

ALASKA LEGISLATURE

HOUSE and SENATE FINANCE COMMITTEE FILES, 2005-2006 2894

Page 11 of 23

scheme does not create other problems that must be solved by all or some of the 100 workers. In my experience, terminating state workers is never what the state really wants to do, or does do, in part because of the legal rights of state workers, but often because governments always need those workers somewhere. In my experience, the "savings" never materialize, because they were never really quantified at the outset, and were never really achievable.

The Alaska legislature would be wise to look at these "reinventing government" programs across the country to see how they have fared. In my experience and research, the successes are few and far between. I know of no plan to privatize procurement that has been proposed on the scale of this proposed bill, and there is a reason no other state has been interested in this type of far-reaching "reform". Well managed government procurement that utilizes clear, uniform rules and competent, professional procurement officers who owe their loyalty to the state and its taxpayers, is in fact as efficient, and delivers as much value to taxpayers, as government operations can ever do.

## **2. The bill is an anticompetitive and injures competition in Alaska.**

Where the program contract is competitively bid after a "pilot" program, many state and local procurement rules bar allowing the "pilot" vendor to compete for the program contracts, because the "insider" simply has the advantage of knowing all the right words to say to get the job. And, the "insider" has no incentive himself to be cost-effective, if he doesn't have to sharpen his own pencil and give the state a good deal on his own fees in a head to head, unblased competitive bidding environment. SB 160 requires that the procurement contractor be acquired through competitive bid, but it does not level the playing field for other, perhaps equally qualified private procurement firms to compete. SB 160 proposes to give incredible discretion over billions in expenditures to a private firm, and to allow that vendor to hold this position in perpetuity. This creates certain disincentives to future cost-effectiveness, if the economics that support antitrust monopoly cases are to be believed. This is the precise reason that monopolies are unlawful; a firm that does not have to compete periodically, according to common antitrust monopoly economic analysis, may in the future lack incentives to keep quality of service up and price down. This is not unique to the specific pilot vendor in Alaska, but applies to any firm freed from competitive pressures.

There is further some concern about how SB 160 provides for the actual competition to procure the private procurement vendor. The proposed bill provides that the procurement contractor shall be selected in accordance with AS §§ 36.30.100 - 36.30.190. While this appears on the surface to cure the

Potential problem of a leg up in securing the permanent procurement contractor contract to the "pilot" procurement vendor, there are two reasons why this language could create at least one problematic loophole.

AS § 36.30.100 requires that unless otherwise provided by law or in the Procurement Code itself, an agency contract "shall be awarded by competitive sealed bid." However, § 36.30.110 provides that "when competitive sealed bidding is used, a procurement officer shall issue an invitation for bid." The proposed amendment only incorporates the IFB process from the Alaska Procurement Code, §§ 36.30.100 - 36.30.190. It does not incorporate the RFP provisions in the Code, §§ 36.30.200 - 36.30.260. A privatized procurement contractor contract would ordinarily be awarded pursuant to competitive sealed proposals, since presumably one of the competitive requirements by the state would be that the contractor determine how it will save Alaska money or time, (efficiency or cost-savings), as compared to any competitors interested in bidding. Further, the state would want the proposals to demonstrate how the contractor intends to implement the many preferences the Alaska legislature has determined are necessary to protect Alaska state market segments.

An RFP is made an impermissible procedure by SB 160. AS §36.30.110 provides for the IFB process only "if" an IFB is used, but does not mandate the use of the IFB. By removing the RFP portions of the Code from the scheme in SB160, there could be an executive agency decision not to use the IFB. If such a decision were made then nothing, no rules, would apply to the procurement of the private procurement contractor. This would be an anti-competitive outcome. SB 160, as drafted, simply does not fit, and is not legally consistent with, the rest of the State's many procurement statutes and rules. Thus the loophole is that the bill may grant executive agency discretion not to use *any* procurement rules for the process of selecting the private procurement administrator.

Competitive bidding systems presume, rightly, that competition keeps vendors in check. The Alaska procurement code does this effectively. Procurement without rules is not appropriate; checks and limitations are required simply to act as a check on market incentives that may be inconsistent with government policy goals. The unfettered discretion given the private contractor to make the rules as he goes, (SB 160, §1(c)), could operate to eliminate powerful incentives that the legislature may wish to preserve as incentives to a private procurement administrator to save money for the state of Alaska first, last and always.

SB 160, like its enabling legislation the 2003 HB 313, relegates the Alaska preferences to the "where practicable" back burner. (SB 160, § (c)) It is often

Page 13 of 23

said that preferences are anticompetitive, and of course, they are intended to favor certain market segments. Where a legislature determines as a matter of policy that market sector protection is necessary to the well being of the state, however, that legislative policy governs.

If this legislation passes, Alaska workers, products and businesses will witness their market protections becoming subject to the incentives of a private procurement contractor. This is anticompetitive in Alaska intra-state commerce, because those companies who have made it their business to deal in Alaska-produced goods and services may pay more for those goods and services than a competitor who uses cheap labor and products from elsewhere. The private procurement vendor under this amendment can simply award to the firm who doesn't bear the cost of supporting the Alaska economy as the legislature intended, giving the cheaper firm a higher profit margin and penalizing the preference-conforming Alaska-based firm. Eventually this cost of doing business imbalance can harm local, Alaska-based business, as we have seen elsewhere in the form of the Wal-Mart market displacement phenomenon.

Any system of tax dollar expenditure that does not require sole fealty to the state is going to cost the state money. I can point to whole rooms in state archives containing files relating to really big contracts, such as statewide computer systems, that are filled with the sad stories of costly failures. Alaska would be well served to stop this bill in its tracks and gather the real facts about the exact nature and scope of existing procurement inefficiencies and about what firms the free market has to offer that may be capable of correcting those inefficiencies without creating others and without upsetting Alaska public policies that favor legislative control over the expenditure of public funds, the protection of Alaska-based businesses, the employees of those businesses, the Alaska companies they buy from and their employees, Alaska citizens, the taxpayers, the general economy of the state. The interests of politicians and state employees alike are well served upon a full public debate over privatization of the critical procurement function, in the context of real numbers. This bill, as written, does not permit of that debate.

**3. The bill does not reflect a legislative finding that cost savings have been achieved and therefore cannot be justified on cost savings grounds.**

SB 160 does nothing to justify the concept of privatized procurement. The absence of findings of quantifiable actual cost savings to support this bill suggests that there is no cost-savings justification to offer. It is possible, albeit unlikely since the data has not been offered in support of SB160, that the hard costs of the pilot program have in fact been developed as the legislature

Page 14 of 23

intended. If so, the data should be made public. This is so that the legislature can assess whether the bill operates to burden the state with new employee costs.

Permit me to reiterate that the development of appropriate cost-justification data is relatively straightforward, although there is a cost in employee time to develop the numbers. If, hypothetically, during the pilot it cost the state \$70,000.00 in employee and overhead costs to procure an electronic tools system, and the system cost \$1 million, and the state paid out \$10,000 per month, (\$120k per year), to maintain the system, then the cost of the system to the state for the first year of operation is \$1,169,000. On the other hand, if the cost of using the private program contractor to procure the electronic tools system would be \$200,000, and the state employee cost to implement and administer the private contractor management is now \$100,000, (because state employees must work on the "project"), and the electronic tools program cost \$1.5 million and the annual maintenance cost is \$120,000 per month, then the first-year cost under the new program would be \$1,920,000 and there is no cost savings achieved by the privatized methodology.

No one can make an informed decision about this bill without all of these numbers. It is certain that e-commerce tools can save money; the only issue is whether they have. To determine that employee costs must be known, employee savings must be based on what people actually did before the pilot, during the pilot and under the new program, or the entire purpose of privatization makes no sense. No private program can claim to have saved a dollar figure no one knows. And, unless Alaska intends to let all state employees who previously worked on procurement go, **there will be no cost savings to the state.** Alaska will simply pay for a Project SLIM outcome. The taxpayers will not "save" money in any real sense. It would be a poor business practice indeed to claim cost savings in a privatization program without reference to necessary state employee costs.

In the case of this particular proposed privatized procurement, whether there would be cost savings for the post-implementation years will also depend on whether the state reassigns workers to other agencies, and whether, and how many, state workers the state intends to terminate. If the state moves the workers, the taxpayers save nothing, and if the problem in state procurement is that government workers are inefficient, moving them just shifts inefficiencies to another agency. There is nothing in SB 160 that suggests that state employees are the problem, therefore there is nothing to suggest any real "savings" can be achieved.

If history teaches us anything, it is that in these privatized systems the only cost savings has to come from eliminated employees. The state never closes buildings, stops paying for the heat, shuts down the phone lines or turns off the lights when a program changes form. A state, like a law firm, is a people-based service industry. Cutting costs means cutting people. Thus, the wage and overhead attributable to a single employee is the only hard savings possible. But the number of employees that can be or are eliminated is almost always fewer than proponents of privatized schemes usually believe can be eliminated. If the real cost-savings is in terminated employees, then the studies and cost justifications must disclose how many employees are to be eliminated. It may well be that no one wants to talk about terminating state workers for political reasons, but if not, then neither can anyone talk about "cost savings". It may be that the state has paid \$20 for a \$12 calculator, but it may also be true that to take advantage of the coupons, sales and TV-advertised deals that seem to be much cheaper will require more employees to find and seize the bargains. Many procurement processes can be streamlined, but my experience is that simple, relatively cheap solutions such as raising the must-bid dollar level; efficiency training and the reduction of top-heavy management improve the procurement process much more than any privatization scheme.

One of the problems reformers has in evaluating state government processes is that whether they are efficient and effective depends on the perception of those the agency serves. In procurement, for instance, one employee may be unavailable to a business caller, because he or she is on the telephone hearing a complaint or solving a problem for another business caller. Which of those functions is to be eliminated? Which of those business callers is more important? How many employees would the private vendor put to the task of talking to concerned Alaska companies, which may include competitors of his firm? Is there any chance that person in the private-sector job will be paid less than the state employee?

Or, the "inefficient" worker who is unavailable for the first caller may be engaged in writing a scope of work to re-bid a high-dollar contract that reflects his or her market research that this year the state can save millions by re-bidding due to changes in pricing caused by market forces. Should the employee stop doing that type of work? Would the private vendor pay one employee to look for bargains and another to take the constituent calls? Perhaps, but one cannot assume a private vendor has these things in mind. Indeed, if the pilot program vendor's recommendations for implementing the privatization program include recommending that he himself have absolute power to set the rules for each procurement, then the vendor demonstrates a lack of understanding about how fairness and equal treatment of constituents is required of a government.

Without real cost saving data, this bill is wholly unjustified. Most legislators today are businessmen and women. Business people know good and well that one cannot make a sound business decision without business numbers. No businessperson would argue that their bottom line would get better through a wholesale change about which there are no projections about profitability. Unless the legislature is given a set of numbers that tracks and compares historic, pilot program existing and projected future costs, there can be no data from which to extrapolate any cost savings whatsoever. We had the "theoretical" cost savings experience in Arizona under Project SLIM, and it failed.

As for efficiency in serving the customer, it all but disappears during the complex "transition". In antitrust practice, we understand that this is why stock often falls after a merger and never recovers. The cost of the transition to the new business form are always huge, the "fit" between entities is not always so good, the products conflict and the post-merger companies do not do well for some time. In the case of this bill, it is hard to see how there could be an efficient "fit" between privatized procurement and the many complex mandates of government without much trial and error, adjustment, and a formidable learning curve involving continued support from state workers.

In this bill, the Alaska legislature appears to be moving away from the efficiencies of state-owned buildings, utilities, maintenance costs and low state employee wages, (compared to the private sector), and toward paying higher hourly rates that include high office rents, high salaries, executive bonuses and furniture that is guaranteed not to have been built by prison inmates. It may be, on the right set of facts, that this is justified. But for the legislature to make such a policy decision on economic grounds it must have the economic data to determine what the state spends now and how fast it moves, and hard data from competing vendors who take those costs and demonstrate how they can beat them. If nothing else, bidding gives the state a free look at whether anyone can beat the existing system, apples compared to apples. Requiring frequent bidding as a means of keeping contractors sharp is a known and very powerful procurement tool.

In efficiency analysis, one must always follow the money. Policy makers and Alaska taxpayers have the right to full disclosure of the real costs of this program, past, present and future. They also have a right to know whether this will help, or hurt, the Alaska businesses, local economies, state workers and industries the legislature must also protect. Finally, they have a right to know that the power of market competition, which costs the state nothing, has not been eliminated as a check on excesses and abuse.

Page 17 of 23

**4. The one-size-fits-all privatized model is not appropriate for all Alaska agencies.**

The bill exports the program to every state agency "immediately" upon passage. Although SB 160 does not mandate that every agency participate, how far it goes depends on who in the executive branch of Alaska government gets behind it. There will be problems in exporting this scheme as a practical or legal matter. The Alaska procurement Code is not the only set of purchasing rules in operation in Alaska by law. One agency, for example, may handle federal special and earmarked funds and may have to do procurement in accordance with the terms of a federal grant. Alaska agencies must cooperate with federal rules in federally funded public works programs. AS § 35.05.050. The Department of Transportation may have contracts with local governments to share revenues, and these may be subject to local procurement codes. The transportation department may have to use Federal Acquisition Regulations (FARs) for federally funded highway construction. A state agency may administer international funds pursuant to a treaty, such as Arizona has with Mexico regarding cross-border economic development. In Alaska, all public works construction *must* be by a competitive bidding process fixed by statute. AS § 35.10.160. It is entirely unclear at this stage whether and to what extent the proposed privatized procurement format can realistically replace existing procurement requirements in different Alaska agencies handling different government-source funds. This is another issue that has not been quantified. How much authority a private procurement contractor would have over the actual funds handled by the various agencies is unknown. Until it is known, "cost savings" cannot be extrapolated across agencies, nor can the legislature know that the program will even work on an agency-wide efficiency basis, given an agency's activities and funding sources.

Certainly independent political subdivisions in Alaska, and particularly Native organizations that may be sovereign forms of government would be neither well served nor happy to be required to purchase through a single private vendor not of their choosing, and it is unlikely that other governments would participate, (turf being what it is), with the exception of cooperative purchasing, where the state is able to get a particularly cost-effective contract for a commonly needed item. These efficiencies, however, already exist in state procurement. No additional legislation is typically needed to facilitate procurement offices working together, and with formal associations of procurement officials, to improve efficiency and purchasing power through inter-governmental cooperation. SB 160 tells us nothing about whether a private procurement contractor can or will utilize these efficiency mechanisms.

Page 18 of 23

It simply does not appear that the drafters of this legislation have given sufficient thought to the magnitude of the impact the proposed changes will have in Alaska on the many programs in effect and agencies that administer them. This is undoubtedly because the reasonable "stake-holder" process legislatures use to receive input from various affected constituencies before wholesale statutory scheme changes are made did not occur here. I can only infer that this is because such a process would take months, if not years to undertake fairly.

##### 5. The bill raises constitutional concerns.

Legislation must give the public a clear view of what is right and what is wrong, what the rules are, must treat the same classes of individuals the same, and must protect existing contract rights. SB 160 takes the remarkable step of permitting a private contractor to set the procurement *rules* in a contract. (SB 160, § 1(c)) This is a legislative provision almost guaranteed to be challenged in court on constitutional grounds. (Please see my memorandum on the equal protection constitutional issue, dated April 8, 2005.)

Some may take this provision to mean that the privatized administrator determines the added items, (like bonding, for example), in the contract. In Alaska, most procurements require contract terms already fixed by the legislature. E.g., AS § 36.30.430. But SB 160 says that a private vendor, acting as an agent of the state, has 100% discretion to make up the rules the state will seek to enforce against the vendor. (One hopes the state is fully indemnified by the private vendor if it delegates its rule making power in this way). Rules cannot be made in a private contract, and terms in a private contract cannot be enforced as "rules" governing public behavior.

The Alaska constitution does not permit the expenditure of tax money without some very clear checks and balances, and the legislature has already put into effect many expenditure-tracking laws. In Alaska, like many states, the legislature does not permit the expenditure of tax dollars without an official appropriation from the legislature, an obvious check on uncontrolled spending. AS §36.39.200(4). The appropriation statute is pursuant to the Alaska constitution's delegation of fiscal authority to the legislative branch of government. Alaska const. art. II, § 1.

In the proposed bill, legislative control through appropriation flies out the window. A private vendor can pay \$1200 an hour for routine accounting if he wishes, by setting some new standardized fee rules in a contract. It will be a private contractor, who decides where the tax money goes, how much, and to whom.

This bill is a remarkable delegation of legislative authority through contract. I suspect it contravenes many other Alaska statutes and constitutional requirements not mentioned here. SB 160 shifts control over agency expenditures away from the legislative branch and gives it to the executive.

As I have noted, SB 160 raises equal protection constitutional issues. At a minimum, the bill removes the business public's ability to know the rules of the game. Does one have to have experience to vie for a contract? Does a vendor have to have insurance? Can a business expect to have to indemnify the state, or not? Vendors who have to operate under one set of rules, *i.e.*, the bonding, licensing, indemnification, non-collusion and other mandatory bidder qualification rules are unfairly discriminated against if their competitors do not have to comply with those rules and incur those costs of doing business. Vendors who know the private contractor may not have any burdensome rules, those who do not, may have them. This inability to know how the laws work, and the unlimited ability SB 160 gives to a private vendor to arbitrarily apply different rules to different citizens is good grounds for a legal challenge based on the denial of equal protection of the law. If citizens do not know how to comply with a law, and the rules as to them are different than the rules as to their competitors, a law creating this situation is likely unconstitutional and unenforceable.

