

ALASKA LEGISLATURE

2569

HOUSE and SENATE FINANCE COMMITTEE FILES, 2003-2004

35

HB

347

HFIN

FILE

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

Failed 3-6

23-LS1311D.7
Kurtz
1/29/04

AMENDMENT 1

OFFERED IN THE HOUSE
TO: HB 347

BY REPRESENTATIVE *CROFT*

- 1 Page 1, line 1, following "tax":
- 2 Insert "and amending the definitions of 'commercial motor vehicle' and 'motor
- 3 vehicle' as they apply to that tax"
- 4
- 5 Page 1, line 6:
- 6 Delete "AS 28.40.100"
- 7 Insert "AS 19.10.399(8) [AS 28.40.100]"
- 8
- 9 Page 1, line 9:
- 10 Delete "AS 28.40.100"
- 11 Insert "AS 19.10.399(1) [AS 28.40.100]"
- 12
- 13 Page 2, line 7, following "the rental of taxicabs":
- 14 Insert "and other rentals that are exempt from the passenger vehicle rental tax because
- 15 of the amendments to AS 43.52.099(2) made by sec. 1 of this Act for rentals made"

Amend 2-9

23-LS1311\D.6
Kurtz
1/29/04

AMENDMENT 2

OFFERED IN THE HOUSE

BY REPRESENTATIVE

TO: HB 347

1 Page 1, line 1, following "taxicabs":

2 Insert "and certain other motor vehicles"

3

4 Page 2, line 2:

5 Delete "or"

6

7 Page 2, line 3, following "taxicab:"

8 Insert "or

9

10 (r) a motor vehicle that is designed primarily to transport
11 personal property, that is used upon a highway or vehicular way, and that
12 has a gross vehicle weight rating or gross combination weight rating
13 greater than 10,000 pounds;

14 Page 2, line 7, following "taxicabs":

15 Insert "and other rentals that are exempt from the passenger vehicle rental tax because
16 of the amendments to AS 43.52.099(2) made by sec. 1 of this Act for rentals made"

ALASKA TRUCKING ASSOCIATION, INC.

3443 Minnesota Drive • Anchorage, Alaska 99503 • PHONE (907) 276-1149 • FAX (907) 274-1946

January 29, 2004

RE: HB 347

Finance Committee Members:

It has been brought to my attention that HB 271, which passed last session, may have some unintended consequences in its language. In a definition that the bill uses for a Commercial Motor Vehicle in AS 28.40.100 it states that all vehicles over 26,000lbs are exempt from this user fee. As the definition appears, it never makes mention that the vehicle must be used in commerce. Unfortunately, large portions of the rental trailers, trucks, equipment are in the 10,001 to 26,000lb range are subject to this user fee.

In AS 19.10.399 Commercial Motor Vehicles are defined as weighing greater than 10,000 lbs and *used for commerce*. An example of these vehicles would be produce delivery trucks, lumber trucks, furniture delivery trucks and most large courier vehicles. The Alaska Department of Revenue estimated that this tax would only bring \$50,000 of taxes revenue into the state and it would be contributed by the smallest companies. Large companies are able to change out broken machines; small companies are forced to rent them.

I hope you would consider adopting this revision to prevent taxing small transportation companies who are forced rent trucks/trailers for intermittent use to haul freight through our state. I appreciate your consideration.

Sincerely,

Alaska Trucking Association



Michael Bell
Director



Alaska State Legislature

Session: (Jan-May)
State Capitol, Room 208
Juneau, AK 99801-1182
(907) 465-3777
Fax (907) 465-2819

Intern: (June Dec)
716 West 4th Avenue, Suite 600
Anchorage, AK 99501-2133
(907) 269-0155
(907) 269-0154 Fax

Pete Kott Speaker of the House

Sponsor Statement

HB 347

“An Act exempting taxicabs from the passenger vehicle rental tax; and providing for an effective date.”

House Bill 347 has been introduced specifically to exclude a taxicab from the definition of “passenger vehicle” in statute, thereby exempting taxicab rentals from the vehicle rental tax.

Last year, HB 271 was passed with the intent to levying excise taxes on the rental of passenger and recreational vehicles usable on highways and vehicular ways. This imposed a substantial and confusing burden on owner-lessors of taxicabs who would be required to collect from the taxicab drivers. This was a technical and unintended application of the Vehicle Rental Tax to commercial taxicab lease transactions.

I respectfully request your support of this legislation.



Alaska State Legislature

Please enter into the record my testimony to the HOUSE FINANCE
committee name

Committee on HB 347 Date, JANUARY 29, 2004
bill # / subject

I am opposed to HB 347 because this bill is in favor of taxi drivers, at the expense of all other people in Alaska that are paying taxes on rental vehicles. Anyone who is driving on the roads, paid for by our tax dollars, need to pay their share of the expenses to maintain our roads. Including rental vehicles !

Taxi drivers should not be excluded from the vehicle rental tax, it's unfair to anyone who goes into car rental agencies and pays a fee to rent a vehicle. Taxicabs drive many miles on our roads; this is why they should pay the rental tax like any other rental vehicle. We have a rental tax so that wear and tear caused by rental vehicles when they are using our roads is compensated. Vehicle rental tax is helping to support road maintenance. Otherwise Alaskan resident's would be subsidizing tourists who rent a vehicle, and also taxi cabs, to be using our roads, without having to pay their fair share for the road's maintenance. We have enough of a time paying for road repair, don't expect Alaskan's to subsidize a small group of taxi driver's who should be paying their share of the maintenance costs since they are using our roads. Allowing HB 347 to pass will "open the door" for every car rental agency in Alaska to want exemptions from the rental tax and this will cause Alaskan tax payers an increase in road taxes.

VOTE NO ON HB 347 BECAUSE ITS SPECIAL INTEREST LEGISLATION THAT BENEFITS ONLY A SMALL MINORITY, AT THE EXPENSE OF THE MAJORITY – PRIVATE CITIZENS WILL PAY BY AN INCREASE IN THEIR ROAD TAXES TO MAKE UP FOR THE LOSS OF REVENUE CAUSED IF THERE IS A TAX BREAKS FOR TAXI CAB DRIVERS. VOTE NO ON HB 347.

Signed: LAURIE CHURCHILL
Testifier

SELF
Representing (optional)

PO BOX 7043 NIKISKI. AK 99635
Address

907-776-3499
Phone number

**U-HAUL CO. OF ALASKA**

4751 OLD SEWARD HIGHWAY • ANCHORAGE, ALASKA 99502-7417 • PHONE: (907) 562-2735 • FAX: (907) 561-0466

February 2, 2004

Speaker Pete Kott
State Capital, Room 208
Juneau, AK 99001-1182

Dear Speaker Kott,

My name is John Norris. I am President of the U-Haul Co. of Alaska.

I apologize for not contacting you sooner regarding H.B. #271, legislation you sponsored that passed last year. Every news source including your website indicates the 10% tax would apply only to passenger rental cars rented by out-of-state tourists visiting Alaska. I was shocked to find out that the 10% passenger vehicle rental tax would apply to do-it-yourself rental trucks that Alaskan citizens use to move their own personal household goods.

Our U-Haul trucks are rented by local citizens to move themselves. Many of these citizens can not afford a commercial mover. Very few of people, if any, fly into Alaska for vacation or work and then rent a U-Haul truck. Therefore, the burden of this tax falls directly upon the citizens of Alaska.

When I realized that under Alaska Law any vehicle under 26,000 lb. was considered a passenger vehicle I immediately contacted your office to ask for an amendment to correct the situation. Our trade association TRALA (Truck Renting and Leasing Association) also wrote and called your office asking for an amendment to correct the earlier legislation.

During this time one of our U-Haul Dealers contacted his Senator, Lydia Green, regarding the meaning of H.B. #271. He was told by her office that the law did not pertain to trucks. Since the Alaska Revenue Dept. had told our Tax Department it did pertain to trucks we talked to a staff person in Senator Green's office, who said Senator Green said it did not pertain to trucks. She volunteered to call your office to confirm her understanding. Your office confirmed that H.B. #271 was not intended to pertain to trucks. We felt certain at this time that H.B. #271 would be amended to correct the situation.

Moving Made Easier

When you introduced H.B. #347, legislation that would exempt taxi cabs from the passenger vehicle rental tax because they were unintentionally affected, I assumed that since rental trucks met the same criteria, that you would also add an exemption for rental trucks over 10,000 lbs. designed to transport property. An amendment to do that was presented to the House Finance Committee Friday, January 30th, and was defeated on a 8 to 2 vote. Needless to say I was very surprised and disappointed by this outcome.

I sincerely request your help in passing amendment language that would remove trucks greater than 10,000 pounds from such a burdensome law intended for passenger vehicles and out-of-state citizens.

