervised driving experience, 10 of which were nighttime hours.



"Give me some time to learn!"

Description of a Provisional License

A provisional driver has full driving privileges except for the following restrictions:

- Prohibited from driving any passengers under 21, except siblings.
- Prohibited from driving between the hours of 1am and 5am, unless within the scope of work.

However, both these restrictions are waived if a passenger at least 21 years of age is in the car.

Stage III: Full driving privileges; between the ages of 16 and 18, a person may be issued a full Driver's License if:

- The driver has held a provisional license for at least 6 months and has not been convicted of a traffic violation or a repeat minor consuming charge during the 6 months preceding the application.

Parents, nationwide, favor graduated licensing. Since the first *GDL* was passed in Florida, surveys show 70-95% of adults support a mandatory period of supervised driving, 90% favor nighttime limits, and 60% favor limiting the number of passengers. In states that have passed the *GDL*, fatal crashes have decreased 58-75% depending on the number of stages and to what degree driving limits were included.

Alaska Rep. Weyhrauch has sponsored HB 213, "An act relating to a provisional driver's license." To comment please email to [Representative Bruce Weyhrauch@legis.state.ak.us](mailto:Representative_Bruce_Weyhrauch@legis.state.ak.us), or call 1-800-968-6744, or write Alaska State Capitol, Juneau, Alaska, 99801-1182.



Gimme Five!

Mayor's Task Force On Youth

*"Each youth in Juneau can
identify at least five caring
adults who are concerned
about their success"*

February 22, 2004

Representative Bruce Weyhrauch
State Capital, Room 102
Juneau AK 99801-1182

Dear Representative Weyhrauch,

The undersigned members of Juneau's Mayor's Task Force on Youth would like to express our concern about the risks facing young drivers in Alaska and our support of measures that mitigate those risks. We are aware that other states in our nation have devised programs that allow young people to steadily develop their driving skills with more safeguards in place to protect their own well-being, as well as those around them.

Alaskans under the age of 21 are involved in the highest percentage of traffic crashes in our state. Motor vehicle crashes are the leading cause of death for people from age 15 through 18 years old throughout our nation, and the fatality rate for young drivers is approximately 4 times as high as older drivers. We would like to see our state do a better job at protecting these young lives.

We are fully supportive of measures that:

- Increase the amount of properly supervised behind-the-wheel driver education.
- Provide for greater preparation for and restrictions on night-time driving
- Place restrictions on the number of youth passengers young drivers can transport.
- Require young people to maintain a clean driving record before their level of driving privileges increase.
- Encourage young people to develop safe driving habits and experience.

Studies into the effectiveness of similar measures in other states and countries have shown significant reductions in the number of teenage crashes. As members of agencies dedicated to the health and well being of youth, we encourage all efforts that help them safely negotiate the passage into the world of adult responsibilities.

Respectfully submitted,

Juneau School Board

Zach Gordon Teen Club



Gimme Five!

Mayor's Task Force On Youth

*"Each youth in Juneau can
identify at least five caring
adults who are concerned
about their success"*

Boys and Girls Club

Elizabeth Williams

Association of Alaska School Boards

Sharon Young

Alaska Faith Communities Concerned for Children

Shelly Eidson

Echo Ranch/Campus Life

Randy Beavers

Mothers Against Drunk Driving

Cindy Casten

Southeast Alaska Guidance Association

Anita Hazze Passis

National Council on Alcoholism and Drug Dependence

Mark Felix

4-H Club

Mark Felix

Juneau Youth Services

Walter Majors

SENATE FINANCE COMMITTEE

SIGN-IN

HB 213-PROVISIONAL DRIVER'S LICENSE

✓
NAME: Monique Barteaux Subject/Bill No: 213
Co./Dept./Title: im with MADD Phone: 789-9412
Address: 3165 Bresee Zip: 99801

Do you wish to testify? Yes No Respond To Questions

✓
NAME: Bindy Cashen Subject/Bill No: 213
Co./Dept./Title: MADD Phone: 463 2562
Address: 211 4th ST Ste 314 Zip: 99801

Do you wish to testify? Yes No Respond To Questions

✓
NAME: Martha Moore Subject/Bill No: 213
Co./Dept./Title: AK Dept. H&SS Phone: 465-8631
Address: P.O. Box 110161 Juneau Zip: 99811-0616

Do you wish to testify? Yes No Respond To Questions

✓
NAME: Sheldon Winters Subject/Bill No: 213
Co./Dept./Title: State Form Phone: 796-4999
Address: 3000 #100 Vintage Blvd Zip: _____

Do you wish to testify? Yes No Respond To Questions

SENATE COMMITTEE REPORT

DATE: 3/5/04

FURTHER: Finance

DATE TURNED
IN TO OFFICE: 3/31/04

State Affairs Committee considered CS FOR HOUSE BILL NO. 213(FIN)

HB 213 PROVISIONAL DRIVER'S LICENSE

"An Act relating to a provisional driver's license and to issuance of a driver's license; and providing for an effective date."

and recommends:

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

| | |
|--------------------------|--------------------------|
| Senate Bill: | |
| <input type="checkbox"/> | Same Title |
| <input type="checkbox"/> | New Title |
| House Bill: | |
| <input type="checkbox"/> | Same Title |
| <input type="checkbox"/> | Technical Title Change |
| <input type="checkbox"/> | New Title w/ SCR # _____ |

NEW FISCAL NOTE(S):

| Department | Date | Fiscal | Zero | Indet. | FN# |
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PREVIOUS FISCAL NOTE(S):

| Department | Date | Fiscal | Zero | Indet. | FN# |
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| DOA | 1/20/04 | ✓ | | | 1 |
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APPROPRIATION - no fiscal note

| SIGNATURES AND RECOMMENDATIONS: | DO PASS | DO NOT PASS | NO REC | AMEND |
|---------------------------------|---------|-------------|--------|-------|
| <i>John J. Cowdery</i> | ✓ | | | |
| <i>Robert J. Steedman</i> | | | ✓ | |
| <i>Gregory</i> | | | ✓ | |
| | | | | |
| | | | | |
| CHAIR: <i>G. Steedman</i> | ✓ | | | |

HB

215

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB215
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: DOT&PF
 Title Repeal One Percent for Art BRU _____
 Component _____
 Sponsor Stoltze
 Requester HSTA Component No. _____

Expenditures/Revenues (Thousands of Dollars)

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

| OPERATING EXPENDITURES | FY 2004 | FY 2005 | FY 2006 | FY 2007 | FY 2008 | FY 2009 |
|-------------------------------|------------|------------|------------|------------|------------|------------|
| 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 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 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—Do not abbreviate) | | | | | | |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimate of any current year (FY2003) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

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

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

Prepared by: Dennis R. Poshard Phone 465-3900
 Division: Special Assistant to Commissioner Date/Time 4/2/03 5:56 PM
 Approved by: Commissioner Mike Barton Date 4/2/2003
 Agency: Alaska Department of Transportation and Public Facilities

LEGISLATIVE RESEARCH REPORT

APRIL 30, 2003



REPORT NUMBER 03.204

ALASKA'S "PERCENT FOR ART" PROGRAM

PREPARED FOR REPRESENTATIVE BILL STOLTZE

BY KATHLEEN L. WAKEFIELD, LEGISLATIVE ANALYST,

You asked what percentage of construction funds have been allocated to the "Percent for Art" program during the past three years.

