

**ALASKA LEGISLATURE**

**2703**

**HOUSE and SENATE FINANCE COMMITTEE FILES, 2003-2004**

# FISCAL NOTE

STATE OF ALASKA  
2004 LEGISLATIVE SESSION

Fiscal Note Number: 2  
Bill Version: SB 224  
(S) Publish Date: 2/25/04

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Public Safety  
Title: Act Lowering the Limits for DUI for those under RDU: Alaska State Troopers  
21 years of age Component: AST Detachments  
Sponsor: Sen. Cowdery  
Requester: Senate Transportation Component No.: 2325

**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						
<b>TOTAL OPERATING</b>	*	*	*	*	*	*

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)						
<b>TOTAL</b>	*	*	*	*	*	*

Estimate of any current year (FY2004) cost: \_\_\_\_\_  
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)*  
SB 224, if passed, will amend AS 28.35.030 to make it a criminal offense to drive under the influence if the person is under 21 years of age, and has a blood alcohol content of .02 or more.  
  
The fiscal impact to the Department of Public Safety is indeterminable for several reasons.  
  
Based on data provided by DMV, there were about 82 individuals who may have been subjected to the provisions of this bill had it been law in 2003. It is not known how many of those 82 individuals would have been handled by the Alaska State Troopers.  
  
(see page 2)

Prepared by: Lt Al Storey Phone 269-4532  
Division: Alaska State Troopers Date/Time 2/20/04 9:30 AM  
Approved by: Commissioner William Tandeske Date 2/20/2004  
Agency: Department of Public Safety

FISCAL NOTE #2

STATE OF ALASKA  
2004 LEGISLATIVE SESSION

BILL NO. SB 224

ANALYSIS CONTINUATION

DMV's data also reports that there were about 144 other individuals contacted by law enforcement officers, but the officer determined that there was insufficient probable cause to arrest them and obtain a blood alcohol sample. It could be assumed that some of these persons would have had a blood alcohol level of .02 to .079. Processing the increased number of suspects in accordance with this proposed bill would be time consuming for law enforcement officers.

As written, SB 224 will be challenged repeatedly in the adjudication process. This is especially true for the lower blood alcohol levels. The defense will target the accuracy of the blood alcohol measuring instruments, the probable cause that led to the contact, and the process that the officer used to determine the individual was under the influence prior to asking for a breath sample. All of this will cost additional court time in order to make the officers available for testimony. It will require additional testimony from the Crime Lab technicians regarding the accuracy of the instruments used to measure blood alcohol.

The amount of time that will be required to achieve a conviction, and the time needed to handle arrestees under the age of 18 (juveniles), is unknown. Therefore, the fiscal impact to the Department of Public Safety is indeterminate.

ALASKA STATE LEGISLATURE  
SENATE DISTRICT 0

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**John J. Cowdery**  
Senate Rules, Chair  
Senate Transportation Committee, Chair  
World Trade State & Federal Relations, Chair  
State Affairs, Legislative Council

## **SPONSOR STATEMENT CSSB224**

**"An Act relating to a minor operating a vehicle after consuming alcohol, to a minor refusing to submit to chemical tests, and to driving during the 24 hours after being cited for one of those offenses; and providing for an effective date."**

The purpose of CSSB224 is to change Alaska's law to allow for stiffer penalties to apply when a person under the legal drinking age drives after consuming any amount of alcohol.

Under current Alaska law, a person under 21 who drives with a BAC of below .08 will receive a charge of minor consuming and/or minor operating a vehicle after consuming, both of which are infractions. Typically, infractions are of the same class of offense as a traffic violation, such as speeding.

SB224 makes it a Class B misdemeanor for minors who, for the second or more times, does not complying with zero tolerance laws. SB224 also increases penalties for repeat offenders.

A minor with no prior convictions will receive a fine up to \$1000.00 and/or community service. Someone coming in with a prior conviction faces fines up to \$2000.00, a minimum of 40 hours of community service. Because the offense is a Class B Misdemeanor, the minor may receive up to 90 days in jail.

Drivers between the ages of 15 and 20 years old make up roughly 7% of the total driving population. That 7% constitutes 14% of the alcohol related fatalities. Zero Tolerance laws can act as a deterrent and dramatically help change deadly behavior.

# SENATE COMMITTEE REPORT

DATE: 2/25/04

FURTHER: Finance

DATE TURNED IN TO OFFICE: 4/28/04

State Affairs Committee considered SENATE BILL NO. 224

SB 224 LOWER DWI FOR MINORS TO .02

"An Act relating to lowering the legal level of intoxication for operating a motor vehicle, aircraft, or watercraft to .02 percent or the equivalent for persons under 21 years of age; relating to implied consent for purposes of determining consumption of alcohol; and providing for an effective date."

and recommends:

- be replaced with \_\_\_\_\_ CS SB 224 STA
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

<b>Senate Bill:</b>	
<input type="checkbox"/>	Same Title
<input checked="" type="checkbox"/>	New Title
<b>House Bill:</b>	
<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#
DPS	4/27/04		✓		5
CRT	4/28	✓			6
HSS	3/17		✓		7
FN - Forthcoming					

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	Indet.	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	No REC	AMEND
Cowdery <i>John A. Cowdery</i>	✓			
Stedman <i>Robert Stedman</i>			✓	
Guess <i>Julia Guess</i>			✓	
G. Steyer <i>G. Steyer</i> CHAIR	✓			

**SENATE COMMITTEE REPORT  
First Committee of Referral**

DATE: 5/14/03

FURTHER: State Affairs

Date of 5-Day Notice: 5/16/03  
(in accordance with Uniform Rule 23)

DATE TURNED  
IN TO OFFICE: 2/24/04

Transportation Committee considered SENATE BILL NO. 224

**SB 224 LOWER DWI FOR MINORS TO .02**

"An Act relating to lowering the legal level of intoxication for operating a motor vehicle, aircraft, or watercraft to .02 percent or the equivalent for persons under 21 years of age; relating to implied consent for purposes of determining consumption of alcohol; 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
- new: SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#
Admin	2/24	✓		1
Public Safety	2/20	xxx		2
LCW	2/23	xxx		3
Corrections	2/24	xxx		4

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Gene Thernault</i>			✓	
<i>John Coudrey</i>	x 2			
<i>James A. Wagner</i>			✓	
CHAIR: <i>James A. Wagner</i>	✓			

Thernault  
Coudrey \*  
Lincoln  
Wagner \*

\* Coudrey/Wagner. CoChairs

SENATE FINANCE COMMITTEE

SIGN-IN

SB 224-LOWER DWI FOR MINORS TO .02

✓ NAME: Don Smith Subject/Bill No: CS SB 224  
Co./Dept./Title: Admin - ALASKA HIGHWAY SAFETY OFFICE Phone: \_\_\_\_\_  
Address: 3132 Channel Drive Zip: 99801  
Do you wish to testify?  Yes  No  Respond To Questions

✓ NAME: Cindy Cashen Subject/Bill No: CS SB 224  
Co./Dept./Title: MADD Phone: 463 2567  
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



## Bill History/Action Display



**BILL:** SB 224

**SHORT TITLE:** LOWER DWI FOR MINORS TO .02

**BILL VERSION:**

**CURRENT STATUS:** (S) FIN

**STATUS DATE:** 04/28/04

**SPONSOR(s):** SENATOR(S) COWDERY

**TITLE:** "An Act relating to lowering the legal level of intoxication for operating a motor vehicle, aircraft, or watercraft to .02 percent or the equivalent for persons under 21 years of age; relating to implied consent for purposes of determining consumption of alcohol; and providing for an effective date."

**Bill Root:**

Jrn-Date	Jrn-Page	Action
05/14/03	<u>1390</u>	(S) READ THE FIRST TIME - REFERRALS
05/14/03	<u>1390</u>	(S) TRA, STA
02/25/04	<u>2288</u>	(S) TRA RPT 2DP 2NR
02/25/04	<u>2288</u>	(S) DP: COWDERY, WAGONER; NR: THERRJAULT,
02/25/04	<u>2288</u>	(S) LINCOLN
02/25/04	<u>2288</u>	(S) FN1: (ADM)
02/25/04	<u>2288</u>	(S) FN2: INDETERMINATE(DPS)
02/25/04	<u>2288</u>	(S) FN3: INDETERMINATE(LAW)
02/25/04	<u>2288</u>	(S) FN4: INDETERMINATE(COR)
02/25/04	<u>2288</u>	(S) FIN REFERRAL ADDED AFTER STA
04/28/04	<u>3119</u>	(S) STA RPT CS 2DP 2NR NEW TITLE
04/28/04	<u>3119</u>	(S) DP: STEVENS G, COWDERY;
04/28/04	<u>3119</u>	(S) NR: STEDMAN, GUESS
04/28/04	<u>3119</u>	(S) FN5: ZERO(DPS)
04/28/04	<u>3119</u>	(S) FN6: INDETERMINATE(CRT)
04/28/04	<u>3119</u>	(S) FN7: ZERO(HSS)
04/28/04	<u>3119</u>	(S) FN FORTHCOMING
04/28/04	<u>3119</u>	(S) REFERRED TO FINANCE

Similar Subject Match or Exact Subject Match

- ALCOHOL
- CRIMES
- CRIMINAL PROCEDURE
- MINORS
- MOTOR VEHICLES

**Bill Root:**

To Report Problems with Basis Inquiry

**SB**

**226**

**SFIN**

**FILE**

SB 226

was referred to the  
Senate Finance  
Committee

Hearing(s) were held

The bill did not move  
from Committee

# STATE OF ALASKA

## OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET

FRANK H. MURKOWSKI, GOVERNOR

P.O. BOX 110020  
JUNEAU, ALASKA 99811-0020  
PHONE: (907) 465-4660  
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March 11, 2004

To: Senator Gary Wilken, Co-Chair  
Senate Finance Committee

From: Cheryl Frasca, Director *CFR*  
Office of Management and Budget

Subject: Request to Schedule Senate Bill 226

Late last session the Governor introduced Senate Bill 226, which amends the way the state categorizes certain receipts. Its purpose is to reverse the current policy of segregating certain general fund revenue into special-purpose accounts. SB 325 redesignates 65 special purpose accounts (and \$165 million if it were in place in FY 04) to general funds.

Over the years fences have been built around revenues generated by certain activities. In fact, this revenue and spending is often described as "off budget" because it gets minimal scrutiny (the spending, however, is subject to the annual appropriation process) and any savings doesn't contribute to closing the state's fiscal gap.

This legislation reflects the spirit of our constitutional framers who prohibited the practice of dedicated funds. They believed it was important to provide each legislature the flexibility to respond to current needs. The practice of special-purpose accounts, or designated funds, runs counter to these intentions.

For the committee's reference, attached is:

- Attachment #1: Summary of the affected fund sources
- Attachment #2: Sectional Analysis
- Attachment #3: Fiscal Notes

Please let me know what additional information we can provide. I look forward to an opportunity to discuss the measure with your committee members.

cc: Mike Tibbles, Legislative Director

	A	B	C	D	E	F
1					Appropriations currently considered Other Funds would become General Funds if the bill passed.	
2	Sec. No.	Affected Dept	Component(s)	Current Fund Source	Existing FY04 Appropriations	FY05 Gov December 15 Request
3	5	DPS	AK Police Standards Council	1156 RSS	978.0	989.5
4	8	DPS	AK Fire Standards Council	1152 AFSC Rcpts	226.3	229.0
5	9	F&G	Multiple components	1109 Test Fish Rcpts	2,652.7	2,847.1
6	9	DCED	Regulatory Commission of Alaska	1141 RCA Rcpts	6,143.8	6,506.9
7	9	DOA	Alaska Oil and Gas Conservation Commission	1162 AOGCC Rcpts	4,112.9	3,981.5
8	9	DCED	Occupational Licensing	1156 RSS	7,120.3	6,962.7
9	9	DCED	Alaska Seafood Marketing Institute	1156 RSS	5,513.6	5,589.5
10	9	DCED	Community Advocacy in FY 04 Banking & Securities in FY 05	1156 RSS	309.3	313.2
11	9	F&G	Commercial Fish	1156 RSS	354.0	358.1
12	9	DPS	Judicial Services	1156 RSS	46.7	48.0
13	9	F&G	Commercial Fisheries Entry Commission, Comm Fish Hdqtr, State Facilities Rent	1156 RSS	3,024.5	3,024.5
14	9	Labor	AVTEC	1156 RSS	1,835.4	1,969.5
15	9	HSS	Pioneer Homes	1156 RSS	12,661.9	12,827.4
16	9	DCED	Insurance	1156 RSS	5,217.1	5,317.3
17	9	DCED	Banking, Securities and Corporations	1156 RSS	2,217.0	2,420.2
18	9	DOC	Classification and Furlough	1156 RSS	751.7	751.7
19	9	DOC	Classification and Furlough	1156 RSS	100.0	100.0
20	9	DOC	Existing CRCs and Nome CRC	1156 RSS	1,731.1	1,731.1
21	9	DPS	Fire Prevention/Fire Service Training	1156 RSS	1,335.7	1,368.8
22	9	DOT	Measurement Standards & Commercial Vehicle Enforcement	1156 RSS	1,741.6	1,821.3
23	9	DEED	Teacher Certification	1156 RSS	689.9	605.3
24	9	DEED	Professional Teaching Practices Commission	1156 RSS	217.8	226.1
25	9	HSS	Bureau of Vital Statistics	1156 RSS	1,245.5	1,449.6
26	9	HSS	Information Technology Services	1156 RSS		106.1
27	9	DOC	Anchorage Correctional Complex and Lemon Creek	1156 RSS	204.0	204.0
28	9	DPS	AK Crim Records and Identification	1156 RSS	1,327.8	1,356.1
29	9	DOA	Motor Vehicles	1156 RSS	401.1	401.1
30	9	DNR	Land Sales	1153 State Land	7,818.5	7,175.9
31	9	DNR	Claims, Permits & Leases	1154 Shore Fish	329.4	341.1
32	9	DNR	Forest Mgt	1155 Timber Rcpts	693.7	711.9
33	9	Labor	Workers' Compensation; Occupational Safety and Health	1157 Workers Safety Fund	4,210.4	4,400.5
34	9	DNR	Recorder's Office	1156 RSS	3,111.2	3,360.1
35	9	DEC	Commercial Passenger Vessel Program	1166 Comm Pass Vessel	706.9	713.6