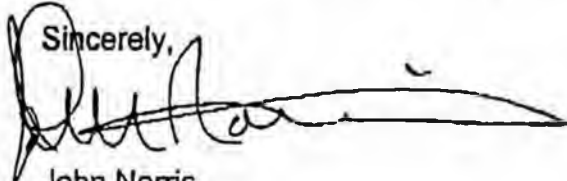
We have been good corporate citizens in Alaska for many years. In fact, we were not only the first, but the only do-it-yourself rental truck company to offer one-way truck rentals into and out of Alaska. Many citizens of Alaska would not have been able to move to Alaska if we had not provided the service. Even today, no other company is offering this service.

Listed below are some facts and figures regarding my company:

Current truck license and registration: \$36,180.
Total payroll: \$1,047,450
Property Tax: \$140,000
Company run centers: 3
Company run shops: 1
Independent Dealers: 47
Local, Municipal, and Borough Tax: \$42,000
Income Tax: \$19,779
Payroll unemployment tax: 58

Thanks in advance for your help. If you need information or if I can help in any way please contact me: Telephone (907) 562-0612, mobile (907) 229-0401, email: John_Norris @ uhaul.com; fax (907) 561-0466, home (907) 345-4972.

Sincerely,



John Norris
President

JN/sh

HOUSE COMMITTEE REPORT

(11)
Date Referred to Committee: January 12, 2004

FURTHER REFERRALS:

Date of Committee Action: 2/19/04

The **FINANCE** Committee considered: HB 347

HOUSE BILL NO. 347 **EXEMPT TAXIS FROM VEHICLE RENTAL TAX**

"An Act exempting taxicabs from the passenger vehicle rental tax; and providing for an effective date."

Recommends it be replaced with [] HCS or [] CS for _____ (_____)
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
- CED
- COR
- CRT
- EED
- DFC
- DFG
- GOV
- ISS
- LEG
- LAW
- LWF
- MVA
- DNR
- DPS
- REV
- DOT
- UA

<u>NEW FISCAL NOTES</u> <small>*Assigned by Chief Clerk's Office</small>				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
REV				<input checked="" type="checkbox"/>

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
<i>[Signature]</i>	Meyer	<input checked="" type="checkbox"/>			
<i>[Signature]</i>	Hawker			<input checked="" type="checkbox"/>	
<i>[Signature]</i>	Joule			<input checked="" type="checkbox"/>	
<i>[Signature]</i>	Creer				<input checked="" type="checkbox"/>
<i>[Signature]</i>	Moses	<input checked="" type="checkbox"/>			
<i>[Signature]</i>	Chenault				<input checked="" type="checkbox"/>
<i>[Signature]</i>	Fite	<input checked="" type="checkbox"/>			
<i>[Signature]</i>	Foster	<input checked="" type="checkbox"/>			
Chair: <i>[Signature]</i>		<input checked="" type="checkbox"/>			
Chair: <i>[Signature]</i>		<input checked="" type="checkbox"/>			

FISCAL NOTE

HB347-DOR-TAX-01-16-04

STATE OF ALASKA
2004 LEGISLATIVE SESSION

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

Revision Date/Time (Note if correction):	Dept. Affected: <u>Revenue</u>
Title: <u>Exempt Taxis from Vehicle Rental Tax</u>	RDU: <u>Revenue Programs & Services</u>
Sponsor: <u>Representative Kott</u>	Component: <u>Tax Division</u>
Requester: <u>House Finance</u>	Component No.: <u>2476</u>

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 ()	0.0	0.0	0.0	0.0	0.0	0.0
------------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (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

Check 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)

Exempt Taxis from Vehicle Rental Tax - Bill Analysis (January 16, 2004)

Bill Language: This bill will specifically exempt taxi cab operators who rent or lease their taxi cabs to taxi cab drivers from the vehicle rental tax. When the vehicle rental tax was initially proposed, the Department of Revenue's projected revenue amount of \$1 million in 2004 and \$6 million in fiscal years thereafter did not include revenues from the rent or lease of taxi cabs. Therefore, if taxi cab rentals and leases are exempted from the vehicle rental tax, there will be no change in the projected vehicle rental tax revenues as originally estimated by the Department.

Prepared by: Johanna Bales
Division: Tax Division
Approved by: Steve Porter, Deputy Commissioner
Agency: Department of Revenue

Phone: 269-6628
Date/Time: 1/16/04 1:30 PM
Date: 1/16/2004

**Estimated Yearly Truck Rental Revenues in Alaska
Rented for Under 91 Days**

Prepared by the Department of Revenue 1/28/04

<u>Rental Company</u>	<u># Trucks under 10,000 qvwr</u>	<u># Trucks between 10,000 & 26,000 qvwr*</u>	<u>Approximate Daily Rate</u>	<u>Est. Rental Days/Year</u>	<u>Estimated Revenue</u>	<u>Vehicle Rental Tax Rate</u>	<u>Tax Revenue</u>
Company 1 (See Note 1)	600		\$50	274	\$8,220,000	10%	\$822,000
Company 2		10	\$100	365	\$365,000	10%	\$36,500
Company 3		1	\$75	90	\$6,750	10%	\$675
Company 4		1	\$100	182	\$18,200	10%	\$1,820
Company 5		2	\$250	182	\$91,000	10%	\$9,100
Other Non Commercial Truck Rental Companies					<u>\$3,588,000</u>	10%	<u>\$358,800</u>
					<u>\$12,288,950</u>		<u>\$1,228,895</u>

Note 1: Company 1 has recently decided to get out of the leasing business because of the administrative burden caused by the Vehicle Rental Tax. It is the largest rental business of commercial vehicles on the North Slope. The trucks are rented out of a "pool" and the lease periods are usually under 91 days, but over 30 days.

HB

347

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT

APR 26 2004

SENATE FINANCE
COMMITTEE

DATE: 2/27/04

FURTHER:

DATE TURNED IN TO OFFICE: 20 April 2004

Finance Committee considered

HOUSE BILL NO. 347

HB 347 EXEMPT TAXIS FROM VEHICLE RENTAL TAX

"An Act exempting taxicabs from the passenger vehicle rental tax; 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:

- Same Title
- New Title

House Bill:

- Same Title
- Technical Title Change
- New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero.	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
Revenue	1/16/04			✓	#1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Frank...</i>	✓			
<i>...</i>			✓	
<i>George...</i>			✓	
<i>...</i>			✓	
COCHAIR: <i>Lynn Green</i>				
COCHAIR: <i>Gary White</i>				

APR 26 2004

SENATE FINANCE
COMMITTEE

FISCAL NOTE

STATE OF ALASKA
20u4 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 347
(H) Publish Date: 2/23/04

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
Title Exempt Taxes from Vehicle Rental Tax RDU Revenue Programs & Services
Component Tax Division
Sponsor Representative Kott
Requester House Finance Component No. 2476

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 ()	0.0	0.0	0.0	0.0	0.0	0.0
------------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (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
Check 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)

Exempt Taxes from Vehicle Rental Tax - Bill Analysis (January 16, 2004)

Bill Language: This bill will specifically exempt taxi cab operators who rent or lease their taxi cabs to taxi cab drivers from the vehicle rental tax. When the vehicle rental tax was initially proposed, the Department of Revenue's projected revenue amount of \$1 million in 2004 and \$6 million in fiscal years thereafter did not include revenues from the rent or lease of taxi cabs. Therefore, if taxi cab rentals and leases are exempted from the vehicle rental tax, there will be no change in the projected vehicle rental tax revenues as originally estimated by the Department.

Prepared by: Johanna Bales Phone 269-6628
Division Tax Division Date/Time 1/16/04 2:43 PM
Approved by: Steve Porter, Deputy Commissioner Date 1/16/2004
Agency Department of Revenue

COMMITTEE COPY

SENATE FINANCE
COMMITTEE #1
Amendment Number: #1
Bill Number: HB 347
Sponsor: Green Date: 3/9/04
Logged In By: Robin

~~ADOPTED~~

23-LS1311ND.11
Kurtz
3/8/04

ACTION
Rescinded
4/2/04

AMENDMENT

OFFERED IN THE SENATE
TO: HB 347

- 1 Page 1, line 1, following "taxicabs":
- 2 Insert "and certain other motor vehicles"
- 3
- 4 Page 2, line 2:
- 5 Delete "or"
- 6
- 7 Page 2, line 3, following "taxicab":
- 8 Insert "or
- 9 (F) a vehicle that is used exclusively for the hauling or
- 10 delivery of cargo;
- 11
- 12 Page 2, line 7, following "taxicabs":
- 13 Insert "and other rentals that are exempt from the passenger vehicle rental tax because
- 14 of the amendments to AS 43.52.099(2) made by sec. 1 of this Act for rentals made"