As you may know, the legislature created the "Percent for Art" program in 1975.¹ The law, AS 35.27.010, stipulates that a portion of the funds appropriated for capital projects for public facilities (including schools, office buildings, court buildings, and state ferries) be set aside for the purchase of works of art. At least one percent of a project's construction or renovation costs must be dedicated to purchase of art, although schools in Rural Education Attendance Areas (REAs) may reserve a lower amount (no less than one-half of one percent). If the project's costs are under \$250,000 or the project will receive minimal public use, the amount reserved for art is placed in the Art in Public Places Fund.² The Alaska State Council on the Arts manages this fund and uses it to acquire art for other public buildings or to provide additional monies to a project if the actual cost for a work of art exceeds available funding.³

During fiscal years 2000-2002, the legislature appropriated about \$3.6 billion for all capital projects statewide.⁴ Of course, many of these projects were not for public facilities and did not qualify for the percent for art requirement. During that same time, the Alaska Court System and the Department of Transportation and Public Facilities (which also manages projects for other state departments) spent about \$1.1 million for art purchased under the "Percent for Art" program. This amount is less than one-half of one percent of the total authorized capital budgets for those years.

¹ For a more detailed legislative history of the "Percent for Art" program, you may wish to review Legislative Research Services Report 97.016, "Legislative History of Alaska's Percent for Art Program."

² AS 44.27.060.

³ The Alaska State Council on the Arts' website contains additional information on the "Percent for Art" program, <http://www.educ.state.ak.us/aksca/visual.htm>.

⁴ *Fiscal Summaries*, Division of Legislative Finance.

This \$1.1 million figure includes only two years' worth of expenditures by the Court System. During those two years, the Court System spent approximately \$8,000 for art. Expenditures vary from year to year, based on which projects are actually funded in the capital budget. In the previous two years (FY98-99), for example, the Court System spent almost \$279,000 for acquisitions under the "Percent for Art" program.⁵

The total figure for FY00-02, however, does not include amounts spent during those years for art for school construction and renovation projects. The Department of Education and Early Development does not track expenditures for art separately from other project costs, since school projects are managed by the individual school districts, and so was unable to provide us with firm cost figures. The department, which provides bond and grant funding to school districts for qualifying projects, spent almost \$584 million for school construction, renovation, and maintenance projects in FY00-02. Grant funding provides only 65 to 98 percent of the total project cost, so this figure is not the full construction amount.

However, based on the information for these projects provided by the department, we estimate that about \$3.6 million in state funds *may have been spent* on art for school projects for fiscal years 2000-2002. *Please note that this is our estimate only—actual expenditures may have been quite different.*⁶

It is important to note that there is no centralized repository of information on amounts spent for art in public places. For example, although the Alaska State Council on the Arts tracks expenditures for art on projects managed by the Department of Transportation and Public Facilities (based on information provided by the department), other entities, such as the Alaska Court System and individual school districts, maintain their own accounting records on their projects.

With these exceptions, if we include our estimate for art in schools, the state may have spent approximately \$4.8 million on the "Percent for Art" program for fiscal years 2000-2002. This figure is just over one percent of the total capital projects budget for those three years.

Table 1 contains the amounts spent for art for capital projects by the Alaska Court System and the Department of Transportation and Public Facilities for fiscal years 2000-2002, as well as our estimates for the Department of Education and Early Development for those years.

⁵ Although for fiscal years 2000-2002 the Department of Transportation and Public Facilities spent almost \$1.1 million for art in public places, in the previous two years it spent only \$32,000.

⁶ We arrived at the \$3.6 million estimate by calculating one percent for art for urban school construction and renovation projects, and one-half of one percent for REAA school projects funded (in part) by the department for FY00-02, based on amounts for the projects provided to us by the department. These amounts, of course, are not total project costs and do not include any federal or local funding sources. We excluded any projects that appeared to be maintenance work (roof repair or replacements, deferred maintenance, asbestos abatement, ADA upgrades, structural upgrades, fuel tank upgrades, etc.) and projects that were for technology installations or upgrades. Since the total funding for school projects is a mix of state, local, and sometimes federal monies, this estimate is probably lower than the actual amount spent for art in schools.

Table 1: Expenditures for the "Percent for Art" Program, FY2000-2002

| Fiscal Year | Alaska Court System ¹ | Department of Transportation and Public Facilities ² | Department of Education and Early Development ³
(estimate) | Total |
|--------------|----------------------------------|---|--|--------------------|
| 2000 | \$5,000 | \$240,614 | \$1,190,530 | \$1,436,144 |
| 2001 | \$3,000 | \$134,309 | \$1,177,094 | \$1,314,403 |
| 2002 | | \$698,722 | \$1,327,531 | \$2,026,253 |
| Total | \$8,000 | \$1,073,645 | \$3,695,155 | \$4,776,800 |

Notes: 1. The amounts listed in this table for the Alaska Court System are for the fiscal year in which funds were authorized, not the year in which the art was purchased. 2. The amounts listed for the Department of Transportation and Public Facilities are for projects for several state departments, and are for the years in which the actual expenditures for art were made. 3. The amounts listed for the Department of Education and Early Development are for certain school construction and renovation projects, and are for the year the construction funds were appropriated. By law, Rural Education Attendance Area (REAA) schools may allocate one-half of one percent to art, instead of the full one percent. *Please note: amounts for the Department of Education are estimates only, based on the amount of state grants or bonds allocated to the project and do not reflect total project costs. Total funding for school projects is a mix of state, local, and sometimes federal monies.* Actual project costs, including the amount spent for art, are accounted for by the individual school districts.

Sources: Alaska Court System; Alaska Department of Education and Early Development; Alaska State Council on the Arts.

I hope you find this information to be useful. Please do not hesitate to contact us if you have questions or need additional information.