	A	B	C	D	E	F
1					Appropriations currently considered Other Funds would become General Funds if the bill passed.	
2	Sec. No.	Affected Dept	Component(s)	Current Fund Source	Existing FY04 Appropriations	FY05 Gov December 15 Request
36	9	DCED	Occupational Licensing FY 04 and FY 05 Office of Econ Dev FY 05 Trade & Dev FY 04	1175 Bus Lic Rcpts	2,173.0	1,493.4
37	9	Labor	Mechanical Inspection	1172 Bldg Safety Acct	1,603.7	1,552.2
38	9	DEC	Food Safety and Sanitation	1156 RSS	1,099.4	1,181.2
39	9	DNR	Parks Mgt	1156 RSS	1,478.1	1,837.2
40	9	DPS	AST Detachments in FY 04 AK Criminal Records and ID in FY 05	1156 RSS	45.0	46.6
41	9	DPS	AST Detachments in FY 04 AK Criminal Records and ID in FY 05	1156 RSS	127.8	127.8
42	9	HSS	Medicaid Services	1108 SDPR	63,434.5	55,890.5
43	9	HSS	Medicaid Services	1156 RSS	750.0	750.0
44	9	HSS	Foster Care Base Rate	1156 RSS	991.5	1,590.7
45	9	HSS	Nursing	1156 RSS	188.4	264.5
46	9	HSS	Information Technology Services	1108 SDPR		106.4
47	9	HSS	Women and Adolescents Services	1156 RSS	80.6	80.6
48	9	HSS	Women, Infants and Children	1156 RSS	152.0	152.0
49	9	HSS	Medical Assistance Administration	1156 RSS	17.1	682.1
50	9	HSS	Epidemiology	1156 RSS	15.7	21.7
51	9	HSS	Community Health/EMS Services	1156 RSS	163.1	61.8
52	9	HSS	Behavioral Health Administration	1156 RSS	see above	100.0
53	9	HSS	Public Health Laboratories	1156 RSS	67.7	68.9
54	9	HSS	Alcohol Safety Action Program	1156 RSS	154.5	4.3
55	9	HSS	Alcohol Safety Action Program	1108 SDPR	70.0	0.0
56	9	HSS	Protection, Comm Svcs & Admin. FY 04 Certification and Licensing FY 05	1156 RSS	10.4	10.4
57	9	HSS	Behavioral Health Administration	1156 RSS	10.1	3.9
58	9	DOT	Commissioner's Office; Regional Admin; Statewide Aviation; Central Region (CR) Leasing; Northern Region (NR) Leasing; CR Highways and Aviation; NR H&A; SE H&A	1156 RSS	3,059.0	3,074.5
59	9	DOT	CR, NR, SE Design and Engineering	1156 RSS	360.8	379.1
60	9	DOT	CR, NR, SE Highways and Aviation	1156 RSS	257.9	258.4
61	9	Revenue	CSED	1156 RSS	3,220.2	3,397.7
62	9	DOA	Motor Vehicles	1156 RSS	5,100.4	5,196.8
63	9	DOA	Motor Vehicles	1156 RSS	643.6	708.6
64	9	DEED	Museum Operations	1156 RSS	323.9	349.5
65	9	DEED	Mt. Edgecumbe	1156 RSS	57.4	57.4
66	9	DEED	Alyeska Central School	1156 RSS	250.0	0.0
67	9	HSS	Protection, Comm Svcs & Admin.	1108 SDPR	150.5	0.0
68					165,086.1	159,656.9

	A	B	C	D	E	F	G	H
1	Sec. No.	Affected Dept	Component	What is changed?	Effect of the change	Fund Source	FY04 Approp.	FY05 Gov Req.
2	1	All		Purpose section				
3	2	DPS	AK Police Standards Council	12.25.195(c) amended by deleting the reference to AS 37.05.142, which required the Department of Administration to maintain separate accounts for program receipts.	The effect of this section is that the required surcharge is simply deposited into the general fund.	See sec. 5	See sec. 5	See sec. 5
4	3	DPS	Alaska Criminal Records and Identification	12.62.160(d) amended by deleting language referencing the legislature's ability to make appropriations from the separate account maintained by the Department of Administration.	See section 5.	1156 RSS	See sec. 9	See sec. 9
5	4	Univ		14.40.368 amended by deleting the reference to AS 37.05.142, which required the Department of Administration to maintain separate accounts for program receipts.	Pertains to University land management issues			
6	5	DPS	AK Police Standards Council	18.65.225 amended by deleting language referencing the legislature's ability to make appropriations to the Police Training Fund from the separate accounts maintained by the Department of Administration.	The legislature is currently able to appropriate the balance in the separate accounts maintained for fees collected under AS 12.25.195( c), AS 12.55.039, AS 28.05.151, and AS 29.25.074 to the Police Training Fund. The legislature will still be able to appropriate monies in o the fund, but it would be GF. See sections 2, 3, 6, and 7 of this legislation.	1156 RSS	978.0	989.5
7	6	DPS	AK Police Standards Council	28.05.151(c) amended the section to have surcharges required to be paid under this subsection to be deposited into the general fund	See section 5.	See sec. 5	See sec. 5	See sec. 5
8	7	DPS	AK Police Standards Council	29.25.074(a) amended the section to have surcharges to be deposited into general fund, the legislature may reimburse a municipality for the cost of collections not to exceed 10% of the collected surcharges	See section 5.	See sec. 5	See sec. 5	See sec. 5
9	8	All		1) 37.05.146(b) amended by deleting "program" preceding "receipts" 2) 37.05.146(b)(3) amended by replacing "designated program receipts" with "trust or custodial receipts" 3) 37.05.146(b)(5) deleted re AK Fire Standards Council receipts	1) Eliminates the term "program receipts" 2) Changes the name for receipts restricted to a specific use by the terms of a gift, grant, bequest, or contract 3) Removes receipts of the AK Fire Standards Council from the non-general fund category.	1152 AFSC Rcpts	226.3	229.0
10	9	All		37.05.146( c) amended by deleting the word "program" preceding "receipts"	Eliminates the term "program receipts"	n/a	n/a	n/a

	A	B	C	D	E	F	G	H
	Sec. No.	Affected Dept	Component	What is changed?	Effect of the change	Fund Source	FY04 Approp.	FY05 Gov Req.
1	9	F&G	Multiple components	37.05.146(c)(21) deleted: commercial fisheries test fishing operations (AS 16.05.050(a)(15))	Commercial fishing interests want to know how much the department collects from this funding source for their management activities, though a separate fund source is not required to accomplish this.	1109 Test Fish Rcpts	2,652.7	2,847.1
11	9	DCED	Regulatory Commission of Alaska	37.05.146(c)(22) deleted: Regulatory Commission of Alaska under AS 42.05 and AS 42.06	The fees collected are to approximately equal the regulatory cost. Under the terms of 42.05.254(b) and 42.06.286(b), the regulatory "cost charge" is to be reduced if the revenue received "exceeds the authorized budget of the commission".	1141 RCA Rcpts	6,143.8	6,506.9
12	9	DOA	Alaska Oil and Gas Conservation Commission	37.05.146(c)(23) deleted: Alaska Oil and Gas Conservation Commission under AS 31.05	Funds go to General Fund and can be appropriated by the Legislature.	1162 AOGCC Rcpts	4,112.9	3,981.5
13	9	DCED	Occupational Licensing	37.05.146(c)(24) deleted: receipts of DCED under AS 08.01.065(a), (c), and (f) that authorize the department to establish application and examination fees, license and registrations fees, etc. with the exception of business license fees.	Funds go to General Fund and can be appropriated by the Legislature.	1156 RSS	7,120.3	6,962.7
14	9	DCED	Alaska Seafood Marketing Institute	37.05.146(c)(25) deleted: receipts from the seafood marketing assessment under AS 16.51.120 - 16.51.170, the salmon marketing tax under AS 43.76.110 - 43.76.130, and other receipts of the Alaska Seafood Marketing Institute	Funds go to General Fund and can be appropriated by the Legislature.	1156 RSS	5,513.6	5,589.5
15	9	DCED	Community Advocacy in FY 04 Banking & Securities in FY 05	37.05.146(c)(26) deleted: the administrative cost charge under AS 44.33.113 for the state's role in the federal community development quota program	Funds go to General Fund and can be appropriated by the Legislature.	1156 RSS	309.3	313.2
16	9	F&G	Commercial Fish	37.05.146(c)(27) deleted: dive fishery management assessment receipts (AS 43.76.150), salmon fishery assessment receipts (AS 43.76.220), and permit buy-back assessment receipts (AS 43.76.300)	Funds go to General Fund and can be appropriated by the Legislature.	1156 RSS	354.0	358.1
17	9	DPS	Judicial Services	37.05.146(c)(28) deleted: process service fees collected by the Department of Public Safety to show them as unrestricted general fund	None -- Funds go to General Fund and can be appropriated by the Legislature	1156 RSS	46.7	48.0
18								

	A	B	C	D	E	F	G	H
	Sec. No.	Affected Dept	Component	What is changed?	Effect of the change	Fund Source	FY04 Approp.	FY05 Gov Req.
1	9	F&G	Commercial Fisheries Entry Commission, Comm Fish Hdqtr, State Facilities Rent	37.05.146(c)(29) deleted: Alaska Commercial Fisheries Entry Commission under AS 16.05.490, 16.05.530, and AS 16.43	None -- Funds go to General Fund and can be appropriated by the Legislature	1156 RSS	3,024.5	3,024.5
19	9	Labor	AVTEC	37.05.146(c)(30) deleted: receipts of the Alaska Vocational Technical Center	None -- Funds go to General Fund and can be appropriated by the Legislature	1156 RSS	1,835.4	1,969.5
20	9	HSS	Pioneer Homes	37.05.146(c)(31) deleted: Alaska Pioneers' Home care and support receipts under AS 47.55.030	None -- Revenue collected will be posted as GFPR, as it was before the statute change -- or receipts could be just deposited into the GF and appropriations made from plain GF.	1156 RSS	12,661.9	12,827.4
21	9	DCED	Insurance	37.05.146(c)(33) deleted: receipts of the Department of Community and Economic Development, Division of Insurance, from license fees and fees for services	Revenue collected will be posted as GFPR, as it was before the statute change -- or receipts could be just deposited into the GF and appropriations made from plain GF.	1156 RSS	5,217.1	5,317.3
22	9	DCED	Banking, Securities and Corporations	37.05.146(c)(34) deleted: receipts of the division of the Department of Community and Economic Development that regulates banking, securities, and corporations	None -- Revenue collected will be posted as GFPR, as it was before the statute change -- or receipts could be just deposited into the GF and appropriations made from plain GF.	1156 RSS	2,217.0	2,420.2
23	9	DOC	Classification and Furlough	37.05.146(c)(35) deleted: receipts of the Department of Corrections from the electronic prisoner monitoring program under AS 33.30.065(d)	None -- Funds go to General Fund and can be appropriated by the Legislature	1156 RSS	751.7	751.7
24	9	DOC	Classification and Furlough	37.05.146(c)(36) deleted: receipts of the Department of Corrections from Offender Supervision program operated under Existing CRC contracts	None -- Funds go to General Fund and can be appropriated by the Legislature	1156 RSS	100.0	100.0
25	9	DOC	Existing CRCs and Nome CRC (small amount)	37.05.146(c)(36) deleted: receipts of the Department of Corrections from the operation of community residential centers	None -- Funds go to General Fund and can be appropriated by the Legislature	1156 RSS	1,731.1	1,731.1
26	9	DPS	AK Police Standards Council	37.05.146(c)(37) deleted: receipts of the Alaska Police Standards Council	None -- Funds go to General Fund and can be appropriated by the Legislature	See sec. 5	See sec. 6	See sec. 6
27	9	DPS	Fire Prevention/Fire Service Training	37.05.146(c)(38) deleted: receipts of the Department of Public Safety from fees for fire and life safety plan checks under AS 18.70.080(b)	None -- Funds go to General Fund and can be appropriated by the Legislature	1156 RSS	1,335.7	1,368.8
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	A	B	C	D	E	F	G	H
1	Sec. No.	Affected Dept	Component	What is changed?	Effect of the change	Fund Source	FY04 Approp.	FY05 Gov Req.
29	9	DOT	Measurement Standards & Commercial Vehicle Enforcement	37.05.146(c)(39) deleted: receipts of the Department of Transportation and Public Facilities from the measurement standards and commercial vehicle enforcement program	None -- Funds go to General Fund and can be appropriated by the Legislature	1156 RSS	1,741.6	1,821.3
30	9	DEED	Teacher Certification	37.05.146(c)(40) deleted: [separate accounting of] receipts of the Department of Education and Early Development for teacher certification under AS 14.20.020	Conforms with sec. 24 of this bill.	1156 RSS	689.9	605.3
31	9	DEED	Professional Teaching Practices Commission	37.05.146(c)(41) deleted: [separate accounting of] receipts of the Professional Teaching Practices Commission from professional certification fees	Conforms with sec. 24 of this bill.	1156 RSS	217.8	226.1
32	9	HSS	Bureau of Vital Statistics	37.05.146(c)(42) deleted: receipts of the Department of Health and Social Services, Bureau of Vital Statistics	None -- Revenue collected will be posted as GFPR, as it was before the statute change -- or receipts could be just deposited into the GF and appropriations made from plain GF.	1156 RSS	1,245.5	1,449.6
33	9	HSS	Information Technology Services	37.05.146(c)(42) deleted: receipts of the Department of Health and Social Services, Bureau of Vital Statistics	None -- Revenue collected will be posted as GFPR, as it was before the statute change -- or receipts could be just deposited into the GF and appropriations made from plain GF.	1156 RSS		106.1
34	9	DOC	Anchorage Correctional Complex and Lemon Creek	37.05.146(c)(43) deleted: receipts of the Department of Corrections from the inmate telephone system	None -- Funds get deposited into GF and can be appropriated by the Legislature- Department does not anticipate any collections in FY 04.	1156 RSS	204.0	204.0
35	9	DPS	Ak Crim Records and Identification	37.05.146(c)(44) deleted: receipts of the Department of Public Safety from the Alaska automated fingerprint system under AS 44.41.025(b) for FY05 concealed handgun and security licensing fees are in CRI see lines 47-48 for the additional receipts explanation	None -- Funds go to General Fund and can be appropriated by the Legislature	1156 RSS	1,327.8	1,356.1
36	9	DOA	Motor Vehicles	37.05.146(c)(45) deleted: receipts of the Department of Administration from the boat registration program under AS 05.25.096	None -- Funds go to General Fund and can be appropriated by the Legislature -- intent was to use the funds for boater safety issues	1156 RSS	401.1	401.1
37	9	DNR	Land Sales	37.05.146(c)(46) deleted: state land disposal program (AS 38.04.022)	None. Although AS 38.04.022 states there shall be a separate fund for revenue collected under this statute, there is no reason it couldn't be a subfund of the general fund.	1153 State Land	7,818.5	7,175.9