SENATE FINANCE COMMITTEE
3 / 9 / 2003 COMMITTEE ACTION

Bill Number	HB 347		
Amendment	#1		
Motion	to adopt		
<u>Motion by</u>	Green		
<u>Objection by</u>	Wilken		
<u>Removed</u>	✓		
<u>Second Objection by</u>	Bunde		
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Stevens	✓		
Senator Bunde			✓
Senator Dyson	✓		
Senator Hoffman	✓		
Senator Olson	✓		
Co-Chair Green	✓		
Co-Chair Wilken	✓		
<u>Tally</u>			
Yea	6		
Nay	1		
Absent			
<u>MOTION</u>	Passed		

DRAFT

FISCAL NOTE

DRAFT

to Amendment #1

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version HB347
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept Affected Revenue
Title Exempt Taxes from Vehicle Rental Tax RDU Revenue Programs & Services
Component Tax Division
Sponsor Representative Koll
Requester Senate Finance Component No. 2476

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 ()	(400.0)	(400.0)	(400.0)	(400.0)	(400.0)	(400.0)
------------------------	---------	---------	---------	---------	---------	---------

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: 00
Check 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)

This bill will exempt taxi cabs and vehicles used exclusively for the hauling or delivery of cargo from the vehicle rental tax. When the vehicle rental tax was initially proposed, the Department of Revenue's projected revenue amount of \$1 million in 2004 and \$6 million in fiscal years thereafter did not include revenues from the rental of taxi cabs or vehicles used exclusively for hauling or delivery of cargo. Therefore, if taxi cabs and vehicles used exclusively for the hauling or delivery of cargo are exempted from the vehicle rental tax, there will be no change in the projected vehicle rental tax revenues as originally estimated by the Department. However, since these two types of vehicle rentals are currently subject to the tax, there will be a reduction in potential revenues due to the exemptions provided for in this bill. We have not estimated the change in revenues from the taxi cab exemption. We have estimated the reduction from vehicles used exclusively to haul cargo will be approximately \$400,000 per year.

Prepared by Janis Hales Phone 269-6627
Division Tax Division Date/Time 3/31/04 10 11 PM
Approved by Steve Porter, Deputy Commissioner Date 3/31/2004
Agency Department of Revenue

DRAFT

SENATE CONCURRENT RESOLUTION NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Introduced:
Referred:

*to implement
Amendment #1*

A RESOLUTION

1 **Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State**
2 **Legislature, concerning House Bill No. 347, exempting taxicabs from the passenger**
3 **vehicle rental tax.**

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

5 That under Rule 54, Uniform Rules of the Alaska State Legislature, the provisions of
6 Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, regarding
7 changes to the title of a bill, are suspended in consideration of House Bill No. 347, exempting
8 taxicabs from the passenger vehicle rental tax.

Alaska State Legislature

Session: (Jan-May)
State Capitol, Room 208
Juneau, AK 99801-1182
(907) 465-3777
Fax (907) 465-2819

Interim: (June-Dec)
716 West 4th Avenue, Suite 600
Anchorage, AK 99501-2133
(907) 269-0155
(907) 269-0154 Fax

Pete Kott
Speaker of the House

Sponsor Statement

HB 347

“An Act exempting taxicabs from the passenger vehicle rental tax; and providing for an effective date.”

House Bill 347 has been introduced specifically to exclude a taxicab from the definition of “passenger vehicle” in statute, thereby exempting taxicab rentals from the vehicle rental tax.

Last year, HB 271 was passed with the intent to levying excise taxes on the rental of passenger and recreational vehicles usable on highways and vehicular ways. This imposed a substantial and confusing burden on owner-lessors of taxicabs who would be required to collect from the taxicab drivers. This was a technical and unintended application of the Vehicle Rental Tax to commercial taxicab lease transactions.

I respectfully request your support of this legislation.

Municipality of Anchorage

Chapter 12.45 RENTAL TAX ON RENTAL OF MOTOR VEHICLES*

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***Editor's note:** It should be noted that the provisions of [Ch. 12.45](#) become effective October 1, 2000. Also, AO No. 2000-116(S) contains the following: "Assembly Intent: It is the understanding and intent of the Anchorage Municipal Assembly that in approving AO 2000-116(S) the first thirty (30) days of any vehicle rental transaction is subject to the 8% rental tax as defined in AMC 12.45.020 A."

- [12.45.010 Definitions.](#)
- [12.45.020 Motor vehicle rental tax.](#)
- [12.45.030 Tax receipts segregated and held in trust for the Municipality.](#)
- [12.45.040 Tax exemptions.](#)
- [12.45.050 Registration of rental agencies.](#)
- [12.45.055 Security for fiduciary performance.](#)
- [12.45.060 Motor vehicle rental tax return and remittance.](#)
- [12.45.070 Amended tax returns.](#)
- [12.45.080 Tax refunds.](#)
- [12.45.090 Prohibited acts.](#)
- [12.45.100 Tax avoidance.](#)
- [12.45.110 Tax lien.](#)
- [12.45.120 Penalties.](#)
- [12.45.130 Interest.](#)
- [12.45.140 Application of payments.](#)
- [12.45.150 Maintenance and inspection of documents and records.](#)
- [12.45.160 Confidentiality of records.](#)
- [12.45.170 Remedies for a person aggrieved.](#)
- [12.45.180 Administration.](#)

12.45.010 Definitions.

The following words, terms, and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

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Help

Chief fiscal officer means the chief fiscal officer of the municipality or his designee;

Day means a period of 24 consecutive hours or a portion thereof;

Department means the finance department of the municipality;

Fees and costs means the value of all charges incurred by the renter, other than the tax prescribed by this chapter, for the use of a motor vehicle, regardless of whether paid in the form of money, property, or services, except for only the following items if separately stated on the rental contract or other document invoicing payment:

1. Fees from the sale of automobile liability insurance, loss damage waiver insurance, and personal accident insurance;
2. Parking tickets;
3. The amount of any sales tax, so-called "luxury tax", consumer excise tax, gross receipts tax, or other similar tax imposed by the United States, the State of Alaska, or the Municipality;
4. Payments received by the rental agency from the renter or the renter's insurance provided for damage to a motor vehicle when the damage was incurred during the rental period;
5. Personal property other than items that are permanently affixed to the motor vehicle. Personal property does not include pickup truck shells or campers mounted on the motor vehicle, or trailers designed, constructed, or used primarily for dwelling;
6. The amount of the concession fee paid to the Ted Stevens Anchorage International Airport; and
7. Fueling charges.

Motor vehicles for the purposes of this chapter only means passenger cars, sport utility vehicles ("SUV"), vans, trucks, and recreational vehicles licensed to operate on public roadways rented or leased for 30 consecutive days or less. The term motor vehicles does not include buses, taxis, limousines, construction vehicles, or vehicles used exclusively for commercial or non-commercial hauling or delivery of cargo, all terrain vehicles ("ATVs"), snow machines, motorcycles, dirt bikes, side cars, horse trailers, boat trailers, or other trailers designed to carry property except for trailers designed for recreational dwelling purposes.

Municipality means the Municipality of Anchorage, Alaska.

Paid directly means payment made by voucher, check, warrant, or other negotiable instrument made payable to the rental agency and issued from an account maintained by the person or entity entitled to the exemption or by a bill, invoice, purchase order, or other form of payment arrangement made directly between the rental agency and the person or entity entitled to the exemption.

Passenger car, for the purposes of this chapter only, means any vehicle classed or would have been classed as a passenger vehicle by the State of Alaska Department of Motor Vehicles (DMV) includes sport utility vehicles but does not include vans, trucks, or recreational vehicles. If the motor vehicle is licensed by another state or country, the motor vehicle will be classed as a passenger car if it meets the aforementioned definition of passenger car.

Recreational vehicle, for the purposes of this chapter only, means any vehicle classed or would have been classed as a commercial or non-commercial trailer or any vehicle assigned or would have been assigned a motor home body style by the State of Alaska Department of Motor Vehicles (DMV) and includes campers and trailers designed for recreational dwelling purposes. If the motor vehicle is licensed by another state or country, the motor vehicle will be classed as a recreational vehicle if it meets the aforementioned definition of recreational vehicle.

Rental agency means any person engaged in the retail business of renting or leasing motor vehicles.

Retail business means an activity consisting of a series of transactions sufficient in number, scope, and character to constitute an activity for which a person is required to hold a business license in Alaska and/or report business income or losses to Internal Revenue Service.

Tax return means the quarterly report to be submitted to the department as required by Section 12.45.060. If a rental agency is required to submit a tax return on a monthly basis pursuant to Section 12.45.120, then all references to quarter or quarterly in this chapter shall mean month or monthly, respectively, and all references to thirty days after the end of each calendar quarter shall mean the end of the following calendar month.

Thirty (30) day period means the first 30 consecutive days a motor vehicle as defined in this section is rented under a single contract.

To rent or rent (in any conjugation of the verb form) a motor vehicle means to acquire or sell the right to operate a motor vehicle or be responsible for the operation of a motor vehicle for a definite period of time.