Moreover, this program stands a very good chance of impairing the value of existing contracts between the state and its suppliers. (See point 6, below). The Alaska constitution does not permit the legislature to take citizen's contract rights without just compensation, Alaska const. art. I, § 5. Only one firm needs to perceive that its contracts are about to be impaired to bring a successful constitutional challenge to the bill.

The bill may also run afoul of the U.S. constitution relating to the power of Congress to regulate interstate commerce. This is because the private procurement contractor may set "rules" for a federal contractor to do business in Alaska that are contrary to federal rules. The bill may therefore violate principals of federalism under the U.S. constitution and be voidable under the Supremacy Clause.

#### **6. The bill will expose the state of Alaska to litigation and liability.**

The program this bill would implement does not appear to have dealt at all with the issue of existing contract rights and business expectancies. A company who has successfully competed for a renewable contract may have a vested

Page 20 of 23

contract right. If the state acts to eliminate the business expectancy under that contract, in favor of a contract for a competitor, awarded at the discretion of the privatized procurement contractor under an unknowable set of rules, the vendor with an existing contract would have a very good claim against the state for impairment of his contract. Absent information about what existing contracts there are that must continue to be administered, and honored, by their terms, it cannot be said that there will be no increased liability.

Those companies who are prepared to bid on procurements based on preferences, and who expect, and are rightly entitled to, a bump up because of those preferences, have just been written out of the game. This bill as amended invites litigation by whole market sectors, such as Native Alaskans who supply Alaska fish or forest products. When such dire changes in the right of Alaska citizens to do business with their own government are made, someone inevitably sues.

Tortious interference with contract is not the only legal theory the state invites against itself by enacting this bill. If the procurement contractor under the new scheme happens to favor a not-prequalified vendor over existing, pre-qualified competitors, then the state can expect antitrust claims against it. While antitrust law does not award treble damages against the state, an antitrust plaintiff could certainly sue involved individuals within the state, and the contract procurement vendor, both of whom would look to the state for their defense and payment of any judgment against them.

We have unhappy experience in Arizona on this point as well. Recently, as you know, a sitting Arizona Corporation Commissioner was sued by a regulated company for failing to provide a level playing field to all comers. He and the state were of course sued by the offended would-be acquirer, which won a jury verdict against the state for actual damages and against the Commissioner for punitive damages in the amount of \$60 million. Arizona as a state is not legally obliged to pay punitive damages, (or treble antitrust damages for that matter), but absent some very good lawyering it will have to pay the punitive damages penalty a jury imposed on the Commissioner, who was acting within the scope of his employment with the state. Alaska may have a duty to defend its private procurement contractor if that contractor acts, even inadvertently, in such a way as to harm someone's business expectancy.

The new, untested, never-competed procurement vendor under the proposed bill will be the state of Alaska in his dealings. If he errs, particularly if he errs in favor of his own or a crony's economic gain, his defense, and any

Page 21 of 23

damages he causes will have to be paid for by the same taxpayers this privatization scheme purports to protect. The hit on Arizona's tax dollars will be \$60 million plus the costs of defense unless very good lawyers procure some form of relief. Alaska's legislature should carefully consider the effect of SB160 on existing contractors.

It is not enough to have state workers work on the "sensitive", (subject to litigation), contracts. There must be some continuity of contract administration with reference to known standards, or the state's private contractor may impair the value and the terms of the non-sensitive contracts and get the state sued. There may also be contracts with longer-term pricing benefits, renewal leverage or other factors that would be undone by this new regime. All agencies will not use the privatized program during the transition. There will be a time, therefore, when the risk of error, born out of confusion, grows exponentially. An agency, the State Procurement Officer or maybe the governor can just say "lets do that one this way", (privatized), and "let's do the other one that way", (public, subject to fixed rules), with the outcome that no vender is treated like any other. The proposed program will not be cost-effective when litigation defense and payout costs are factored in.

#### **7. The bill will not save Alaska state employee costs.**

SB 160 cannot be divorced from its enabling legislation in 2003, HB 313. The only lawful basis upon which SB 160 can be enacted, is that the legislature is given enough real data on procurement costs and the effect of the pilot program to find, as a matter of legislative policy, that the "opportunities" for cost savings reflected in HB 313 in 2003 have turned into actual savings of costs. It is not enough to rely on trite but unproven theories, such as the popular belief that private sector employees are inherently more productive than government workers. The cause of that productivity loss and bottlenecks in government is only occasionally due to the workers' laziness, bureaucratic tendencies or incompetence. Government productivity loss is often caused by the policy makers' change in game plan. The legislature or an agency simply changes priorities, so that more employee resources are moved to interfacing with the public to improve an agency's image, for example, and fewer are devoted to getting the agency's product out the door.

Without pre-pilot employee costs, employee costs per dollar procured during the pilot, and statewide cost saving projections, there never will be a solid means to assess the efficiency, or cost-effectiveness of this program for the taxpayers of Alaska. By the same token, without this data, it can never be

Page 22 of 23

Demonstrated that state workers are the cause of those inefficiencies, or that privatization will correct them.

Wholesale organizational changes of any kind rarely save money. The private procurement contractor will not get the phone calls from constituents and other governments clamoring over the change in who gets to bid and under what rules employees of the state of Alaska will get them and the state will incur the cost of the disruption. Only if privatization will recoup those costs as well, will a privatized scheme make business sense.

**8. The bill is poorly written, internally inconsistent, and does not permit of reasonable understanding or implementation.**

It is not possible to work through this bill and figure out exactly how this program is supposed to work, what existing contracts will be renewed versus re-bid, what rules govern which contracts handled by which agencies, how much the private procurement contractor is bound by existing, limiting rules and procedures, or how, or even whether, the private contractor is going to administer the contracts he awards. Contract administration is a huge cost of government procurement, and nothing in SB 160 shows how much administration is going to cost the state.

Part of the dilemma is that SB 160 creates a scheme that conflicts with numerous other Alaska statutes, such as the laws requiring certain contract terms be included in certain state-awarded contracts, e.g., AS § 36.30.430. Courts will struggle mightily to interpret this legislation and to try to reconcile it, as courts must do, with other laws governing public purchasing and the expenditure of tax monies. This makes the outcome of litigation much more uncertain than it would be under an internally consistent statutory scheme.

The Alaska legislature needs to understand that the interests of the taxpayer in competence and fair pricing are at a sharp disadvantage. With an IFB, but not an RFP process for choosing the statewide private contractor, there is no mechanism for requiring full disclosure and full evaluation of whom among potential competitors for this big job is the best suited. Under SB 160, Alaska would have an insufficient procedure to ensure insight into how the vendor, who is going to be speaking as the Alaska procurement representative, plans to effect not just cost savings but the other important policies of the state.

In addition, although the bill purports to mandate numerous preferences, such as for Alaska products and local business, the bill *de facto* eliminates those preferences by empowering the private contractor to make his own rules. On an RFP the private procurement contractor makes his own decision as to the value,

Page 23 of 23

or weighting, of various factors and he appears to have complete discretion to use an RFP to bypass these preferences. All the private contractor has to do is weight the "Alaska forest products" portion of his bid evaluation at zero

SB 160 either gives the private procurement contractor complete discretion unlimited by any known rules, or his discretion is limited by the other procurement rules that this bill clearly intends to abandon. Under the proposed bill as written, the legislature will learn which, and will receive instruction on how to administer this program, from a federal or state court. With all due respect to the courts, they do not always run government programs the way legislatures intended them to be run.

### Conclusion

This legislation is ill conceived, unjustified, dangerous and likely unconstitutional. The legislation has the real potential to disadvantage Alaska-based business, Alaska products, Alaska's economy, Alaska taxpayers and those who struggle within the state to keep Alaska in the black and out of trouble. I can find no study, report, article or analysis that supports the idea that privatization of Alaska state procurement is in the best economic interest of the state with real economic data. There is time now to look at whether the state's procurement mechanism needs an overhaul at all, and to plan for those changes that will implement real efficiencies and benefits for the Alaska economy. There are times when privatization, carefully crafted and based on economically sound data, is entirely appropriate. This bill offers nothing to suggest that the Alaska procurement system is wholly broken, and certainly offers nothing that will fix it, if it is.

SB 160, as proposed and as conceived, offers the state of Alaska nothing but trouble. In my view, this legislation cannot be amended to solve these many problems. There is no immediate budget crisis in Alaska, and so there is time to reflect. The only legislation appropriate at this time would be the establishment of a study process, which involved the obvious interested parties and Alaska market sector representatives, and which develops real data upon which cost-saving programs can be based.

Alaska Support Industry  
**ALLIANCE**  
360 W. Benson Blvd., Suite 200  
Anchorage, AK 99503  
Phone: (907) 583-2228  
Fax: (907) 561-8870  
www.alaskaalliance.com



# THE ALLIANCE

... for responsible development of Alaska's Oil, Gas & Mineral Resources

April 18, 2005

The Honorable Lesil McGuire  
Chair House Judiciary Committee  
Room 120, Capitol  
Juneau, AK 99801-1182

Dear Representative McGuire:

On behalf of the 380 member Alaska Support Industry Alliance I thank you for the hearing you held today on HB 257. We were listening to the testimony but as you are aware time ran short and we were not able to testify.

There was a certain wisdom to your comment to Representative Gruenberg that a "summer project might be to investigate the reasons behind the 47 or 48 entities that have opted out of the State Procurement Code." My experience during the eleven years I was employed by the Alaska Railroad Corporation is that the code is slow, cumbersome and ended up costing the ARRC more in the long run. While things may have changed this was certainly the case during my railroad tenure.

The Alliance Board of Directors fully supports HB 257 and the companion bill SB 160. We believe it is prudent for the legislature to extend and expand the "pilot procurement" program. As former Senator Duncan stated it is in the "public interest to reduce overhead and the cost of government." Therefore, this cost efficient private sector experiment in e-commerce should continue.

Again, on behalf of the Alaska Support Industry Alliance we urge your committee to pass HB 257.

Sincerely,

Larry Houle  
General Manager  
Alaska Support Industry Alliance

Cc: Rep. Tom Anderson  
Rep. John Coghill, Jr.  
Rep. Nancy Dahlstrom  
Rep. Pete Kott  
Rep. Les Gara  
Rep. Max Gruenberg

**EXECUTIVE COMMITTEE**

- President Lynn Johnson  
Newman-Bach Corporation
- President-Elect Mark Huber  
Coyon Universal Services, LLC
- VP Public Relations Jim Bibeart  
Lester O'Neil System Services
- Secretary Joceline SL John  
Lyndi Logistics, Inc.
- Treasurer John Wittich  
ASRC Energy Services Inc.
- Former President Jack Leach  
ASRC Energy Services Inc.
- At-Large Member Bruce Olin  
Crest Northwest, Inc.

**DIRECTORS**

- Pete Berg  
Wells Fargo Bank Alaska N.A.
- Eric Bumpaling  
TIW
- Richard Faulkner  
SiteFab
- Tomara Grasso  
Horizon Lines
- Dan Grava  
Arctic Alaska America, Inc.
- Chris Johnson  
Furnace Alaska, Inc.
- David Lawler  
First National Bank Alaska
- Gregory Lavinia  
Scribnerberger Oilfield Services
- Dave Matthews  
H. C. Price Company
- Mike O'Connor  
PEAK Oilfield Service Company
- James Palmer  
The Palmer Group
- Bonnie Richmond  
NANA Management Services
- Bob Smith  
VECO Corporation
- Frank G. Wallace III  
Alaska Amv, Inc.

**DIRECTORS EMERITI**

- Chuck Beckler  
Alaska Export Assistance Center
- W.D. Bennett  
Law Office of W.D. Bennett
- Dr. William Byrd  
Charter College
- Mark Fogness  
NANA Development Corporation
- David Hargrove  
Lyndon, Inc.
- Lawell Hargraves  
Outstar Consulting
- Joe Malins  
Monsie Creek Campground
- Val Molyneux  
VECO Corporation, Inc.
- Wes Nelson  
VECO Alaska, Inc.
- Mary Shields  
Northwest Technical Services
- Bill Stamps  
PEAK Oilfield Service Company
- Bob Stinson  
CONAM Construction Company
- Chuck Sullivan  
Business Consultant
- Bob Taitel  
Universal Services
- Jim Underwood  
Lester O'Neil System Services
- Bill Webb  
Business Consultant

**GENERAL MANAGER**

Larry J. Houle



[Home](#) | [Departments](#) | [Mayor](#) | [Assembly](#) | [Employee Directory](#) | [Contact Us](#) | [Find](#)

You are here : [Home](#) > [Mayor's Office](#) > [press\\_release\\_20040817](#)

spacer

spacer

**For Immediate Release  
August 17, 2004**

**Contact: Julie**

## **PURCHASING AUTHORITY TO CUT COSTS FOR CITY New technology will streamline purchase of supplies & equipment**

As part of his commitment to find innovative ways to better serve the public and provide key services, Mayor Mark Begich today announced the creation of a new city Cooperative Services Authority. The Authority will plan and control city purchases, lower the cost of purchases, and work with other entities to achieve even greater savings.

"This is a painless way to help the city deal with its finances," Mayor Begich said. "We know we can save millions by cutting the cost of procurement which enables us to deliver essential services."

In February, Mayor Begich announced the creation of the Division of Efficiency to streamline purchases and find cost-savings throughout the city. For the past six months, the DOE's staff of seven has been reviewing every purchase the municipality makes. Creating the Cooperative Services Authority makes it possible to initiate cooperative purchases of goods and services with other governments and academic institutions within Alaska.

In the first full year of operations, the city estimates the Authority can save a minimum of \$7 million. For example, by limiting product choices to the very basic requirements necessary for job performance, the Authority estimated the city could save \$400,000 on computers, \$300,000 on copiers, \$15,000 on pens and \$15,000 on file folders every year.

The Authority will support the Purchasing Department in negotiations with vendors for the best price, and then create a website catalog for city employees to purchase office supplies and other goods. Only vendors on the website will be available for employees to purchase from, creating the most efficient and least expensive procurement process the city has ever had.

An ordinance creating the Authority will be introduced at tonight's Assembly meeting. If it passes a public hearing on Sept. 7, the CSA will be established immediately and will have its technology in place within 90 days.

Once the Authority is established, other qualifying institutions will be able to enter into partnerships with the municipality for mutually beneficial cooperative arrangements. The city is already working with the State of Alaska and the Anchorage School District on this effort.

###

**adn.com**

Anchorage Daily News

[Print Page](#)[Close Window](#)

## Auditor urges spending clarification

**PROCUREMENT CARD: Some of \$14.9 million charged by city employees was inappropriate.**

By ANNE AURAND  
Anchorage Daily News

*(Published: April 13, 2005)*

City employees spent public money on lunches, birthday cakes, balloons, flowers and other "questionable" purchases, according to a recent internal audit.

Internal auditor Peter Raiskums said he doubts the purchases show corruption or irresponsibility. The problem is that no policy defines acceptable uses for the city's "procurement card," he said.

The "p-card" is basically a credit card issued to certain municipal employees to use on inexpensive goods, services, business- and travel-related expenses.

Most of the \$14.9 million spent by about 800 card-holders was legitimate, the audit says. But some purchases, such as gasoline for municipal vehicles, violated the policy. Some departments didn't properly document their purchases. And some employees made questionable donations to charitable organizations such as the Mayor's Charity Ball, NAACP or the Chugiak Grad Blast, the audit said.

According to the audit, most purchases did not violate policy. Raiskums didn't calculate the amount of questionable purchases.

He presented his audit to the Assembly on Tuesday night. It recommended that city executives clearly define what's appropriate.

"Maybe in my judgment, it's OK to buy a cake for an office function. Maybe in your judgment it's not," Raiskums said.

City Manager Denis LeBlanc said it's efficient to allow managers some discretion over purchases. They have to document the reasons. Most of these explanations are adequate, LeBlanc said.

The audit shows that employees spent nearly \$78,000 in restaurants and grocery stores in 2004. The city spent about \$6,279 on coffee-related purchases in 2004, including coffee, sugar, creamer and a grinder. The justification, Raiskums said, is that some departments entertain guests and want to offer them coffee. There's no policy against it.

About \$11,900 was spent on drinking water. One department paid \$3,106 on bottled water. Another paid \$772 for purified water in gallon jugs.

LeBlanc said this is a great example of where a blanket rule would not work. City Hall, he said, has good water in its faucets. But some small maintenance offices do not, and managers should buy filters or bottled water for employees there, he said.

Employees paid \$2,506 for flowers, including \$91 for one funeral. Raiskums and LeBlanc said they

didn't know whose funeral it was.

Employees paid another \$27,500 for pictures, and one department paid \$220 for frames for "mission and vision statements," the audit says.

The report does not name individuals or departments that made questionable purchases or failed to properly document purchases. Raiskums said his goal was not to identify anyone but to encourage managers to better define spending policies.

Daily News reporter Anne Aurand can be reached at [aurand@adn.com](mailto:aurand@adn.com) or 257-4591.

[Print Page](#)

[Close Window](#)

Copyright © 2005 The Anchorage Daily News ([www.adn.com](http://www.adn.com))

**HB**

**257**

**SFIN**

**FILE**

Note: The backup material for this bill is located in its Senate companion bill, SB 160.