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB215
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: DOT&PF
Title Repeal One Percent for Art BRU _____
Component _____
Sponsor Stoltze _____
Requester HSTA Component No. _____

Expenditures/Revenues (Thousands of Dollars)

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

| OPERATING EXPENDITURES | FY 2004 | FY 2005 | FY 2006 | FY 2007 | FY 2008 | FY 2009 |
|------------------------|------------|------------|------------|------------|------------|------------|
| 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 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
|-----------------------------|------------|------------|------------|------------|------------|------------|

| | | | | | | |
|-------------------------------|--|--|--|--|--|--|
| 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--Do not abbreviate) | | | | | | |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimate of any current year (FY2003) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Dennis R. Poshard Phone 465-3900
Division: Special Assistant to Commissioner Date/Time 4/2/03 5:56 PM
Approved by: Commissioner Mike Barton Date 4/2/2003
Agency: Alaska Department of Transportation and Public Facilities

ALASKA STATE LEGISLATURE

Chair:
House Finance Subcommittees for
Department of Public Safety
Department of Law

Member:
House Finance Committee
Legislative Council



Session:
Alaska State Capitol
Juneau, AK 99801-1182
Phone: (907) 465-4958
Fax: (907) 465-4928
Toll Free (866) 465-4958

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PO Box 464
Chugiak, AK 99567

REPRESENTATIVE BILL STOLTZE

Representative_Bill_Stoltze@legis.state.ak.us

Sponsor Statement for CS for House Bill 215 (STA)

"An Act relating to art requirements for public buildings and facilities; relating to identification, monitoring, maintenance, and reporting of art in public buildings and facilities; and relating to the art in public places fund."

Alaska's "Percent for Art" program originated in 1975 with the requirement that a percent of state capital expenditures for public buildings and facilities be set aside to acquire works of art for display in those facilities (Alaska Statute 35.27).

My intent in introducing HB 215 was to address the fiscal aspect of the program; the original version repealed the percent for art program. The committee substitute for HB 215 provides 1% for art from the first \$10 million of the total construction costs, and reduces it to ½% thereafter. Additionally, the 1% would only apply to state funding sources such as general funds or general obligation bonds.

At this time, a mechanism for maintenance doesn't exist. This bill sets aside 5% of the percent for art, placing it into the Art in Public Places Fund to insure works of art can be maintained in good condition. The Alaska State Council on the Arts (ASCA) would receive requests for maintenance, facilitate coordination of the repairs, and maintain a database of all artwork that is owned by the state.

Furthermore, annual reporting to ASCA will be required by those agencies subject to the 1% for art. Required reporting will provide: the amount of state funding for the project, the percent set aside for art; the total cost of art, the title, artist, etc. The ASCA will have this information for monitoring works of art and the annual amount allocated to the Percent for Art Program through new construction. Annually, the ASCA will prepare a report to the Legislative Budget and Audit Committee.

Additionally, this legislation strengthens the preference for state artists.

A member of the House State Affairs Committee removed the long-standing reduced percentage for rural schools that allowed for a lesser percentage to compensate for the significantly higher construction costs for rural schools.

I appreciate your consideration of this legislation.

DISTRICT 16

BIRCHWOOD • BUTTE • CHUGIAK • EKLUTNA • FAIRVIEW LOOP
KNIK RIVER ROAD • LAZY MOUNTAIN • PALMER • PETERS CREEK

HB

215

SFIN

FILE

HB 215

was referred to the
Senate Finance
Committee

Hearing(s) were held

The bill did not move
from Committee

23-LS0605\S
Kurtz
1/15/04

SENATE CS FOR CS FOR HOUSE BILL NO. 215(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES STOLTZE, Hawker, Wilson, Ogg, Lynn

*Motion to
adopt "S"
& 2 objections
"Set Aside"
1/29/04*

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to art requirements for public buildings and facilities; relating to
2 identification, monitoring, maintenance, and reporting of art in public buildings and
3 facilities; and relating to the art in public places fund."

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

5 * Section 1. AS 35.27.020(c) is amended to read:

6 (c) At least one percent or, in the case of a rural school facility, at least one-
7 half of one percent of the first \$20,000,000 of the state funding for the construction
8 [COST] of a building or facility approved for construction by the legislature after
9 September 1, 1977, and at least one-half of one percent of that portion of the state
10 funding that exceeds \$20,000,000 for the construction of a building or facility
11 approved for construction by the legislature shall [WILL] be reserved for the
12 following purposes: the design, construction, mounting, [AND] administration, and
13 maintenance of works of art in a school, office building, court building, vessel of the
14 marine highway system, or other building or facility that [WHICH] is designed for

1 [SUBJECT TO] substantial public use. Of the total amount that is received for
2 works of art for a building or facility under this subsection, at least five percent
3 shall be deposited in the art in public places fund established under AS 44.27.060
4 to meet future maintenance needs of art works in public buildings and facilities.

5 * Sec. 2. AS 35.27.020(d) is amended to read:

6 (d) A building or facility with an estimated construction cost of less than
7 \$250,000 is exempt from the requirements of this chapter unless inclusion of works of
8 art in the design and construction of the building or facility is specifically authorized
9 by the department. A building or facility exempt under this subsection is subject
10 to AS 44.27.060.

11 * Sec. 3. AS 35.27 is amended by adding new sections to read:

12 Sec. 35.27.022. Identification, monitoring, and maintenance of art works.

13 (a) For each work of art purchased under this chapter, the building or facility owner
14 shall install a permanent plaque containing the name or title of the work of art, the
15 name of the artist, and the year of completion on or near the work.

16 (b) Each work of art acquired under this chapter, regardless of its cost, shall be
17 included in the inventory records of state property under AS 37.05.160 or in the
18 building or facility owner's inventory system.

19 (c) For each building or facility subject to this chapter, the building or facility
20 owner shall report to the Alaska State Council on the Arts

21 (1) the amount of state funding for the project;

22 (2) the total cost of art;

23 (3) the title, artist, location, cost, inventory reference, and anticipated
24 maintenance requirements of each work of art acquired;

25 (4) photo documentation according to the specifications of the Alaska
26 State Council on the Arts of each work of art.

27 Sec. 35.27.024. Report to the legislature. The Alaska State Council on the
28 Arts shall prepare an annual report listing the buildings and facilities subject to this
29 chapter and each work of art purchased, including the cost, amount deposited into the
30 art in public places fund (AS 44.27.060) for maintenance, and inventory reference.
31 The Alaska State Council on the Arts shall submit the report to the Legislative Budget

1 and Audit committee within 30 days after the convening of each regular session of the
2 legislature.

3 * Sec. 4. AS 35.27.030(1) is amended to read:

4 (1) "building" or "facility" means a permanent improvement
5 constructed by a department, institution, board, commission, division, authority,
6 public corporation, committee, or other administrative unit of the executive,
7 judicial, or legislative branch of state government, including the University of
8 Alaska, the Alaska Aerospace Development Corporation, and the Alaska
9 Railroad Corporation [THE DEPARTMENT]; the term

10 (A) includes, but is not limited to,

11 (i) schools, office buildings, and court buildings;

12 (ii) other buildings that [WHICH] the commissioner
13 determines are designed for substantial public use;

14 (iii) boats and vessels of the marine highway system;

15 (iv) transportation facilities that [WHICH]
16 accommodate traveling passengers;

17 (B) excludes

18 (i) [OTHER] transportation facilities not described in
19 (A)(iii) and (iv) of this paragraph;

20 (ii) correctional facilities, as that term is defined in
21 AS 33.30.901;

22 (iii) buildings that are not designed for substantial
23 public use;

24 * Sec. 5. AS 35.27.030 is amended by adding a new paragraph to read:

25 (4) "state funding" means

26 (A) an appropriation of state funds by the legislature;

27 (B) general obligation bond proceeds; or

28 (C) revenue bond proceeds.