To lease or lease (in any conjugation of the verb form) a motor vehicle means to acquire or sell the right to operate a motor vehicle or be responsible for the operation of a motor vehicle for a definite period of time.

Truck, for the purposes of this chapter only, means any vehicle classed or would have been classed as a truck by the State of Alaska Department of Motor Vehicles (DMV). If the motor vehicle is licensed by another state or country, the motor vehicle will be classed as a truck if it meets the aforementioned definition of truck.

Van, for the purposes of this chapter only, means any vehicle assigned or would have been assigned a van body style by the State of Alaska Department of Motor Vehicles (DMV) including van, passenger van, minivan, van camper, vanette, and Econoline van. If the motor vehicle is licensed by another state or country, the motor vehicle will be classed as a van if it meets the aforementioned definition of van.

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(AO No. 2000-116(S), § 1, 7-18-00)



RECEIVED

MAR 08 2004

U-HAUL CO. OF ALASKA

4751 OLD SEWARD HIGHWAY • ANCHORAGE, ALASKA 99503-7417 • PHONE: (907) 562-2735 • FAX: (907) 561-0466

March 3, 2004

Senator Lyda Green
State Capital
Juneau, Alaska 99001-1182

Re: Amendment to HB # 347

Dear Senator Green,

My name is John R. Norris. I am the Marketing Company President of U-Haul Company of Alaska Inc.

I'm writing to you to ask you to sponsor an amendment to HB 347 that would remove trucks greater than 10,000 pounds from the newly enacted 10 percent "passenger vehicle" rental tax. In 2003 the legislation, HB 271, that established the 10 percent tax was presented by the legislature as a tax on passenger car rental intended to target tourists visiting from out-of-state, not local businesses and citizens renting light trucks. However, the Department of Revenue has assessed the tax on all rental vehicles, including trucks, less than 26,001 pounds GVWR. This interpretation of the law results in the 10 percent tax being applied to Alaska businesses and citizens renting trucks.

HB 347 was introduced this session by Speaker Kott to correct the unintended taxation of Alaska citizens created by HB 271 and provide an exemption for taxicabs. Our records indicate that the 10 percent tax will result in the collection of \$274,182 from U-Haul rentals. However only \$73,650 would be from taxpayers leaving the state. The remaining \$200,532 collected would come from Alaskans moving within the state. This corrective legislation has passed the House and has since been assigned to your Senate Finance Committee.

I would greatly appreciate it if you will sponsor the attached amendment to HB 347. It would provide the same relief for light trucks as has been proposed for taxicabs. The amendment would remove trucks greater than 10,000 pounds from the 10 percent vehicle rental tax and ensure that it applies to the intended target; out of state tourists renting passenger vehicles, not Alaska businesses and citizens which rely on truck rentals for the continued flow of commerce and movement of household goods. The Alaska Trucking Association favors this amendment, along with the Truck

Moving Made Easier.

Renting and Leasing Association. Trucks under 10,000 pounds would still generate \$24,000.00 of the tax revenue for the state. So far as I am aware there is no industry group that opposes this corrective legislation.

Light truck rentals, trucks greater than 10,000 pounds, are generally made to either small businesses or local residents for household moves. Unlike cars, which are most often rented by out-of-state visitors, a 10% tax on truck rentals would be a significant hardship for Alaska citizens and businesses. The economic profile of the average do-it-yourself truck rental customer dictates that they are probably the least able to absorb an additional tax of this nature. Additionally, truck rentals done by businesses are often necessary for companies to meet peak or seasonal demands. Higher transportation costs will almost certainly result in higher consumer product costs. In either case, local Alaska residents will have to bear the burden of the 10 percent tax.

I sincerely request your help in passing an amendment that would exempt trucks from legislation that was not intended to include trucks.

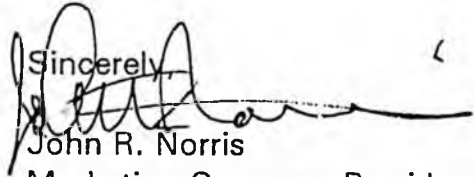
We have been good corporate citizens in Alaska for many years. In fact, we were not only the first, but the only do-it-yourself rental truck company to offer one-way truck rentals into and out of Alaska. Many citizens of Alaska would not have been able to move to Alaska if we had not provided the service.

Listed below are some facts and figures regarding my company's Alaska presence:

Current truck license and registration:	\$ 36,180
Total payroll:	\$1,047,450
Property tax	\$140,000
Company run stores	3
Company run shops	1
Independent dealers:	47
Municipal and Borough tax	\$42,000
Payroll Unemployment tax:	\$19,779
Company employees	58

Thanks in advance for your help, we sincerely need it. Your sponsorship of an amendment to remove trucks greater than 10,000 pounds from the tax to ensure the tax applies only to the intended target of out-of-state tourists, not citizens of Alaska, is appreciated. If you need information or if I can help in any way, please contact me: Office telephone is 907-562-0612, home telephone is 907-345-4972, mobile phone is 907-229-0401, fax phone 907-561-0466. My e-mail address is John_Norris@uhaul.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'John R. Norris', written over the word 'Sincerely,'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

John R. Norris
Marketing Company President
U-Haul Company of Alaska Inc.



Alaska Trucking Association

3443 Minnesota Dr. , Anchorage, AK 99503 www.aktrucks.org

March 1, 2004

RE: HB 347

Senator Lyda Green:

HB 271 which was written to impose a rental car tax that passed last session defined a Commercial Motor Vehicle as all vehicles over 26,000lbs. The bill cites AS 28.40.100 which exempts these vehicles from this user fee. The bill never states that the vehicle must be used *in commerce*. This bill does not take into consideration the Commercial Motor Vehicles in the 10,001 to 26,000lb range. Unfortunately, large portions of the rental trailers, trucks, equipment are in the 10,001 to 26,000lb range are subject to this user fee that HB 271 erects.

The Alaska Legislature has adopted AS 28.10.421 definition to enforce the Federal Motor Carrier Regulations. This definition recognizes that Commercial Motor Vehicles as being greater than 10,000 lbs and *used for commerce*. An example of these vehicles would be produce delivery trucks, lumber trucks, furniture delivery trucks and most large courier vehicles. The Alaska Department of Revenue estimated that this tax would only bring \$50,000 of taxes revenue into the state and it would be contributed by the smallest companies. Large companies are able to change out broken machines; small companies are forced to rent them.

I hope you would consider drafting an amendment to prevent taxing small transportation companies. I appreciate your consideration.

Sincerely,

Alaska Trucking Association

Michael Bell
Director

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LAW OFFICES
HEDLAND, BRENNAN & HEIDEMAN
A PROFESSIONAL CORPORATION

FROM THE DESK OF:
JAMES T. BRENNAN
ATTORNEY AT LAW
MEMBER ALASKA BAR

April 7, 2004

Via Mail & Facsimile No.: 907-465-4714

Honorable Gary Wilken
Senate – State of Alaska
State Capitol – MS 3100 – Rm 518
Juneau, Alaska 99801-1182

Re: HB 347, Exempting Taxicabs from the Passenger Vehicle Rental Tax

Dear Senator Wilken:

I represent the Anchorage Taxicab Permit Owners Association (ATPOA), whose members own many of the general taxicab permits issued by the Municipality of Anchorage, and whose members also own and maintain taxicab vehicles which are leased out to taxicab drivers (also known as "chauffeurs"). My clients ask that the Senate Finance Committee act promptly to assure passage, in this session, of HB 347, so that accidental taxation of local taxicab drivers under the Vehicle Rental Tax can be avoided.

Under the structure of the Anchorage taxicab industry, the drivers are not employees of a taxicab company or anyone else; they are independent contractors who profit from their own customer receipts. One of the costs borne by the taxicab drivers is the cost of leasing a taxicab from the owner of the cab, who also procures the insurance, taxicab permit rights, and maintains the vehicle. Most of the 158 general taxicabs in Anchorage are leased out in this fashion twice per day, once to a "day" driver and once to a "night" driver.

Unless the Vehicle Rental Tax passed last year by the Legislature is amended to exempt taxicabs from the Passenger Vehicle Rental Tax, it will wreak havoc with the Anchorage taxicab industry. According to its sponsor and the Administration, the Vehicle Rental Tax was not intended to be imposed upon taxicabs, but rather on typical vehicle rental transactions which would fall most heavily upon nonresident visitors. It was completely inadvertent, and a surprise to the sponsor, that the Vehicle Rental Tax would also technically apply to taxicab rentals, and in this context **fall exclusively upon Alaska resident taxicab drivers**. Most persons outside of the taxicab industry are not aware that a taxicab rental transaction is built into the commercial relationships in the industry, and the mistake was understandable. However, it is imperative that the mistake be promptly corrected.