# SENATE FINANCE COMMITTEE REPORT

REPORTED OUT  
MAY 7 2005  
SENATE FINANCE  
COMMITTEE

DATE: 5/4/05

FURTHER:

DATE TURNED  
IN TO OFFICE: 7 May 2005

Finance Committee considered CS FOR HOUSE BILL NO. 257(JUD)

## HB 257 STATE PROCUREMENT ELECTRONIC TOOLS

"An Act relating to and extending the pilot program for state procurement and electronic commerce tools; and providing for an effective date."

and recommends:

- be replaced with S CS CS HB 257 (FIN)
- adopt previous \_\_\_\_\_ CS CS forthcoming (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

**CS Senate Bill:**  
 Same Title  
 New Title

**SCS House Bill:**  
 Same Title  
 Technical Title Change  
 New Title w/ SCR # \_\_\_\_\_

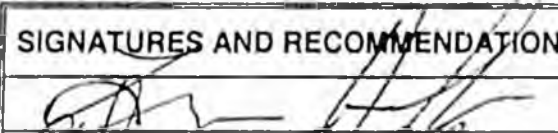
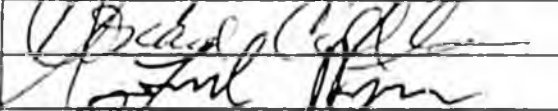
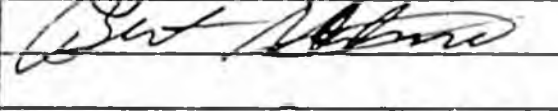
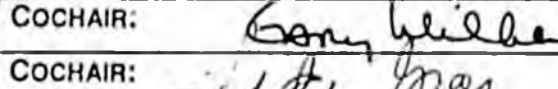
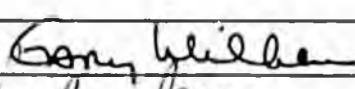
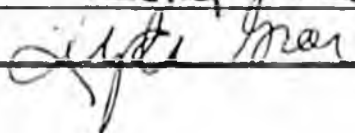
**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Ind.	Zero	FN#
Admin	5/7/05	350.0			

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Ind.	Zero	FN#
Cart	4/8/05			✓	#1
Statewide	4/8/05		*		#2

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
			✓	
			✓	
			✓	
			✓	
COCHAIR: 	✓			
COCHAIR: 	✓			

# FISCAL NOTE

REPORTED OUT

MAY 7 2005

SENATE FINANCE  
COMMITTEE

STATE OF ALASKA  
2005 LEGISLATIVE SESSION

Fiscal Note Number: 1  
Bill Version: CSHB 257(JUD)  
(H) Publish Date: 4/25/05

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: \_\_\_\_\_  
Title State Procurement Electronic Tools BRU Alaska Court System  
Component Trial Courts  
Sponsor House Judiciary Committee  
Requester \_\_\_\_\_ Component No. 768

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
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>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**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 (FY2005) cost: 00  
Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

The court system does not anticipate any fiscal impact from the passage of HB 257.

Prepared by: Douglas Wooliver, Administrative Attorney Phone 463-4750  
Division Alaska Court System Date/Time 4/8/05 7:41 AM  
Approved by: Doug Wooliver for Stephanie Colo, Administrative Director Date 4/8/2005  
Agency Alaska Court System

# FISCAL NOTE

REPORTED OUT

MAY 7 2005

SENATE FINANCE  
COMMITTEE

STATE OF ALASKA  
2005 LEGISLATIVE SESSION

Fiscal Note Number: 2  
 Bill Version: CSHB 257(JUD)  
 (H) Publish Date: 4/25/05

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Statewide  
 Title An Act relating to a procurement and electronic RDU Statewide  
commerce tools program for state programs Component Statewide  
 Sponsor House Judiciary Committee  
 Requestor House Judiciary Committee Component No. \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	*	*	*	*	*	*

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

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Various in all state agencies						
<b>TOTAL</b>	*	*	*	*	*	*

Estimate of any current year (FY2005) cost: \_\_\_\_\_  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This bill will authorize the Department of Administration to contract with private sector firms to provide procurement services and electronic commerce tools. The bill would include additional procurement preferences and eliminate the sunset date and/or restrictions on the number of departments/ instrumentalities allowed within the program established under CH. 51, SLA 2003. The department has an existing contract for these services and tools. Only the Southeast Region of the Department of Transportation and Public Facilities is currently included under that contract. The contract may be amended to include additional state departments and instrumentalities.

The Department of Administration is not able to determine potential costs or savings that may result from this bill. The department continues to examine savings that may result from the existing procurement services and electronic commerce tools contract.

Prepared by: Vern Jones, Chief Procurement Officer Phone: 465-5684  
 Division: General Services Date/Time: 4/8/05 9:43 AM  
 Approved by: Mike Tibbles, Deputy Commissioner Date: 4/8/2005  
 Agency: Administration

# FISCAL NOTE

REPORTED OUT  
MAY 7 2005  
SENATE FINANCE  
COMMITTEE

STATE OF ALASKA  
2005 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: SCS CS HB 257(FIN)  
 ( ) Public's Date: 5/7/2005

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Administration  
 Title: State Procurement Electronic Tools RDU: \_\_\_\_\_  
 Component: \_\_\_\_\_  
 Sponsor: Senator Con Bunde Component No.: \_\_\_\_\_  
 Requester: Senate Finance Committee

**Expenditures/Revenues (Thousands of Dollars)**

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual	100.0	100.0	100.0			
Supplies						
Equipment	250.0					
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>350.0</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF	350.0	100.0	100.0			
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>350.0</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2005) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

Intent is to provide funds adequate for two agencies not included in the pilot procurement program to purchase e-Commerce software and a one year maintenance agreement that is substantially equivalent to the e-Commerce software used by the pilot procurement program in order to facilitate comparison of productivity and benefits delivery between state employees and private contractors.

Prepared by: Senator Con Bunde Phone 465-4843  
 Division: Senate Labor and Commerce Committee Date/Time 5/7/05 6:40 PM  
 Approved by: \_\_\_\_\_ Date 5/7/2005  
 Agency: \_\_\_\_\_

SENATE FINANCE *financed*  
COMMITTEE

Amendment Number: #1

Bill Number: HB 257

Sponsor: *Dyson* Date: *5/5/05*

Logged In By: *Mindy*

24-LS0826V.1

Bannister

5/4/05

*adopted*

AMENDMENT

OFFERED IN THE SENATE  
TO: CSHB 257(JUD)

BY SENATOR DYSON

1 Page 4, following line 20:

2 Insert a new subsection to read:

3 "(v) The contract authorized by (a) of this section must include terms that  
4 protect the interests of the state if the contractor stops performing or fails to perform  
5 the contractor's obligations under the contract. In order to allow the Department of  
6 Administration and the departments and other instrumentalities of the state  
7 participating in the pilot program authorized by (a) of this section to make the  
8 transition back to having state instrumentalities handle the activities provided by the  
9 contractor under the contract, these required terms must include provisions that

10 (1) give the Department of Administration and the departments and  
11 other instrumentalities of the state participating in the pilot program the right to use,  
12 for a reasonable period of time after the contractor stops performing or fails to  
13 perform the electronic commerce tools, including all software, used by the contractor  
14 to perform the contract; the provision required by this paragraph must allow use by the  
15 employees or contractors of the Department of Administration or the departments or  
16 other instrumentalities of the state participating in the pilot program; and

17 (2) require the contractor to provide *reasonable* ~~whatever~~ assistance ~~the contractor~~  
18 ~~is able to provide~~ to the Department of Administration and the departments and other  
19 instrumentalities of the state participating in the pilot program in using the electronic  
20 commerce tools referred to in (1) of this subsection and otherwise making the  
21 transition "

SENATE FINANCE COMMITTEE  
5/7/2005 COMMITTEE ACTION

Bill Number	HB 257		
Amendment	#1		
Motion	subpt		
<u>Motion by</u>	Dyson		
<u>Objection by</u>			
Removed			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Olson			
Senator Stedman			
Senator Bunde			
Senator Dyson			
Senator Hoffman			
Co-Chair Wilken			
Co-Chair Green			
<u>Tally</u>			
Yea			
Nay			
Absent			
<b>MOTION</b>	Amended & objsted		

SENATE CS FOR CS FOR HOUSE BILL NO. 257(FIN)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): HOUSE JUDICIARY COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to and extending the pilot program for state procurement and  
2 electronic commerce tools; and providing for an effective date."

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

4 \* Section 1. The uncodified law of the State of Alaska enacted by sec. 2(a), ch. 51, SLA  
5 2003, is amended to read:

6 (a) The Department of Administration may enter into a pilot program under  
7 which the Department of Administration [DEPARTMENT] contracts with a person  
8 from the private sector to provide for the delivery of procurement services and  
9 electronic commerce tools. The contract shall be awarded in accordance with  
10 competitive bidding procedures outlined in AS 36.30.

11 \* Sec. 2. The uncodified law of the State of Alaska enacted by sec. 2(b), ch. 51, SLA 2003,  
12 is repealed and reenacted to read:

13 (b) The pilot program [AUTHORIZED BY (a) OF THIS SECTION] may not  
14 apply to more than two state departments and two other instrumentalities of the state

1 [AND MAY NOT EXCEED THREE YEARS IN LENGTH].

2 \* Sec. 3. The uncodified law of the State of Alaska enacted by sec. 2(c), ch. 51, SLA 2003,  
3 is amended to read:

4 (c) A procurement conducted by the person selected under (a) of this section is  
5 not subject to AS 36.30 or to AS 36.15. However, [WHERE PRACTICABLE,] the  
6 procurement is subject to (e) - (u) of this section [SHALL BE MADE IN  
7 ACCORDANCE WITH PREFERENCES UNDER AS 36.15 AND AS 36.30.322 -  
8 36.30.338].

9 \* Sec. 4. The uncodified law of the State of Alaska enacted by sec. 2(d), ch. 51, SLA 2003,  
10 is amended by adding new paragraphs to read:

- 11 (2) "agency" has the meaning given in AS 36.30.990;  
12 (3) "agricultural products" has the meaning given in AS 36.15.050(g);  
13 (4) "Alaska bidder" has the meaning given in AS 36.30.170(b);  
14 (5) "Alaska product" has the meaning given in AS 36.30.338;  
15 (6) "contract" has the meaning given in AS 36.30.990;  
16 (7) "employment program" has the meaning given in AS 36.30.990;  
17 (8) "person" has the meaning given in AS 36.30.990;  
18 (9) "person with a disability" has the meaning given in AS 36.30.170;  
19 (10) "pilot program" means the program authorized by (a) of this  
20 section;  
21 (11) "program contractor" means the contractor selected by the  
22 department to manage the program;  
23 (12) "qualifying entity" has the meaning given in AS 36.30.170(c);  
24 (13) "recycled Alaska product" has the meaning given in  
25 AS 36.30.338.

26 \* Sec. 5. The uncodified law of the State of Alaska enacted by sec. 2, ch. 51, SLA 2003, is  
27 amended by adding new subsections to read:

28 (e) A contract based on solicited bids shall be awarded to the lowest  
29 responsive and responsible bidder after an Alaska bidder preference of five percent  
30 has been applied for evaluation purposes.

31 (f) If a bidder qualifies as an Alaska bidder and is offering services through an

1 employment program, a 15 percent cost preference shall be applied during evaluation.

2 (g) If a bidder is an Alaska bidder and is a qualifying entity, a 10 percent cost  
3 preference shall be applied during evaluation.

4 (h) If a bidder is an Alaska bidder and if 50 percent or more of the bidder's  
5 employees at the time the bid is submitted are persons with disabilities, a 10 percent  
6 cost preference shall be applied during evaluation. The contract must contain a  
7 promise by the bidder that the percentage of the bidder's employees who are persons  
8 with disabilities will remain at 50 percent or more during the contract term.

9 (i) Insurance-related contracts shall be awarded to the lowest responsive and  
10 responsible bidder after an Alaska bidder preference of five percent has been applied  
11 during evaluation. In this subsection, "Alaska bidder" means a person who is an  
12 Alaska bidder and an Alaska domestic insurer.

13 (j) Alaska products shall be used whenever practicable. Recycled Alaska  
14 products shall be used when they are of comparable quality, of equivalent price, and  
15 appropriate for the intended use.

16 (k) If a bid indicates that the product being purchased will be a recycled  
17 Alaska product, a cost preference of five percent shall be applied during evaluation.

18 (l) In a project financed by state money in which the use of timber, lumber,  
19 and manufactured lumber products is required, only timber, lumber, and manufactured  
20 lumber products originating in this state from local forests shall be used wherever  
21 practicable.

22 (m) When agricultural products are purchased, a seven percent cost preference  
23 shall be applied during evaluation to agricultural products harvested in the state.

24 (n) When fisheries products are purchased, a seven percent cost preference  
25 shall be applied during evaluation to fisheries products harvested or processed within  
26 the jurisdiction of the state.

27 (o) If a bid or offer designates the use of an Alaska product that is identified in  
28 the contract specifications and designated as a Class I, Class II, or Class III state  
29 product under AS 36.30.332, a cost preference equal to the percentage established for  
30 the class under AS 36.30.332(c) shall be applied to the product during evaluation. The  
31 program contractor shall use the Alaska product preference list, as described in

1 regulations of the department, as the basis for establishing the percentage of Alaska  
2 product preference.

3 (p) If a contractor designates the use of an Alaska product in a bid or proposal  
4 and fails to use the designated product for a reason within the contractor's control,  
5 each payment under the contract shall be reduced according to the schedule in  
6 AS 36.30.330(a).

7 (q) Except as provided under (r) of this section, all preferences are cumulative  
8 and shall be applied in the order referenced under (e) - (r) of this section.

9 (r) A bidder may not receive a preference under this section under both (e) and  
10 (f), (e) and (g) or (f) and (g) for the same contract.

11 (s) In order to qualify for a preference under (f), (g), or (h) of this section, a  
12 bidder shall add value by actually performing, controlling, managing, and supervising  
13 the services provided, or a bidder shall have sold supplies of the general nature  
14 solicited to another agency, to another government, or to the general public.

15 (t) When awarding a contract under competitive sealed proposals, the program  
16 contractor shall consider the preferences described in this section. Applicable  
17 preferences shall be applied solely to the cost portion of the proposals during  
18 evaluation.

19 (u) Informal procurements conducted by the program contractor are subject to  
20 the preferences described in this section.

21 (v) The contract authorized by (a) of this section must include terms that  
22 protect the interests of the state if the contractor stops performing or fails to perform  
23 the contractor's obligations under the contract. In order to allow the Department of  
24 Administration and the departments and other instrumentalities of the state  
25 participating in the pilot program\* to make the transition back to having state  
26 instrumentalities handle the activities provided by the contractor under the contract,  
27 these required terms must include provisions that

28 (1) give the Department of Administration and the departments and  
29 other instrumentalities of the state participating in the pilot program the right to use,  
30 for a reasonable period of time after the contractor stops performing or fails to  
31 perform, the electronic commerce tools, including all software, used by the contractor

Amendment #1

\* "authorized by (a) of this section" deleted. CS-P includes a definition of "pilot program". OK'd to Terry Banister

SCS CSIB 257(FIN)

✓

1 to perform the contract; the provision required by this paragraph must allow use by the  
2 employees or contractors of the Department of Administration or the departments or  
3 other instrumentalities of the state participating in the pilot program; and

4 (2) require the contractor to provide reasonable assistance to the Department  
5 of Administration and the departments and other instrumentalities of the state  
6 participating in the pilot program in using the electronic commerce tools referred to in  
7 (1) of this subsection and otherwise making the transition.

8 \* Sec. 6. Section 3, ch. 51, SLA 2003, is amended to read:

9 Sec. 3. Section 2 of this Act is repealed July 1, 2009 [2006].

10 \* Sec. 7. The uncodified law of the State of Alaska is amended by adding a new section to  
11 read:

12 APPLICABILITY. Nothing in this Act affects the validity of actions taken by the  
13 Department of Administration under ch. 51, SLA 2003, before the effective date of this Act.

14 \* Sec. 8. This Act takes effect immediately under AS 01.10.070(c).



Official Business

# Alaska State Senate

## Senate Finance Committee

Mail Stop 3100  
State Capitol  
Juneau, Alaska 99801-1182

### FAX COVER SHEET

DATE: 7 May 2005 TIME: 7:10pm

TO: Legal Services

NUMBER OF PAGES, INCLUDING COVER SHEET: 2

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

NOTES: Final Please  
~~2005~~ SCS CS HB 257 (FIN) 24-LS0826\ P  
Banister 5/7/05

Plus 1 amendment attached  
24-LS0826\ I. 1 - Amended

Thanks  
Mindy

SENATE FINANCE  
COMMITTEE

Amendment Number: # 1

Bill Number: HB 257

Sponsor: Dyson Date: 5/5/05

Logged In By: Mirndy

24-LS0826V.1

Bannister

5/4/05

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR DYSON

TO: CSHB 257(JUD)

1 Page 4, following line 20:

2 Insert a new subsection to read:

3 "(v) The contract authorized by (a) of this section must include terms that  
4 protect the interests of the state if the contractor stops performing or fails to perform  
5 the contractor's obligations under the contract. In order to allow the Department of  
6 Administration and the departments and other instrumentalities of the state  
7 participating in the pilot program authorized by (a) of this section to make the  
8 transition back to having state instrumentalities handle the activities provided by the  
9 contractor under the contract, these required terms must include provisions that

10 (1) give the Department of Administration and the departments and  
11 other instrumentalities of the state participating in the pilot program the right to use,  
12 for a reasonable period of time after the contractor stops performing or fails to  
13 perform, the electronic commerce tools, including all software, used by the contractor  
14 to perform the contract; the provision required by this paragraph must allow use by the  
15 employees or contractors of the Department of Administration or the departments or  
16 other instrumentalities of the state participating in the pilot program; and

17 (2) require the contractor to provide whatever assistance the contractor  
18 is able to provide to the Department of Administration and the departments and other  
19 instrumentalities of the state participating in the pilot program in using the electronic  
20 commerce tools referred to in (1) of this subsection and otherwise making the  
21 transition."