29 * Sec. 6. AS 44.27.060(c) is amended to read:

30 (c) The council may use the money in the art in public places fund

31 (1) to commission or purchase a work of art that is to be made a

1 permanent part of, or placed on loan in, a building or facility owned or leased by the
2 state that has substantial public use; [AND]

3 (2) to meet expenses for a commissioned work of art for a building or
4 facility that has substantial public use if the cost of the work of art exceeds the amount
5 reserved under AS 35.27.020(c); and

6 (3) to maintain and repair existing works of art acquired under
7 AS 35.27.

8 * Sec. 7. AS 44.27.060(d) is amended to read:

9 (d) In (c) of this section, "building" or "facility" means

10 (1) a building or facility of the state, as defined by AS 35.27.030, that
11 is designed for [AND THAT IS SUBJECT TO] substantial public use; and

12 (2) a building or facility that is leased by the state and designed for
13 [SUBJECT TO] substantial public use.

14 * Sec. 8. AS 44.27.060 is amended by adding new subsections to read:

15 (e) The commissioner of a department responsible for the design and
16 construction of a building or facility or the owner of a building or facility subject to
17 AS 35.27 shall deposit into the art in public places fund at least five percent of the
18 total amount that is received for works of art for a building or facility under AS 35.27.

19 (f) Money deposited in the art in public places fund does not lapse at the end
20 of a fiscal year unless otherwise provided by an appropriation.

21 * Sec. 9. The uncodified law of the State of Alaska is amended by adding a new section to
22 read:

23 TRANSITIONAL PROVISIONS. The provisions of this Act apply to appropriations
24 made by the legislature and general obligation and revenue bonds authorized on or after
25 July 1, 2004.

Sheila,

HB 215 was

"set aside". There is
a motion on the table
to adopt the CS. Do

you want that
addressed or ignored?

Robin

Probably the minutes
should reflect motion

made, objection, + chair
asked to hold ~~the~~ the
motion —

Does that work?

When heard the next
time, Gary will recap +
ask members if they still
have objections, etc -----

~~Shelley~~
Robin

SENATE FINANCE COMMITTEE

1/29/2003 COMMITTEE ACTION

| | | | |
|----------------------------|--------------|-------------|----------|
| Bill Number | HB 215 | | |
| Amendment | | | |
| Motion | Adopt CS "S" | | |
| <u>Motion by</u> | Stevens | | |
| <u>Objection by</u> | Green Dyson | | |
| <u>Removed</u> | | | |
| <u>Second Objection by</u> | | | |
| <u>Committee Member</u> | <u>Y</u> | <u>Vote</u> | <u>N</u> |
| Senator Hoffman | | | |
| Senator Olson | | | |
| Senator Stevens | | | |
| Senator Bunde | | | |
| Senator Dyson | | | |
| Co-Chair Green | | | |
| Co-Chair Wilken | | | |
| <u>Tally</u> | | | |
| Yea | | | |
| Nay | | | |
| Absent | | | |
| <u>MOTION</u> | | | |

Motion set aside



SENATE FINANCE
COMMITTEE
Amendment Number: #1
Bill Number: HB 215
Sponsor: Dyson Date: 1/29/04
Logged in By: Robin

23-LS0605VI.
Shultz
01/29/04

AMENDMENT

OFFERED IN THE SENATE
By Senator Fred Dyson
To: CSHB215(STA)

- 1 Page 3: Add new section 5.(1)(B)(iv) after Line 25 as follows:
- 2 (iv) buildings for which the primary purpose is to display or perform
- 3 art, or to train people for the creation or performance of art.

Amend #1
discussed, but
not
offered.

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB215CS(STA)-DOT-CO-1-26-04
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: DOT&PF
 Title Repeal One Percent for Art RDU Administration & Support
 Component Commissioner's Office
 Sponsor Stoltze
 Requester Senate Finance Component No. 530

Expenditures/Revenues (Thousands of Dollars)

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

| OPERATING EXPENDITURES | FY 2005 | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 |
|------------------------|------------|------------|------------|------------|------------|------------|
| Personal Services | | | | | | |
| Travel | | | | | | |
| Contractual | | | | | | |
| Supplies | | | | | | |
| Equipment | | | | | | |
| Land & Structures | | | | | | |
| Grants & Claims | | | | | | |
| Miscellaneous | | | | | | |
| TOTAL OPERATING | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

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

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

FUND SOURCE (Thousands of Dollars)

| | | | | | | |
|---|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1037 GF/Mental Health | | | | | | |
| Other (Specify Type--Do not abbreviate) | | | | | | |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimate of any current year (FY2004) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

Prepared by: John MacKinnon Phone 465-6973
 Division Deputy Commissioner Date/Time 1/26/04 1:51 PM
 Approved by: John MacKinnon for Mike Barton, Commissioner Date 1/26/2004
 Agency Department of Transportation and Public Facilities

ALASKA STATE LEGISLATURE

Chair:
House Finance Subcommittees for,
Department of Public Safety
Department of Law

Member:
House Finance Committee
Legislative Council



Session:
Alaska State Capitol
Juneau, AK 99801-1182
Phone: (907) 465-4958
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Interim:
PO Box 464
Chugiak, AK 99567

REPRESENTATIVE BILL STOLTZE

Representative_Bill_Stoltze@legis.state.ak.us

Sponsor Statement for CS for House Bill 215 (STA) am

"An Act relating to art requirements for public buildings and facilities; relating to identification, monitoring, maintenance, and reporting of art in public buildings and facilities; and relating to the art in public places fund."

Alaska's "Percent for Art in Public Places" program originated in 1975 with the requirement that a percent of state capital expenditures for public buildings and facilities be set aside to acquire works of art for display in those facilities (Alaska Statute 35.27).

My intent in introducing HB 215 was to address the fiscal aspect of the program; the original version repealed the percent for art program. The committee substitute for HB 215 provides 1% for art from the first \$10 million of the total construction costs, and reduces it to ½% thereafter. Additionally, the 1% would only apply to state funding sources, such as general funds or general obligation bonds.

At this time, a mechanism for maintenance doesn't exist. This bill sets aside 5% of the percent for art, placing it into the Art in Public Places fund to ensure works of art can be maintained in good condition. The Alaska State Council on the Arts (ASCA) would receive requests for maintenance, facilitate coordination of the repairs, and maintain a database of all artwork that is owned by the state.