	A	B	C	D	E	F	G	H
1	Sec. No.	Affected Dept	Component	What is changed?	Effect of the change	Fund Source	FY04 Approp.	FY05 Gov Req.
38	9	DNR	Claims, Permits & Leases	37.05.146(c)(47) deleted: shore fisheries development lease program account (AS 38.05.082(f))	None. Conforms with sec. 24 with the repeal of AS 38.05.082(f)	1154 Shore Fish	329.4	341.1
39	9	DNR	Forest Mgt	37.05.146(c)(48) deleted: timber receipts account (AS 38.05.110)	None. Conforms with sec. 24 with the repeal of AS 38.05.110(b)	1155 Timber Rcpts	693.7	711.9
40	9	Labor	Workers' Compensation; Occupational Safety and Health	37.05.146(c)(49) deleted: workers' safety and compensation administration account (AS 23.05.067)	None -- Eliminates the requirement that service fees and civil penalties from worker's safety and compensation programs be deposited into the separate worker's safety and compensation administration account, and the "intent" that legislature <u>may</u> appropriate such monies for costs of said programs.	1157 Workers Safety Fund	4,210.4	4,400.5
41	9	DNR	Recorder's Office	37.05.146(c)(50) deleted: receipts of fees for recording and related services of the Department of Natural Resources (AS 40.17.030(a)(10), 40.17.070, AS 44.37.025(b), 44.37.027(c), AS 45.29.303(b), 45.29.525, and 45.29.619(b))	None -- Revenue collected will be posted as GFPR, as it was before the statute change -- or receipts could be just deposited into the GF and appropriations made from plain GF.	1156 RSS	3,111.2	3,360.1
42	9	DEC	Commercial Passenger Vessel Program	37.05.146(c)(51) deleted: receipts described in As 46.03.482(b)(1) and (2) received under the commercial passenger vessel environmental compliance program	None -- Funds go to General Fund and can be appropriated by the Legislature	1166 Comm Pass Vessel	706.9	713.6
43	9	DCED	Occupational Licensing 04 and 05 Office of Econ Dev 05 Trade & Dev 04	37.05.146(c)(52) deleted: receipts of the Department of Community and Economic Development for fees for business licenses and license endorsements under AS 43.70	None -- revenue collected will be posted as GFPR, as it was before the statute change -- or receipts could just be deposited into the GF and appropriations made from plain GF.	1175 Bus Lic Rcpts	2,173.0	1,493.4
44	9	Labor	Mechanical Inspection	37.05.146(c)(53) deleted: receipts of fees for certain inspections deposited under AS 18.60.360, 18.60.800, and AS 18.62.030 in the building safety account created under AS 44.31.025	Funds go to General Fund and can be appropriated by the Legislature	1172 Bldg Safety Accl	1,603.7	1,552.2
45	9	DEC	Food Safety and Sanitation	37.05.146(c)(55) deleted: money received by the Department of Environmental Conservation from the inspection of food under AS 17.20	None -- Funds go to General Fund and can be appropriated by the Legislature. Fees, though, are set to support the program.	1156 RSS	1,099.4	1,181.2
46	9	DNR	Parks Mgt	37.05.146(c)(56) deleted: fees received by the Department of Natural Resources under AS 41.21.026 for the use of state park system facilities	None -- Revenue collected will be posted as GFPR, as it was before the statute change -- or receipts could be just deposited into the GF and appropriations made from plain GF.	1156 RSS	1,478.1	1,837.2

	A	B	C	D	E	F	G	H
	Sec. No.	Affected Dept	Component	What is changed?	Effect of the change	Fund Source	FY04 Approp.	FY05 Gov Req.
1	9	DPS	AST Detachments in FY 04 AK Criminal Records and ID in FY 05	37.05.146(c)(57) deleted: application and renewal fees received by the Department of Public Safety under AS 18.65.400 - 18.65.490 for licenses for security guards and security guard agencies	None -- Funds go to General Fund and can be appropriated by the Legislature	1156 RSS	45.0	46.6
47	9	DPS	AST Detachments in FY 04 AK Criminal Records and ID in FY 05	37.05.146(c)(58) deleted: fees received by the Department of Public Safety under AS 18.65.700 - 18.65.790 for the issuance, renewal, and replacement of permits to carry concealed handguns	None -- Funds go to General Fund and can be appropriated by the Legislature	1156 RSS	127.8	127.8
48	9	HSS	Medicaid Services	37.05.146(c)(59) deleted: monetary recoveries by the Department of Health and Social Services of medicaid expenditures from recipients, third parties, and providers under AS 47	None -- Revenue collected will be posted as GFPR, as it was before the statute change -- or receipts could be just deposited into the GF and appropriations made from plain GF.	1108 SDPR	63,434.5	55,890.5
49	9	HSS	Medicaid Services	37.05.146(c)(60) deleted: the state's share of overpayments collected by the Department of Health and Social Services under AS 47.05.080	None -- Revenue collected will be posted as GFPR, as it was before the statute change -- or receipts could be just deposited into the GF and appropriations made from plain GF.	1156 RSS	750.0	750.0
50	9	HSS	Foster Care Base Rate	37.05.146(c)(61) deleted: income received by the Department of Health and Social Services from a state or federal agency for children in foster care under AS 47.14.100	None -- Revenue collected will be posted as GFPR, as it was before the statute change -- or receipts could be just deposited into the GF and appropriations made from plain GF.	1156 RSS	991.5	1,590.7
51	9	HSS	Nursing	37.05.146(c)(62) deleted: fees received by the Department of Health and Social Services under AS 44.29.022 for nursing and planning services provided at health centers	None -- Revenue collected will be posted as GFPR, as it was before the statute change -- or receipts could be just deposited into the GF and appropriations made from plain GF.	1156 RSS	188.4	264.5
52	9	HSS	Information Technology Services	37.05.146(c)(62) deleted: fees received by the Department of Health and Social Services under AS 44.29.022 for nursing and planning services provided at health centers	None -- Revenue collected will be posted as GFPR, as it was before the statute change -- or receipts could be just deposited into the GF and appropriations made from plain GF.	1108 SDPR		106.4
53	9	HSS	Women and Adolescents Services	37.05.146(c)(63) deleted: fees received by the Department of Health and Social Services under AS 44.29.022 for genetic screening clinics and specialty clinics	None -- Revenue collected will be posted as GFPR, as it was before the statute change -- or receipts could be just deposited into the GF and appropriations made from plain GF.	1156 RSS	80.6	80.6
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	A	B	C	D	E	F	G	H
1	Sec. No.	Affected Dept	Component	What is changed?	Effect of the change	Fund Source	FY04 Approp.	FY05 Gov Req.
55	9	HSS	Women, Infants and Children	37.05.146(c)(63) deleted: fees received by the Department of Health and Social Services under AS 44.29.022 for genetic screening clinics and specialty clinics	None -- Revenue collected will be posted as GFPR, as it was before the statute change -- or receipts could be just deposited into the GF and appropriations made from plain GF.	1156 RSS	152.0	152.0
56	9	HSS	Medical Assistance Administration	37.05.146(c)(63) deleted: fees received by the Department of Health and Social Services under AS 44.29.022 for genetic screening clinics and specialty clinics	None -- Revenue collected will be posted as GFPR, as it was before the statute change -- or receipts could be just deposited into the GF and appropriations made from plain GF.	1156 RSS	17.1	682.1
57	9	HSS	Epidemiology	37.05.146(c)(63) deleted: fees received by the Department of Health and Social Services under AS 44.29.022 for genetic screening clinics and specialty clinics	None -- Revenue collected will be posted as GFPR, as it was before the statute change -- or receipts could be just deposited into the GF and appropriations made from plain GF.	1156 RSS	15.7	21.7
58	9	HSS	Community Health/EMS Services	37.05.146(c)(64) deleted: fees received by the Department of Health and Social Services under AS 18.08.080 for the certification of emergency medical technicians, emergency medical dispatchers, and emergency medical technician instructors and for tobacco endorsement fees collected under AS 43.070.075 by the Department of Community and Economic Development	None -- Revenue collected will be posted as GFPR, as it was before the statute change -- or receipts could be just deposited into the GF and appropriations made from plain GF.	1156 RSS	163.1	61.8
59	9	HSS	Behavioral Health Administration	37.05.146(c)(64) deleted: fees received by the Department of Health and Social Services for tobacco endorsement fees collected under AS 43.070.075 by the Department of Community and Economic Development	None -- Revenue collected will be posted as GFPR, as it was before the statute change -- or receipts could be just deposited into the GF and appropriations made from plain GF.	1156 RSS	see above	100.0
60	9	HSS	Public Health Laboratories	37.05.146(c)(65) deleted: fees collected by the Department of Health and Social Services under AS 44.29.022 from the certification of x-ray machines	None -- Revenue collected will be posted as GFPR, as it was before the statute change -- or receipts could be just deposited into the GF and appropriations made from plain GF.	1156 RSS	67.7	68.9
61	9	HSS	Alcohol Safety Action Program	37.05.146(c)(66) deleted: fees collected under AS 44.29.022 by the Department of Health and Social Services under the alcohol safety action program	None -- Revenue collected will be posted as GFPR, as it was before the statute change -- or receipts could be just deposited into the GF and appropriations made from plain GF.	1156 RSS	154.5	4.3

	A	B	C	D	E	F	G	H
1	Sec. No.	Affected Dept	Component	What is changed?	Effect of the change	Fund Source	FY04 Approp.	FY05 Gov Req.
62	9	HSS	Alcohol Safety Action Program	37.05.146(c)(66) deleted: fees collected under AS 44.29.022 by the Department of Health and Social Services under the alcohol safety action program	None -- Revenue collected will be posted as GFPR, as it was before the statute change -- or receipts could be just deposited into the GF and appropriations made from plain GF.	1108 SDPR	70.0	0.0
63	9	HSS	Protection, Comm Svcs & Admin.	37.05.146(c)(67) deleted: fees received by the Department of Health and Social Services under AS 47.33.910 for licensing assisted living homes	None -- Revenue collected will be posted as GFPR, as it was before the statute change -- or receipts could be just deposited into the GF and appropriations made from plain GF.	1156 RSS	10.4	transferred to Certification and Licensing
64	9	HSS	Certification and Licensing	37.05.146(c)(67) deleted: fees received by the Department of Health and Social Services under AS 47.33.910 for licensing assisted living homes	None -- Revenue collected will be posted as GFPR, as it was before the statute change -- or receipts could be just deposited into the GF and appropriations made from plain GF.	1156 RSS	transferred from Protection, Community Services, and Admin.	10.4
65	9	HSS	Behavioral Health Administration	37.05.146(c)(67) deleted: fees received by the Department of Health and Social Services under AS 47.33.910 for licensing assisted living homes	None -- Revenue collected will be posted as GFPR, as it was before the statute change -- or receipts could be just deposited into the GF and appropriations made from plain GF.	1156 RSS	10.1	3.9
66	9	DOT	Commissioner's Office; Regional Admin; Statewide Aviation; Central Region (CR) Leasing; Northern Region L(NR) Leasing; CR Highways and Aviation; NR H&A; SE H&A	37.05.146(c)(63) deleted: charges, rentals, and fees for airport or air navigation facility contracts, leases, and other arrangements under AS 02.15.020 and 02.15.090	None -- Funds go to General Fund and can be appropriated by the Legislature	1156 RSS	3,059.0	3,074.5
67	9	DOT	CR, NR, SE Design and Engineering	37.05.146(c)(69) deleted: fees for utility facility permits under AS 02.15.102, encroachment permits under AS 02.15.106, utility right-of-way permits under AS 19.25.010, and utility facility permits under AS 35.10.210	None -- Funds go to General Fund and can be appropriated by the Legislature	1156 RSS	360.8	379.1
68	9	DOT	CR, NR, SE Highways and Aviation	37.05.146(c)(70) deleted: recoveries of repair costs for damage to highway fixtures	None -- Funds go to General Fund and can be appropriated by the Legislature	1156 RSS	257.9	258.4

	A	B	C	D	E	F	G	H
1	Sec. No.	Affected Dept	Component	What is changed?	Effect of the change	Fund Source	FY04 Approp.	FY05 Gov Req.
69	9	Revenue	CSED	37.05.146(c)(71) deleted: the state's share of child support collections for reimbursement of the cost of the Alaska temporary assistance program as provided under AS 25.27.120, 25.27.130, and AS 47.27.040	None -- Revenue collected will be posted as GFPR, as it was before the statute change -- or receipts could be just deposited into the GF and appropriations made from plain GF.	1156 RSS	3,220.2	3,397.7
70	9	DOA	Motor Vehicles	37.05.146(c)(72) deleted: vehicle registration fees collected under AS 28.10.421 and other fees and charges collected under AS 28.10.441	None -- Funds go to General Fund and can be appropriated by the Legislature -- total FY2004 projected revenue is \$37.8 million. The FY04 appropriation amount is a pro rata allocation of DMV's two primary revenue collections.	1156 RSS	5,100.4	5,196.8
71	9	DOA	Motor Vehicles	37.05.146(c)(73) deleted: fees for drivers' licenses, drivers' permits, renewals, and driver skills tests collected under AS 28.15.271	None -- Funds go to General Fund and can be appropriated by the Legislature -- total FY04 projected revenue is \$8.0 million. The FY04 appropriation amount is a pro rata allocation of DMV's two primary revenue collections.	1156 RSS	643.6	708.6
72	9	DEED	Museum Operations	37.05.146(c)(74) deleted: [separate accounting of] user fees and other fees collected by the Department of Education and Early Development under AS 14.57.010 [museums]	None -- Funds go to General Fund and can be appropriated by the Legislature	1156 RSS	323.9	349.5
73	9	DEED	Mt. Edgecumbe	37.05.146(c)(75) deleted: [separate accounting of] student tuition and other fees related to schools that are operated by the state and collected under AS 14.07.030	None -- Funds go to General Fund and can be appropriated by the Legislature	1156 RSS	57.4	57.4
74	9	DEED	Alyeska Central School	37.05.146(c)(75) deleted: [separate accounting of] student tuition and other fees related to schools that are operated by the state and collected under AS 14.07.030	None -- Funds go to General Fund and can be appropriated by the Legislature (School ceases to exist in DEED on June 30, 2004)	1156 RSS	250.0	0.0
75	9	Law	N/A	37.05.146(c)(76) deleted: receipts of fees for registration and renewal of registration for the sale of business opportunities under AS 45.66.040	None -- Law has no RSS budgeted for this item. The potential revenue arising from this statute (HB 393 - Ch 128, SLA 2002) is unknown, but is not expected to be significant.	1156 RSS	0.0	0.0
76	10	All		37.07.080(h) amended by deleting "or other program"	Limits RPLs to just new federal funds	n/a	n/a	n/a
77	11	All		37.10.050(a) amended by deleting "The Commissioner of Administration shall separately account under AS 37.05.142 for receipts deposited under this subsection."	Language to conform with the changes made in AS 37.05.146(c)	n/a	n/a	n/a