# 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

May 4, 2005

**SUBJECT:** CSHB 257(JUD) amendment relating to a pilot program for state procurement and electronic commerce tools (Work Order No. 24-LS0826A.1)

**TO:** Senator Fred Dyson  
Attn: Lucky

**FROM:**  Theresa Bannister  
Legislative Counsel

This memo accompanies a draft of the amendment described above.

Impairment of contracts issue. If the proposed amendment requires the parties to modify an existing contract with the pilot program contractor, this requirement may raise an issue under the constitutional prohibitions against the impairment of contracts.<sup>1</sup> The initial question appears to be whether or not the change in state law operates as a substantial impairment of the parties' contractual relationship.<sup>2</sup> Because this amendment is limited to the remedies under the contract and not the performance obligations of the contract, it may be considered not to be a substantial impairment of the contract.<sup>1</sup> So it may not be a problem, but I wanted you to be aware of the issue.

If I may be of further assistance, please advise.

TLB:jad  
05-251,jad

Enclosure

---

<sup>1</sup> U.S. Const. art. I, sec. 10; Alaska Const. art. I, sec. 15.

<sup>2</sup> 2 Rotunda and Nowak, Treatise on Constitutional Law 15.8, p. 654 (3rd ed. 1999).

<sup>3</sup> 2 Rotunda and Nowak, Treatise on Constitutional Law 15.8, p. 654 - 655 (3rd ed. 1999); and see Hagberg v. Alaska National Bank, 585 P.2d 559, 561 - 562 (Alaska 1978).

Adopted 0/7/05

WORK DRAFT

WORK DRAFT

WORK DRAFT

24-LS0826P  
Bannister  
5/7/05

SENATE CS FOR CS FOR HOUSE BILL NO. 257( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY

Offered:  
Referred:

Sponsor(s): HOUSE JUDICIARY COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to and extending the pilot program for state procurement and  
2 electronic commerce tools; and providing for an effective date."

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

4 \* Section 1. The uncodified law of the State of Alaska enacted by sec. 2(a), ch. 51, SLA  
5 2003, is amended to read:

6 (a) The Department of Administration may enter into a pilot program under  
7 which the Department of Administration [DEPARTMENT] contracts with a person  
8 from the private sector to provide for the delivery of procurement services and  
9 electronic commerce tools. The contract shall be awarded in accordance with  
10 competitive bidding procedures outlined in AS 36.30.

11 \* Sec. 2. The uncodified law of the State of Alaska enacted by sec. 2(b), ch. 51, SLA 2003,  
12 is repealed and reenacted to read:

13 (b) The pilot program [AUTHORIZED BY (a) OF THIS SECTION] may not  
14 apply to more than two state departments and two other instrumentalities of the state

1 [AND MAY NOT EXCEED THREE YEARS IN LENGTH].

2 \* Sec. 3. The uncodified law of the State of Alaska enacted by sec. 2(c), ch. 51, SLA 2003.  
3 is amended to read:

4 (c) A procurement conducted by the person selected under (a) of this section is  
5 not subject to AS 36.30 or to AS 36.15. However, [WHERE PRACTICABLE,] the  
6 procurement is subject to (e) - (u) of this section [SHALL BE MADE IN  
7 ACCORDANCE WITH PREFERENCES UNDER AS 36.15 AND AS 36.30.322 -  
8 36.30.338].

9 \* Sec. 4. The uncodified law of the State of Alaska enacted by sec. 2(d), ch. 51, SLA 2003,  
10 is amended by adding new paragraphs to read:

11 (2) "agency" has the meaning given in AS 36.30.990;

12 (3) "agricultural products" has the meaning given in AS 36.15.050(g);

13 (4) "Alaska bidder" has the meaning given in AS 36.30.170(b);

14 (5) "Alaska product" has the meaning given in AS 36.30.338;

15 (6) "contract" has the meaning given in AS 36.30.990;

16 (7) "employment program" has the meaning given in AS 36.30.990;

17 (8) "person" has the meaning given in AS 36.30.990;

18 (9) "person with a disability" has the meaning given in AS 36.30.170;

19 (10) "pilot program" means the program authorized by (a) of this  
20 section;

21 (11) "program contractor" means the contractor selected by the  
22 department to manage the program;

23 (12) "qualifying entity" has the meaning given in AS 36.30.170(e);

24 (13) "recycled Alaska product" has the meaning given in  
25 AS 36.30.338.

26 \* Sec. 5. The uncodified law of the State of Alaska enacted by sec. 2, ch. 51, SLA 2003, is  
27 amended by adding new subsections to read:

28 (e) A contract based on solicited bids shall be awarded to the lowest  
29 responsive and responsible bidder after an Alaska bidder preference of five percent  
30 has been applied for evaluation purposes.

31 (f) If a bidder qualifies as an Alaska bidder and is offering services through an

1 employment program, a 15 percent cost preference shall be applied during evaluation.

2 (g) If a bidder is an Alaska bidder and is a qualifying entity, a 10 percent cost  
3 preference shall be applied during evaluation.

4 (h) If a bidder is an Alaska bidder and if 50 percent or more of the bidder's  
5 employees at the time the bid is submitted are persons with disabilities, a 10 percent  
6 cost preference shall be applied during evaluation. The contract must contain a  
7 promise by the bidder that the percentage of the bidder's employees who are persons  
8 with disabilities will remain at 50 percent or more during the contract term.

9 (i) Insurance-related contracts shall be awarded to the lowest responsive and  
10 responsible bidder after an Alaska bidder preference of five percent has been applied  
11 during evaluation. In this subsection, "Alaska bidder" means a person who is an  
12 Alaska bidder and an Alaska domestic insurer.

13 (j) Alaska products shall be used whenever practicable. Recycled Alaska  
14 products shall be used when they are of comparable quality, of equivalent price, and  
15 appropriate for the intended use.

16 (k) If a bid indicates that the product being purchased will be a recycled  
17 Alaska product, a cost preference of five percent shall be applied during evaluation.

18 (l) In a project financed by state money in which the use of timber, lumber,  
19 and manufactured lumber products is required, only timber, lumber, and manufactured  
20 lumber products originating in this state from local forests shall be used wherever  
21 practicable.

22 (m) When agricultural products are purchased, a seven percent cost preference  
23 shall be applied during evaluation to agricultural products harvested in the state.

24 (n) When fisheries products are purchased, a seven percent cost preference  
25 shall be applied during evaluation to fisheries products harvested or processed within  
26 the jurisdiction of the state.

27 (o) If a bid or offer designates the use of an Alaska product that is identified in  
28 the contract specifications and designated as a Class I, Class II, or Class III state  
29 product under AS 36.30.332, a cost preference equal to the percentage established for  
30 the class under AS 36.30.332(c) shall be applied to the product during evaluation. The  
31 program contractor shall use the Alaska product preference list, as described in

1 regulations of the department. as the basis for establishing the percentage of Alaska  
2 product preference.

3 (p) If a contractor designates the use of an Alaska product in a bid or proposal  
4 and fails to use the designated product for a reason within the contractor's control,  
5 each payment under the contract shall be reduced according to the schedule in  
6 AS 36.30.330(a).

7 (q) Except as provided under (r) of this section, all preferences are cumulative  
8 and shall be applied in the order referenced under (e) - (r) of this section.

9 (r) A bidder may not receive a preference under this section under both (e) and  
10 (f), (e) and (g) or (f) and (g) for the same contract.

11 (s) In order to qualify for a preference under (f), (g), or (h) of this section, a  
12 bidder shall add value by actually performing, controlling, managing, and supervising  
13 the services provided, or a bidder shall have sold supplies of the general nature  
14 solicited to another agency, to another government, or to the general public.

15 (t) When awarding a contract under competitive sealed proposals, the program  
16 contractor shall consider the preferences described in this section. Applicable  
17 preferences shall be applied solely to the cost portion of the proposals during  
18 evaluation.

19 (u) Informal procurements conducted by the program contractor are subject to  
20 the preferences described in this section.

21 \* Sec. 6. Section 3, ch. 51, SLA 2003, is amended to read:

22 Sec. 3. Section 2 of this Act is repealed July 1, 2009 [2006].

23 \* Sec. 7. The uncodified law of the State of Alaska is amended by adding a new section to  
24 read:

25 APPLICABILITY. Nothing in this Act affects the validity of actions taken by the  
26 Department of Administration under ch. 51, SLA 2003, before the effective date of this Act.

27 \* Sec. 8. This Act takes effect immediately under AS 01.10.070(c).

# FISCAL NOTE

*Incorrect - per Lynn Smith*

STATE OF ALASKA  
2004 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: SCS CS HB 257  
( ) Publish Date: 5/5/2005

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Administration  
Title: State Procurement Electronic Tools BRU: \_\_\_\_\_  
Component: \_\_\_\_\_  
Sponsor: Senator Con Bunde  
Requester: Senate Finance Committee Component No.: \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual		100.0	100.0	100.0		
Supplies						
Equipment		250.0				
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>350.0</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>	<b>0.0</b>

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

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

FUND SOURCE	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<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 (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

Intent is to provide funds adequate for two agencies not included in the pilot procurement program to purchase e-Commerce software and a one year maintenance agreement that is substantially equivalent to the e-Commerce software used by the pilot procurement program in order to facilitate comparison of productivity and benefits delivery between state employees and private contractors.

Prepared by: Senator Con Bunde  
Division: Senate Labor and Commerce Committee  
Approved by: \_\_\_\_\_  
Agency: \_\_\_\_\_

Phone: 465-4843  
Date/Time: 5/5/05 5:02 PM  
Date: 5/5/2005

### HB 257 Fiscal Note:

Per testimony from public employee interests in the hearings on SB 160/ HB 257, the fiscal note would give similar sized procurement groups with state government substantially equivalent e-commerce tools that provide for a clear comparison of productivity and benefits. Funds in the fiscal note would be administered by the Department of Administration, Division of General Services.

### E-Commerce tools:

- Provide opportunity for two full other agencies not in the pilot program, operating with state employee procurement personnel, to acquire e-Commerce software that is substantially equivalent to the e-Commerce software used by the pilot procurement program in order to provide a comparison of results.
- For two full agencies, software estimate would be for \$250K for set-up and integration, and an estimated \$100K annually for maintenance and support. Tools would be deployed by 7/1/05. Total funding for FY 2006 would be \$350K.

### Performance Reviews:

Subject the two public sector agencies utilizing the tools to the same level of scrutiny as a private contractor under the pilot. OMB would do an audit review annually, to compare privatized and State employee performance using the e-commerce tools.

24-LS0826\X  
Bannister  
5/2/05

SENATE CS FOR CS FOR HOUSE BILL NO. 257( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY

Offered:  
Referred:

Sponsor(s): HOUSE JUDICIARY COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to and extending the pilot program for state procurement and  
2 electronic commerce tools; and providing for an effective date."

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

4 \* Section 1. The uncodified law of the State of Alaska enacted by sec. 2(a), ch. 51, SLA  
5 2003, is amended to read:

6 (a) The Department of Administration may enter into a pilot program under  
7 which the Department of Administration [DEPARTMENT] contracts with a person  
8 from the private sector to provide for the delivery of procurement services and  
9 electronic commerce tools. The contract shall be awarded in accordance with  
10 competitive bidding procedures outlined in AS 36.30.

11 \* Sec. 2. The uncodified law of the State of Alaska enacted by sec. 2(b), ch. 51, SLA 2003,  
12 is repealed and reenacted to read:

13 (b) The pilot program [AUTHORIZED BY (a) OF THIS SECTION] may not  
14 apply to more than two state departments and two other instrumentalities of the state

1 [AND MAY NOT EXCEED THREE YEARS IN LENGTH].

2 \* Sec. 3. The uncodified law of the State of Alaska enacted by sec. 2(c), ch. 51, SLA 2003,  
3 is amended to read:

4 (c) A procurement conducted by the person selected under (a) of this section is  
5 not subject to AS 36.30 or to AS 36.15. However, [WHERE PRACTICABLE,] the  
6 procurement is subject to (e) - (u) of this section [SHALL BE MADE IN  
7 ACCORDANCE WITH PREFERENCES UNDER AS 36.15 AND AS 36.30.322 -  
8 36.30.338].

9 \* Sec. 4. The uncodified law of the State of Alaska enacted by sec. 2(d), ch. 51, SLA 2003,  
10 is amended by adding new paragraphs to read:

11 (2) "agency" has the meaning given in AS 36.30.990;

12 (3) "agricultural products" has the meaning given in AS 36.15.050(g);

13 (4) "Alaska bidder" has the meaning given in AS 36.30.170(b);

14 (5) "Alaska product" has the meaning given in AS 36.30.338;

15 (6) "contract" has the meaning given in AS 36.30.990;

16 (7) "employment program" has the meaning given in AS 36.30.990;

17 (8) "person" has the meaning given in AS 36.30.990;

18 (9) "person with a disability" has the meaning given in AS 36.30.170;

19 (10) "pilot program" means the program authorized by (a) of this

20 section;

21 (11) "program contractor" means the contractor selected by the  
22 department to manage the program;

23 (12) "qualifying entity" has the meaning given in AS 36.30.170(e);

24 (13) "recycled Alaska product" has the meaning given in  
25 AS 36.30.338.

26 \* Sec. 5. The uncodified law of the State of Alaska enacted by sec. 2, ch. 51, SLA 2003, is  
27 amended by adding new subsections to read:

28 (e) A contract based on solicited bids shall be awarded to the lowest  
29 responsive and responsible bidder after an Alaska bidder preference of five percent  
30 has been applied for evaluation purposes.

31 (f) If a bidder qualifies as an Alaska bidder and is offering services through an

1 employment program, a 15 percent cost preference shall be applied during evaluation.

2 (g) If a bidder is an Alaska bidder and is a qualifying entity, a 10 percent cost  
3 preference shall be applied during evaluation.

4 (h) If a bidder is an Alaska bidder and if 50 percent or more of the bidder's  
5 employees at the time the bid is submitted are persons with disabilities, a 10 percent  
6 cost preference shall be applied during evaluation. The contract must contain a  
7 promise by the bidder that the percentage of the bidder's employees who are persons  
8 with disabilities will remain at 50 percent or more during the contract term.

9 (i) Insurance-related contracts shall be awarded to the lowest responsive and  
10 responsible bidder after an Alaska bidder preference of five percent has been applied  
11 during evaluation. In this subsection, "Alaska bidder" means a person who is an  
12 Alaska bidder and an Alaska domestic insurer.

13 (j) Alaska products shall be used whenever practicable. Recycled Alaska  
14 products shall be used when they are of comparable quality, of equivalent price, and  
15 appropriate for the intended use.

16 (k) If a bid indicates that the product being purchased will be a recycled  
17 Alaska product, a cost preference of five percent shall be applied during evaluation.

18 (l) In a project financed by state money in which the use of timber, lumber,  
19 and manufactured lumber products is required, only timber, lumber, and manufactured  
20 lumber products originating in this state from local forests shall be used wherever  
21 practicable.

22 (m) When agricultural products are purchased, a seven percent cost preference  
23 shall be applied during evaluation to agricultural products harvested in the state.

24 (n) When fisheries products are purchased, a seven percent cost preference  
25 shall be applied during evaluation to fisheries products harvested or processed within  
26 the jurisdiction of the state.

27 (o) If a bid or offer designates the use of an Alaska product that is identified in  
28 the contract specifications and designated as a Class I, Class II, or Class III state  
29 product under AS 36.30.332, a cost preference equal to the percentage established for  
30 the class under AS 36.30.332(c) shall be applied to the product during evaluation. The  
31 program contractor shall use the Alaska product preference list, as described in

1 regulations of the department, as the basis for establishing the percentage of Alaska  
2 product preference.

3 (p) If a contractor designates the use of an Alaska product in a bid or proposal  
4 and fails to use the designated product for a reason within the contractor's control,  
5 each payment under the contract shall be reduced according to the schedule in  
6 AS 36.30.330(a).

7 (q) Except as provided under (r) of this section, all preferences are cumulative  
8 and shall be applied in the order referenced under (e) - (r) of this section.

9 (r) A bidder may not receive a preference under this section under both (e) and  
10 (f), (e) and (g) or (f) and (g) for the same contract.

11 (s) In order to qualify for a preference under (f), (g), or (h) of this section, a  
12 bidder shall add value by actually performing, controlling, managing, and supervising  
13 the services provided, or a bidder shall have sold supplies of the general nature  
14 solicited to another agency, to another government, or to the general public.

15 (t) When awarding a contract under competitive sealed proposals, the program  
16 contractor shall consider the preferences described in this section. Applicable  
17 preferences shall be applied solely to the cost portion of the proposals during  
18 evaluation.

19 (u) Informal procurements conducted by the program contractor are subject to  
20 the preferences described in this section.

21 (v) The office of management and budget shall review the pilot program each  
22 year, beginning with a review for 2005. The review shall begin after December 31 of  
23 the year being reviewed. The office of management and budget shall provide the  
24 Department of Administration with a report of the review on or before February 28 of  
25 the calendar year that follows the year being reviewed.