April 7, 2004
Senator Gary Wilken
Page 2

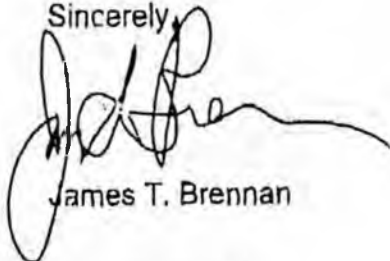
The demand for taxicab service in Anchorage has been flat for the last decade, and increasing insurance costs and costs of vehicles have made it difficult for taxicab drivers to make a suitable living after paying their lease costs and the increased costs of gasoline. Because of this, there is a near-crisis shortage of available, municipally-licensed taxicab chauffeurs in Anchorage. If the 10% Vehicle Rental Tax is imposed upon these drivers, it will result in a further loss of drivers, the inability to assign a driver to each permitted taxicab in Anchorage, and a loss of taxicab service to the public.

It is my understanding that HB 347 must be passed out of the Senate Finance Committee in the next week or so, in order to be timely taken up on the Senate Floor for passage this session. I am unaware of any substantive opposition to the Bill; it unanimously passed the House and the Administration supports it.

I further understand that your committee heard the Bill on March 9, and added an amendment to add cargo delivery trucks to the exemption. ATPOA takes no position on the amendment, but urges you to bring the matter to committee vote and timely refer it to the Senate Floor. Passage of HB 347 this session is vital to the taxicab industry in Anchorage, and perhaps in other Alaska cities as well.

Thank you for your attention to this matter.

Sincerely,



James T. Brennan

JTB:dp

cc: James Taylor, Chairman - ATPOA Steering Committee
27631 Sen. Lyda Green LR

SENATE FINANCE COMMITTEE

SIGN-IN

HB 347-EXEMPT TAXIS FROM VEHICLE RENTAL TAX

NAME: Steve Porter Subject/Bill No: _____
Co./Dept./Title: Dept of Revenue Phone: 465-2365
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

SENATE FINANCE COMMITTEE

SIGN-IN

HB 347-EXEMPT TAXIS FROM VEHICLE RENTAL TAX

✓ NAME: LANDA BAILY Subject/Bill No: HB 347
Co./Dept./Title: Dept Revenue Phone: 465-2302
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

HB

357

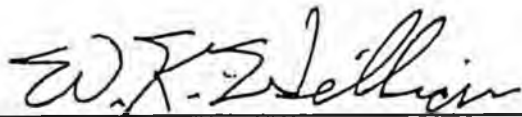
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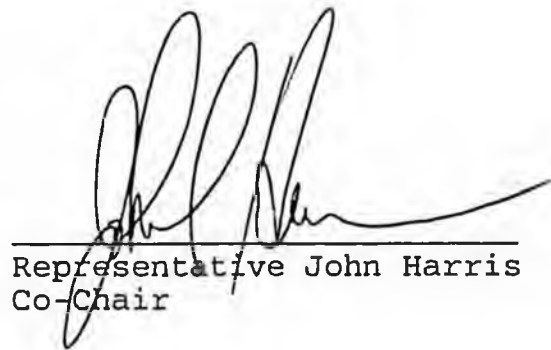
House Finance Committee
Letter of Intent
HCS CSSB 357 (FIN)

It is the intent of the Legislature that the Division of Insurance should take action to reform and modernize Alaska's system for insurance regulation. In order to preserve state regulation of insurance, state regulation must respond to the changing nature of the business of insurance.

Specifically, the Division of Insurance should study alternative methods for regulating rates and forms and should develop proposals for changing Alaska's existing regulatory system in order to achieve the goals of consumer protection and the fostering of a highly competitive insurance market in Alaska.



Representative Bill Williams
Co-Chair



Representative John Harris
Co-Chair

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: February 12, 2004

FURTHER REFERRALS:

Date of Committee Action: 2/24/04

The FINANCE Committee considered:

HB 357

HOUSE BILL NO. 357

RESTITUTION

"An Act relating to restitution; and providing for an effective date."

Recommends it be replaced with HCS or CS for HB 357 (JUD)
 For Senate Bills with new title: Technical Title New Title: HCR _____ Same Title New Title

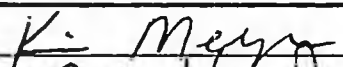
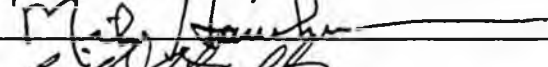
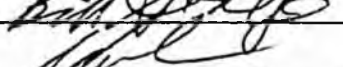
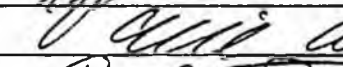


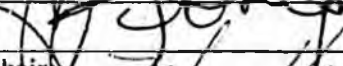
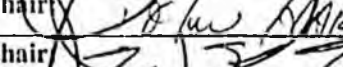
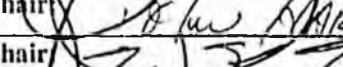

- attach amendments
- add new referral to _____ Committee
- Letter of Intent _____ Committee

List of Abbrev for Depts.:

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

NEW FISCAL NOTES				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS FISCAL NOTES				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
DOA	#1		✓	
LAW	#2		✓	

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	Meyer	✓			
	Hawker	✓			
	STUTZ	✓			
	Joule	✓			
	CROFT	✓			
	MOSES	✓			
	Foster	✓			
	FOSTER	X			
Chair 	HARRIS	✓			
Chair 	Williams	✓			

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSHB 357(JUD)
 (H) Publish Date: 2/12/04

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title An Act relating to restitution BRU Legal and Advocacy Services
 Component Public Defender Agency
 Sponsor Representative Samuels
 Requester (H) Judiciary Component No. 1631

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	*	*	*	*	*	*

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	*	*	*	*	*	*

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)*
 This bill will likely have a fiscal impact on the operations of the Agency, but it is impossible to determine with any accuracy what that impact will be. Requiring restitution in every case with a victim will result in more restitution hearings. Determinations on the amount of mandatory restitution will have to be made at these hearings. More hearings require more work of Agency attorneys, but it is not possible to predict how many cases this new legislation will affect. In addition the requirement that restitution be ordered in a case without consideration of the defendant's inability to pay will result in more petitions to revoke probation being filed and litigated for the failure to pay the ordered restitution, which will also affect the operations of the Agency, since it will increase its assigned caseload of probation revocations. An indeterminate fiscal note is submitted.

Prepared by: Linda K. Wilson, Deputy Director Phone (907)-334-4416
 Division Public Defender Agency Date/Time 1/23/04 10:40 a.m.
 Approved by: Mike Miller, Commissioner Date _____
 Agency Administration

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 357(JUD)
(H) Publish Date: 2/12/04

Revision Date/Time (Note if correction): _____ Dept. Affected: LAW
Title: "An Act relating to restitution...." RDU: Civil
Component: Collections and Support
Sponsor: Representatives Samuels, Stolze, McGuire, Dahlstrom
Requester: House Judiciary Component No. _____

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	****	****	****	****	****	****

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

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

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	****	****	****	****	****	****

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	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*
This bill amends AS 12.55 by replacing the word "may" with "shall" in the ordering of a defendant to make restitution.

At this time we are unable to determine whether passage of this legislation will result in significant new restitution orders transferred to the Department of Law. Our fiscal note at this time is indeterminate pending further information from the Court System.

Prepared by: Kathryn A. Daughhete, Director Phone 465-3673
Division: Administrative Services Date/Time 1/23/04 4:33 PM
Approved by: Kathryn Daughhete for Gregg D. Renkes, Attorney General Date 1/23/2004
Agency: Department of Law



Representative Nancy Dahlstrom
Representative Lesil McGuire

Representative Ralph Samuels
Representative Bill Stoltze

CS HB 357

Sponsor Statement

“An Act relating to restitution; and providing for an effective date”

HB 357, if passed, would require judges to order restitution from criminals in *all* cases where a victim has suffered a financial loss.

When financial losses of victims are ignored, or given less priority than the rights of criminals, we cause them to be victimized again. HB 357 would require judges to order restitution in *every* case where a victim has suffered a financial loss. Under present law, a judge may, but is not required, to do so. This change will also ensure that offenders are ordered to make realistic restitution payments to help make the victim whole within a reasonable time. The act of ordering restitution serves as an acknowledgment by the criminal justice system that the victim sustained harm. Prompt and full payment of restitution can help rectify that harm.



Representative Nancy Dahlstrom
Representative Lesil McGuire

Representative Ralph Samuels
Representative Bill Stoltze

HB 357

Sponsor Statement

“An Act relating to restitution; and providing for an effective date”

HB 357, if passed, would require judges to order restitution from criminals in *all* cases where a victim has suffered a financial loss.

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HB 357 also clarifies that a minor who has been ordered to pay restitution be required to do so beyond his or her 19th birthday. For example, if a 16 year old has been ordered to pay restitution, the order survives past the legal age and the defendant shall be responsible for the fine until is paid in full.