	A	B	C	D	E	F	G	H
1	Sec. No.	Affected Dept	Component	What is changed?	Effect of the change	Fund Source	FY04 Approp.	FY05 Gov Req.
78	12	DNR	Land Sales	38.95.260 amended by deleting "and credited to the land disposal income account under AS 38.04.022	Eliminates the credit of the net proceeds from the sale of escheated real property from the escheated real property trust account to the general fund and credited to the land disposal income account. The proceeds will just be transferred to the general fund.	1153 State Land	See sec. 9	See sec. 9
79	13	Revenue	Tax	43.50.350 amended by deleting "The annual estimated balance in the account maintained by the commissioner of administration under AS 37.05.142 may be used by the legislature to make appropriations for health care, health research, health promotion, and health education programs."	Eliminates the separate accounting for tobacco taxes and deletes the purpose guidelines for appropriations of tobacco taxes.  There is no separate fund source for tobacco taxes.	n/a	n/a	n/a
80	14	DEC	fund capitalization	43.55.211 amended by changing the characterization of the surcharge the legislature may appropriate to the response fund in the oil and hazardous substance release prevention and response fund from the "annual estimated balance of the account maintained under AS 37.05.142 for deposits into the general fund" to "from the general fund an amount equal to"	The amount appropriated to the response fund is clearly designated as general funds.  (Currently considered GFPR, so no change in fund source grouping would occur. FY 04 amount is 12,218.5; FY 05 is 9,500.0.)	1005 GFPR (total for all related sections)		
81	15	DEC	fund capitalization	43.55.221(a)(2) amended by deleting "balance of the account maintained under AS 37.05.142 that accounts for the" proceeds of the surcharge. . .	Needed to conform with the change made to AS 43.55.211 in sec. 14	1005 GFPR	see Sec. 14	see Sec. 14
82	16	DEC	fund capitalization	43.55.231(b)(1) amended by deleting "the account maintained under AS 37.05.142 to account for" all proceeds of the surcharge. . .	Needed to conform with the changes made to AS 43.55.211 in sec. 14 and AS 43.44.221 in sec. 15	1005 GFPR	see Sec. 14	see Sec. 14
83	17	DEC	fund capitalization	43.55.310 amended by changing the characterization of the surcharge the legislature may appropriate to the prevention account in the oil and hazardous substance release prevention and response fund from the "annual estimated balance of the account maintained under AS 37.05.142 for deposits into the general fund" to "from the general fund an amount equal to"	The amount appropriated to the prevention account is clearly designated as general funds.	1005 GFPR	see Sec. 14	see Sec. 14

	A	B	C	D	E	F	G	H
	Sec. No.	Affected Dept	Component	What is changed?	Effect of the change	Fund Source	FY04 Approp.	FY05 Gov Req.
1								
84	18	F&G	SE Region Commercial Fisheries	43.76.190(d) amended by deleting "Under AS 37.05.146( c), assessment receipts shall be accounted for separately, and appropriation from the account are not made from the unrestricted general fund."	Dive fishery management assessment - Current practice of considering these receipts non-gf is the result of an agreement between the legislature and the private divers association in southeast Alaska to use dive fisheries self assessment receipts to fund the opening and management of new dive fisheries.	See sec. 9	See sec. 9	See sec. 9
85	19	F&G	Comm Fish	43.76.310(d) amended by deleting "The department shall separately account for the amounts collected and interest accrued on the amounts collected for each permit buy-back assessment imposed under AS 43.76.300. The legislature may appropriate revenue generated by a permit buy-back assessment and interest accrued on the assessment to the buy-back fund established for the fishery in which the assessment was collected for the purpose of supporting the buy-back program for that fishery under AS 16.43.310 and 16.43.320."	Permit buy-back assessment receipts would become general funds. No funds have been received from the permit buy-back assessment.	1156 RSS	0.0	0.0
86	20	DCED	Community Advocacy	44.33.113(c) amended the calculation of the administrative cost charge by deleting the reference to "appropriations from sources of program receipts under AS 37.05.146(b) and (c) not collected under this section; and"	Fees are paid by the CDQs for the administration of the program, a quasi-contractual agreement, would become general funds.  Conforms with sec. 21 of this bill.	1156 RSS	See sec. 9	See sec. 9
87	21	DCED	Community Advocacy	44.33.113(g) amended by specifying that the CDQ administrative cost is deposited in the treasury. It also deletes the reference to AS 37.05.146(c), that the receipts are non-gf, and that the legislature may appropriate funds from the separate account for necessary expenditures by DCED.	Conforms with sec. 20 of this bill.	1156 RSS	See sec. 20	See sec. 20

	A	B	C	D	E	F	G	H
	Sec. No.	Affected Dept	Component	What is changed?	Effect of the change	Fund Source	FY04 Approp.	FY05 Gov Req.
1	22	DEC	fund capitalization	<p>1) 46.08.020(a)(1) amended by changing the characterization of the funds the legislature may appropriate to the prevention account in the oil and hazardous substance release prevention and response fund from the "annual estimated balance of the account maintained under AS 37.05.142 for deposits into the general fund" to "from the general fund an amount equal to"</p> <p>2) 46.08.020(a)(5) deleted which allowed the legislature to appropriate into the prevention account the interest earned on the accounts</p>	<p>1) The amount appropriated to the prevention account is clearly designated as general funds.</p> <p>2) There would be no separate accrual of interest able to be appropriated since funds would be in the general fund.</p>	1005 GFPR	see Sec. 14	see Sec. 14
88	23	DEC	fund capitalization	46.08.025(a) amended by changing the characterization of the funds the legislature may appropriate to the response account in the oil and hazardous substance release prevention and response fund from the "annual estimated balance of the account maintained under AS 37.05.142 for deposit into the general fund" to "from the general fund an amount equal to"	The amount appropriated to the response account is clearly designated as general funds.	1005 GFPR	see Sec. 14	see Sec. 14
89	24	DPS	ABC Board	AS 04.11.590(c) is repealed	<p>This section says legislature <u>may</u> make appropriations from the separate account (Sec 24 is repealing the requirement for separate accounting) set up for these fees to support DPS carrying out AS 04.06. (Alcohol licenses and fines).</p> <p>In FY 04 \$755.0 is appropriated as GFPR. In FY 05, 782.0 GFPR.</p>	1005 GFPR	see note	see note
90	24	DOA	Motor Vehicles	AS 05.25.096(b) is repealed	<p>This section says legislature <u>may</u> make appropriations from the separate account (Sec 24 is repealing the requirement for separate accounting) set up for these fees to support DMV.</p>	1156 RSS	See sec. 9	See sec. 9
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	A	B	C	D	E	F	G	H
1	Sec. No.	Affected Dept	Component	What is changed?	Effect of the change	Fund Source	FY04 Approp.	FY05 Gov Req.
92	24	DOC		AS 12.55.036(g) is repealed	This section says legislature <u>may</u> make appropriations from the separate account (Sec 24 is repealing the requirement for separate accounting) set up for these fees to support CDVSA, Violent Crimes Compensation Board, and other purposes.  [Currently 100% of the day fines collected by the Court System are deposited into GF, the separate account was established but nothing has been coded to it.]	n/a	0.0	0.0
93	24	DPS	AK Police Standards Council	AS 12.55.039(d) is repealed	Sec 24 repeals the requirement for separate accounting	See Sec 5	See Sec 5	See Sec 5
94	24	DOA	OPA	AS 13.26.410(f) is repealed	This section says legislature <u>may</u> make appropriations from the separate account (Sec 24 is repealing the requirement for separate accounting) set up for these fees to support office of public advocacy.			
95	24	DEED	Teacher Certification, and Professional Teaching Practices Commission	AS 14.20.020(e) is repealed	This section says legislature <u>may</u> make appropriations from the separate account (Sec 24 is repealing the requirement for separate accounting) set up for these fees to support Teacher Certification and PTPC.  Conforms with sec. 9 of this bill.	1156 RSS	listed above in 9(c)(40) and (41)	listed above in 9(c)(40) and (41)
96	9	HSS	Protection, Comm. Svcs & Admin.	37.05.146(c)(67) deleted: fees received by the Department of Health and Social Services from the Robert Wood Johnson Foundation	None	1108 SDPR	150.5	decremented out in FY05
97	24	HSS		AS 18.50.225(d) is repealed	This section says legislature <u>may</u> make appropriations from the separate account (Sec 24 is repealing the requirement for separate accounting) set up for these fees from birth certificates to support the Alaska children's trust.	1156 RSS	See sec. 9	See sec. 9
98	24	HSS		AS 18.50.272(e) is repealed	This section says legislature <u>may</u> make appropriations from the separate account (Sec 24 is repealing the requirement for separate accounting) set up for these fees from heirloom certificates of marriage to support the Alaska children's trust.	1156 RSS	See sec. 9	See sec. 9

	A	B	C	D	E	F	G	H
1	Sec. No.	Affected Dept	Component	What is changed?	Effect of the change	Fund Source	FY04 Approp.	FY05 Gov Req.
99	24	Labor	Mechanical Inspection	AS 18.60.360(c) is repealed	This section says the department shall give an official receipt for fees from inspections of boilers and pressure vessels and the fees shall be transferred into a separate building safety account (Sec 24 is repealing the requirement for separate accounting).	1172 Bldg Safety Acct	See sec. 9	See sec. 9
100	24	Labor	Mechanical Inspection	AS 18.60.800(f) is repealed	This section says that elevator inspection fees will be deposited in the separate building safety account (Sec 24 is repealing the requirement for separate accounting).	1172 Bldg Safety Acct	See sec. 9	See sec. 9
101	24	N/A		AS 18.60.810(f) is repealed		n/a	n/a	n/a
102	24	Labor	Mechanical Inspection	AS 18.62.030(b) is repealed	This section says that certificate of fitness fees will be deposited in the separate building safety account (Sec 24 is repealing the requirement for separate accounting).	1172 Bldg Safety Acct	See sec. 9	See sec. 9
103	24	Labor	Workers' Compensation; Occupational Safety and Health	AS 23.05.067(e) is repealed	Eliminates the requirement that service fees and civil penalties from worker's safety and compensation programs be deposited into the separate worker's safety and compensation administration account, and the "intent" that legislature <u>may</u> appropriate such monies for costs of said programs. Insurance industry and organized labor may object.	1157 Workers Safety Fund	See sec. 9	See sec. 9
104	24	HSS		AS 25.27.125(b) is repealed	Eliminates the "intent" that legislature <u>may</u> appropriate to HSS from separate account under AS 37.05.142 for program receipts for [Foster] Care of Children and ATAP.	1156 RSS	See sec. 9	See sec. 9
105	24	DOA	Finance	AS 37.05.142 is repealed	Eliminates requirement to establish and maintain separate accounts by program source for all program receipts that state agencies deposit.		n/a	n/a
106	24	Various		AS 37.05.144 is repealed	Eliminates "intent" by removing section that says legislature <u>may</u> use balances in these [separate] accounts to appropriate to administer the programs that generate the receipts, etc.		n/a	n/a
107	24	Various		AS 37.05.146(a) is repealed	Eliminates definition of program receipts and how they are account for within and appropriated from the general fund.		n/a	n/a

THE  
FOLLOWING  
DOCUMENT(S)  
ARE  
POOR  
ORIGINAL  
COPIES

Sectional Analysis of HB 325 / SB 226

Attachment #2

	C	D	E	F	G	H		
Sec. No.	Affected Dept	Component	What is changed?	Effect of the change	Fund Source	FY04 Approp.	FY05 Gov Req.	
1								
108	24	Various	AS 37.10.420(a)(1)(B) is repealed	Removes general fund program receipts from the definition [constitutional purposes] of "amount/funds available for appropriation".		n/a	n/a	
109	24	DNR	Land Sales	AS 38.04.022 is repealed	Eliminates requirements that revenue from the state land disposal program be deposited into a state land disposal income fund, that a specific portion of the fund be deposited annually into the general fund, and that DNR notify legislature that report on deposits is available; and removes "intent" that legislature <u>may</u> appropriate from the fund for DNR costs to implement the program.	1153 State Land	See sec. 9	See sec. 9
110	24	DNR	Claims, Permits & Leases	AS 38.05.082(f) is repealed	Eliminates the establishment of the shore fisheries development lease program account and the requirement that proceeds from such leases be deposited into the account; and removes the "intent" that the legislature <u>may</u> appropriate said money to operate the program or for any other public purpose.	1154 Shore Fish	See sec. 9	See sec. 9
11	24	DNR	Forest Mgt	AS 38.05.110(b) is repealed	Eliminates the establishment of the timber receipts account and the requirement that the revenue from state land timber sales be deposited into the account, and removes the "intent" that the legislature <u>may</u> appropriate said money to operate the program or for any other public purpose.	1155 Timber Rcpts	See sec. 9	See sec. 9
	24	DNR	Recorder's Office	AS 40.17.075 is repealed	This section states that the fees for services of the recorder shall be accounted for separately and appropriations from the account are not unrestricted GF. (Sec 24 is repealing the requirement for separate accounting).	1156 RSS	See sec. 9	See sec. 9

	A	B	C	D	E	F	G	H
1	Sec. No.	Affected Dept	Component	What is changed?	Effect of the change	Fund Source	FY04 Approp.	FY05 Gov Req.
113	24	DNR	Various	AS 41.23.470(e) is repealed	This section says legislature <u>may</u> make appropriations from the program receipts account (Sec 24 is repealing the requirement for separate accounting) set up for collections of public land mining permits, recreation fees, land leasing, timber or material sales.  In FY04 \$2,716.5 is appropriated as GFPR.	n/a	n/a	n/a
114	24	Labor	Mechanical Inspection	AS 44.31.025 is repealed	This section creates the building safety account and says legislature <u>may</u> make appropriations from the account (Sec 24 is repealing the requirement for separate accounting) to administer the mechanical inspection and certificate of fitness programs.	1172 Bldg Safety Accl	See sec. 9	See sec. 9
115	24	DCED	CDQ	AS 44.33.113(c)(1) is repealed	This section limits administrative charges to CDQs to the amount appropriated for the state's role in the CDQ, less other related program receipts and RSS.	1156 RSS	See sec. 20	See sec. 20
116	24	DCED	CDQ	AS 44.33.113(g) is repealed	This section allows the dept to collect assessments into a CDQ account and the legislature may make appropriations for program expenditures or any other public purpose.	1156 RSS	See sec. 21	See sec. 21
117	24	DNR	Recorder's Office	AS 44.37.025(f) is repealed	This section directs the fees for recording and related services to a separate account.	1156 RSS	See sec. 9	See sec. 9
118	24	DNR	Recorder's Office	AS 44.37.027(f) is repealed	This section directs the fees for UCC filing services to a separate account.	1156 RSS	See sec. 9	See sec. 9
119	24	DNR	Recorder's Office	AS 45.29.530 is repealed	This section directs the fees for recording secured transactions under AS 45.29 to a separate account.	1156 RSS	See sec. 9	See sec. 9
120	24	Law	N/A	AS 45.66.040(b) is repealed	Conforms with sec. 9 re sale of business opportunities	n/a	n/a	n/a
121	24	DEC	Commercial Passenger Vessel Program	AS 46.03.482 is repealed	Conforms with sec. 9 re commercial passenger vessel environmental compliance fund	See sec. 9	See sec. 9	See sec. 9
122	24	DEC	Commercial Passenger Vessel Program	AS 46.03.490(5) is repealed	Repeals definition of the commercial passenger vessel environmental compliance fund	See sec. 9	See sec. 9	See sec. 9
123	25	All		Effective date of July 1, 2004				
124							165,086.1	159,656.9