26 (w) The review and report required by (v) of this section must include

27 (1) the planned and actual personnel cost savings achieved by the pilot  
28 program;

29 (2) the extent and effectiveness of the use of electronic commerce tools  
30 in the pilot program;

31 (3) an assessment, after the pilot program is fully implemented and

1 given adequate time to develop its operation, of the costs of goods and services during  
2 the pilot program; the assessment must include comparisons, including the results  
3 achieved, between catalog-based procurements and non-catalog-based procurements;  
4 the time frame of the assessment must cover July through December of the year in  
5 which the review occurs;

6 (4) the total combined cost savings achieved by the pilot program from  
7 personnel, overhead, and purchased goods and services;

8 (5) an analysis, after the pilot program is fully implemented, of the  
9 average time for processing procurements under the pilot program;

10 (6) comparisons of the pilot program with comparable measures from  
11 instrumentalities of the state that are not involved in the pilot program; and

12 (7) an identification of obstacles to achieving the goals of the pilot  
13 program.

14 \* Sec. 6. Section 3, ch. 51, SLA 2003, is amended to read:

15 Sec. 3. Section 2 of this Act is repealed July 1, 2009 [2006].

16 \* Sec. 7. The uncodified law of the State of Alaska is amended by adding a new section to  
17 read:

18 APPLICABILITY. Nothing in this Act affects the validity of actions taken by the  
19 Department of Administration under ch. 51, SLA 2003, before the effective date of this Act.

20 \* Sec. 8. This Act takes effect immediately under AS 01.10.070(c).

**HB**

**2666**

**HFIN**

**FILE**



THE  
FOLLOWING  
DOCUMENT(S)  
ARE  
POOR  
ORIGINAL  
COPIES

# FISCAL NOTE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

Fiscal Note Number: 14  
Bill Version: CSHB 266(FIN)  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Commerce  
Title: Vehicle Weights and Insurance RDU: Insurance (116)  
Component: Insurance  
Sponsor: House Transportation  
Requester: House Finance Component No.: 354

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
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>

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

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

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1007 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 (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This legislation prohibits the use of a violation of a vehicle weight limitation for certain personal automobile insurance actions. It has no fiscal impact of the operations of the Division of Insurance.

Prepared by: Linda S. Hall, Director  
Division: Insurance  
Approved by: William C. Noll, Commissioner  
Agency: Commerce, Community and Economic Development

Phone: 907-269-7900  
Date/Time: 1/23/06 5:05 PM  
Date: 1/23/2006

# FISCAL NOTE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

Fiscal Note Number:       #5        
Bill Version:       HB266CS-DOT-530-01-2        
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected:       DOT&PF        
Title:       Vehicle Weights and Insurance       RDU:       Administration & Support        
Component:       Commissioner's Office        
Sponsor:       House Transportation        
Requester:       House Finance       Component No.:       530      

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
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>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF Program Receipts						
1007 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 (FY2006) cost:       0.0        
Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

Prepared by:       John Malby       Phone:       465-5094        
 Division:       Legislative Council, DOT&PF       Date/Time:       10/06/11 3:07 PM        
 Approved by:       Mike Barton       Date:       10/06/11        
 Agency:       Commissioner, DOT&PF

# FISCAL NOTE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

#6

Fiscal Note Number: \_\_\_\_\_  
Bill Version: CSHB266-AW-C&S-1-2  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: \_\_\_\_\_  
Title: "An Act relating to offenses and penalties for RDU CIVIL  
violation of vehicle weight limitation for certain personal..." Component Collections and Support  
Sponsor: House Transportation Committee  
Requester: House Judiciary Component No. \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
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>CHANGE IN REVENUES ( GF )</b>	*****	*****	*****	*****	*****	*****
----------------------------------	-------	-------	-------	-------	-------	-------

**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 (FY2006) cost: 0.0  
Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This bill amends AS 21.36 preventing an automobile insurer from taking a diverse action against an insured driver because of a violation relating to an overweight vehicle. The bill repeals and reenacts AS 45.75.380 (b) (Weights and Measures Act - General Provisions) by specifying a new fine schedule for violations of certain weight, load or size restrictions. The bill also specifies that a motor carrier who is found to exhibit a pattern or practice of violations under AS 45.75.380 (a)(10) or (11) is subject to a \$10,000 dollar fine in addition to other applicable fines. The current law imposes a per incident fine of \$500, as well as a \$.05 fine for each pound over the weight limit. The Department of Law's Collections section already bears responsibility for collecting any fines imposed under the current structure to the extent they are forwarded for collection by the Court system. There may be an indeterminate change to the amount collected through passage of this legislation. There should not be an impact to workload.

Prepared by: Kathryn Daughhete, Director Phone: 465-3073  
Division: Administrative Services Division Date/Time: 1/25/06 8:33 AM  
Approved by: Kathryn Daughhete for David Marquez, Attorney General Date: 1/25/2006  
Agency: Department of Law



BS moved / objected

1/25/06

adopted

24-LS0860V  
Bailey  
1/23/06

**CS FOR HOUSE BILL NO. 266( )**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-FOURTH LEGISLATURE - SECOND SESSION**

**BY**

**Offered:  
Referred:**

**Sponsor(s): HOUSE TRANSPORTATION COMMITTEE**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to penalties for violation of vehicle weight limitations; prohibiting the  
2 use of a violation of a vehicle weight limitation for certain personal automobile  
3 insurance actions; amending Rule 43.6, Alaska Rules of Administration; and providing  
4 for an effective date."

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

6 \* Section 1. AS 21.36 is amended by adding a new section to read:

7       Sec. 21.36.307. Effect of overweight vehicle offenses on personal  
8       automobile insurance. (a) An insurer may not take adverse action relating to the  
9       personal automobile insurance of a driver who commits one or more violations related  
10       to an overweight vehicle under AS 45.75.380(a)(10) or (11).

11       (b) In this section, "adverse action" means the cancellation, refusal to insure,  
12       denial or failure to renew, increase in premiums, placement with an affiliate that  
13       charges higher premiums or offers less favorable policy terms, or any other action that  
14       increases the cost or decreases the extent of coverage or availability of personal

1 automobile insurance to the driver.

2 \* Sec. 2. AS 45.75.380(b) is repealed and reenacted to read:

3 (b) Notwithstanding the maximum fine for a violation provided under (a) of  
4 this section, a person who does one or more of the acts in (a)(10) or (11) of this  
5 section, shall pay a penalty as follows:

6 (1) if the vehicle is 1,001 - 2,000 pounds overweight, the fine is \$100;

7 (2) if the vehicle is 2,001 - 4,000 pounds overweight, the fine is \$.07  
8 for each pound over the weight limitation;

9 (3) if the vehicle is 4,001 - 6,000 pounds overweight, the fine is \$.09  
10 for each pound over the weight limitation;

11 (4) if the vehicle is 6,001 - 10,000 pounds overweight, the fine is \$.12  
12 for each pound over the weight limitation;

13 (5) if the vehicle is 10,001 or more pounds overweight, the fine is \$.15  
14 for each pound over the weight limitation.

15 \* Sec. 3. The uncodified law of the State of Alaska is amended by adding a new section to  
16 read:

17 **INDIRECT COURT RULE AMENDMENT.** Section 2 of this Act has the effect of  
18 changing Rule 43.6, Alaska Rules of Administration, by increasing the maximum fine for  
19 overweight vehicle violations.

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

22 **TWO-THIRDS VOTE NOT REQUIRED.** Because Rule 43.6, Alaska Rules of  
23 Administration, was adopted under the Alaska Supreme Court's interpretive authority  
24 exercised under art. IV, sec. 1, Constitution of the State of Alaska, sec. 2 of this Act takes  
25 effect for purposes of Rule 43.6, Alaska Rules of Administration, without needing to meet the  
26 two-thirds vote requirement normally applicable to changing court rules under art. IV, sec. 15,  
27 Constitution of the State of Alaska.

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

30 **APPLICABILITY.** (a) Section 1 of this Act applies to an adverse action taken by an  
31 insurer on or after the effective date of this Act relating to a violation of vehicle weight

1 limitations occurring before, on, or after the effective date of this Act.

2 (b) Section 2 of this Act applies to an offense committed on or after the effective date  
3 of this Act.

4 \* Sec. 6. This Act takes effect immediately under AS 01.10.070(c).

# ALASKA STATE LEGISLATURE

## INTERIM

50 Front Street  
Suite 203  
Ketchikan, Alaska 99901  
Phone (907) 247-4672  
Fax: (907) 225-8546



## SESSION

Suite 416  
State Capitol Building  
Juneau, Alaska 99801  
Phone: (907) 465-3424  
Fax: (907) 465-3793

## REPRESENTATIVE JIM ELKINS

House Bill 266 " An Act relating to offenses and penalties for violation of vehicle weight limitations; prohibiting the use of a violation of a vehicle weight limitation for certain personal automobile insurance actions" modifies existing law related to the penalty structure for overweight vehicle violations as well as prohibiting the use of overweight vehicle violations by insurers.

This legislation proposes is the first increase in penalties since the existing provisions were established in the 1970s. Existing provisions do not adequately inhibit commercial shipping companies and others from violating overweight vehicle limitations. The proposed modification establishes a graduated penalty for the amount of weight in excess of the limitations set by statute, regulation and/or permit.

There is also a new offense established to sanction shippers or carriers who commit or allow those working for them to commit a combined total of 12 or more violations during any twelve-month period. The maximum fine for this violation is \$10,000. This modification is expected to result in commercial shippers and carriers being more rigorous toward compliance with overweight vehicle limitations.

Another provision of the bill prohibits the use of overweight vehicle violations for use by insurers to adversely impact decisions related to providing private automobile insurance coverage for drivers. In the majority of cases, the driver has little knowledge or ability to limit the weight of the load placed on the vehicle they are assigned to drive. As a result, the company causes the violation and, if cited, pays the fine imposed.

Currently, overweight vehicle violations are used by insurers as justification to take adverse action in relation to the personal automobile insurance coverage of truck drivers. Section 1 of the bill would prohibit this action.

This legislation will protect drivers who do not know they are in violation and our roads from overweight vehicles in Alaska. The Department of Transportation, Teamsters, and Horizon Shipping Lines all support HB 266, and we urge your support.

# ALASKA STATE LEGISLATURE

## INTERIM

50 Front St.  
Suite #203  
Ketchikan, Alaska 99901  
Phone: (907) 247-4672  
Fax: (907) 225-7157



## SESSION

Suite 416  
State Capitol Building  
Juneau, Alaska 99801  
Phone: (907) 465-3424  
Fax: (907) 465-3793

## REPRESENTATIVE JIM ELKINS

---

### House Bill 266 Sectional Analysis

**Section 1** Adds AS 21.36.307; prohibiting an insurer from taking adverse action relating to the personal automobile insurance of a driver who commits one or more violations relating to overweight vehicles under AS 45.75.380(a)(10) or (11). Defines "adverse action."

**Section 2** Repeals and reenacts AS 45.75.380 (b). Establishes the maximum fines for overweight vehicles according to the weight-range in which the overweight amount falls.

**Section 3** Adds a new section to uncodified law to recognize that sec.2 of the Act amends Rule 43.6, Alaska Rules of Administration, by increasing the maximum fines for overweight vehicles.

**Section 4** Adds a new section to uncodified law to state that a two-thirds vote is not required for sec. 2.

**Section 5** Adds a new section to uncodified law to state the applicability of sec. 1 and 2 of the Act. Section 1 applies to an adverse action by an insurer on or after the effective date of the Act based on an overweight vehicle violation occurring before, on, or after the effective date of the Act. Section 2 applies to offenses committed on or after the effective date.

**Section 5** Provides for an immediate effective date.



CSHB 266  
OVERWEIGHT PENALTY BILL Testimony  
AVES D. THOMPSON, DIRECTOR  
MEASUREMENT STANDARDS AND  
COMMERCIAL VEHICLE ENFORCEMENT  
Alaska Department of Transportation and  
Public Facilities  
January 25, 2006

**Section 1** of the bill prohibits the use of overweight vehicle violations by insurers to adversely impact decisions related to providing private automobile insurance coverage for drivers. In the majority of cases, the driver has little knowledge or ability to limit the weight of the load placed on the vehicle they are assigned to drive. As a result, the company usually is responsible for the violation and, if cited, usually pays the fine imposed. At present, overweight vehicle violations are being used by insurers as justification to take adverse action in relation to the personal automobile insurance coverage of the involved drivers. Individual drivers have seen the insurance rates on their personal vehicles increase as a result of overweight citations when more often than not, they are not the responsible party.

**Section 2** of this bill modifies existing law related to the penalty structure for overweight vehicle violations. This is the first

increase in penalties since the existing provisions were established in the 1970s. The existing provisions do not adequately deter commercial shipping companies, some motor carriers and others from violating overweight vehicle limitations. The proposed modification establishes a graduated penalty for the amount of weight in excess of the limitations set by regulation or permit. The packet presented to you contains an example of the proposed fines, the results of a survey of western state members of WASHTO and a comparison of the revenue under the old and new penalty using CY2004 data on citations issued. You can clearly see the percentage increase in the fines and the rate of the fine that increases as the amount of overweight increases. A review of the survey of the WASHTO states fines reveals that our proposed fine structure is about in the middle of the range for the WASHTO states. Revenue projections are found on the last page of the Revenue Comparison spreadsheet. While the dollar amount of the increased revenue is not great, the percentage increase is significant. With increased mobile enforcement by our

## Overweight Penalty Bill Testimony

---

commercial vehicle enforcement officers and the support of higher penalties for operating overweight, we send an important message that we intend to protect our infrastructure.

Infrastructure protection is a major issue as repair and maintenance costs resulting from illegal damage to our streets, roads and highways continue to escalate. We need to provide a sufficient deterrence to the loading of illegal overweight trucks.

We urge you to give favorable consideration to this proposed legislation and move it forward for additional consideration.

I'll try to answer any questions. Thank you.

December 15, 1983

To: Alaska Trucking Association

Re: ATA Board of Directors

RE: HB 266

The Board of Directors has voted unanimously to support House Bill 266 with the amendments as written and approved at the December board meeting. This bill will be a major step in solving issues dealing with over-weight vehicles. We will be working with the legislature to seek the bill passage into law.

Sincerely,  
Alaska Trucking Association

  
Michael Bell  
Director



**ALASKA TRUCKING ASSOCIATION, INC.**3443 Minnesota Drive • Anchorage, Alaska 99503 • PHONE (907) 276-1149 • FAX (907) 274-1946

---

Representative Carl Gatto  
State Capitol Room 411  
Juneau, Alaska 99801-1182

Re: HB 266

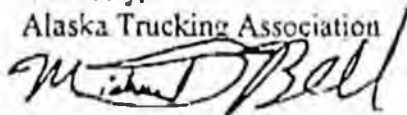
Dear Representative Carl Gatto:

The Alaska Trucking Association opposes the implementation of HB 266 in to law. The ATA Board of Directors voted 15-2 opposing the bills intention to increase vehicle weight limitations. We feel that this bill:

- Continues the practice of placing the burden of operating an overweight vehicle on the driver as a criminal offence, forcing them to seek reimbursement from the shippers who load the container in the lower 48 or internationally.
- Has unintended consequences that may hinder small carriers who are unable to wage legal battles to receive reimbursement from shippers who violate rules through incorrectly noting weight on bill of lading.
- Handicap heavy vehicle operators who are dispatched to move a piece of heavy equipment which have zero opportunity to assure that their load is loaded legally across their 18 axels.
- Magnify the current severe deficiency of validated scales in the state, loads that do not originate in Anchorage have little opportunity to accurately scale their vehicles prior to crossing weight stations.

These are several of the reasons that the Alaska Trucking Association feels that this bill should be tabled to reexamine these issue and provide measurable fixes to promote commerce and sustain infrastructure in the state.

Sincerely,  
Alaska Trucking Association



Michael Bell,  
Director



# Example of Proposed Overweight Penalty

DOT&PF, MSCVE

January 25, 2006

Overweight Ranges	Penalty per Pound	Amount of overweight	Total Penalty	Percent Change
1,001 to 2,000 lbs.	\$100 flat	2,000	\$ 100	0
2,001 to 4,000 lbs.	0.07 / lb	4,000	\$ 280	40%
4,001 to 6,000 lbs.	0.09 / lb	6,000	\$ 540	80%
6,001 to 10,000 lbs.	0.12 / lb	10,000	\$ 1,200	140%
over 10,000 lbs.	0.15 / lb	30,000	\$ 4,500	200%

# WASHTO Overweight Penalty Survey

## WASHTO States

Overweight Penalty Survey - Amount of Fine at the following weights.