Furthermore, annual reporting to ASCA will be required by those agencies subject to the Art in Public Places program. Required reporting will provide: the amount of state funding for the project, the percent set aside for art; the total cost of art, the title, artist, etc. The ASCA will have this information for monitoring works of art and the annual amount allocated to the percent for art program through new construction. Annually, the ASCA will prepare a report to the Legislative Budget and Audit Committee.

Additionally, this legislation strengthens the preference for Alaskan artists.

In the House State Affairs Committee, a member removed the long-standing reduced percentage for rural schools that allowed for a lesser percentage to compensate for the significantly higher construction costs for rural schools. On the House floor, the percentage for rural schools was amended back to one-half a percent.

I appreciate your consideration of this legislation.

DISTRICT 16

BIRCHWOOD • BUTTE • CHUGIAK • EKLUTNA • FAIRVIEW LOOP
KNIK RIVER ROAD • LAZY MOUNTAIN • PALMER • PETERS CREEK

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES

LEGISLATIVE AFFAIRS AGENCY

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

STATE OF ALASKA

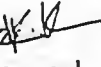
State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

January 16, 2004

SUBJECT: Draft SCS CSHB215(FIN) (Work Order No. 23-LS0605\S))

TO: Senator Gary Wilken
Attn: Darwin Peterson

FROM: Kathryn Kurtz 
Legislative Counsel

Enclosed is the revised draft CS you requested, relating to the percent for art program and the art in public places fund.

Resident Hire Preference

You asked about the constitutionality of requiring selection of artists who are residents of the state for the percent for art program. The Constitution of the United States generally does not permit this type of employment discrimination based on residency.

The privileges and immunities clause provides:

The citizens of each state shall be entitled to all the privileges and immunities of the citizens of the several states.

Article IV, section 2, Constitution of the United States. Under this clause, "a resident of one State is constitutionally entitled to travel to another State for purposes of employment free from discriminatory restrictions in favor of state residents imposed by the other State." Hicklin v. Orbeck, 437 U.S. 518, 525 (1978), *citing* Ward v. Maryland, 12 Wall. 419 (1871).

Alaska ran afoul of the privileges and immunities clause in the 1970s when it required a resident hire preference on projects related to state oil and gas leases, including pipeline construction. The "Alaska Hire" law was invalidated by the United States Supreme Court in Hicklin v. Orbeck, 437 U.S. 518 (1978). Less than a decade later, Alaska's "local hire law," requiring the use of Alaska residents for most work on public construction projects, was struck down by the Alaska Supreme Court in Robison v. Francis, 713 P.2d 259 (Alaska 1986).

The privileges and immunities clause is not an absolute bar to discrimination. It only protects individuals against interference with "fundamental rights." However, employment in a particular industry has been held to be a fundamental right. *Id.* at 265.

Senator Gary Wilken

January 16, 2004

Page 2

Where a fundamental right is involved, discrimination is not permitted unless there is a "substantial reason" for the discrimination, and the discrimination is "closely related to the interests served by the statute." *Id.* 263-264. The purpose of the "local hire" law at issue in the Robison case was "to exclude non-residents from public construction jobs so that more jobs will be available to Alaskans." *Id.* at 266. The court found that this was not a "substantial reason" sufficient to satisfy the privileges and immunities test.

In my memo to you of December 19, I mentioned that the "market participant" doctrine might offer the state some protection from a privileges and immunities suit. On further analysis, I do not believe that the market participant doctrine would be of much help in salvaging a requirement that artists in the percent for art program be Alaska residents. In general, the state may be entitled to a little more deference in the privileges and immunities analysis when acting as a market participant, although how much is not clear. *Id.* at 264. "[W]here the discrimination is far-reaching and exclusive in nature, and extends to the fringes of the state's proprietary interests, the state is entitled to a little deference. On the other hand, where the discrimination is narrow in scope and involves a direct relationship between the state and affected individuals, greater deference is called for." *Id.* at 264.

In this context, the state would be a market participant, since it is state buildings and facilities that are subject to the one percent for art requirement. However, in the employment cases discussed above, Hicklin v. Orbeck and Robison v. Francis, the scope and magnitude of the discrimination meant that the state was not entitled to much additional leeway on the basis of the market participant doctrine. *Id.* at 265. Requiring selection of artists who are residents of the state would appear to be an analogous situation.

Requiring the selection of Alaskan artists could pose equal protection issues as well. Alaska's equal protection clause is found in Article I, Section 1 of the Constitution of the State of Alaska: "all persons are equal and entitled to equal rights, opportunities, and protection under the law." Amendment XIV, section 1 of the Constitution of the United States provides that no state shall "deny to any person within its jurisdiction the equal protection of the laws." Alaska evaluates equal protection claims using a sliding scale. Matanuska-Susitna Borough School v. State, 931 P.2d 391, 396 (Alaska 1997). First, the court determines the importance of the individual interest impaired by the challenged statute. Then, the court looks at the purposes served by the statute. Finally, the court looks at how well the statutory means fits the purpose.

The Alaska Supreme Court has found the right to employment to be an important right. Malabed v. North Slope Borough, 70 P.3d 416, 421 (Alaska 2003). Impairment of an "important right" requires close scrutiny. "Close scrutiny of enactments impairing the important right to engage in economic endeavor requires that the state's interest underlying the enactment be not only legitimate, but important, and that the nexus between the enactment and the important interest it serves be close." *Id.* This is a fairly rigorous standard, similar to that used in the privileges and immunities analysis. A

Senator Gary Wilken
January 16, 2004
Page 3

discriminatory provision that failed to withstand scrutiny under the privileges and immunities clause would also be vulnerable under the equal protection clause.

Restricting the selection of artists in the percent for art program to residents seems to be a proposition analogous to the statutes which were invalidated in Hicklin and Robison and not likely to withstand a privileges and immunities clause challenge unless a novel and highly persuasive justification were found. Similarly, discriminating in favor of Alaska resident artists could be found to violate the equal protection clause.

Dedicated Fund Issue

You also asked whether the art in public places fund (AS 44.27.060) poses a dedicated fund problem. The art in public places fund does not fit the definition of a dedicated fund. Article IX, section 7 of the Constitution of the state of Alaska provides:

SECTION 7. Dedicated Funds. The proceeds of any state tax or license shall not be dedicated to any special purpose, except as provided in section 15 of this article or when required by the federal government for state participation in federal programs. This provision shall not prohibit the continuance of any dedication for special purposes existing upon the date of ratification of this section by the people of Alaska.

The art in public places fund is not directly funded by a tax or license. Money in the fund has been appropriated by the legislature for the design and construction of buildings and facilities.