LEGAL SERVICES

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

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


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

MEMORANDUM

February 2, 2004

SUBJECT: CSHB 357(JUD) (Work Order No. 23-LS1384\I)

TO: Representative Lesil McGuire
Attn: Vanessa Tondini

FROM: Gerald P. Luckhaupt 
Legislative Counsel

Enclosed is the CS(JUD) you requested. I have two comments.

1. Sec. 1, page 1, lines 4 and 10. The committee added the words "when presented with evidence" in two places. Apparently, the committee is limiting a criminal court from ordering restitution except when evidence is presented. I do not understand the reason for the amendment, as a criminal court (or even a civil court for that matter) cannot deprive a person of property arbitrarily or without evidence to support the judgment.¹ It seems beyond question to me that a court cannot enter a restitution order without evidence to support the order and I therefore do not see the need for the amendment. Beyond this concern, the amendment is troubling because the legislature requires a court to order restitution in AS 12.55.045(e) and allows the awarding of restitution under AS12.55.045(d). In each of these provisions there is no mention of "when presented with evidence." Because of the differences in these restitution statutes, the courts may choose to interpret these provisions differently. It is possible that a court could interpret AS 12.55.045(a) to require a restitution order to be supported by a different level, quantity, or type of evidence than restitution orders under AS 12.55.045(d) or (e).

2. Sec. 6, pages 3, line 31 through page 4, line 2. This amendment provides that a delinquency court may consider a minor's earning capacity beyond the period of time when the juvenile court normally loses jurisdiction of the minor.² Apparently, there is a concern that some juvenile courts are not awarding restitution because the court believes the juvenile will not be able to repay the award by the time the minor turns 19; hence the

¹ I guess if a person voluntarily agrees to the entry of judgment against them the court could act. Even in a default judgment context a plaintiff still has to provide proof to support their entitlement to the relief they are requesting.

² This usually occurs when the minor turns 19, if not before. AS 47.12.120. But see AS 47.12.120(a)(3)(B).

Representative Lesil McGuire
February 2, 2004
Page 2

amendment. While I find no support in the statutes for a court to take that position³, my concern is that a court will use this new provision to limit an award of restitution because the court believes that a minor will have limited earning capacity in the future. While the intention may be to expand or otherwise allow awards of restitution, it appears to me that this language can actually be used to limit awards.

GPL:mdr
04-028.mdr

Enclosure

³ Nowhere does AS 47.12.120 limit, or even imply that, restitution to amounts that can be repaid by the time the minor turns 19.

**THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES**

ANCHORAGE SCHOOL DISTRICT
ANCHORAGE, ALASKA

MEMORANDUM

January 25, 2004

TO: REPRESENTATIVE RALPH SAMUELS
REPRESENTATIVE LESIL MC GUIRE

(VIA FAX (907) 465-3810

(VIA FAX (907) 465-6592

FROM: CAROL COMEAU *Carol Comeau*
SUPERINTENDENT

SUBJECT: SUPPORT FOR HB 357

I want to express strong support for the amendments to House Bill 357, related to restitution for vandalism and other crimes where the victim has suffered financial harm. These are critical amendments, and your strong language is much appreciated.

It is essential to the Anchorage School District, the community, and our employees that juveniles who commit crimes be held fully responsible and accountable for all of the damage they incur, rather than only for what they can pay for before they turn age 19. We feel strongly this is the juvenile and/or criminal's responsibility, not his parent's or legal guardian's financial responsibility. We liken this financial responsibility to that of a juvenile who signs a commitment to repay a student loan well past age 19; we see that it is just as important for a criminal to repay his/her full restitution.

Please do not hesitate to contact us if you would like us to testify and/or present additional information. We appreciate your leadership in this important priority issue.

cc School Board members
Dick Traini, Assembly Chair
Mayor Mark Begich
Lt. Gardner Cobb, APD, School Resource Officer Program
Audie Hollaway, Deputy Chief of Police
Mike Klawitter, Director, Risk Management
Mark Mew, Director, Security and Emergency Preparedness
Larry Petersen, Director, Maintenance
George Vakalis, Asst. Supt. For Support Services
Larry Wiget, Executive Director, Public Affairs

STATE OFFICE
ALASKA PEACE OFFICERS ASSOCIATION

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



Business Manager

Joseph Young
Anchorage

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Anchorage

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Terry Games, Member
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Pres. Anchorage Chapter

Teena Calkin, Member
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Pres. Mat-Su Chapter

Lorrie Hatman, Member
Fairbanks
Pres. Fairbanks North Chapter

Jerry Nankervis, Member
Juneau
Pres. Capital City Chapter

A. J. Charlton, Member
Ketchikan
Pres. First City Chapter

James See, Member
Craig
Pres. Prince of Wales Chapter

Augie Kochuten, Member
Unalaska
Pres. Aleutian Islands Chapter

Dan Shermhart, Member
Wrangell
Pres. Wrangell Chapter

February 9, 2004

Representative Ralph Samuels
House of Representatives
State Capitol
Juneau AK 99801-1182

Dear Representative Samuels,

On behalf of the Alaska Peace Officers Association (APOA), I would like to thank you for co-introducing HB 357, an act relating to restitution; and providing for an effective date.

This proposed bill will require mandatory restitution to the victim or other person injured by the offense. Restitution would also be required for public, private, or private nonprofit organization that has provided or is or will be providing counseling, medical, or shelter services to the victim. This change will be of benefit for the citizens of the State of Alaska. We thank you for addressing this issue.

Please contact the APOA office in Anchorage at 277-0515 if there is anything our organization can do to assist in the passage of this bill.

Sincerely,

Leo J. Brandlen
State President

HB

357

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/22/04

FURTHER:

REPORTED OUT
APR 06 2004
SENATE FINANCE
COMMITTEE

DATE TURNED
IN TO OFFICE: 6 April 2004

Finance Committee considered CS FOR HOUSE BILL NO. 357(JUD)

HB 357 RESTITUTION

"An Act relating to restitution; and providing for an effective date."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous S CSCS# B 357 (JUD)
- 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 Change
 New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero.	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
Admin	1/21/04		*		#1
Law	1/23/04		*		#2

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	No REC	AMEND
<i>Frank Ryan</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>Ben Steeles</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			

FISCAL NOTE

REPORTED OUT

APR 06 2004

SENATE FINANCE
COMMITTEE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 357(JUD)
(H) Publish Date: 2/12/04

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
Title An Act relating to restitution BRU Legal and Advocacy Services
Component Public Defender Agency
Sponsor Representative Sarvels
Requester (H) Judiciary Component No. 1631

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	*	*	*	*	*	*

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	*	*	*	*	*	*

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)

This bill will likely have a fiscal impact on the operations of the Agency, but it is impossible to determine with any accuracy what that impact will be. Requiring restitution in every case with a victim will result in more restitution hearings. Determinations on the amount of mandatory restitution will have to be made at these hearings. More hearings require more work of Agency attorneys, but it is not possible to predict how many cases this new legislation will affect. In addition the requirement that restitution be ordered in a case without consideration of the defendant's inability to pay will result in more petitions to revoke probation being filed and litigated for the failure to pay the ordered restitution, which will also affect the operations of the Agency, since it will increase its assigned caseload of probation revocations. An indeterminate fiscal note is submitted.

Prepared by: Linda K. Wilson, Deputy Director Phone (907)-334-4416
Division Public Defender Agency Date/Time 1/23/04 10:40 a.m.
Approved by: Mike Miller, Commissioner Date _____
Agency Administration

APR 06 2004

SENATE FINANCE
COMMITTEE

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 357(JUD)
(H) Publish Date: 2/12/04

Revision Date/Time (Note if correction): _____ Dept. Affected: LAW
Title "An Act relating to restitution...." RDU Civil
Component Collections and Support
Sponsor Representatives Samuels, Stolze, McGuire, Dahlstrom
Requester House Judiciary Component No. _____

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	****	****	****	****	****	****

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	****	****	****	****	****	****

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)*
This bill amends AS 12.55 by replacing the word "may" with "shall" in the ordering of a defendant to make restitution.

At this time we are unable to determine whether passage of this legislation will result in significant new restitution orders transferred to the Department of Law. Our fiscal note at this time is indeterminate pending further information from the Court System.

Prepared by: Kathryn A. Daughhete, Director Phone 465-3673
Division Administrative Services Date/Time 1/23/04 4:33 PM
Approved by: Kathryn Daughhete for Gregg D. Renkes, Attorney General Date 1/23/2004
Agency Department of Law



Representative Nancy Dahlstrom
Representative Lesil McGuire

Representative Ralph Samuels
Representative Bill Stoltze

CS HB 357

Sponsor Statement

“An Act relating to restitution; and providing for an effective date”

HB 357, if passed, would require judges to order restitution from criminals in *all* cases where a victim has suffered a financial loss.