WASHTO State	Criminal (CR) Civil (CI)	2,000#	4,000#	6,000#	8,000#	10,000#	20,000#	30,000#	
AK Proposed	CR	\$100	\$280	\$540	\$960	\$1,200	\$3,000	\$4,500	
AK	CR traffic	\$100	\$200	\$300	\$400	\$500	\$1,000	\$1,500	
AZ	CI	\$300	\$980	\$1,500	\$1,700	\$1,900	\$2,900	\$3,900	
CA	CR	\$40	\$125	\$240	\$640	\$2,000	\$4,000	\$6,000	
CO	CR Traffic	\$22.50	\$37.50	\$141.50	\$451.60	\$911.70	\$2,639.70	\$4,411.70	
HI									
ID	CR Misdemeanor	\$ 15 + court cost	\$ 25 + court cost	\$293.2 + court cost	\$561.4 + court cost	\$829.6 + court cost	\$2500 + court cost	\$5500 + court cost	
MT	CR	\$210	\$260	\$310	\$385	\$410	\$1,135	\$2,135	
NE*	See below								
NV	CR Misdem/ by court	\$15	\$50	\$110	\$200	\$320	\$1,120	\$1,920	
NM	CR	\$25	\$80	\$125	\$275	\$425	\$1,000	\$1,000	
ND	CI	\$40	\$140	\$305	\$495	\$655	\$3,000	\$6,000	
OK	CR	\$258.90	\$358.90	\$458.90	\$558.90	\$628.90	\$628.90	\$628.90	
OR	CR/misdem/traffic	\$79	\$257	\$876	\$1,296	\$1,596	\$4,896	\$7,296	
SD	CR + CI	\$250	\$450	\$1,050	\$1,800	\$2,550	\$10,050	\$17,550	
TX	CR Misdemeanor	\$100	\$150	\$340	\$420	\$500	\$750	\$1000 Max	
UT	CR/classB/Misd (1)	\$50	\$170	\$350	\$450	\$650	\$1,850	calculation	(1) axle weight
	CR/classB/Misd (2)	\$50	\$200	\$350	\$450	\$550	\$1,050		(2) gross weight
WA	CR	\$223	\$283	\$523	\$763	\$1,003	\$2,803	\$5,803	
WY	CR	\$55	\$80	\$105	\$130	\$180	\$530	\$1,780	
NE	% over legal weight	0-5%	5-10%	10-15%	15-20%	20-25%	25%+		
	Gross weight	\$25	\$100	\$200	\$350	\$600	\$1,000		
NE	% over legal weight	0-5%	5-10%	10-15%	15-20%	20-25%	25-30%	40-45%	50%+
	Axle weight	\$25	\$75	\$150	\$350	\$500	\$750	\$1,550	\$2,500

18 states total  
15 Criminal  
3 Civil  
1 not reported

Overweight Uniform Traffic Citations (UTC) CY2004  
 HB266 Revenue Comparisons

Citation	Over Weight Offence	Date	lbs Owt	Bail	Surcharge	Total	New Rate	Bail	Surcharge	Total
G66469	17AAC 25.013(a)(2)	11/1/04	11360	\$568.00	\$10.00	\$578.00	\$0.15	\$1,704.00	\$10.00	\$1,714.00
G67923	17AAC 25.013.(c)	11/2/04	3140	\$157.00	\$10.00	\$167.00	\$0.07	\$219.80	\$10.00	\$229.80
G67862	17AAC 25.013.(c)	11/2/04	3280	\$164.00	\$10.00	\$174.00	\$0.07	\$229.60	\$10.00	\$239.60
G66435	17AAC 25.013.(a) (2)	9/21/04	2680	\$134.00	\$10.00	\$144.00	\$0.07	\$187.60	\$10.00	\$197.60
G66565	17AAC 25.013.(a)(1)	10/20/04	4800	\$240.00	\$10.00	\$250.00	\$0.09	\$432.00	\$10.00	\$442.00
G67905	17AAC 25.013.(c)	11/2/04	3420	\$171.00	\$10.00	\$181.00	\$0.07	\$239.40	\$10.00	\$249.40
G64641	17AAC 25.013.(a) (2)	5/4/04	5740	\$287.00	\$10.00	\$297.00	\$0.09	\$516.60	\$10.00	\$526.60
G66432	17AAC 25.013.(a) (3)	9/13/04	2700	\$135.00	\$10.00	\$145.00	\$0.07	\$189.00	\$10.00	\$199.00
G65260	17AAC 25.013.(a) (2)	8/2/04	1460	\$73.00	\$10.00	\$83.00	\$100.00	\$100.00	\$10.00	\$110.00
G69148	17AAC 25.013.(a) (2)	8/2/04	2340	\$117.00	\$10.00	\$127.00	\$0.07	\$163.80	\$10.00	\$173.80
G67816	17AAC 25.013(a)(2)	12/14/04	4380	\$219.00	\$10.00	\$229.00	\$0.09	\$394.20	\$10.00	\$404.20
G65761	17AAC 25.013.(a) (2)	7/22/04	6280	\$314.00	\$10.00	\$324.00	\$0.12	\$753.60	\$10.00	\$763.60
G69112	17AAC 25.013. (a)(3)	4/27/04	5460	\$273.00	\$10.00	\$283.00	\$0.09	\$491.40	\$10.00	\$501.40
G69122	17AAC 25.013.(a) (2)	5/12/04	8300	\$415.00	\$10.00	\$425.00	\$0.12	\$996.00	\$10.00	\$1,006.00
G69145	17AAC 25.013.(a) (2)	7/27/04	7140	\$357.00	\$10.00	\$367.00	\$0.12	\$856.80	\$10.00	\$866.80
G67802	17AAC 25.013.(a) (2)	8/27/04	3180	\$159.00	\$10.00	\$169.00	\$0.07	\$222.60	\$10.00	\$232.60
G67881	17AAC 25.013.(c)	9/13/04	23460	\$1,198.00	\$10.00	\$1,208.00	\$0.15	\$3,519.00	\$10.00	\$3,529.00
G67912	17AAC 25.013(a)(3)	11/9/04	5600	\$280.00	\$10.00	\$290.00	\$0.09	\$504.00	\$10.00	\$514.00
G67906	17AAC 25.013.(c)	11/3/04	4520	\$266.00	\$10.00	\$276.00	\$0.09	\$406.80	\$10.00	\$416.80
G67812	17AAC 25.013(a)(2)	11/15/04	7820	\$393.00	\$10.00	\$403.00	\$0.12	\$938.40	\$10.00	\$948.40
G67915	17AAC 25.013.(c)	11/10/04	2540	\$127.00	\$10.00	\$137.00	\$0.07	\$177.80	\$10.00	\$187.80
G68452	17AAC 25.013(a)(2)	11/27/04	2360	\$118.00	\$10.00	\$128.00	\$0.07	\$165.20	\$10.00	\$175.20
G67869	17AAC 25.013.(c)	11/24/04	2220	\$111.00	\$10.00	\$121.00	\$0.07	\$155.40	\$10.00	\$165.40
G65784	17AAC 25.013(a)(2)	12/8/04	2520	\$126.00	\$10.00	\$136.00	\$0.07	\$176.40	\$10.00	\$186.40
G67872	17AAC 25.013.(c)	12/2/04	2080	\$104.00	\$10.00	\$114.00	\$0.07	\$145.60	\$10.00	\$155.60
G67508	17AAC 25.013.(a) (2)	5/3/04	7040	\$352.00	\$10.00	\$362.00	\$0.12	\$844.80	\$10.00	\$854.80
G67854	17AAC 25.013.(c)	10/20/04	2240	\$112.00	\$10.00	\$122.00	\$0.07	\$156.80	\$10.00	\$166.80
G66590	17AAC 25.013(a)(2)	11/24/04	2180	\$109.00	\$10.00	\$119.00	\$0.07	\$152.60	\$10.00	\$162.60
G69110	17AAC 25.013.(a) (2)	4/26/04	2240	\$112.00	\$10.00	\$122.00	\$0.07	\$156.80	\$10.00	\$166.80
G68540	17AAC 25.013.(c)	9/23/04	6840	\$342.00	\$10.00	\$352.00	\$0.12	\$820.80	\$10.00	\$830.80
G67880	17AAC 25.013.(c)	9/10/04	3880	\$194.00	\$10.00	\$204.00	\$0.07	\$271.60	\$10.00	\$281.60
G66104	17AAC 25.013.(a) (1)	8/5/04	4100	\$205.00	\$10.00	\$215.00	\$0.09	\$369.00	\$10.00	\$379.00
G66437	17AAC 25.013.(a) (2)	9/22/04	2760	\$138.00	\$10.00	\$148.00	\$0.07	\$193.20	\$10.00	\$203.20
G69183	17AAC 25.013.(a) (3)	9/14/04	6200	\$310.00	\$10.00	\$320.00	\$0.12	\$744.00	\$10.00	\$754.00
G66364	17AAC.25.013(a)(2)	1/22/04	4180	\$209.00	\$10.00	\$219.00	\$0.09	\$376.20	\$10.00	\$386.20
G70183	17AAC 25.013(a)(2)	12/21/04	2000	\$100.00	\$10.00	\$110.00	\$100.00	\$100.00	\$10.00	\$110.00

Overweight Uniform Traffic Citations (UTC) CY2004  
 HB266 Revenue Comparisons

Citation	Over Weight Offence	Date	lbs Owt	Bail	Surcharge	Total	New Rate	Bail	Surcharge	Total
G70178	17AAC 25.013(a)(3)	12/2/04	1660	\$83.00	\$10.00	\$93.00	\$100.00	\$100.00	\$10.00	\$110.00
G67884	17AAC 25.013.(c)	9/20/04	3240	\$162.00	\$10.00	\$172.00	\$0.07	\$226.80	\$10.00	\$236.80
G68405	17AAC 25.013.(a) (2)	5/24/04	8220	\$411.00	\$10.00	\$421.00	\$0.12	\$986.40	\$10.00	\$996.40
G68548	17AAC 25.013.(c)	10/14/04	1860	\$93.00	\$10.00	\$103.00	\$100.00	\$100.00	\$10.00	\$110.00
G67560	17AAC.25.013(a)(2)	1/18/04	2140	\$107.00	\$10.00	\$117.00	\$0.07	\$149.80	\$10.00	\$159.80
G678	17AAC 25.013 (a) (3)		9880	\$494.00	\$10.00	\$504.00	\$0.12	\$1,185.60	\$10.00	\$1,195.60
G66436	17AAC 25.013.(a) (2)	9/21/04	2560	\$128.00	\$10.00	\$138.00	\$0.07	\$179.20	\$10.00	\$189.20
G66430	17AAC 25.013.(a) (2)	9/2/04	2280	\$114.00	\$10.00	\$124.00	\$0.07	\$159.60	\$10.00	\$169.60
G66429	17AAC 25.013.(a) (2)	9/2/04	9580	\$479.00	\$10.00	\$489.00	\$0.12	\$1,149.60	\$10.00	\$1,159.60
G65785	17AAC 25.013(a)(2)	12/8/04	7180	\$359.00	\$10.00	\$369.00	\$0.12	\$861.60	\$10.00	\$871.60
G67857	17AAC 25.013.(c)	10/22/04	3420	\$171.00	\$10.00	\$181.00	\$0.07	\$239.40	\$10.00	\$249.40
G67858	17AAC 25.013.(c)	10/22/04	3400	\$170.00	\$10.00	\$180.00	\$0.07	\$238.00	\$10.00	\$248.00
G66530	17AAC 25.013(a)(2)	11/10/04	3000	\$150.00	\$10.00	\$160.00	\$0.07	\$210.00	\$10.00	\$220.00
G66796	17AAC 25.013(a)(1)	12/11/04	2340	\$117.00	\$10.00	\$127.00	\$0.07	\$163.80	\$10.00	\$173.80
G66574	17AAC 25.013(a)(3)	11/27/04	4080	\$204.00	\$10.00	\$214.00	\$0.09	\$367.20	\$10.00	\$377.20
G66258	17AAC 25.013. (a)(2)	4/19/04	3100	\$155.00	\$10.00	\$165.00	\$0.07	\$217.00	\$10.00	\$227.00
G66190	17AAC 25.013.(a) (3)	5/21/04	2350	\$117.00	\$10.00	\$127.00	\$0.07	\$164.50	\$10.00	\$174.50
G66786	17AAC 25.013.(a) (2)	9/15/04	4860	\$243.00	\$10.00	\$253.00	\$0.09	\$437.40	\$10.00	\$447.40
G66494	17AAC 25.013.(a) (2)	7/22/04	2600	\$130.00	\$10.00	\$140.00	\$0.07	\$182.00	\$10.00	\$192.00
G66563	17AAC 25.013.(a) (1)	9/24/04	2100	\$105.00	\$10.00	\$115.00	\$0.07	\$147.00	\$10.00	\$157.00
G67568	17AAC 25.013.(c)	11/2/04	6560	\$328.00	\$10.00	\$338.00	\$0.12	\$787.20	\$10.00	\$797.20
G69117	17AAC 25.013.(a) (2)	4/30/04	6520	\$326.00	\$10.00	\$336.00	\$0.12	\$782.40	\$10.00	\$792.40
G65544	17AAC.25.013(a)(2)	1/20/04	4100	\$205.00	\$10.00	\$215.00	\$0.09	\$369.00	\$10.00	\$379.00
G65643	17AAC.25.013(a)(2)	1/13/04	2960	\$148.00	\$10.00	\$158.00	\$0.07	\$207.20	\$10.00	\$217.20
G67563	17AAC.25.013(a)(2)	2/24/04	5400	\$270.00	\$10.00	\$280.00	\$0.09	\$486.00	\$10.00	\$496.00
G66251	17AAC 25.013(a)(2)	2/25/04	1480	\$74.00	\$10.00	\$84.00	\$100.00	\$100.00	\$10.00	\$110.00
G65865	17AAC 25.013. (a)(2)	3/17/04	4200	\$210.00	\$10.00	\$220.00	\$0.09	\$378.00	\$10.00	\$388.00
G65868	17AAC 25.013. (a)(2)	3/23/04	6850	\$342.50	\$10.00	\$352.50	\$0.12	\$822.00	\$10.00	\$832.00
G65869	17AAC 25.013. (a)(2)	3/23/04	7060	\$353.00	\$10.00	\$363.00	\$0.12	\$847.20	\$10.00	\$857.20
G65870	17AAC 25.013. (a)(2)	3/25/04	3140	\$157.00	\$10.00	\$167.00	\$0.07	\$219.80	\$10.00	\$229.80
G65598	17AAC 25.013. (a)(2)	4/22/04	3340	\$167.00	\$10.00	\$177.00	\$0.07	\$233.80	\$10.00	\$243.80
G66790	17AAC 25.013 (a) (2)	9/28/04	2680	\$134.00	\$10.00	\$144.00	\$0.07	\$187.60	\$10.00	\$197.60
G66433	17AAC 25.013 (a) (2)	9/15/04	4400	\$220.00	\$10.00	\$230.00	\$0.09	\$396.00	\$10.00	\$406.00
G66785	17AAC 25.013 (a) (2)	9/15/04	2540	\$127.00	\$10.00	\$137.00	\$0.07	\$177.80	\$10.00	\$187.80
G66789	17AAC 25.013 (a) (2)	9/21/04	2280	\$114.00	\$10.00	\$124.00	\$0.07	\$159.60	\$10.00	\$169.60
G67801	17AAC 25.013 (a) (2)	8/27/04	3600	\$180.00	\$10.00	\$190.00	\$0.07	\$252.00	\$10.00	\$262.00