KLK:med/mdr
04-039.med

Enclosure

LEGISLATIVE RESEARCH REPORT

APRIL 30, 2003



REPORT NUMBER 03.204

ALASKA'S "PERCENT FOR ART" PROGRAM

PREPARED FOR REPRESENTATIVE BILL STOLTZE

BY KATHLEEN L. WAKEFIELD, LEGISLATIVE ANALYST,

You asked what percentage of construction funds have been allocated to the "Percent for Art" program during the past three years.

As you may know, the legislature created the "Percent for Art" program in 1975.¹ The law, AS 35.27.010, stipulates that a portion of the funds appropriated for capital projects for public facilities (including schools, office buildings, court buildings, and state ferries) be set aside for the purchase of works of art. At least one percent of a project's construction or renovation costs must be dedicated to purchase of art, although schools in Rural Education Attendance Areas (REAs) may reserve a lower amount (no less than one-half of one percent). If the project's costs are under \$250,000 or the project will receive minimal public use, the amount reserved for art is placed in the Art in Public Places Fund.² The Alaska State Council on the Arts manages this fund and uses it to acquire art for other public buildings or to provide additional monies to a project if the actual cost for a work of art exceeds available funding.³

During fiscal years 2000-2002, the legislature appropriated about \$3.6 billion for all capital projects statewide.⁴ Of course, many of these projects were not for public facilities and did not qualify for the percent for art requirement. During that same time, the Alaska Court System and the Department of Transportation and Public Facilities (which also manages projects for other state departments) spent about \$1.1 million for art purchased under the "Percent for Art" program. This amount is less than one-half of one percent of the total authorized capital budgets for those years.

¹ For a more detailed legislative history of the "Percent for Art" program, you may wish to review Legislative Research Services Report 97.016, "Legislative History of Alaska's Percent for Art Program."

² AS 44.27.060.

³ The Alaska State Council on the Arts' website contains additional information on the "Percent for Art" program, <http://www.educ.state.ak.us/aksca/visual.htm>.

⁴ *Fiscal Summaries*, Division of Legislative Finance.

This \$1.1 million figure includes only two years' worth of expenditures by the Court System. During those two years, the Court System spent approximately \$8,000 for art. Expenditures vary from year to year, based on which projects are actually funded in the capital budget. In the previous two years (FY98-99), for example, the Court System spent almost \$279,000 for acquisitions under the "Percent for Art" program.⁵

The total figure for FY00-02, however, does not include amounts spent during those years for art for school construction and renovation projects. The Department of Education and Early Development does not track expenditures for art separately from other project costs, since school projects are managed by the individual school districts, and so was unable to provide us with firm cost figures. The department, which provides bond and grant funding to school districts for qualifying projects, spent almost \$584 million for school construction, renovation, and maintenance projects in FY00-02. Grant funding provides only 65 to 98 percent of the total project cost, so this figure is not the full construction amount.

However, based on the information for these projects provided by the department, we estimate that about \$3.6 million in state funds *may have been spent* on art for school projects for fiscal years 2000-2002. *Please note that this is our estimate only—actual expenditures may have been quite different.*⁶

It is important to note that there is no centralized repository of information on amounts spent for art in public places. For example, although the Alaska State Council on the Arts tracks expenditures for art on projects managed by the Department of Transportation and Public Facilities (based on information provided by the department), other entities, such as the Alaska Court System and individual school districts, maintain their own accounting records on their projects.

With these exceptions, if we include our estimate for art in schools, the state may have spent approximately \$4.8 million on the "Percent for Art" program for fiscal years 2000-2002. This figure is just over one percent of the total capital projects budget for those three years.

Table 1 contains the amounts spent for art for capital projects by the Alaska Court System and the Department of Transportation and Public Facilities for fiscal years 2000-2002, as well as our estimates for the Department of Education and Early Development for those years.

⁵ Although for fiscal years 2000-2002 the Department of Transportation and Public Facilities spent almost \$1.1 million for art in public places, in the previous two years it spent only \$32,000.

⁶ We arrived at the \$3.6 million estimate by calculating one percent for art for urban school construction and renovation projects, and one-half of one percent for REAA school projects funded (in part) by the department for FY00-02, based on amounts for the projects provided to us by the department. These amounts, of course, are not total project costs and do not include any federal or local funding sources. We excluded any projects that appeared to be maintenance work (roof repair or replacements, deferred maintenance, asbestos abatement, ADA upgrades, structural upgrades, fuel tank upgrades, etc.) and projects that were for technology installations or upgrades. Since the total funding for school projects is a mix of state, local, and sometimes federal monies, this estimate is probably lower than the actual amount spent for art in schools.

Table 1: Expenditures for the "Percent for Art" Program, FY2000-2002

| Fiscal Year | Alaska Court System ¹ | Department of Transportation and Public Facilities ² | Department of Education and Early Development ³
(estimate) | Total |
|-------------|----------------------------------|---|--|-------------|
| 2000 | \$5,000 | \$240,614 | \$1,190,530 | \$1,436,144 |
| 2001 | \$3,000 | \$134,309 | \$1,177,094 | \$1,314,403 |
| 2002 | | \$698,722 | \$1,327,531 | \$2,026,253 |
| Total | \$8,000 | \$1,073,645 | \$3,695,155 | \$4,776,800 |

Notes: 1. The amounts listed in this table for the Alaska Court System are for the fiscal year in which funds were authorized, not the year in which the art was purchased. 2. The amounts listed for the Department of Transportation and Public Facilities are for projects for several state departments, and are for the years in which the actual expenditures for art were made. 3. The amounts listed for the Department of Education and Early Development are for certain school construction and renovation projects, and are for the year the construction funds were appropriated. By law, Rural Education Attendance Area (REAA) schools may allocate one-half of one percent to art, instead of the full one percent. *Please note: amounts for the Department of Education are estimates only, based on the amount of state grants or bonds allocated to the project and do not reflect total project costs. Total funding for school projects is a mix of state, local, and sometimes federal monies. Actual project costs, including the amount spent for art, are accounted for by the individual school districts.*

Sources: Alaska Court System: Alaska Department of Education and Early Development; Alaska State Council on the Arts.

I hope you find this information to be useful. Please do not hesitate to contact us if you have questions or need additional information.