	A	B	C	D	E	F	G	H
	Sec. No.	Affected Dept	Component	What is changed?	Effect of the change	Fund Source	FY04 Approp.	FY05 Gov Req.
1								
125								
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155								

	A	B	C	D	E	F	G	H
	Sec. No.	Affected Dept	Component	What is changed?	Effect of the change	Fund Source	FY04 Approp.	FY05 Gov Req.
1								
156								

**State of Alaska**  
**FY2005 Governor Amended Fiscal Summary**  
(dollars shown in millions)

	<b>FY2005 Governor Amended</b>			
	<b>General Fund</b>	<b>Federal Funds</b>	<b>Other Funds</b>	<b>Total Funds</b>
<b>8 Authorization to Spend</b>				
<b>9 Operating</b>	<b>2,147.2</b>	<b>1,524.5</b>	<b>824.3</b>	<b>4,491.7</b>
10 Agency Operations (non-formula)	1,077.1	753.2	1,284.0	3,114.3
11 Formula Programs	1,066.9	771.2	134.0	1,972.1
12 Negotiated Bargain Unit Agreements	3.2	0.2	0.9	4.3
13 Duplicated Authorizations			(594.6)	(594.6)
<b>14 Capital</b>	<b>20.4</b>	<b>1,426.1</b>	<b>110.3</b>	<b>1,556.8</b>
15 Project Appropriations & Revised Programs	20.4	1,426.1	195.9	1,642.4
16 Duplicated Authorizations			(85.6)	(85.6)
<b>17 Debt and Other Statewide</b>	<b>69.5</b>	<b>54.5</b>	<b>150.7</b>	<b>274.7</b>
18 Debt Service	2.7	0.0	179.9	182.6
19 Loan and Debt Fund Capitalization	47.7	41.3	85.3	174.2
20 Supplemental-Operating (FY2004 submitted)				0.0
21 Supplemental-Capital (FY2004 submitted)				0.0
22 SB241 (North Slope Natural Gas)				0.0
23 Supplemental Appropriations (placeholder)	12.5			12.5
24 New Legislation	6.6	13.2	1.1	20.9
25 Duplicated Authorizations			(115.6)	(115.6)
<b>26 Total Authorization to Spend</b>	<b>2,237.2</b>	<b>3,005.1</b>	<b>1,085.3</b>	<b>6,323.2</b>

*Extract from December 2004 Fiscal Summary*

*Re:  
SB 226*

Commentary on the Article on Finance and Taxation

(Sec. 1. Taxing Power)

The power to tax is never to be surrendered, but under terms that may be established by the legislature, it may be suspended or temporarily contracted away. This could include industrial incentives, for example.

(Sec. 2. Taxation of Non-residents)

This section and its wording is required by the latest proposed enabling act, H.R. 2535.

(Sec. 3. Uniform Standards for Assessment)

The legislature is authorized to set up, notwithstanding home rule or any system for the selection of assessors, uniform standards of assessment.

(Sec. 4. Exemptions from Taxation)

All property owned by the state and its subdivisions is exempt from taxation unless the legislature directs otherwise. An exception from tax immunity might be appropriate if a government engaged in what is normally a private business, such as operating a ski resort, a moving picture theater, or a swimming pool.

The second sentence of this section is intended to exempt from taxation that part of the property of religious, charitable, cemetery, or educational organizations which is actually used for these purposes, as the legislature may direct. But their property used for other purposes would be taxable, for example, an office building owned by a college as part of its endowment.

The legislature is authorized to make further tax exemptions to encourage, among other purposes, new industry, and all valid current exemptions are continued.

(Sec. 5. Taxation of United States Property)

This section is required by the latest proposed enabling act, H.R. 2535. Even if it were not included, the state could not, under a long line of U. S. Supreme Court cases, tax federal property.

(Sec. 6. Taxation of Private Interests in U. S. Property)

Taxation is permitted of private interests in land or property owned

or held by the United States.

(Sec. 7. Public Purpose Clause)

Public purpose clauses are common to most constitutions, and are included to prevent appropriation of public funds for private purposes.

→ (Sec. 8. Earmarking of Revenues Restricted)

The allocation of certain revenues to special purposes is prohibited, with two exceptions: (1) if required in order to participate in a federal program or (2) if the earmarking is in existence at the time of ratification of the constitution. Even those persons or interests who seek the dedication of revenues for their own projects will admit that the earmarking of taxes or fees for other interests is a fiscal evil. But if allocation is permitted for one interest the denial of it to another is difficult, and the more special funds are set up the more difficult it becomes to deny other requests until the point is reached where neither the governor nor the legislature has any real control over the finances of the state. In one Rocky Mountain state the legislature is free to appropriate only 17 per cent of the tax collections; the rest are dedicated. In Alaska at present, 27 per cent of territorial funds are earmarked, primarily for school construction and roads.

(Sec. 9. Debt Contraction)

This section forbids state or local debt except in special emergencies or for the purpose of making capital improvements, the proposals for which must be approved by the voters.

(Sec. 10. Tax Anticipation Notes)

This section permits the state to borrow in anticipation of taxes in any fiscal year money to meet appropriations.

(Sec. 11. Refunding and Revenue Debt)

In a period when interest rates fall, a government may save large amounts of money if it can pay off its old high-rate obligations with new funds borrowed at lower rates. This process, here permitted, is called refunding, and the restrictions on the contraction of original debt are unnecessary; they are here made inapplicable. When the state or its subdivisions can contract debts for special purposes (for example, to build a toll bridge) without pledging more than the improvement or the revenues from the enterprise, such debt is permitted without referendum. This provision is sometimes necessary if a state is to take advantage of federal loans at particularly favorable rates.

(Sec. 12. Budget)

This section requires the governor to submit a complete budget and an appropriation bill to authorize the expenditures he proposes. This process is now standard.

(Sec. 13. Expenditures)

The requirement of appropriation before expenditure is also standard. The second sentence requires the recapture of unexpended balances.

(Sec. 14. Auditor)

The auditor is commonly regarded as a legislative officer, and his appointment is here vested in the legislature.

(Sec. 15. Debts and Assets)

This section provides for the state to take over the debts to and of the Territory of Alaska, as well as its assets.

FRANK H. MURKOWSKI  
GOVERNOR  
GOVERNOR@GOV.STATE.AK.US



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

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May 14, 2003

The Honorable Gene Therriault  
President of the Senate  
Alaska State Legislature  
State Capitol, Room 107  
Juneau, AK 99801-1182

Dear President Therriault:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the receipts of certain state agencies and accounting for those receipts. The bill would eliminate authority for the segregation of and separate accounting for program receipts. These receipts are collected principally under AS 37.10.050 in the form of fees, licenses, taxes, or other money generated by state agency activities. If these receipts were not statutorily designated as "program receipts", they would be considered assets of the unrestricted general fund. Under provisions of existing law, these receipts keep their identity even though they are deposited in the general fund of the state. Separate accounts are kept within the general fund from which the legislature appropriates for purposes usually related to sources from which the receipts are derived.

This bill would repeal the authority for the separate accounting of program receipts. The bill also would amend parts of the enabling statutes of state agencies that authorize separate accounting of specific receipts.

Separate accounting has the effect of segregating these receipts from other amounts in the general fund. It also tends to place artificial restrictions on the ability to expend from the general fund and is contrary to the spirit of the Alaska Constitution's prohibition against dedicated funds. The legislature retains the power to appropriate these receipts for any public purpose and it is this power that distinguishes the practice of designating program receipts from a legal dedication for a specific purpose. However, the designations made by law operate in the same manner as earmarking. It is inefficient fiscal policy and I hope that this bill will serve as a basis for reconsidering the treatment of these valuable state assets.

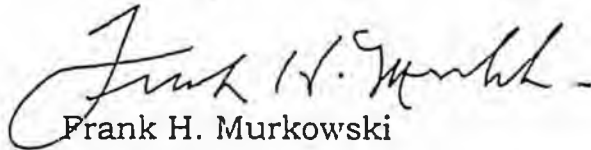
The Honorable Gene Therriault  
May 14, 2003  
Page 2

Finally, eliminating program receipts as a funding source in the various major appropriation bills would lead to a more easily understood and transparent budget. Designated program receipts are general fund assets. However, these receipts currently are declared to be a funding source apart from the general fund for budgeting purposes. By use of this device, funding sources in the budget bills have shifted from the general fund to program receipts. If this practice is eliminated, the public would have a full accounting of all the state's revenue that is earned by the state and appropriated for public purposes.

To avoid disrupting the process for the fiscal year 2004 budgets, the changes made by the bill would not take effect until July 1, 2004.

I urge your favorable consideration of this bill.

Sincerely,

A handwritten signature in cursive script, appearing to read "Frank H. Murkowski".

Frank H. Murkowski  
Governor

**SB**

**231**

**HFIN**

**FILE**

**HOUSE COMMITTEE REPORT**

(11)

Date Referred to Committee: May 5, 2004

FURTHER REFERRALS:

Date of Committee Action: 5/6/04

The FINANCE Committee considered:

CSSB 231(FIN)

CS FOR SENATE BILL NO. 231(FIN)

DECREASE TIME TO CLAIM UNCLAIMED PROPERTY

"An Act relating to unclaimed property; 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
  - 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

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
REV	2	✓		

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
<i>Michelle Hamel</i>	Hamel	X			
<i>[Signature]</i>	STOLTZ			X	
<i>[Signature]</i>	Chenault			X	
<i>[Signature]</i>	CROFT			✓	
<i>[Signature]</i>	Faber			✓	
Chair: <i>[Signature]</i>	Mayer	X			
Chair: <i>[Signature]</i>	HARDEN			X	

UIC

# FISCAL NOTE

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: SB 231  
 (S) Publish Date: 5/21/03

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Revenue  
 Title Unclaimed Property Time Periods BRU Revenue Operations  
 Component Treasury Division  
 Sponsor House Rules  
 Requester Governor Component No. 121

**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						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
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<b>CHANGE IN REVENUES ( )</b>		<b>2,000.0</b>	<b>2,000.0</b>			
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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)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (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 bill amends AS 34.45, the Uniform Unclaimed Property Act, to shorten the time periods after which certain unclaimed property is presumed to be abandoned and must be transferred to the state. Generally those properties presumed abandoned after five years will, under this bill, be presumed abandoned after three years. Those properties presumed abandoned after seven years will be presumed abandoned after five years.

Abandoned property transferred to the state averages around \$2 million per year. Changing the abandonment time two years could increase revenue to the general fund for one to two years for a total of \$4 million. This bill will have no effect on revenue in subsequent years.

Prepared by: Betty Martin, State Comptroller  
 Division: Treasury  
 Approved by: Steve Porter, Deputy Commissioner  
 Agency: Department of Revenue

Phone 465-2352  
 Date/Time 5/20/03 12:07 PM  
 Date 5/20/2003

# FISCAL NOTE

STATE OF ALASKA  
2004 LEGISLATIVE SESSION

Fiscal Note Number: 2  
Bill Version: CSSB 231(STA)  
(S) Publish Date: 4/2/04

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Revenue  
Title: Decrease Time to Report Unclaimed Property RDU: Revenue Programs & Services  
Component: Treasury Management  
Sponsor: Senate Rules  
Requester: Governor Component No.: 121

**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	50.0					
Travel						
Contractual	10.0					
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>60.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>	<b>1,000.0</b>	<b>1,500.0</b>	<b>500.0</b>			
-------------------------------	----------------	----------------	--------------	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	60.0					
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>60.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (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	0.75					

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

This bill amends AS 34.45, the Uniform Unclaimed Property Act, to shorten the time periods after which certain unclaimed property is presumed to be abandoned and must be transferred to the state. Generally those properties presumed abandoned after five years will, under this bill, be presumed abandoned after three years. Those properties presumed abandoned after seven years will be presumed abandoned after five years. The first couple of years will see a strong increase in property reported due to the changes in dormancy requiring additional personal and contractual services. Subsequent years should not see major impacts.

Abandoned property transferred to the state averages around \$2.5 million per year. Changing the abandonment time by two years could increase revenue to the general fund for a few years for a total of \$1 to \$3 million. This bill will have no effect on revenue in subsequent years.

Prepared by: Betty Martin, State Comptroller Phone 465-2352  
Division: Treasury Date/Time 3/29/04 7:58 AM  
Approved by: Steve Porter, Deputy Commissioner Date 3/29/2004  
Agency: Department of Revenue

**SB**

**231**

SFIN

FILE

# SENATE FINANCE COMMITTEE REPORT

REPORTED OUT  
APR 26 2004  
SENATE FINANCE  
COMMITTEE

DATE: 04/02/04

FURTHER:

DATE TURNED  
IN TO OFFICE: 26 April 2004

Finance Committee considered

SENATE BILL NO. 231

## SB 231 DECREASE TIME TO CLAIM UNCLAIMED PROPERTY

"An Act shortening the time periods after which certain unclaimed property is presumed to be abandoned; and providing for an effective date."

and recommends:

- be replaced with \_\_\_\_\_ CS SB 231 (FIN)
- adopt previous \_\_\_\_\_ CS CS forthcoming (\_\_\_\_\_)
- 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#
Rev.	3/29/04	60.0			#2

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>	<input checked="" type="checkbox"/>			
<i>[Signature]</i>			<input checked="" type="checkbox"/>	
<i>[Signature]</i>			<input checked="" type="checkbox"/>	
<i>[Signature]</i>	<input checked="" type="checkbox"/>			
COCHAIR: <i>[Signature]</i>	<input checked="" type="checkbox"/>			
COCHAIR: <i>[Signature]</i>	<input checked="" type="checkbox"/>			

changes to reflect  
memo 4/26  
Legal Services  
Terry Barnister

CS FOR SENATE BILL NO. 231(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to unclaimed property; and providing for an effective date."