When financial losses of victims are ignored, or given less priority than the rights of criminals, we cause them to be victimized again. HB 357 would require judges to order restitution in *every* case where a victim has suffered a financial loss. Under present law, a judge may, but is not required, to do so. This change will also ensure that offenders are ordered to make realistic restitution payments to help make the victim whole within a reasonable time. The act of ordering restitution serves as an acknowledgment by the criminal justice system that the victim sustained harm. Prompt and full payment of restitution can help rectify that harm.

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ARE
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SPECIAL MILLENNIUM EDITION

The
Constitutions
of the
State of Alaska
and the United States



Lt. Governor Fran Ulmer • January 2001

Provided by Rep Samuels

from the offender, and the nation. [Amendment approved November 8, 1994 - Effective December 30, 1994]

pus. The privilege of the press shall not be suspended, restricted, or abridged in cases of rebellion or actual or imminent public safety requires

§ 17. **Search and Seizures.** The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be infringed. No warrants shall issue, except upon probable cause, supported by oath or affirmation, and particularly described, and the persons or places to be searched, and the persons or things to be seized.

§ 18. **Bill of Attainder and Ex Post Facto.** No bill of attainder or ex post facto law shall be passed. No retroactive obligation of contracts, or any irrevocable grant of special privileges or immunities shall be made. No law shall work corruption or deprive any person of estate.

§ 19. **Trial by Jury.** In civil cases where the controversy exceeds two hundred dollars, the right of trial by a jury shall be preserved to the same extent as in the common law. The legislature may provide for a trial by a lesser number of the jury and, in criminal cases, may provide for a trial by a jury of more than twelve.

§ 20. **Debt.** There shall be no imprisonment for debt. This section shall not apply to the arrest of absconding

§ 18. **Eminent Domain.** Private property shall not be taken or damaged for public use without just compensation.

§ 19. **Right to Keep and Bear Arms.** A well-regulated militia being necessary to the security of a free state, the right of the people to keep and bear arms shall not be infringed. The individual right to keep and bear arms shall not be denied or infringed by the State or a political subdivision of the State. [Amendment approved November 8, 1994 - Effective December 30, 1994]

§ 20. **Quartering Soldiers.** No member of the armed forces shall in time of peace be quartered in any house without the consent of the owner or occupant, or in time of war except as prescribed by law. The military shall be in strict subordination to the civil power.

§ 21. **Construction.** The enumeration of rights in this constitution shall not impair or deny others retained by the people.

§ 22. **Right of Privacy.** The right of the people to privacy is recognized and shall not be infringed. The legislature shall implement this section. [Amendment approved August 22, 1972 - Effective October 14, 1972]

§ 23. **Resident Preference.** This constitution does not prohibit the State from granting preferences, on the basis of Alaska residence, to residents of the State over non-residents to the extent permitted by the Constitution of the United States. [Amendment approved November 8, 1988 - Effective January 4, 1989]

§ 24. **Rights of Crime Victims.** Crime victims, as defined by law, shall have the following rights as provided by law: the right to be reasonably protected from the accused through the imposition of appropriate bail or conditions of release by the court; the right to confer with the prosecution; the right to be treated with dignity, respect, and fairness during all phases of the criminal and juvenile justice process; the right to timely disposition of the case following the arrest of the accused; the right to obtain information about and be allowed to be present at all criminal or juvenile proceedings where the accused has the right to be present; the right to be allowed to be heard, upon request, at sentencing, before or after conviction or juvenile adjudication, and at any proceeding where the accused's release from custody is considered; the right to restitution from the accused; and the right to be informed, upon request, of the accused's escape or release from custody before or after conviction or juvenile adjudication. [Amendment approved November 8, 1994 - Effective December 30, 1994]

§ 25. **Marriage.** To be valid or recognized in this State, a marriage may exist only between one man and one woman. [Amendment approved November 3, 1998 - Effective January 3, 1999.]

Editor's Note. Article I, Section 25 consists of the first sentence of 1998 Legislative Resolve 71 (20th Legislature's HCS CSSJR 42 (RLS)). The second sentence of 1998 Legislative Resolve 71 did not appear on the ballot pursuant to an order of the Supreme Court of the State of Alaska in *Bess v. Ulmer*, 985 P.2d 979 (Alaska 1999) (Preliminary opinion and order dated September 22, 1998.)

SENATE FINANCE COMMITTEE

SIGN-IN

HB 357-RESTITUTION

NAME: Susan Parkes Subject/Bill No: HB357
Co./Dept./Title: Department of Law - Deputy Atty Phone: 269-6379
Address: 310 K Street Anchorage Zip: 99501
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

SENATE COMMITTEE REPORT

DATE: 3/2/04

FURTHER: Finance

DATE TURNED
IN TO OFFICE: 3/22/04

Judiciary Committee considered CS FOR HOUSE BILL NO. 357(JUD)

HB 357 RESTITUTION

"An Act relating to restitution; and providing for an effective date."

and recommends:

- be replaced with Sen CS CSHB 357 (JUD)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:	
<input checked="" 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#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	Indet.	FN#
ADM	1/23			✓	1
LAW	1/23			✓	2

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
French <i>[Signature]</i>	X			
Therriault <i>[Signature]</i>	X			
Ogden <i>[Signature]</i>				
CHAIR: <i>[Signature]</i>	✓			

French
Therriault
Ogden

Speckins

HB

366

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: February 5, 2004

FURTHER REFERRALS:

Date of Committee Action: 4.23.04

The FINANCE Committee considered:

HR 366

HOUSE BILL NO. 366

RAT RACING CHARITABLE GAMING

"An Act relating to rat racing charitable gaming; and providing for an effective date."

Recommends it be replaced with HCS or CS for HB 366 (FIN)
 For Senate Bills with new title: Technical Title New Title: HCR _____ Same Title New Title

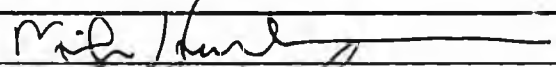

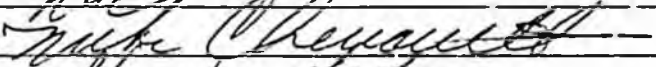
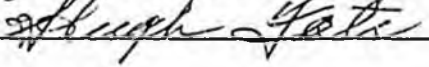
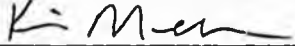
- attach amendments
- add new referral to _____ Committee
- Letter of Intent _____ Committee

List of
Abbrev
for
Depts.:

- ADM
- CED
- 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

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
REV	1			✓

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	Howard			X	
	Stiles	X			
	Chenault	✓			
	Fata			✓	
Chair:					
Chair: 	Kim	X			

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 366
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
Title Rat Racing Charitable Gaming RDU Revenue Programs & Services
Component Tax Division
Sponsor Representative Stoltze
Requester House State Affairs Component No. 2476

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	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures						
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)

This legislation formalizes in statute, a gaming activity that has been a long established practice in the Mat-Su valley.

This legislation will not result in additional revenues or costs to the department.

Prepared by: Larry Meyers and Jeffrey Prather
Division: Tax Division
Approved by: Steve Porter, Deputy Commissioner
Agency: Department of Revenue

Phone 907 269 6620
Date/Time 1/28/04 5:46 PM
Date 1/28/2004

Adopted
4.23.04

AMENDMENT \

OFFERED IN THE HOUSE

BY REPRESENTATIVE STOLTZE

To: CSHB 366(FIN), Draft Version "H"

Page 2, line 19
Delete "a"

Page 2, line 19 following "chicken" insert manure

Adopted
4.23.04

23-LS1373/H
Luckhaupt
3/2/04

CS FOR HOUSE BILL NO. 366()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES STOLTZE, Rokeberg, Gatto, Masek, Chenault

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to animal classic charitable gaming; and providing for an effective
2 date."

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

4 * Section 1. AS 05.15.100(a) is amended to read:

5 (a) The department may issue a permit to a municipality or qualified
6 organization. The permit gives the municipality or qualified organization the privilege
7 of conducting bingo, raffles and lotteries, pull-tab games, ice classics, race classics,
8 rain classics, goose classics, mercury classics, deep freeze classics, canned salmon
9 classics, salmon classics, king salmon classics, dog mushers' contests, snow machine
10 classics, fish derbies, animal classics, and contests of skill.

11 * Sec. 2. AS 05.15.115(c) is amended to read:

12 (c) A permittee may not contract with more than one operator at a time to
13 conduct the same type of activity. For the purposes of this subsection, bingo games,
14 raffles, lotteries, pull-tab games, ice classics, race classics, rain classics, goose

1 classics, mercury classics, deep freeze classics, canned salmon classics, salmon
2 classics, king salmon classics, dog mushers' contests, snow machine classics, fish
3 derbies, animal classics, and contests of skill are each a different type of activity.