HB 215 - 1% for Art

Existing Law

| Portion of State Funding Reserved for Art Works in Public Buildings and Facilities as per AS 35.27.020(c) | | |
|---|-----------|-------------------------|
| Total Construction Cost per Building or Facility | 1% | Total Reserved for Arts |
| \$5 million | \$50,000 | \$50,000 |
| \$10 million | \$100,000 | \$100,000 |
| \$15 million | \$150,000 | \$150,000 |
| \$20 million | \$200,000 | \$200,000 |
| \$25 million | \$250,000 | \$250,000 |
| \$30 million | \$300,000 | \$300,000 |
| \$40 million | \$400,000 | \$400,000 |
| \$60 million | \$600,000 | \$600,000 |
| \$80 million | \$800,000 | \$800,000 |

House Version

| Portion of State Funding Reserved for Art Works in Public Buildings and Facilities as per CSHB 215(STA) am | | | |
|--|-------------------------|-------------------------|-------------------------|
| Total Construction Cost per Building or Facility | 1% (up to \$10 million) | .5% (over \$10 million) | Total Reserved for Arts |
| \$5 million | \$50,000 | 0 | \$50,000 |
| \$10 million | \$100,000 | 0 | \$100,000 |
| \$15 million | \$100,000 | \$25,000 | \$125,000 |
| \$20 million | \$100,000 | \$50,000 | \$150,000 |
| \$25 million | \$100,000 | \$75,000 | \$175,000 |
| \$30 million | \$100,000 | \$100,000 | \$200,000 |
| \$40 million | \$100,000 | \$150,000 | \$250,000 |
| \$60 million | \$100,000 | \$250,000 | \$350,000 |
| \$80 million | \$100,000 | \$350,000 | \$450,000 |

Senate Finance Committee Version

| Portion of State Funding Reserved for Art Works in Public Buildings and Facilities as per SCS CSHB 215(FIN) | | | |
|---|-------------------------|-------------------------|-------------------------|
| Total Construction Cost per Building or Facility | 1% (up to \$20 million) | .5% (over \$20 million) | Total Reserved for Arts |
| \$5 million | \$50,000 | 0 | \$50,000 |
| \$10 million | \$100,000 | 0 | \$100,000 |
| \$15 million | \$150,000 | 0 | \$150,000 |
| \$20 million | \$200,000 | 0 | \$200,000 |
| \$25 million | \$200,000 | \$25,000 | \$225,000 |
| \$30 million | \$200,000 | \$50,000 | \$250,000 |
| \$40 million | \$200,000 | \$100,000 | \$300,000 |
| \$60 million | \$200,000 | \$200,000 | \$400,000 |
| \$80 million | \$200,000 | \$300,000 | \$500,000 |

SENATE COMMITTEE REPORT

DATE: 5/10/03

FURTHER: Finance

DATE TURNED
IN TO OFFICE: 5/17/03

State Affairs Committee considered CS FOR HOUSE BILL NO. 215(STA) am

HB 215 REPEAL ONE PERCENT FOR ART

"An Act relating to art requirements for public buildings and facilities; relating to identification, monitoring, maintenance, and reporting of art in public buildings and facilities; and relating to the art in public places fund."

and recommends:

be replaced with _____ CS _____ (_____)

adopt previous _____ CS _____ (_____)

attached amendment(s)

adopt Letter of Intent by _____ Committee

further referral to _____ Committee

Senate Bill:

same title

new title

House Bill:

same title

technical title

new: SCR # _____

NEW FISCAL NOTE(S):

| Department | Date | Fiscal | Zero | FN# |
|------------|------|--------|------|-----|
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PREVIOUS FISCAL NOTE(S):

| Department | Date | Fiscal | Zero | FN# |
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| DOT+PF | 4/10/03 | | ✓ | 1 |
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APPROPRIATION - no fiscal note

| SIGNATURES AND RECOMMENDATIONS: | | DO PASS | DO NOT PASS | NO REC | AMEND |
|---------------------------------|--------|---------|-------------|--------|-------|
| Dyson | | ✓ | | | |
| Gress | | ✓ | | | |
| Cawley | | ✓ | | | |
| | | | | | |
| G. Stevens | CHAIR: | | | | |

HB

216

HFIN

FILE

Adopted 5/14

23-LS0822\V
Cook
5/8/03

CS FOR HOUSE BILL NO. 216(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE LABOR AND COMMERCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to and limiting municipal taxation of refined fuel and wholesale sales of
2 fuel, and to the bulk fuel revolving loan fund."

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

4 * **Section 1.** AS 29.10.200(51) is amended to read:

5 (51) AS 29.45.650(c), (d), (e), [AND] (f), (i), and (j) (sales and use
6 tax);

7 * **Sec. 2.** AS 29.10.200(52) is amended to read:

8 (52) AS 29.45.700(d) and (e) (sales and use tax);

9 * **Sec. 3.** AS 29.45 is amended by adding a new section to read:

10 **Sec. 29.45.101. Limitation on taxation of fuel.** A municipality may not levy
11 or collect a property tax under AS 29.45.010 or 29.45.055 on refined fuel unless the
12 fuel has been physically loaded, unloaded, or stored in the municipality.

13 * **Sec. 4.** AS 29.45.650(a) is amended to read:

14 (a) Except as provided in AS 04.21.010(c), AS 29.45.750, and in (f), [AND]

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(h), (i), and (j) of this section, a borough may levy and collect a sales tax on sales, rents, and on services provided in the borough. The sales tax may apply to any or all of these sources. Exemptions may be granted by ordinance.

* Sec. 5. AS 29.45.650 is amended by adding new subsections to read:

(i) A borough may not levy or collect a sales or use tax on (1) the physical transfer of refined fuel, unless the transfer is made in connection with a sale or use in the borough, or (2) wholesale sales of fuel refined in the borough. A sale is in the borough if the fuel is delivered to the buyer in the borough. A use is in the borough if the fuel is consumed in the borough. This subsection applies to home rule and general law municipalities.

(j) The prohibitions on the levy and collection of a sales or use tax on refined fuel in (i) of this section do not apply to a borough if, on the effective date of (i) of this section, the borough is

(1) levying and collecting a sales or use tax on the sale, use, or transfer of refined fuel under an ordinance adopted before January 1, 2003; or

(2) receiving payments in lieu of a sales or use tax on the sale, use, or transfer of refined fuel under an agreement entered into before January 1, 2003.

* Sec. 6. AS 29.45.700(a) is amended to read:

(a) A city in a borough that levies and collects areawide sales and use taxes may levy sales and use taxes on all sources taxed by the borough in the manner provided for boroughs. Except as provided in (d) and (e) of this section, the assembly may by ordinance authorize a city to levy and collect sales and use taxes on other sources.

* Sec. 7. AS 29.45.700 is amended by adding new subsections to read:

(e) A city that levies and collects sales and use taxes may not levy and collect a sales or use tax on (1) the physical transfer of refined fuel, unless the transfer is made in connection with a sale or use in the city, or (2) wholesale sales or transfers of fuel refined in the city. A sale is in the city if the fuel is delivered to the buyer in the city. A use is in the city if the fuel is consumed in the city. This subsection applies to home rule and general law municipalities.

(f) The prohibitions on the levy and collection of a sales or use tax on refined

1 fuel in (e) of this section do not apply to a city if, on the effective date of (e) of this
2 section, the city is

3 (1) levying and collecting a sales or use tax on the sale, use, or transfer
4 of refined fuel under an ordinance adopted before January 1, 2003; or

5 (2) receiving payments in lieu of a sales or use tax on the sale, use, or
6 transfer of refined fuel under an agreement entered into before January 1, 2003.