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

3 \* Section 1. AS 34.45.110(a) is amended to read:

4 (a) Except as otherwise provided in AS 34.45.120 - 34.45.780, all intangible  
5 property, including income or increment derived from the property, less lawful  
6 charges, that is held, issued, or owing in the ordinary course of a holder's business and  
7 has remained unclaimed by the owner for more than three [FIVE] years after  
8 becoming payable or distributable is presumed abandoned.

9 \* Sec. 2. AS 34.45.150(a) is amended to read:

10 (a) Other than money payable on an instrument that is subject to  
11 AS 34.45.140, money payable on a check, draft, or similar instrument on which a  
12 banking or financial organization is directly liable, including a cashier's check and a  
13 certified check, that has been outstanding for more than five [SEVEN] years after it  
14 was payable or after its issuance if payable on demand, is presumed abandoned. This  
15 presumption does not apply if the owner, within the preceding five [SEVEN] years,

1 has communicated in writing with the banking or financial organization concerning  
 2 the instrument or has otherwise indicated an interest as evidenced by a memorandum  
 3 or other record, on file, prepared by an employee of the organization.

4 \* Sec. 3. AS 34.45.160(a) is amended to read:

5 (a) A demand, savings, or matured time deposit with a banking or financial  
 6 organization, including a deposit that is automatically renewable, and money paid  
 7 toward the purchase of a share, a mutual investment certificate, or other intangible  
 8 property interest in a banking or financial organization is presumed abandoned unless  
 9 the owner, within the preceding five [SEVEN] years, has

10 (1) in the case of a deposit, increased or decreased its amount or  
 11 presented the passbook or other similar evidence of the deposit for the crediting of  
 12 interest;

13 (2) communicated in writing with the banking or financial organization  
 14 concerning the property; or

15 (3) otherwise indicated an interest in the property as evidenced by a  
 16 memorandum or other record, on file, prepared by an employee of the banking or  
 17 financial organization [;

18 (4) OWNED OTHER PROPERTY TO WHICH (1), (2), OR (3) OF  
 19 THIS SUBSECTION APPLIES AND THE BANKING OR FINANCIAL  
 20 ORGANIZATION HAS COMMUNICATED IN WRITING WITH THE OWNER  
 21 WITH REGARD TO THE PROPERTY THAT WOULD OTHERWISE BE  
 22 PRESUMED ABANDONED UNDER THIS SUBSECTION AT THE ADDRESS TO  
 23 WHICH COMMUNICATIONS REGARDING THE OTHER PROPERTY ARE  
 24 REGULARLY SENT; OR

25 (5) HAD ANOTHER RELATIONSHIP WITH THE BANKING OR  
 26 FINANCIAL ORGANIZATION CONCERNING WHICH THE OWNER HAS

27 (A) COMMUNICATED IN WRITING WITH THE  
 28 BANKING OR FINANCIAL ORGANIZATION OR OTHERWISE  
 29 INDICATED AN INTEREST AS EVIDENCE BY A MEMORANDUM OR  
 30 OTHER RECORD, ON FILE, PREPARED BY AN EMPLOYEE OF THE  
 31 BANKING OR FINANCIAL ORGANIZATION; AND

1 (B) THE BANKING OR FINANCIAL ORGANIZATION  
 2 COMMUNICATES IN WRITING WITH THE OWNER WITH REGARD TO  
 3 THE PROPERTY THAT WOULD OTHERWISE BE ABANDONED  
 4 UNDER THIS SUBSECTION AT THE ADDRESS TO WHICH  
 5 COMMUNICATIONS REGARDING THE OTHER RELATIONSHIP  
 6 REGULARLY ARE SENT].

7 \* **Sec. 4.** AS 34.45.170(a) is amended to read:

8 (a) Money held or owing under a life or endowment insurance policy or  
 9 annuity contract that has matured or terminated is presumed abandoned if unclaimed  
 10 for more than three [FIVE] years after the money became due and payable as  
 11 established from the records of the insurance company holding or owing the money.  
 12 [HOWEVER, PROPERTY DESCRIBED IN (c)(2) OF THIS SECTION IS  
 13 PRESUMED ABANDONED IF UNCLAIMED FOR MORE THAN TWO YEARS.]

14 \* **Sec. 5.** AS 34.45 is amended by adding a new section to read:

15 **Sec. 34.45.175. Certain property distributed in insurance company**  
 16 **reorganizations.** (a) The following property distributable in the course of a  
 17 demutualization or related reorganization of an insurance company is considered  
 18 abandoned two years after the date of demutualization or reorganization as follows:

19 (1) money that remains unclaimed and the owner has not otherwise  
 20 communicated with the holder or its agent regarding the property as evidenced by a  
 21 memorandum or other record on file with the holder or its agent;

22 (2) stock or other equity interest if

23 (A) the instruments or statements reflecting the distribution are  
 24 either mailed to the owner and returned by the post office as undeliverable, or  
 25 not mailed to the owner because of an address on the books and records of the  
 26 holder that is known to be incorrect; and

27 (B) the owner has not otherwise communicated with the holder  
 28 or its agent regarding the property as evidenced by a memorandum or other  
 29 record on file with the holder or agent.

30 (b) Property that is not subject to (a) of this section is reportable as otherwise  
 31 provided in AS 34.45.110 - 34.45.780.

\* Sec. 6. AS 34.45.200 is repealed and reenacted to read:

Sec. 34.45.200. Stock and other intangible interests in business associations. <sup>[for financial organizations]</sup> (a) Stock or other equity interest in a business association is presumed abandoned five years after the earliest of

deleted language

(1) the date of the most recent dividend, stock split, or other distribution unclaimed by the owner;

(2) the date that a statement of account or other notification or communication concerning the stock or other equity interest was returned as undeliverable; or

(3) the date that the holder of the stock or other equity interest discontinued mailings, notifications, or communications to the owner.

(b) Unmatured or unredeemed debt of a business association <sup>[for financial organization]</sup> other than a bearer bond or an original issue discount bond, is presumed abandoned five years after the date of the most recent interest payment unclaimed by the owner.

deleted language

(c) Matured or redeemed debt, including bearer bonds and original issue discount bonds, is presumed abandoned five years after the date of maturity or redemption.

(d) At the time property is presumed abandoned under this section, any other property right accrued or accruing to the owner as a result of the property interest and not previously presumed abandoned is also presumed abandoned.

(e) A distribution of net margins by a cooperative incorporated under AS 10.25 is presumed abandoned if the distribution remains unclaimed by the owner for more than one year after the date authorized for the distribution. The distribution presumed abandoned under this subsection reverts to the cooperative if the cooperative has, at least six months before the proposed date that the distribution reverts to the cooperative, both

(1) mailed a notice of the proposed reversion to the last known address of the owner as shown on the cooperative records; and

(2) published notice of the proposed reversion in the manner provided by law or court rule for service of a summons by publication.

\* Sec. 7. AS 34.45.220(a) is amended to read:

1 (a) Intangible property and income or increment derived from the intangible  
2 property held in a fiduciary capacity for the benefit of another person is presumed  
3 abandoned unless the owner, within three [FIVE] years after it has become payable or  
4 distributable, has increased or decreased the principal, accepted payment of principal  
5 or income, communicated concerning the property, or otherwise indicated an interest  
6 as evidenced by a memorandum or other record, on file, prepared by the fiduciary.

7 \* Sec. 8. AS 34.45.240(a) is amended to read:

8 (a) A gift certificate or a credit memo, issued in the ordinary course of an  
9 issuer's business, that remains unclaimed by the owner for more than three [FIVE]  
10 years after becoming payable or distributable is presumed abandoned.

11 \* Sec. 9. AS 34.45 is amended by adding a section to article 3 to read:

12 **Sec. 34.45.270. Burden of proof as to property evidenced by record of**  
13 **check, draft, or similar instrument.** A record of the issuance of a check, draft, or  
14 similar instrument is prima facie evidence of an obligation. In claiming property from  
15 a holder who is also the issuer, the department's burden of proof as to the existence  
16 and amount of the property and its abandonment is satisfied by showing issuance of  
17 the instrument and passage of the requisite period of abandonment. Defenses of  
18 payment, satisfaction, discharge, and want of consideration are affirmative defenses  
19 that must be established by the holder.

20 \* Sec. 10. AS 34.45.280(f) is repealed and reenacted to read:

21 (f) The requirements of this section apply to the holder of intangible property  
22 with a total aggregate value greater than \$750 that is presumed abandoned under  
23 AS 34.45.110 - 34.45.780 during the year preceding June 30 of each year. For  
24 purposes of determining total aggregate value under this subsection, the holder shall  
25 include all intangible property from prior years that was not reported under  
26 AS 34.45.110 - 34.45.780.

27 \* Sec. 11. AS 34.45.290 is repealed and reenacted to read:

28 **Sec. 34.45.290. Requests for reports and examination of records.** (a) The  
29 department may require a person who has not filed a report under AS 34.45.280 or a  
30 person who the department believes has filed an inaccurate, incomplete, or false  
31 report, to file a verified report in a form specified by the department. The report must

1 state whether the person is holding property reportable under AS 34.45.110 -  
2 34.45.780, describe property not previously reported or as to which the department has  
3 made inquiry, and specifically identify and state the amounts of the property that may  
4 be in issue.

5 (b) The department, at reasonable times and upon reasonable notice, may  
6 examine the records of any person to determine whether the person has complied with  
7 AS 34.45.110 - 34.45.780. The department may conduct the examination even if the  
8 person believes it is not in possession of any property that must be reported, paid, or  
9 delivered under AS 34.45.110 - 34.45.780. The department may contract with any  
10 other person to conduct the examination on behalf of the department.

11 (c) The department at reasonable times may examine the records of an agent,  
12 including a dividend disbursing agent or transfer agent, of a business association that  
13 is the holder of property presumed abandoned if the department has given the notice  
14 required by (b) of this section to both the association and the agent at least 90 days  
15 before the examination.

16 (d) Documents and working papers obtained or compiled by the department,  
17 or the department's agents, employees, contractors, or designated representatives in the  
18 course of conducting an examination under AS 34.45.110 - 34.45.780 are confidential  
19 and are not public records, but the documents and papers may be

20 (1) used by the department in the course of an action to collect  
21 unclaimed property or otherwise enforce AS 34.45.110 - 34.45.780;

22 (2) used in joint examinations conducted with or under an agreement  
23 with another state, the federal government, or any other governmental subdivision,  
24 agency, or instrumentality;

25 (3) produced under subpoena or court order; or

26 (4) disclosed to the unclaimed property office of another state for that  
27 state's use in circumstances equivalent to those described in this subsection, if the  
28 other state is bound to keep the documents and papers confidential.

29 (e) If an examination of the records of a person results in the disclosure of  
30 property reportable under AS 34.45.110 - 34.45.780, the department may assess the  
31 cost of the examination against the holder at the rate of \$200 a day for each examiner,

1 or a greater amount that is reasonable and was incurred, but the assessment may not  
 2 exceed the value of the property found to be reportable under AS 34.45.110 -  
 3 34.45.780. The cost of an examination made under (c) of this section may be assessed  
 4 only against the business association. ~~for financial organization~~ *deleted language*

5 (f) If a holder does not maintain the records required by AS 34.45.300 and the  
 6 records of the holder available for the periods subject to AS 34.45.110 - 34.45.780 are  
 7 insufficient to permit the preparation of a report, the department may require the  
 8 holder to report and pay to the department the amount the department reasonably  
 9 estimates, on the basis of any available records of the holder or by any other  
 10 reasonable method of estimation, should have been but was not reported.

11 \* Sec. 12. AS 34.45.300(a) is repealed and reenacted to read:

12 (a) Except as otherwise provided in (b) of this section, a holder required to file  
 13 a report under AS 34.45.280 shall maintain the records containing the information  
 14 required to be included in the report for 10 years after the holder files the report,  
 15 unless a shorter period is provided by regulations adopted by the department.

16 \* Sec. 13. AS 34.45.310 is repealed and reenacted to read:

17 **Sec. 34.45.310. Notice and publication of lists of unclaimed property.** (a)  
 18 The department shall notify apparent owners of unclaimed property under  
 19 AS 34.45.110 - 34.45.780 in the manner and method set out in (b) of this section. In  
 20 deciding whether to use an additional method specified in (b)(2) of this section, and  
 21 which of those methods to use, the department shall employ the most cost-effective  
 22 method available within its appropriations.

23 (b) The department

24 (1) shall notify all apparent owners of the unclaimed property in  
 25 accordance with this section by means of posting on the department's website on the  
 26 Internet;

27 (2) may use any of the following to provide additional notice to the  
 28 apparent owners:

29 (A) publication in a newspaper of general circulation in the  
 30 area of the state in which the last known address of a person to be named in the  
 31 notice is located, or if the address is unknown, in the area in which the holder

1 has its principal place of business in the state;

2 (B) individual contact by regular or electronic mail, or by  
3 telephone, if the department has current contact information on file under  
4 AS 34.45.110 - 34.45.780;

5 (C) any other manner and method that the department considers  
6 effective for providing notice and publication under AS 34.45.110 - 34.45.780.

7 (c) In its notice and publication under (b) of this section, the department shall  
8 provide the names of the apparent owners of the property and information regarding  
9 recovery of the unclaimed property.

10 (d) The department is not required to publish in the notice an item of less than  
11 \$100 in value.

12 (e) This section does not apply to money payable on traveler's checks, money  
13 orders, and other written instruments presumed abandoned under AS 34.45.140.

14 \* Sec. 14. AS 34.45.320(d) is amended to read:

15 (d) The holder of an equity [OWNERSHIP] interest under AS 34.45.200 shall  
16 deliver a duplicate certificate, or other evidence of ownership if the holder does not  
17 issue certificates of ownership, to the department. Upon delivery of a duplicate  
18 certificate to the department, the holder and a transfer agent, registrar, or other person  
19 acting for or on behalf of a holder in executing or delivering the duplicate certificate is  
20 relieved of all liability, in accordance with the provisions of AS 34.45.330 to every  
21 person, including a person acquiring the original certificate or the duplicate of the  
22 certificate issued to the department, for loss or damage resulting to a person by the  
23 issuance and delivery to the department of the duplicate certificate.