Overweight Uniform Traffic Citations (UTC) CY2004  
 HB266 Revenue Comparisons

Citation	Over Weight Offence	Date	lbs Owt	Bail	Surcharge	Total	New Rate	Bail	Surcharge	Total
G66467	17AAC 25.013(a)(2)	10/4/04	36400	\$1,820.00	\$10.00	\$1,830.00	\$0.15	\$5,460.00	\$10.00	\$5,470.00
G67805	17AAC 25.013(a)(2)	10/12/04	2660	\$133.00	\$10.00	\$143.00	\$0.07	\$186.20	\$10.00	\$196.20
G66443	17AAC 25.013(a)(2)	10/22/04	3100	\$155.00	\$10.00	\$165.00	\$0.07	\$217.00	\$10.00	\$227.00
G66584	17AAC 25.013(a)(2)	11/2/04	2040	\$102.00	\$10.00	\$112.00	\$0.07	\$142.80	\$10.00	\$152.80
G67813	17AAC 25.013(a)(2)	11/19/04	4320	\$216.00	\$10.00	\$226.00	\$0.09	\$388.80	\$10.00	\$398.80
G70114	17AAC 25.013(a)(3)	12/16/04	3120	\$156.00	\$10.00	\$166.00	\$0.07	\$218.40	\$10.00	\$228.40
G70185	17AAC 25.013(a)(2)	12/22/04	2560	\$128.00	\$10.00	\$138.00	\$0.07	\$179.20	\$10.00	\$189.20
G66575	17AAC 25.013(a)(1)	12/14/04	3380	\$169.00	\$10.00	\$179.00	\$0.07	\$236.60	\$10.00	\$246.60
G665757	17AAC 25.013.(a) (3)	6/14/04	3900	\$195.00	\$10.00	\$205.00	\$0.07	\$273.00	\$10.00	\$283.00
G665768	17AAC 25.013.(a) (3)	8/24/04	3400	\$170.00	\$10.00	\$180.00	\$0.07	\$238.00	\$10.00	\$248.00
G665767	17AAC 25.013.(a) (3)	8/19/04	1240	\$62.00	\$10.00	\$72.00	\$100.00	\$100.00	\$10.00	\$110.00
G65236	17AAC 25.013.(a) (2)	9/25/04	7380	\$369.00	\$10.00	\$379.00	\$0.12	\$885.60	\$10.00	\$895.60
G65284	17AAC 25.013(a)(2)	10/26/04	3540	\$177.00	\$10.00	\$187.00	\$0.07	\$247.80	\$10.00	\$257.80
G67586	17AAC 25.013. (a)(2)	4/22/04	2660	\$133.00	\$10.00	\$143.00	\$0.07	\$186.20	\$10.00	\$196.20
G64633	17AAC 25.013.(a) (2)	4/27/04	4960	\$248.00	\$10.00	\$258.00	\$0.09	\$446.40	\$10.00	\$456.40
G64680	17AAC 25.013(a)(2)	2/12/04	9680	\$484.00	\$10.00	\$494.00	\$0.12	\$1,161.60	\$10.00	\$1,171.60
G64680	17AAC 25.013.(a) (2)	2/12/04	8680	\$434.00	\$10.00	\$444.00	\$0.12	\$1,041.60	\$10.00	\$1,051.60
G64642	17AAC 25.013.(a) (2)	5/4/04	3900	\$195.00	\$10.00	\$205.00	\$0.07	\$273.00	\$10.00	\$283.00
G64643	17AAC 25.013.(a) (2)	5/4/04	3660	\$183.00	\$10.00	\$193.00	\$0.07	\$256.20	\$10.00	\$266.20
G64399	17AAC 25.013. (a)(2)	3/30/04	2600	\$130.00	\$10.00	\$140.00	\$0.07	\$182.00	\$10.00	\$192.00
G64651	17AAC 25.013(a)(2)	11/30/04	2880	\$144.00	\$10.00	\$154.00	\$0.07	\$201.60	\$10.00	\$211.60
G65300	17AAC 25.013(a)(2)	11/29/04	8440	\$422.00	\$10.00	\$432.00	\$0.12	\$1,012.80	\$10.00	\$1,022.80
G66189	17AAC 25.013.(a) (2)	5/20/04	1900	\$95.00	\$10.00	\$105.00	\$100.00	\$100.00	\$10.00	\$110.00
G66439	17AAC 25.013(a)(2)	10/8/04	2560	\$128.00	\$10.00	\$138.00	\$0.07	\$179.20	\$10.00	\$189.20
G66567	17AAC 25.013.(a)(1)	10/27/04	3260	\$163.00	\$10.00	\$173.00	\$0.07	\$228.20	\$10.00	\$238.20
G66569	17AAC 25.013(a)(2)	11/2/04	3220	\$161.00	\$10.00	\$171.00	\$0.07	\$225.40	\$10.00	\$235.40
G65235	17AAC 25.013.(a) (2)	9/23/04	4760	\$238.00	\$10.00	\$248.00	\$0.09	\$428.40	\$10.00	\$438.40
G66373	AS 45.75 380 (a) (11)	4/19/04	2240	\$112.00	\$10.00	\$122.00	\$0.07	\$156.80	\$10.00	\$166.80
G66776	17AAC 25.013.(a) (2)	6/22/04	1520	\$76.00	\$10.00	\$86.00	\$100.00	\$100.00	\$10.00	\$110.00
G66839	17AAC 25.013.(a) (2)	8/3/04	6960	\$348.00	\$10.00	\$358.00	\$0.12	\$835.20	\$10.00	\$845.20
G66527	17AAC 25.013.(a)(1)	10/4/04	2620	\$131.00	\$10.00	\$141.00	\$0.07	\$183.40	\$10.00	\$193.40
G66791	17AAC 25.013.(c)	10/11/04	5000	\$250.00	\$10.00	\$260.00	\$0.09	\$450.00	\$10.00	\$460.00
G65242	17AAC 25.013(a)(3)	11/21/04	9600	\$480.00	\$10.00	\$490.00	\$0.12	\$1,152.00	\$10.00	\$1,162.00
G68541	17AAC 25.013.(a) (3)	9/23/04	4260	\$213.00	\$10.00	\$223.00	\$0.09	\$383.40	\$10.00	\$393.40
G64398	17AAC 25.013. (a)(2)	3/18/04	3580	\$179.00	\$10.00	\$189.00	\$0.07	\$250.60	\$10.00	\$260.60
G64397	17AAC 25.013. (a)(2)	3/18/04	4900	\$245.00	\$10.00	\$255.00	\$0.09	\$441.00	\$10.00	\$451.00

Overweight Uniform Traffic Citations (UTC) CY2004  
 HB266 Revenue Comparisons

Citation	Over Weight Offence	Date	lbs Owt	Bail	Surcharge	Total	New Rate	Bail	Surcharge	Total
G65230	17AAC 25.013.(a) (3)	7/21/04	6360	\$318.00	\$10.00	\$328.00	\$0.12	\$763.20	\$10.00	\$773.20
G66737	17AAC 25.013.(a) (2)	8/2/04	3000	\$150.00	\$10.00	\$160.00	\$0.07	\$210.00	\$10.00	\$220.00
G66213	17AAC 25.013.(a) (2)	7/17/04	5820	\$291.00	\$10.00	\$301.00	\$0.09	\$523.80	\$10.00	\$533.80
G66221	17AAC 25.013.(a) (?)	7/23/04	2850	\$142.00	\$10.00	\$152.00	\$0.07	\$199.50	\$10.00	\$209.50
G68576	17AAC 25.013(a)(3)	11/15/04	1240	\$62.00	\$10.00	\$72.00	\$100.00	\$100.00	\$10.00	\$110.00
G66778	17AAC 25.013.(a) (3)	7/22/04	2220	\$111.00	\$10.00	\$121.00	\$0.07	\$155.40	\$10.00	\$165.40
G66374	17AAC 25.013. (a)(2)	4/27/04	2220	\$111.00	\$10.00	\$121.00	\$0.07	\$155.40	\$10.00	\$165.40
G66783	17AAC 25.013.(a) (2)	9/5/04	1480	\$74.00	\$10.00	\$84.00	\$100.00	\$100.00	\$10.00	\$110.00
G67809	17AAC 25.013(b)	11/8/04	6460	\$323.00	\$10.00	\$333.00	\$0.12	\$775.20	\$10.00	\$785.20
G65848	17AAC 25.013. (a)(2)	4/1/04	2020	\$101.00	\$10.00	\$111.00	\$0.07	\$141.40	\$10.00	\$151.40
G66207	17AAC 25.013. (a)(2)	4/28/04	6500	\$325.00	\$10.00	\$335.00	\$0.12	\$780.00	\$10.00	\$790.00
G66206	17AAC 25.013. (a)(2)	4/28/04	5800	\$294.00	\$10.00	\$304.00	\$0.09	\$522.00	\$10.00	\$532.00
G66208	17AAC 25.013. (a)(2)	4/28/04	2320	\$116.00	\$10.00	\$126.00	\$0.07	\$162.40	\$10.00	\$172.40
G66204	17AAC 25.013. (a)(2)	4/19/04	6300	\$315.00	\$10.00	\$325.00	\$0.12	\$756.00	\$10.00	\$766.00
G66205	17AAC 25.013. (a)(2)	4/27/04	2540	\$127.00	\$10.00	\$137.00	\$0.07	\$177.80	\$10.00	\$187.80
G66203	17AAC 25.013. (a)(2)	4/14/04	5880	\$294.00	\$10.00	\$304.00	\$0.09	\$529.20	\$10.00	\$539.20
G66202	17AAC 25.013. (a)(2)	4/13/04	3460	\$173.00	\$10.00	\$183.00	\$0.07	\$242.20	\$10.00	\$252.20
G69173	17AAC 25.013 (a) (2)	8/30/04	4300	\$215.00	\$10.00	\$225.00	\$0.09	\$387.00	\$10.00	\$397.00
G66581	17AAC 25.013(a)(2)	10/5/04	2660	\$133.00	\$10.00	\$143.00	\$0.07	\$186.20	\$10.00	\$196.20
G66582	17AAC 25.013(a)(2)	10/8/04	2440	\$122.00	\$10.00	\$132.00	\$0.07	\$170.80	\$10.00	\$180.80
G66583	17AAC 25.013(a)(2)	10/25/04	5080	\$254.00	\$10.00	\$264.00	\$0.09	\$457.20	\$10.00	\$467.20
G66587	17AAC 25.013(a)(3)	11/3/04	8420	\$421.00	\$10.00	\$431.00	\$0.12	\$1,010.40	\$10.00	\$1,020.40
G66586	17AAC 25.013(a)(2)	11/3/04	4040	\$202.00	\$10.00	\$212.00	\$0.09	\$363.60	\$10.00	\$373.60
G66448	17AAC 25.013(a)(2)	11/10/04	2280	\$114.00	\$10.00	\$124.00	\$0.07	\$159.60	\$10.00	\$169.60
G67811	17AAC 25.013(a)(2)	11/12/04	4460	\$223.00	\$10.00	\$233.00	\$0.09	\$401.40	\$10.00	\$411.40
G67815	17AAC 25.013(a)(2)	11/26/04	2680	\$134.00	\$10.00	\$144.00	\$0.07	\$187.60	\$10.00	\$197.60
G70107	17AAC 25.013.(c)	11/29/04	5180	\$259.00	\$10.00	\$269.00	\$0.09	\$466.20	\$10.00	\$476.20
G66592	17AAC 25.013(a)(2)	11/30/04	2400	\$120.00	\$10.00	\$130.00	\$0.07	\$168.00	\$10.00	\$178.00
G66593	17AAC 25.013(a)(3)	11/30/04	1040	\$52.00	\$10.00	\$62.00	\$100.00	\$100.00	\$10.00	\$110.00
G70108	17AAC 25.013.(c)	12/7/04	6760	\$338.00	\$10.00	\$348.00	\$0.12	\$811.20	\$10.00	\$821.20
G66595	17AAC 25.013(a)(2)	12/8/04	2120	\$106.00	\$10.00	\$116.00	\$0.07	\$148.40	\$10.00	\$158.40
G70180	17AAC 25.013(a)(2)	12/8/04	2020	\$101.00	\$10.00	\$111.00	\$0.07	\$141.40	\$10.00	\$151.40
G66597	17AAC 25.013(a)(2)	12/10/04	3020	\$151.00	\$10.00	\$161.00	\$0.07	\$211.40	\$10.00	\$221.40
G64832	17AAC 25.013(a)(2)	2/18/04	1540	\$77.00	\$10.00	\$87.00	\$100.00	\$100.00	\$10.00	\$110.00
G66211	17AAC 25.013 (a) (2)	5/24/04	6340	\$317.00	\$10.00	\$327.00	\$0.12	\$760.80	\$10.00	\$770.80
G66210	17AAC 25.013.(a) (2)	5/24/04	3720	\$186.00	\$10.00	\$196.00	\$0.07	\$260.40	\$10.00	\$270.40

Overweight Uniform Traffic Citations (UTC) CY2004  
 HB266 Revenue Comparisons

Citation	Over Weight Offence	Date	Lbs Owl	Bail	Surcharge	Total	New Rate	Bail	Surcharge	Total
G64981	17AAC 25.013. (a)(2)	4/10/04	3400	\$170.00	\$10.00	\$180.00	\$0.07	\$238.00	\$10.00	\$248.00
G64980	17AAC 25.013. (a)(2)	4/10/04	2620	\$131.00	\$10.00	\$141.00	\$0.07	\$183.40	\$10.00	\$193.40
G67587	17AAC 25.013. (a)(1)	4/29/04	2540	\$127.00	\$10.00	\$137.00	\$0.07	\$177.80	\$10.00	\$187.80
G66543	17AAC.25.013(a)(2)	1/15/04	2980	\$149.00	\$10.00	\$159.00	\$0.07	\$208.60	\$10.00	\$218.60
G65650	17AAC 25.013.(a) (2)	7/15/04	3280	\$164.00	\$10.00	\$174.00	\$0.07	\$229.60	\$10.00	\$239.60
G67125	17AAC 25.013.(a) (2)	5/2/04	3780	\$189.00	\$10.00	\$199.00	\$0.07	\$264.60	\$10.00	\$274.60
G67918	17AAC 25.013.(c)	11/15/04	4220	\$211.00	\$10.00	\$221.00	\$0.09	\$379.80	\$10.00	\$389.80
G65268	17AAC 25.013.(a) (2)	8/17/04	2520	\$126.00	\$10.00	\$136.00	\$0.07	\$176.40	\$10.00	\$186.40
G65269	17AAC 25.013.(a) (2)	8/17/04	2020	\$101.00	\$10.00	\$111.00	\$0.07	\$141.40	\$10.00	\$151.40
G69154	17AAC 25.013.(a) (2)	7/13/04	4680	\$234.00	\$10.00	\$244.00	\$0.09	\$421.20	\$10.00	\$431.20
G66553	17AAC 25.013.(a) (3)	7/22/04	4480	\$224.00	\$10.00	\$234.00	\$0.09	\$403.20	\$10.00	\$413.20
G67889	17AAC 25.013.(c)	9/24/04	4800	\$240.00	\$10.00	\$250.00	\$0.09	\$432.00	\$10.00	\$442.00
G67855	17AAC 25.013.(c)	10/20/04	4600	\$230.00	\$10.00	\$240.00	\$0.09	\$414.00	\$10.00	\$424.00
G65866	17AAC 25.013. (a)(2)	3/19/04	3320	\$166.00	\$10.00	\$176.00	\$0.07	\$232.40	\$10.00	\$242.40
G65872	17AAC 25.013. (a)(2)	3/30/04	1520	\$76.00	\$10.00	\$86.00	\$100.00	\$100.00	\$10.00	\$110.00
G67459	17AAC 25.013.(a) (3)	8/2/04	3040	\$152.00	\$10.00	\$162.00	\$0.07	\$212.80	\$10.00	\$222.80
G65296	17AAC 25.013(a)(2)	11/9/04	4140	\$207.00	\$10.00	\$217.00	\$0.09	\$372.60	\$10.00	\$382.60
G65295	17AAC 25.013(a)(2)	11/9/04	3960	\$198.00	\$10.00	\$208.00	\$0.07	\$277.20	\$10.00	\$287.20
G66492	17AAC 25.013.(a) (2)	7/21/04	9600	\$480.00	\$10.00	\$490.00	\$0.12	\$1,152.00	\$10.00	\$1,162.00
G65285	17AAC 25.013(a)(2)	10/26/04	10400	\$520.00	\$10.00	\$530.00	\$0.15	\$1,560.00	\$10.00	\$1,570.00
G67864	17AAC 25.013(a)(3)	11/3/04	3620	\$181.00	\$10.00	\$191.00	\$0.07	\$253.40	\$10.00	\$263.40
G69124	17AAC 25.013. (a) (2)	5/13/04	14940	\$747.00	\$10.00	\$757.00	\$0.15	\$2,241.00	\$10.00	\$2,251.00
G67877	17AAC 25.013.(c)	9/7/04	3640	\$182.00	\$10.00	\$192.00	\$0.07	\$254.80	\$10.00	\$264.80
G65234	17AAC 25.013.(a) (3)	9/16/04	5220	\$286.00	\$10.00	\$296.00	\$0.09	\$469.80	\$10.00	\$479.80
G67573	17AAC 25.013.(c)	12/15/04	3280	\$164.00	\$10.00	\$174.00	\$0.07	\$229.60	\$10.00	\$239.60
G67510	17AAC 25.013. (a) (3)	8/12/04	2100	\$105.00	\$10.00	\$115.00	\$0.07	\$147.00	\$10.00	\$157.00
G67895	17AAC 25.013.(c)	10/5/04	3680	\$184.00	\$10.00	\$194.00	\$0.07	\$257.60	\$10.00	\$267.60
G67588	17AAC 25.013.(a) (2)	6/8/04	3500	\$175.00	\$10.00	\$185.00	\$0.07	\$245.00	\$10.00	\$255.00
G66191	17AAC 25.013.(a) (2)	5/21/04	3300	\$165.00	\$10.00	\$175.00	\$0.07	\$231.00	\$10.00	\$241.00
G66201	17AAC 25.013. (a)(2)	4/12/04	2200	\$110.00	\$10.00	\$120.00	\$0.07	\$154.00	\$10.00	\$164.00
G65287	17AAC 25.013.(a) (3)	10/28/04	2680	\$134.00	\$10.00	\$144.00	\$0.07	\$187.60	\$10.00	\$197.60
G69115	17AAC 25.013. ( c )	4/8/04	4400	\$220.00	\$10.00	\$230.00	\$0.09	\$396.00	\$10.00	\$406.00
G69128	17AAC 25.013.(a) (2)	5/10/04	4120	\$206.00	\$10.00	\$216.00	\$0.09	\$370.80	\$10.00	\$380.80
G69149	17AAC 25.013.(a) (2)	8/2/04	4880	\$244.00	\$10.00	\$254.00	\$0.09	\$439.20	\$10.00	\$449.20
G67806	17AAC 25.013(a)(2)	10/21/04	3420	\$171.00	\$10.00	\$181.00	\$0.07	\$239.40	\$10.00	\$249.40
G67719	17AAC 25.013. (a)(2)	3/18/04	2500	\$115.00	\$10.00	\$125.00	\$0.07	\$161.00	\$10.00	\$171.00