7 * **Sec. 8.** AS 42.45.250(e) is amended to read:

8 (e) Loans made from the bulk fuel revolving loan fund to one borrower in any
9 fiscal year are not subject to AS 42.45.060 and

10 (1) may not exceed \$300,000 [\$200,000];

11 (2) shall be repaid in one year or less; and

12 (3) may not exceed 90 percent of the wholesale price of the fuel
13 purchased.

14 * **Sec. 9.** Section 4, ch. 100, SLA 2002, is repealed and reenacted to read:

15 **Sec. 4.** AS 29.45.650(a) is amended to read:

16 (a) Except as provided in AS 04.21.010(c), [AS 29.45.750,] and in (f), (h), (i),
17 and (j) of this section, a borough may levy and collect a sales tax on sales, rents, and
18 on services provided in the borough. The sales tax may apply to any or all of these
19 sources. Exemptions may be granted by ordinance.

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 16, 2003

FURTHER REFERRALS:

Date of Committee Action: 5/14/03

The FINANCE Committee considered:

HB 216

HOUSE BILL NO. 216

MUNI TAXATION OF REFINED FUEL PRODUCTS

"An Act relating to municipal taxation of refined fuel products."

Recommends it be replaced with [] HCS or [] CS for FIN
 For Senate Bills with new title: [] Technical Title [] New Title: HCR _____ [] Same Title [] New Title

- [] attach amendments
- [] add new referral to _____ Committee
- [] Letter of Intent _____ Committee

List of Abbrev for Depts.:

- ADM
- CEC
- COR
- CRT
- EED
- DEC
- DFG
- GOV
- HSS
- LEG
- LAW
- LWF
- MVA
- DNR
- DPS
- REV
- DOT
- UA

| <u>NEW FISCAL NOTES</u> | | | | |
|-----------------------------------|------|--------|--------|------|
| *Assigned by Chief Clerk's Office | | | | |
| List by Dept(s): | *FN# | Fiscal | Indet. | Zero |
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| <u>PREVIOUS FISCAL NOTES</u> | | | | |
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| List by Dept(s): | FN# | Fiscal | Indet. | Zero |
| REV | 2 | | | ✓ |
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| <u>Signing with recommendations</u> | Printed Last Name | DP | DNP | NR | AM |
|-------------------------------------|-------------------|----|-----|----|----|
| <i>K. Meyer</i> | Meyer | ✓ | | | |
| <i>M.D. Howard</i> | Howard | ✓ | | | |
| <i>Bill Staff</i> | Staff | | | ✓ | |
| <i>Beth Kerthick</i> | Kerthick | | | ✓ | |
| <i>W. Burt</i> | Burt | | | ✓ | |
| <i>W. Whittaker</i> | Whittaker | ✓ | | | |
| <i>Foster</i> | Foster | X | | | |
| <i>Chair: W. Williams</i> | Williams | ✓ | | | |
| <i>Chair: W. Williams</i> | Williams | ✓ | | | |

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CSHB 216 (CRA)
 () Publish Date: _____

Revision Date/Time (Note if correction): 4/15/2003
 Title Muni Taxation of Refined Fuel Products
 Sponsor House Labor & Commerce
 Requester House Finance
 Dept. Affected: DCED
 BRU Comm Assist & Econ Dev (405)
 Component Community & Business Development
 Component No. 2486

Expenditures/Revenues (Thousands of Dollars)

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

| OPERATING EXPENDITURES | FY 2004 | FY 2005 | FY 2006 | FY 2007 | FY 2008 | FY 2009 |
|------------------------|------------|------------|------------|------------|------------|------------|
| 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 |

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

FUND SOURCE (Thousands of Dollars)

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|--|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1037 GF/Mental Health | | | | | | |
| Other (Specify Type-Do not abbreviate) | | | | | | |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimate of any current year (FY2003) cost: _____

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

This Legislation would remove authority of local governments to levy a tax on gas and oil products. This is a local tax issue and would have no fiscal impact on the department. The House CRA Committee Substitute adds a new section that increases the amount of bulk fuel revolving loan funds (AS 42.45.250) to one borrower from \$200,000 to \$300,000. This would have no fiscal impact on the division.

Prepared by: Gene Kane, Director Phone 907-269-4580
 Division Community and Business Development Date/Time 4/16/03 7:33 AM
 Approved by: Edgar Blatchford, Commissioner Date 4/16/2003
 Agency Department of Community and Economic Development

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CS HB 216 (CRA)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
 Title Muni Taxation of Refined Fuel Products BRU Rural Energy Programs (412)
 Component Energy Operations(1935)
 Sponsor House Labor & Commerce
 Requester House Finance Component No. 1935

Expenditures/Revenues (Thousands of Dollars)

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

| OPERATING EXPENDITURES | FY 2004 | FY 2005 | FY 2006 | FY 2007 | FY 2008 | FY 2009 |
|------------------------|------------|------------|------------|------------|------------|------------|
| 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 |

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| 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 (Specify Type-Do not abbreviate) | | | | | | |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimate of any current year (FY2003) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

This legislation increases the maximum amount that may be loaned annually from the Bulk Fuel Revolving Loan Fund to \$300,000 from \$200,000. The Alaska Energy Authority does not anticipate any increased administrative costs to this program.

Prepared by: Sara Fisher-Goad, Financial Analyst
 Division Alaska Energy Authority
 Approved by: Edgar Blatchford, Commissioner
 Agency Department of Community & Economic Development

Phone 907-269-4623
 Date/Time 4/16/03 9:56 AM
 Date 4/16/2003

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: CSHB 216(CRA)
 (H) Publish Date: 4/16/03

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title Municipal Taxation BRU Revenue Operations
of Refined Fuel Products Component Tax Division
 Sponsor House Labor and Commerce
 Requester Community & Regional Affairs Component No. 2476

Expenditures/Revenues (Thousands of Dollars)

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

| OPERATING EXPENDITURES | FY 2004 | FY 2005 | FY 2006 | FY 2007 | FY 2008 | FY 2009 |
|------------------------|------------|------------|------------|------------|------------|------------|
| 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 |

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| 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 (Specify Type--Do not abbreviate) | | | | | | |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimate of any current year (FY2003) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

This legislation would amend Title 29 of statute to prohibit municipalities from imposing a sales or transfer tax on motor fuel transported outside the municipality for sales or distribution.

This legislation would not have an effect on the operations of the Department of Revenue Tax Division, nor would it have a direct effect on state revenues.

Prepared by: Larry Persily, Deputy Commissioner Phone 465-5469
 Division Department of Revenue Date/Time 4/7/03 1:00 PM
 Approved by: Larry Persily, Deputy Commissioner Date 4/7/2003
 Agency Department of Revenue