24 \* Sec. 15. AS 34.45.330(c) is amended to read:

25 (c) A holder who has delivered property [, INCLUDING A CERTIFICATE  
26 OF AN OWNERSHIP INTEREST IN A BUSINESS ASSOCIATION,] other than  
27 money to the department under AS 34.45.110 - 34.45.430 [,] may reclaim the property  
28 if it is still in the possession of the department, without payment of a fee or other  
29 charge, upon filing proof that the owner has claimed the property from the holder.

30 \* Sec. 16. AS 34.45.760(10) is amended to read:

31 (10) "intangible property"

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(A) includes

(i) money, checks, drafts, warrants, deposits, interest, dividends, and income;

(ii) credit balances, customer overpayments, gift certificates, security deposits, refunds, credit memos, unpaid wages, and unidentified remittances;

(iii) stocks and other intangible equity [OWNERSHIP] interests in business associations, *[or financial organizations]*

*deleted language*

(iv) money deposited to redeem stocks, bonds, coupons, and other securities, or to make distributions;

(v) amounts due and payable under the terms of insurance policies; [AND]

(vi) amounts distributable from a trust or custodial fund established under a plan to provide health, welfare, pension, vacation, severance, retirement, death, stock purchase, profit-sharing, employee savings, supplemental unemployment insurance, or similar benefits; and

(vii) amounts due and payable as mineral proceeds;

(B) does not include

(i) unused airline tickets;

(ii) shares of stock issued by a corporation organized under 43 U.S.C. 1601 - 1629a (Alaska Native Claims Settlement Act) or unclaimed dividends payable on the shares of stock; or

(iii) overpaid contributions by employers to the unemployment compensation fund under AS 23.20.130;

\* Sec. 17. AS 34.45.760 is amended by adding new paragraphs to read:

(18) "gift certificate" means an obligation of a business association arising from a transaction between the business association and a consumer to provide goods or services at a future date; "gift certificate" includes a gift certificate, stored value card, gift card, on-line gift account, or other representation or evidence of the obligation of a business association;

1 (19) "mineral" means gas; oil; other gaseous, liquid, and solid  
 2 hydrocarbons; oil shale; cement material; sand and gravel; road material; building  
 3 stone; chemical raw material; gemstone; fissionable and nonfissionable ores; colloidal  
 4 and other clay; steam and other geothermal resources; or any other substance defined  
 5 as mineral by other state law;

6 (20) "mineral proceeds" means amounts payable for the extraction,  
 7 production, or sale of minerals, or, upon the abandonment of those payments, all  
 8 payments that become payable after the abandonment; "mineral proceeds" includes  
 9 amounts payable

10 (A) for the acquisition and retention of a mineral lease,  
 11 including bonuses, royalties, compensatory royalties, shut-in royalties,  
 12 minimum royalties, and delay rentals;

13 (B) for the extraction, production, or sale of minerals, including  
 14 net revenue interests, royalties, overriding royalties, extraction payments, and  
 15 production payments;

16 (C) under an agreement or option, including a joint operating  
 17 agreement, unit agreement, pooling agreement, and farm-out agreement.

18 \* Sec. 18. AS 34.45.760(11) is repealed.

19 \* Sec. 19. The uncodified law of the State of Alaska is amended by adding a new section to  
 20 read:

21 APPLICABILITY. The changes made by this Act apply to property that meets either  
 22 of the following:

23 (1) property that, on the effective date of this Act, already was subject to a  
 24 statutory provision amended by this Act;

25 (2) property that, on or after the effective date of this Act, becomes subject to  
 26 a statutory provision amended by this Act.

27 \* Sec. 20. This Act takes effect immediately under AS 01.10.070(c).

April 26, 2004

## 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

April 26, 2004

**SUBJECT:** CSSB 231(FIN) relating to unclaimed property  
(Work Order No. 23-GS1151\H)

**TO:** Senator Lyda Green  
Senator Gary Wilken  
Co-chairs, Senate Finance Committee  
Attn: Mindy

**FROM:** *TLB*  
Theresa L. Bannister  
Legislative Counsel

This memo accompanies the committee substitute described above.

1. Reference to financial institutions. I would like to bring your attention to a problem in the bill, which was carried over into amendment #3. Since "financial institution" is included in the definition of "business association" (AS 34.45.760(3)), it is not necessary to mention it when referring to business associations in the bill. In AS 34.45.200, as amended in the bill, financial institutions are referred to as an alternate to "business association." See the title, subsection (a), and subsection (b) of AS 34.45.200 in the bill. This also occurs in amended AS 34.45.290(e) and in amendment #3 to the definition of "intangible property." This approach is not technically correct, and may cause a problem with interpreting "business association" when "business association" appears by itself. I recommend that the references to "financial institutions" either be removed or drafted something like "business associations, including financial institutions, ...."

2. Last known address. Amendment #3 repeals the definition of "last known address" in AS 34.45.760(11). As a result, the term, which is used in AS 34.45.120, 34.45.170(b) and (e), 34.45.280(b) and (e), 34.45.370(a), and 34.45.390(a), and in proposed secs. 34.45.200(e)(1), will not have any special meaning. This is not a problem if you are willing to have the term be given its common meaning in those statutes.

If I may be of further assistance, please advise.

TLB:med  
04-460.med

Enclosure

April 26, 2004

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Attn: Mindy

**FROM:** *TLB*  
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Legislative Counsel

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2. Last known address. Amendment #3 repeals the definition of "last known address" in AS 34.45.760(11). As a result, the term, which is used in AS 34.45.120, 34.45.170(b) and (e), 34.45.280(b) and (e), 34.45.370(a), and 34.45.390(a), and in proposed secs. 34.45.200(e)(1), will not have any special meaning. This is not a problem if you are willing to have the term be given its common meaning in those statutes.

If I may be of further assistance, please advise.

TLB:med  
04-460.med

Enclosure

THE  
FOLLOWING  
DOCUMENT(S)  
ARE  
POOR  
ORIGINAL  
COPIES

SENATE FINANCE  
COMMITTEE  
Amendment Number: #3  
Number: SB 231  
Sponsor: Wilken Date: 4/26/04  
Introduced In By: Robin

Adopted

23G-2  
4/19/2004  
(11:53 AM)

AMENDMENT

OFFERED IN THE SENATE  
FINANCE COMMITTEE  
TO: CSSB 231(STA)

BY SENATOR WILKEN By Request

1 Page 8, following line 14:

2 Insert new bill sections to read:

3 \*\* Sec. 14. AS 34.45.320(d) is amended to read:

4 (d) The holder of an equity [OWNERSHIP] interest under AS 34.45.200 shall  
5 deliver a duplicate certificate, or other evidence of ownership if the holder does not issue  
6 certificates of ownership, to the department. Upon delivery of a duplicate certificate to  
7 the department, the holder and a transfer agent, registrar, or other person acting for or on  
8 behalf of a holder in executing or delivering the duplicate certificate is relieved of all  
9 liability, in accordance with the provisions of AS 34.45.330 to every person, including a  
10 person acquiring the original certificate or the duplicate of the certificate issued to the  
11 department, for loss or damage resulting to a person by the issuance and delivery to the  
12 department of the duplicate certificate.

13 \* Sec. 15. AS 34.45.330(c) is amended to read:

14 (c) A holder who has delivered property [, INCLUDING A CERTIFICATE OF  
15 AN OWNERSHIP INTEREST IN A BUSINESS ASSOCIATION,] other than money to  
16 the department under AS 34.45.110 - 34.45.430 [,] may reclaim the property if it is still in  
17 the possession of the department, without payment of a fee or other charge, upon filing  
18 proof that the owner has claimed the property from the holder."  
19

20 Renumber the following bill sections accordingly.  
21

- 1 Page 8, line 23:
- 2 Delete "ownership"
- 3 Insert "equity [OWNERSHIP]"
- 4
- 5 Page 8, line 24, following "associations":
- 6 Insert "or financial organizations"
- 7
- 8 Page 9, lines 11 - 18:
- 9 Delete all material.
- 10
- 11 Renumber the following bill sections accordingly
- 12
- 13 Page 10, following line 10:
- 14 Insert a new bill section to read:
- 15 "\*\* Sec. 18. AS 34.45.760(11) is repealed."
- 16
- 17 Renumber the following bill sections accordingly.

SENATE FINANCE COMMITTEE  
4/20/2003 COMMITTEE ACTION

Bill Number	SB 231		
Amendment	#3		
Motion	adpt		
<u>Motion by</u>	Wilkan		
<u>Objection by</u>	Wilkan		
<u>Removed</u>	.		
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Dyson			
Senator Hoffman			
Senator Olson			
Senator Stevens			
Senator Bunde			
Cc Chair Green			
Co-Chair Wilken			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>	PASS		

SENATE FINANCE  
COMMITTEE  
Amendment Number: # 2  
Bill Number: SR 231  
Sponsor: Wilken Date: 4/26/04  
Logged In By: Robin

ADOPTED

23G-2  
4/19/2004  
(10:56 AM)

AMENDMENT

OFFERED IN THE SENATE  
FINANCE COMMITTEE  
TO: CSSB 231(STA)

BY Senator Wilken By Request

- 1 Page 3, lines 15 - 30:  
2 Delete all material and insert the following:  
3 "Sec. 34.45.175. Certain property distributed in insurance company  
4 reorganizations. (a) The following property distributable in the course of a  
5 demutualization or related reorganization of an insurance company is deemed abandoned  
6 two years after the date of demutualization or reorganization as follows:  
7 (1) money that remains unclaimed and the owner has not otherwise  
8 communicated with the holder or its agent regarding the property as evidenced by a  
9 memorandum or other record on file with the holder or its agent;  
10 (2) stock or other equity interest if  
11 (A) the instruments or statements reflecting the distribution are  
12 either mailed to the owner and returned by the post office as undeliverable, or not  
13 mailed to the owner because of an address on the books and records of the holder  
14 that is known to be incorrect; and  
15 (B) the owner has not otherwise communicated with the holder or  
16 its agent regarding the property as evidenced by a memorandum or other record  
17 on file with the holder or its agent.  
18 (b) Property that is not subject to (a) of this section is reportable as otherwise  
19 provided in AS 34.45.110 - 34.45.780."

SENATE FINANCE COMMITTEE  
4/29 2004 COMMITTEE ACTION

Bill Number	SB 231		
Amendment	#2		
Motion	adopt		
<u>Motion by</u>	Wilken		
<u>Objection by</u>	Wilken		
<u>Removed</u>	✓		
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Bunde			
Senator Dyson			
Senator Hoffman			
Senator Olson			
Senator Stevens			
Co-Chair Green			
Co-Chair Wilken			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>	PASS		

CS FOR SENATE BILL NO. 231(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to unclaimed property; and providing for an effective date."

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

3 \* Section 1. AS 34.45.110(a) is amended to read:

4 (a) Except as otherwise provided in AS 34.45.120 - 34.45.780, all intangible  
5 property, including income or increment derived from the property, less lawful  
6 charges, that is held, issued, or owing in the ordinary course of a holder's business and  
7 has remained unclaimed by the owner for more than three [FIVE] years after  
8 becoming payable or distributable is presumed abandoned.

9 \* Sec. 2. AS 34.45.150(a) is amended to read:

10 (a) Other than money payable on an instrument that is subject to  
11 AS 34.45.140, money payable on a check, draft, or similar instrument on which a  
12 banking or financial organization is directly liable, including a cashier's check and a  
13 certified check, that has been outstanding for more than five [SEVEN] years after it  
14 was payable or after its issuance if payable on demand, is presumed abandoned. This  
15 presumption does not apply if the owner, within the preceding five [SEVEN] years,

1 has communicated in writing with the banking or financial organization concerning  
 2 the instrument or has otherwise indicated an interest as evidenced by a memorandum  
 3 or other record, on file, prepared by an employee of the organization.

4 \* Sec. 3. AS 34.45.160(a) is amended to read:

5 (a) A demand, savings, or matured time deposit with a banking or financial  
 6 organization, including a deposit that is automatically renewable, and money paid  
 7 toward the purchase of a share, a mutual investment certificate, or other intangible  
 8 property interest in a banking or financial organization is presumed abandoned unless  
 9 the owner, within the preceding five [SEVEN] years, has

10 (1) in the case of a deposit, increased or decreased its amount or  
 11 presented the passbook or other similar evidence of the deposit for the crediting of  
 12 interest;

13 (2) communicated in writing with the banking or financial organization  
 14 concerning the property; or

15 (3) otherwise indicated an interest in the property as evidenced by a  
 16 memorandum or other record, on file, prepared by an employee of the banking or  
 17 financial organization [;

18 (4) OWNED OTHER PROPERTY TO WHICH (1), (2), OR (3) OF  
 19 THIS SUBSECTION APPLIES AND THE BANKING OR FINANCIAL  
 20 ORGANIZATION HAS COMMUNICATED IN WRITING WITH THE OWNER  
 21 WITH REGARD TO THE PROPERTY THAT WOULD OTHERWISE BE  
 22 PRESUMED ABANDONED UNDER THIS SUBSECTION AT THE ADDRESS TO  
 23 WHICH COMMUNICATIONS REGARDING THE OTHER PROPERTY ARE  
 24 REGULARLY SENT; OR

25 (5) HAD ANOTHER RELATIONSHIP WITH THE BANKING OR  
 26 FINANCIAL ORGANIZATION CONCERNING WHICH THE OWNER HAS

27 (A) COMMUNICATED IN WRITING WITH THE  
 28 BANKING OR FINANCIAL ORGANIZATION OR OTHERWISE  
 29 INDICATED AN INTEREST AS EVIDENCE BY A MEMORANDUM OR  
 30 OTHER RECORD, ON FILE, PREPARED BY AN EMPLOYEE OF THE  
 31 BANKING OR FINANCIAL ORGANIZATION; AND

(B) THE BANKING OR FINANCIAL ORGANIZATION COMMUNICATES IN WRITING WITH THE OWNER WITH REGARD TO THE PROPERTY THAT WOULD OTHERWISE BE ABANDONED UNDER THIS SUBSECTION AT THE ADDRESS TO WHICH COMMUNICATIONS REGARDING THE OTHER RELATIONSHIP REGULARLY ARE SENT].

\* Sec. 4. AS 34.45.170(a) is amended to read:

(a) Money held or owing under a life or endowment insurance policy or annuity contract that has matured or terminated is presumed abandoned if unclaimed for more than three [FIVE] years after the money became due and payable as established from the records of the insurance company holding or owing the money. [HOWEVER, PROPERTY DESCRIBED IN (c)(2) OF THIS SECTION IS PRESUMED ABANDONED IF UNCLAIMED FOR MORE THAN TWO YEARS.]