4 * Sec. 3. AS 05.15.180(b) is amended to read:

5 (b) With the exception of raffles, lotteries, bingo games, pull-tab games, race
6 classics, rain classics, goose classics, mercury classics, deep freeze classics, dog
7 mushers' contests, snow machine classics, canned salmon classics, salmon classics,
8 animal classics, and king salmon classics, an activity may not be licensed under this
9 chapter unless it existed in the state in substantially the same form and was conducted
10 in substantially the same manner before January 1, 1959. A snow machine classic may
11 not be licensed under this chapter unless it has been in existence for at least five years
12 before the licensing. An animal classic may not be licensed under this chapter
13 unless it was in existence before November 1, 2002.

14 * Sec. 4. AS 05.15.690 is amended by adding a new paragraph to read:

15 (46) "animal classic" means a game of chance in which prizes are
16 awarded for the correct guess

17 (A) of which numbered or colored hole on a wheel a rat,
18 hamster, gerbil, or other rodent enters as the wheel is slowly rotated;

19 (B) concerning an activity involving a chicken and a numbered
20 or lettered grid.

21 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HB 366
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title Rat Racing Charitable Gaming RDU Revenue Programs & Services
 Component Tax Division
 Sponsor Representative Stoltze
 Requester House State Affairs Component No. 2476

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	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures						
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)

This legislation formalizes in statute, a gaming activity that has been a long established practice in the Mat-Su valley.

This legislation will not result in additional revenues or costs to the department.

Prepared by: Larry Meyers and Jeffrey Prather Phone 907 269 6620
 Division Tax Division Date/Time 1/28/04 5:46 PM
 Approved by: Steve Porter, Deputy Commissioner Date 1/28/2004
 Agency Department of Revenue

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

Interim:

PO Box 464
Chugiak, AK 99567

REPRESENTATIVE BILL STOLTZE

Representative_Bill_Stoltze@legis.state.ak.us

HOUSE BILL 366

"An Act relating to rat racing charitable gaming"

SPONSOR STATEMENT

Two years ago, Alaska's Attorney General issued a legal opinion stating certain traditional "games of chance" were illegal under current statute. This ruling included games like the Alaska State Fair Elks Rat Races. Folks gather around a wheel of colors, place their quarter bets, a gerbil is placed in the middle and whichever colored hole he disappears in to is declared the winner. This game of chance has been a part of the state fair for over five decades and its revenues go to support local charities.

House Bill 366, an act relating to rat racing charitable gaming, was introduced to allow these games and permit them to continue. It is a very narrow subject and does not expand charitable gaming in Alaska as a whole, as that is not my intent with this legislation. HB 366 is only to protect a traditional game of chance which is strongly supported by many Alaskans and charities and would be sorely missed at this year's fair.

The Elks Club Rat Races are an integral part of the Alaska State Fair and its history. I greatly appreciate the committee's consideration and hopefully your support to "let the rats run!"

DISTRICT 16

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



26 January 2004

Rep. Bill Stoltz
Alaska State Legislature
State Capitol (MS 3100)
Juneau, Alaska 99801-1182

Dear Representative Stoltz:

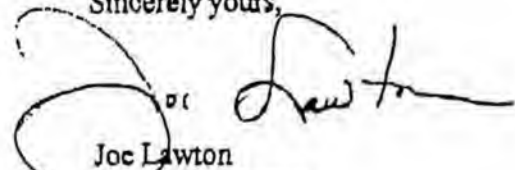
This letter is in support of your efforts to retain the ability of local charitable organizations to continue their efforts at our annual State Fair.

Our local Elks (B.P.O.E.) Club has run a "Rat Race" on our grounds at least fifty years by my memory, and perhaps considerably longer. It is one of several Games of Chance at our event that allows organizations to raise money for worthy causes. The operators of these attractions invariably donate their time to help their organization maximize the use of their gift.

The Rat Race is an innocuous attraction at the Fair. Several years ago, to better "theme" our layout, we relocated it closer to the bulk of the Fair's Games, and away from its isolated position on a main walkway. However, incidents and complaints about the Game are and always have been virtually absent. It is difficult to imagine any reason why it should not continue to be a part of the flavor of our Fair.

I applaud your efforts to guarantee the ability of the Elks Club to raise this money for charity, and may be called upon for additional information.

Sincerely yours,



Joe Lawton
General Manager

A FRATERNAL ORGANIZATION



Palmer Lodge No. 1842

BENEVOLENT AND PROTECTIVE ORDER OF ELKS

January 28, 2004

Alaska State Legislature
Alaska State Capitol
Juneau, Alaska 99801

Attention: Representative Bill Stoltze, Alaska State Legislature

Reference: Palmer Elks Lodge Rat Race and House Bill 366

Dear Representative Stoltze:

This letter is written to provide the legislature with information and strong support from the Palmer Elks Lodge for House Bill 366. We received your letter dated January 13, 2004, regarding the introduction of HB 366 and your efforts to document the long historical precedence of the Elks Rat Race at the Alaska State Fair. Thank you very much for your efforts and your support of this very important Elks' fund raising activity.

The Palmer Elks Lodge has over 760 members. In a ballot of the membership there is unanimous support for the Rat Race and its annual continuance at the Alaska State Fair. The lodge officers both past and present support the Rat Race unanimously. As you know all of the monies that are raised by the Rat Race are funneled into the Elks Scholarship Fund. The scholarships are awarded annually to worthy students pursuing further education. The high schools help us select worthy candidates. The Palmer Elks Lodge annually awards about \$20,000 in scholarships.

Please use this letter to convey to the legislature, the strong support and adamant need the Palmer Elks Lodge has for the passage of House Bill 366. We plan to have as many people available as time allows to provide testimony via the telephone conference hearing planned for Thursday, January 29, 2004.

2600 N. Barry's Resort Drive
Phone: 745-3950

Wasilla, Alaska 99654
Fax: 745-3960

1/28/04 Page 2 of 2

Subject: Palmer Elks Lodge Rat Race and House Bill 366

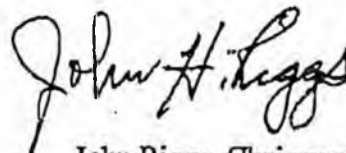
If there is anything else that the Lodge can do to support your efforts, please advise us at your earliest convenience. Once again, on behalf of the lodge members and our scholarship recipients we sincerely thank you for your efforts to save the Rat Race.

Sincerely,



Scott Pillars, Exalted Ruler
Palmer Elks Lodge No. 1842

Sincerely,



John Riggs, Chairman
Board of Trustees



VETERANS OF FOREIGN WARS OF THE U.S.
JERRY V. HORN MEMORIAL NO. 10046
134 North Birch Street
Soldotna, Alaska 99669
Phone (907) 262-2722
Fax (907) 262-2762

TO: SEN. TOM WAGGONER

RE: ANIMAL CLASSICS HOUSE BILL 366

DEAR SEN. WAGGONER,

THIS HOUSE BILL IS OF GREAT IMPORTANCE TO SOLDOTNA VFW POST #10046. WE HAVE HAD A CHICKEN SH*T CONTEST AT THE VFW IN SOLDOTNA SINCE 1990 AS PART OF SOLDOTNA PROGRESS DAYS CELEBRATION. WE HOLD AN "OPEN HOUSE" FOR THE COMMUNITY WHICH INCLUDES OUR COLOR GUARD PARTICIPATION IN THE COMMUNITY PARADE, BBQ (CHICKEN, OF COURSE), LIVE MUSIC AND THE CHICKEN SH*T CONTEST. WE PURCHASE SPECIAL T-SHIRTS (LOCAL BUSINESS) & SELL SPECIAL T-SHIRTS FOR THIS EVENT. WE HAVE THE LARGEST TURN-OUT OF THE YEAR FOR THIS EVENT.

THE MONEY GENERATED FROM THE CONTEST GOES TO OUR COMMUNITY CHARITY PROGRAMS. THIS INCLUDES LOCAL FOOD BANK, VETERAN SUPPORT PROGRAMS, SCHOLARSHIP PROGRAMS FOR LOCAL SCHOOLS, ETC.

WE AT VFW POST 10046 ENCOURAGE OUR REPS. TO HEAR HB 366 AND MOVE IT OUT OF COMMITTEE.

SINCERELY,

**CHUCK RHODES
COMMANDER
VFW POST 10046**

HB

366

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT

MAY 05 2004

SENATE FINANCE
COMMITTEE

DATE: 5/2/04

FURTHER:

DATE TURNED
IN TO OFFICE: 05/05/04

Finance Committee considered CS FOR HOUSE BILL NO. 366(FIN)

HB 366 ANIMAL CLASSICS CHARITABLE GAMING

"An Act relating to animal classic charitable gaming; 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:
 Same Title
 New Title

House Bill:
 Same Title
 Technical Title Change
 New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero.	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DOR	1/29/04			✓	1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>			✓	
<i>[Signature]</i>			✓	
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			