\* Sec. 5. AS 34.45 is amended by adding a new section to read:

**Sec. 34.45.175. Certain property distributed in insurance company reorganizations.** (a) The following property distributable in the course of a demutualization or related reorganization of an insurance company is considered abandoned two years after the date of demutualization or reorganization as follows:

(1) money that remains unclaimed and the owner has not otherwise communicated with the holder or its agent regarding the property as evidenced by a memorandum or other record on file with the holder or its agent;

(2) stock or other equity interest if

(A) the instruments or statements reflecting the distribution are either mailed to the owner and returned by the post office as undeliverable, or not mailed to the owner because of an address on the books and records of the holder that is known to be incorrect; and

(B) the owner has not otherwise communicated with the holder or its agent regarding the property as evidenced by a memorandum or other record on file with the holder or agent.

(b) Property that is not subject to (a) of this section is reportable as otherwise provided in AS 34.45.110 - 34.45.780.

Amend #2  
changed from "deemed" to conform w/ statutory vocabulary

1 \* Sec. 6. AS 34.45.200 is repealed and reenacted to read:

2           Sec. 34.45.200. **Stock and other intangible interests in business**  
3 **associations or financial organizations.** (a) Stock or other equity interest in a  
4 business association or financial organization is presumed abandoned five years after  
5 the earliest of

6                   (1) the date of the most recent dividend, stock split, or other  
7 distribution unclaimed by the owner;

8                   (2) the date that a statement of account or other notification or  
9 communication concerning the stock or other equity interest was returned as  
10 undeliverable; or

11                   (3) the date that the holder of the stock or other equity interest  
12 discontinued mailings, notifications, or communications to the owner.

13           (b) Unmatured or unredeemed debt of a business association or financial  
14 organization, other than a bearer bond or an original issue discount bond, is presumed  
15 abandoned five years after the date of the most recent interest payment unclaimed by  
16 the owner.

17           (c) Matured or redeemed debt, including bearer bonds and original issue  
18 discount bonds, is presumed abandoned five years after the date of maturity or  
19 redemption.

20           (d) At the time property is presumed abandoned under this section, any other  
21 property right accrued or accruing to the owner as a result of the property interest and  
22 not previously presumed abandoned is also presumed abandoned.

23           (e) A distribution of net margins by a cooperative incorporated under  
24 AS 10.25 is presumed abandoned if the distribution remains unclaimed by the owner  
25 for more than one year after the date authorized for the distribution. The distribution  
26 presumed abandoned under this subsection reverts to the cooperative if the cooperative  
27 has, at least six months before the proposed date that the distribution reverts to the  
28 cooperative, both

29                   (1) mailed a notice of the proposed reversion to the last known address  
30 of the owner as shown on the cooperative records; and

31                   (2) published notice of the proposed reversion in the manner provided

1 by law or court rule for service of a summons by publication.

2 \* **Sec. 7.** AS 34.45.220(a) is amended to read:

3 (a) Intangible property and income or increment derived from the intangible  
4 property held in a fiduciary capacity for the benefit of another person is presumed  
5 abandoned unless the owner, within three [FIVE] years after it has become payable or  
6 distributable, has increased or decreased the principal, accepted payment of principal  
7 or income, communicated concerning the property, or otherwise indicated an interest  
8 as evidenced by a memorandum or other record, on file, prepared by the fiduciary.

9 \* **Sec. 8.** AS 34.45.240(a) is amended to read:

10 (a) A gift certificate or a credit memo, issued in the ordinary course of an  
11 issuer's business, that remains unclaimed by the owner for more than three [FIVE]  
12 years after becoming payable or distributable is presumed abandoned.

13 \* **Sec. 9.** AS 34.45 is amended by adding a section to article 3 to read:

14 **Sec. 34.45.270. Burden of proof as to property evidenced by record of**  
15 **check, draft, or similar instrument.** A record of the issuance of a check, draft, or  
16 similar instrument is prima facie evidence of an obligation. In claiming property from  
17 a holder who is also the issuer, the department's burden of proof as to the existence  
18 and amount of the property and its abandonment is satisfied by showing issuance of  
19 the instrument and passage of the requisite period of abandonment. Defenses of  
20 payment, satisfaction, discharge, and want of consideration are affirmative defenses  
21 that must be established by the holder.

22 \* **Sec. 10.** AS 34.45.280(f) is repealed and reenacted to read:

23 (f) The requirements of this section apply to the holder of intangible property  
24 with a total aggregate value greater than \$750 that is presumed abandoned under  
25 AS 34.45.110 - 34.45.780 during the year preceding June 30 of each year. For  
26 purposes of determining total aggregate value under this subsection, the holder shall  
27 include all intangible property from prior years that was not reported under  
28 AS 34.45.110 - 34.45.780.

29 \* **Sec. 11.** AS 34.45.290 is repealed and reenacted to read:

30 **Sec. 34.45.290. Requests for reports and examination of records.** (a) The  
31 department may require a person who has not filed a report under AS 34.45.280 or a

1 person who the department believes has filed an inaccurate, incomplete, or false  
2 report, to file a verified report in a form specified by the department. The report must  
3 state whether the person is holding property reportable under AS 34.45.110 -  
4 34.45.780, describe property not previously reported or as to which the department has  
5 made inquiry, and specifically identify and state the amounts of the property that may  
6 be in issue.

7 (b) The department, at reasonable times and upon reasonable notice, may  
8 examine the records of any person to determine whether the person has complied with  
9 AS 34.45.110 - 34.45.780. The department may conduct the examination even if the  
10 person believes it is not in possession of any property that must be reported, paid, or  
11 delivered under AS 34.45.110 - 34.45.780. The department may contract with any  
12 other person to conduct the examination on behalf of the department.

13 (c) The department at reasonable times may examine the records of an agent,  
14 including a dividend disbursing agent or transfer agent, of a business association or  
15 financial organization that is the holder of property presumed abandoned if the  
16 department has given the notice required by (b) of this section to both the association  
17 or organization and the agent at least 90 days before the examination.

18 (d) Documents and working papers obtained or compiled by the department,  
19 or the department's agents, employees, contractors, or designated representatives in the  
20 course of conducting an examination under AS 34.45.110 - 34.45.780 are confidential  
21 and are not public records, but the documents and papers may be

22 (1) used by the department in the course of an action to collect  
23 unclaimed property or otherwise enforce AS 34.45.110 - 34.45.780;

24 (2) used in joint examinations conducted with or under an agreement  
25 with another state, the federal government, or any other governmental subdivision,  
26 agency, or instrumentality;

27 (3) produced under subpoena or court order; or

28 (4) disclosed to the unclaimed property office of another state for that  
29 state's use in circumstances equivalent to those described in this subsection, if the  
30 other state is bound to keep the documents and papers confidential.

31 (e) If an examination of the records of a person results in the disclosure of

1 property reportable under AS 34.45.110 - 34.45.780, the department may assess the  
 2 cost of the examination against the holder at the rate of \$200 a day for each examiner,  
 3 or a greater amount that is reasonable and was incurred, but the assessment may not  
 4 exceed the value of the property found to be reportable under AS 34.45.110 -  
 5 34.45.780. The cost of an examination made under (c) of this section may be assessed  
 6 only against the business association or financial organization.

7 (f) If a holder does not maintain the records required by AS 34.45.300 and the  
 8 records of the holder available for the periods subject to AS 34.45.110 - 34.45.780 are  
 9 insufficient to permit the preparation of a report, the department may require the  
 10 holder to report and pay to the department the amount the department reasonably  
 11 estimates, on the basis of any available records of the holder or by any other  
 12 reasonable method of estimation, should have been but was not reported.

13 \* Sec. 12. AS 34.45.300(a) is repealed and reenacted to read:

14 (a) Except as otherwise provided in (b) of this section, a holder required to file  
 15 a report under AS 34.45.280 shall maintain the records containing the information  
 16 required to be included in the report for 10 years after the holder files the report,  
 17 unless a shorter period is provided by regulations adopted by the department.

18 \* Sec. 13. AS 34.45.310 is repealed and reenacted to read:

19 **Sec. 34.45.310. Notice and publication of lists of unclaimed property.** (a)  
 20 The department shall notify apparent owners of unclaimed property under  
 21 AS 34.45.110 - 34.45.780 in the manner and method set out in (b) of this section. In  
 22 deciding whether to use an additional method specified in (b)(2) of this section, and  
 23 which of those methods to use, the department shall employ the most cost-effective  
 24 method available within its appropriations.

25 (b) The department

26 (1) shall notify all apparent owners of the unclaimed property in  
 27 accordance with this section by means of posting on the department's website on the  
 28 Internet;

29 (2) may use any of the following to provide additional notice to the  
 30 apparent owners:

31 (A) publication in a newspaper of general circulation in the

1 area of the state in which the last known address of a person to be named in the  
2 notice is located, or if the address is unknown, in the area in which the holder  
3 has its principal place of business in the state;

4 (B) individual contact by regular or electronic mail, or by  
5 telephone, if the department has current contact information on file under  
6 AS 34.45.110 - 34.45.780;

7 (C) any other manner and method that the department considers  
8 effective for providing notice and publication under AS 34.45.110 - 34.45.780.

9 (c) In its notice and publication under (b) of this section, the department shall  
10 provide the names of the apparent owners of the property and information regarding  
11 recovery of the unclaimed property.

12 (d) The department is not required to publish in the notice an item of less than  
13 \$100 in value.

14 (e) This section does not apply to money payable on traveler's checks, money  
15 orders, and other written instruments presumed abandoned under AS 34.45.140.

16 \* Sec. 14. AS 34.45.320(d) is amended to read:

17 (d) The holder of an equity [OWNERSHIP] interest under AS 34.45.200 shall  
18 deliver a duplicate certificate, or other evidence of ownership if the holder does not  
19 issue certificates of ownership, to the department. Upon delivery of a duplicate  
20 certificate to the department, the holder and a transfer agent, registrar, or other person  
21 acting for or on behalf of a holder in executing or delivering the duplicate certificate is  
22 relieved of all liability, in accordance with the provisions of AS 34.45.330 to every  
23 person, including a person acquiring the original certificate or the duplicate of the  
24 certificate issued to the department, for loss or damage resulting to a person by the  
25 issuance and delivery to the department of the duplicate certificate.

26 \* Sec. 15. AS 34.45.330(c) is amended to read:

27 (c) A holder who has delivered property [, INCLUDING A CERTIFICATE  
28 OF AN OWNERSHIP INTEREST IN A BUSINESS ASSOCIATION,] other than  
29 money to the department under AS 34.45.110 - 34.45.430 [,] may reclaim the property  
30 if it is still in the possession of the department, without payment of a fee or other  
31 charge, upon filing proof that the owner has claimed the property from the holder.

Amend  
#3

1 \* Sec. 16. AS 34.45.760(10) is amended to read:

2 (10) "intangible property"

3 (A) includes

4 (i) money, checks, drafts, warrants, deposits, interest,  
5 dividends, and income;

6 (ii) credit balances, customer overpayments, gift  
7 certificates, security deposits, refunds, credit memos, unpaid wages,  
8 and unidentified remittances;

9 (iii) stocks and other intangible equity [OWNERSHIP] #3  
10 interests in business associations or financial organizations;

11 (iv) money deposited to redeem stocks, bonds, coupons,  
12 and other securities, or to make distributions;

13 (v) amounts due and payable under the terms of  
14 insurance policies; [AND]

15 (vi) amounts distributable from a trust or custodial fund  
16 established under a plan to provide health, welfare, pension, vacation,  
17 severance, retirement, death, stock purchase, profit-sharing, employee  
18 savings, supplemental unemployment insurance, or similar benefits;

19 and

20 (vii) amounts due and payable as mineral proceeds;

21 (B) does not include

22 (i) unused airline tickets;

23 (ii) shares of stock issued by a corporation organized  
24 under 43 U.S.C. 1601 - 1629a (Alaska Native Claims Settlement Act)  
25 or unclaimed dividends payable on the shares of stock; or

26 (iii) overpaid contributions by employers to the  
27 unemployment compensation fund under AS 23.20.130;

28 \* Sec. 17. AS 34.45.760 is amended by adding new paragraphs to read:

29 (18) "gift certificate" means an obligation of a business association  
30 arising from a transaction between the business association and a consumer to provide  
31 goods or services at a future date; "gift certificate" includes a gift certificate, stored

#3  
< #3  
deleted  
Sec. 15  
AS 34.45.  
760(11)

1 value card, gift card, on-line gift account, or other representation or evidence of the  
2 obligation of a business association;

3 (19) "mineral" means gas; oil; other gaseous, liquid, and solid  
4 hydrocarbons; oil shale; cement material; sand and gravel; road material; building  
5 stone; chemical raw material; gemstone; fissionable and nonfissionable ores; colloidal  
6 and other clay; steam and other geothermal resources; or any other substance defined  
7 as mineral by other state law;

8 (20) "mineral proceeds" means amounts payable for the extraction,  
9 production, or sale of minerals, or, upon the abandonment of those payments, all  
10 payments that become payable after the abandonment; "mineral proceeds" includes  
11 amounts payable

12 (A) for the acquisition and retention of a mineral lease,  
13 including bonuses, royalties, compensatory royalties, shut-in royalties,  
14 minimum royalties, and delay rentals;

15 (B) for the extraction, production, or sale of minerals, including  
16 net revenue interests, royalties, overriding royalties, extraction payments, and  
17 production payments;

18 (C) under an agreement or option, including a joint operating  
19 agreement, unit agreement, pooling agreement, and farm-out agreement.

20 \* Sec. 18. AS 34.45.760(11) is repealed.

21 \* Sec. 19. The uncodified law of the State of Alaska is amended by adding a new section to  
22 read:

23 APPLICABILITY. The changes made by this Act apply to property that meets either  
24 of the following:

25 (1) property that, on the effective date of this Act, already was subject to a  
26 statutory provision amended by this Act;

27 (2) property that, on or after the effective date of this Act, becomes subject to  
28 a statutory provision amended by this Act.

29 \* Sec. 20. This Act takes effect immediately under AS 01.10.070(c).

#3



Official Business

Alas 4/26 5:30 PM  
Sen hold per Sheila

FINAL DRAFT "H"  
replaced  
with "I" 4/28/04  
8 AM

DATE: 26 April 2004 TIME: 10:45 am

TO: Legal Services

NUMBER OF PAGES, INCLUDING COVER SHEET: 4

FROM: MINDY ROWLAND  
SENATE FINANCE COMMITTEE SECRETARY  
PHONE: 465-4935  
FAX: 465-2187

NOTES: Final Please  
C.S SB 231 (FIN) 23-GS1151ND  
plus 2 amendments - attached  
amends. #2 & #3  
Call if any questions

11:15 am call from Terry Bannister  
Amund #2, line 5 - Will change "deemed" to "considered"  
The Mundy