Overweight Uniform Traffic Citations (UTC) CY2004  
 HB266 Revenue Comparisons

Citation	Over Weight Offence	Date	lbs Owt	Bail	Surcharge	Total	New Rate	Bail	Surcharge	Total
G67569	17AAC 25.013.(c)	12/4/04	2560	\$128.00	\$10.00	\$138.00	\$0.07	\$179.20	\$10.00	\$189.20
G67452	17AAC 25.013.(a) (2)	5/10/04	3880	\$194.00	\$10.00	\$204.00	\$0.07	\$271.60	\$10.00	\$281.60
G64638	17AAC 25.013.(a) (2)	4/29/04	1580	\$79.00	\$10.00	\$89.00	\$100.00	\$100.00	\$10.00	\$110.00
G64639	17AAC 25.013.(a) (2)	4/29/04	2180	\$109.00	\$10.00	\$119.00	\$0.07	\$152.60	\$10.00	\$162.60
G64640	17AAC 25.013.(a) (2)	4/29/04	2160	\$108.00	\$10.00	\$118.00	\$0.07	\$151.20	\$10.00	\$161.20
G66559	17AAC 25.013 (a) (2)	8/28/04	4160	\$208.00	\$10.00	\$218.00	\$0.09	\$374.40	\$10.00	\$384.40
G65766	17AAC 25.013 (b)	8/17/04	3080	\$154.00	\$10.00	\$164.00	\$0.07	\$215.60	\$10.00	\$225.60
G65783	17AAC 25.013(a)(2)	12/6/04	2180	\$109.00	\$10.00	\$119.00	\$0.07	\$152.60	\$10.00	\$162.60
G67826	17AAC 25.013(a)(2)	10/4/04	8400	\$424.00	\$10.00	\$434.00	\$0.12	\$1,008.00	\$10.00	\$1,018.00
G67561	17AAC.25.013(a)(2)	1/18/04	2260	\$113.00	\$10.00	\$123.00	\$0.07	\$158.20	\$10.00	\$168.20
G65649	17AAC 25.013.(a) (2)	7/9/04	3240	\$162.00	\$10.00	\$172.00	\$0.07	\$226.80	\$10.00	\$236.80
G66834	17AAC 25.013.(a) (2)	7/6/04	3500	\$175.00	\$10.00	\$185.00	\$0.07	\$245.00	\$10.00	\$255.00
G66367	17AAC.25.013(a)(2)	2/23/04	4200	\$210.00	\$10.00	\$220.00	\$0.09	\$378.00	\$10.00	\$388.00
G66252	17AAC.25.013(a)(2)	2/27/04	3280	\$164.00	\$10.00	\$174.00	\$0.07	\$229.60	\$10.00	\$239.60
G66366	17AAC.25.013(a)(2)	2/5/04	2060	\$103.00	\$10.00	\$113.00	\$0.07	\$144.20	\$10.00	\$154.20
G65871	17AAC 25.013. (a)(2)	3/25/04	2300	\$115.00	\$10.00	\$125.00	\$0.07	\$161.00	\$10.00	\$171.00
G67868	17AAC 25.013(a)(3)	11/12/04	3900	\$195.00	\$10.00	\$205.00	\$0.07	\$273.00	\$10.00	\$283.00
G65781	17AAC 25.013(a)(3)	11/22/04	1680	\$84.00	\$10.00	\$94.00	\$100.00	\$100.00	\$10.00	\$110.00
G65290	17AAC 25.013(a)(3)	11/1/04	7460	\$373.00	\$10.00	\$383.00	\$0.12	\$895.20	\$10.00	\$905.20
G65292	17AAC 25.013(a)(3)	11/1/04	5780	\$289.00	\$10.00	\$299.00	\$0.09	\$520.20	\$10.00	\$530.20
G67562	17AAC.25.013(a)(2)	1/14/04	2560	\$128.00	\$10.00	\$138.00	\$0.07	\$179.20	\$10.00	\$189.20
G67124	17AAC 25.013. (a)(2)	4/23/04	4600	\$230.00	\$10.00	\$240.00	\$0.09	\$414.00	\$10.00	\$424.00
G67564	17AAC 25.013. (a)(2)	4/24/04	1700	\$85.00	\$10.00	\$95.00	\$100.00	\$100.00	\$10.00	\$110.00
G67509	17AAC 25.013.(a) (2)	5/7/04	4480	\$224.00	\$10.00	\$234.00	\$0.09	\$403.20	\$10.00	\$413.20
G67589	17AAC 25.013 (a) (2)	7/15/04	12480	\$624.00	\$10.00	\$634.00	\$0.15	\$1,872.00	\$10.00	\$1,882.00
G67507	17AAC 25.013. (a)(2)	4/5/04	2400	\$120.00	\$10.00	\$130.00	\$0.07	\$168.00	\$10.00	\$178.00
G68514	17AAC 25.013. (a)(2)	4/13/04	1460	\$73.00	\$10.00	\$83.00	\$100.00	\$100.00	\$10.00	\$110.00
G65847	17AAC 25.013. (a)(3)	3/18/04	4200	\$210.00	\$10.00	\$220.00	\$0.09	\$378.00	\$10.00	\$388.00
G69134	17AAC 25.013 (a) (2)	5/25/04	1780	\$89.00	\$10.00	\$99.00	\$100.00	\$100.00	\$10.00	\$110.00
G69114	17AAC 25.013.(a) (2)	4/28/04	4160	\$208.00	\$10.00	\$218.00	\$0.09	\$374.40	\$10.00	\$384.40
G68545	17AAC 25.013 (c)	9/30/04	3040	\$152.00	\$10.00	\$162.00	\$0.07	\$212.80	\$10.00	\$222.80
G67852	17AAC 25.013 (a) (3)	10/19/04	3940	\$197.00	\$10.00	\$207.00	\$0.07	\$275.80	\$10.00	\$285.80
G69156	17AAC 25.013 (a) (2)	7/14/04	6960	\$348.00	\$10.00	\$358.00	\$0.12	\$835.20	\$10.00	\$845.20
G66560	17AAC 25.013 (a) (2)	9/21/04	2220	\$111.00	\$10.00	\$121.00	\$0.07	\$155.40	\$10.00	\$165.40
G66568	17AAC 25.013(a)(2)	10/29/04	2940	\$147.00	\$10.00	\$157.00	\$0.07	\$205.80	\$10.00	\$215.80
G67853	17AAC 25.013 (c)	10/19/04	3840	\$192.00	\$10.00	\$202.00	\$0.07	\$268.80	\$10.00	\$278.80

Overweight Uniform Traffic Citations (UTC) CY2004  
 HB266 Revenue Comparisons

Citation	Over Weight Offence	Date	lbs Owt	Bail	Surcharge	Total	New Rate	Bail	Surcharge	Total
G65786	17AAC 25.013(a)(2)	12/9/04	2160	\$108.00	\$10.00	\$118.00	\$0.07	\$151.20	\$10.00	\$161.20
G65769	17AAC 25.013.(c)	8/27/04	4520	\$226.00	\$10.00	\$236.00	\$0.09	\$406.80	\$10.00	\$416.80
G68401	17AAC 25.013. (a)(2)	3/22/04	6020	\$301.00	\$10.00	\$311.00	\$0.12	\$722.40	\$10.00	\$732.40
G65760	17AAC 25.013.(a) (2)	7/20/04	3300	\$165.00	\$10.00	\$175.00	\$0.07	\$231.00	\$10.00	\$241.00
G68544	17AAC 25.013.(c)	9/30/04	3060	\$153.00	\$10.00	\$163.00	\$0.07	\$214.20	\$10.00	\$224.20
G67882	17AAC 25.013.(c)	9/14/04	4340	\$217.00	\$10.00	\$227.00	\$0.09	\$390.60	\$10.00	\$400.60
G66787	17AAC 25.013.(a) (2)	9/18/04	4860	\$243.00	\$10.00	\$253.00	\$0.09	\$437.40	\$10.00	\$447.40
G66788	17AAC 25.013.(a) (2)	9/18/04	3980	\$199.00	\$10.00	\$209.00	\$0.07	\$278.60	\$10.00	\$288.60
G65241	17AAC 25.013(a)(2)	11/14/04	5240	\$262.00	\$10.00	\$272.00	\$0.09	\$471.60	\$10.00	\$481.60
G65775	17AAC 25.013(a)(2)	10/7/04	2320	\$112.00	\$10.00	\$122.00	\$0.07	\$162.40	\$10.00	\$172.40
G66585	17AAC 25.013(a)(2)	11/3/04	2260	\$113.00	\$10.00	\$123.00	\$0.07	\$158.20	\$10.00	\$168.20
G66572	17AAC 25.013(a)(1)	11/9/04	3240	\$162.00	\$10.00	\$172.00	\$0.07	\$226.80	\$10.00	\$236.80
G66591	17AAC 25.013(a)(2)	11/29/04	3720	\$186.00	\$10.00	\$196.00	\$0.07	\$260.40	\$10.00	\$270.40
G66705	17AAC 25.013(a)(3)	11/22/04	3360	\$168.00	\$10.00	\$178.00	\$0.07	\$235.20	\$10.00	\$245.20
G70184	17AAC 25.013(a)(1)	12/22/04	3680	\$184.00	\$10.00	\$194.00	\$0.07	\$257.60	\$10.00	\$267.60
G66797	17AAC 25.013(a)(3)	12/14/04	4180	\$209.00	\$10.00	\$219.00	\$0.09	\$376.20	\$10.00	\$386.20
G67916	17AAC 25.013.(c)	11/12/04	4380	\$219.00	\$10.00	\$229.00	\$0.09	\$394.20	\$10.00	\$404.20
G65782	17AAC 25.013(a)(2)	12/6/04	2200	\$110.00	\$10.00	\$120.00	\$0.07	\$154.00	\$10.00	\$164.00
G67078	17AAC 25.013.(a) (3)	10/12/04	3340	\$167.00	\$10.00	\$177.00	\$0.07	\$233.80	\$10.00	\$243.80
G69171	17AAC 25.013.(a) (2)	8/24/04	3320	\$166.00	\$10.00	\$176.00	\$0.07	\$232.40	\$10.00	\$242.40
G65776	17AAC 25.013(a)(2)	10/7/04	5120	\$256.00	\$10.00	\$266.00	\$0.09	\$460.80	\$10.00	\$470.80
G67804	17AAC 25.013.(a) (2)	9/16/04	2960	\$148.00	\$10.00	\$158.00	\$0.07	\$207.20	\$10.00	\$217.20
G67873	17AAC 25.013.(c)	12/3/04	3040	\$152.00	\$10.00	\$162.00	\$0.07	\$212.80	\$10.00	\$222.80
G65759	17AAC 25.013.(a) (3)	7/20/04	5920	\$296.00	\$10.00	\$306.00	\$0.09	\$532.80	\$10.00	\$542.80
G65764	17AAC 25.013.(a) (2)	7/30/04	3740	\$187.00	\$10.00	\$197.00	\$0.07	\$261.80	\$10.00	\$271.80
G65771	17AAC 25.013.(a) (3)	9/27/04	5020	\$251.00	\$10.00	\$261.00	\$0.09	\$451.80	\$10.00	\$461.80
G67572	17AAC 25.013.(c)	12/11/04	2640	\$132.00	\$10.00	\$142.00	\$0.07	\$184.80	\$10.00	\$194.80
G67899	17AAC 25.013.(c)	10/13/04	9080	\$454.00	\$10.00	\$464.00	\$0.12	\$1,089.60	\$10.00	\$1,099.60
G65299	17AAC 25.013(a)(2)	11/29/04	2240	\$112.00	\$10.00	\$122.00	\$0.07	\$156.80	\$10.00	\$166.80
G66794	17AAC 25.013(a)(2)	11/9/04	2320	\$116.00	\$10.00	\$126.00	\$0.07	\$162.40	\$10.00	\$172.40
G67911	17AAC 25.013.(c)	11/8/04	7160	\$358.00	\$10.00	\$368.00	\$0.12	\$859.20	\$10.00	\$869.20
G70176	17AAC 25.013(a)(2)	11/29/04	4440	\$222.00	\$10.00	\$232.00	\$0.09	\$399.60	\$10.00	\$409.60
G67451	17AAC 25.013.(a) (2)	5/7/04	3120	\$156.00	\$10.00	\$166.00	\$0.07	\$218.40	\$10.00	\$228.40
G69163	17AAC 25.013.(a) (2)	7/26/04	5640	\$282.00	\$10.00	\$292.00	\$0.09	\$507.60	\$10.00	\$517.60
G68546	17AAC 25.013.(c)	10/8/04	8480	\$427.00	\$10.00	\$437.00	\$0.12	\$1,017.60	\$10.00	\$1,027.60
G68549	17AAC 25.013.(a) (3)	10/14/04	3840	\$192.00	\$10.00	\$202.00	\$0.07	\$268.80	\$10.00	\$278.80

Overweight Uniform Traffic Citations (UTC) CY2004  
 HB266 Revenue Comparisons

Citation	Over Weight Offence	Date	lbs Owt	Bail	Surcharge	Total	New Rate	Bail	Surcharge	Total
G65763	17AAC 25.013.(a) (2)	7/27/04	2100	\$105.00	\$10.00	\$115.00	\$0.07	\$147.00	\$10.00	\$157.00
G65849	17AAC 25.013. (a)(2)	4/7/04	5580	\$279.00	\$10.00	\$289.00	\$0.09	\$502.20	\$10.00	\$512.20
G67851	17AAC 25.013.(c)	10/15/04	1900	\$95.00	\$10.00	\$105.00	\$100.00	\$100.00	\$10.00	\$110.00
G64634	17AAC 25.013.(a) (2)	4/27/04	3060	\$153.00	\$10.00	\$163.00	\$0.07	\$214.20	\$10.00	\$224.20
G64635	17AAC 25.013.(a) (2)	4/27/04	3880	\$194.00	\$10.00	\$204.00	\$0.07	\$271.60	\$10.00	\$281.60
G67592	17AAC 25.013(a)(2)	11/10/04	2880	\$144.00	\$10.00	\$154.00	\$0.07	\$201.60	\$10.00	\$211.60
G70106	17AAC 25.013(a)(3)	11/29/04	4920	\$246.00	\$10.00	\$256.00	\$0.09	\$442.80	\$10.00	\$452.80
G70115	17AAC 25.013(a)(3)	12/21/04	1380	\$69.00	\$10.00	\$79.00	\$100.00	\$100.00	\$10.00	\$110.00
G70182	17AAC 25.013(a)(3)	12/17/04	7160	\$358.00	\$10.00	\$368.00	\$0.12	\$859.20	\$10.00	\$869.20
				\$55,179.50	\$2,610.00	\$57,789.50		\$105,033.60	\$2,610.00	\$107,643.60

New Fine Schedule CY 2004	\$107,643.60
CY 2004 Actual	\$57,789.50
Estimate of new revenue from new fine schedule.	\$49,854.10

Revenue Increase 86.3%
------------------------------

# FISCAL NOTE

STATE OF ALASKA  
2005 LEGISLATIVE SESSION

Fiscal Note Number: 1  
Bill Version: CSHB 266(TRA)  
(H) Publish Date: 4/15/05

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Commerce  
Title Vehicle Weights and Insurance RDU Insurance (116)  
Component Insurance  
Sponsor House Transportation  
Requester House Transportation Component No. 354

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
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>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**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 (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This legislation prohibits the use of a violation of a vehicle weight limitation for certain personal automobile insurance actions. It has no fiscal impact on the operations of the Division of Insurance.

Prepared by: Linda S. Hall, Director Phone 907-269-7960  
Division: Insurance Date/Time 4/12/05 10:14 AM  
Approved by: Edgar Blatchford, Commissioner Date 4/12/2005  
Agency: Commerce, Community, and Economic Development

# FISCAL NOTE

STATE OF ALASKA  
2005 LEGISLATIVE SESSION

Fiscal Note Number: 2  
Bill Version: CSHB 266(TRA)  
(H) Publish Date: 4/15/05

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DOT&PF  
Title Vehicle Weights and Insurance RDU Administration & Support  
Component Commissioner's Office  
Sponsor House Transportation  
Requester House Transportation Component No. 530

**Expenditures/Revenues** (in thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
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>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**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 (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

The increased revenue does not come to DOT&PF but rather the court system and there will be little, if any, incremental cost increase as a result of the increase in fines, thus a zero fiscal note. The revenue increase to the court system is estimated to be 88.8 based on a comparison with CY 2004. During CY2004, 57.8 went to the court system in fines and with the new schedule, the amount would have been 147.6 for an increase of 88.8.

Prepared by: Nona Wilson Phone 465-3904  
Division: Legislative Liaison, DOT&PF Date/Time 4/11/05 3:02 PM  
Approved by: Mike Barton Date 4/11/2005  
Agency: Commissioner, DOT&PF

# FISCAL NOTE

STATE OF ALASKA  
2005 LEGISLATIVE SESSION

Fiscal Note Number: 3  
Bill Version: CSHB 266(TRA)  
(H) Publish Date: 4/15/05

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: LAW  
Title: "An Act relating to offenses and penalties for RDU: CIVIL  
violation of vehicle weight limitations;..." Component: Collections and Support  
Sponsor: House Transportation Component No. \_\_\_\_\_  
Requester: House Transportation

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
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>CHANGE IN REVENUES ( GF )</b>	*****	*****	*****	*****	*****	*****
----------------------------------	-------	-------	-------	-------	-------	-------

**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 (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This bill amends AS 21.36 preventing an automobile insurer from taking adverse action against an insured driver because of a violation relating to an overweight vehicle. The bill repeals and reenacts AS 45.75.380 (b) (Weights and Measures Act - General Provisions) by specifying new violations and fines for certain increments by which a vehicle is found to be overweight. The bill further specifies that a motor carrier who is found to exhibit a pattern or practice of violations under the new sections of AS 45.75.380 (a) or (b) (as amended) is subject to a \$500 dollar fine. The current law simply imposes the \$500 fine for any violation of the vehicle weight limit plus \$.05 for each pound over the weight limit.

The Department of Law's Collections section already bears responsibility for collecting any fines imposed under the current structure to the extent they are forwarded for collection by the Court System. There may be an indeterminate change to the amount collected through passage of this

Prepared by: Kathryn Daughheteo, Director Phone: 465-3673  
Division: Administrative Services Division Date/Time: 4/10/05 4:34 PM  
Approved by: Kathryn Daughheteo for David Marquez, Attorney General Date: 4/10/2005  
Agency: Department of Law

FISCAL NOTE #3

STATE OF ALASKA  
2005 LEGISLATIVE SESSION

BILL NO. CSHB 266(TRA)

ANALYSIS CONTINUATION

legislation. There should not be an impact to workload.

# ALASKA STATE LEGISLATURE

## INTERIM

50 Front St.  
Suite #203  
Ketchikan, Alaska 99901  
Phone: (907) 247-4672  
Fax: (907) 225-7157



## SESSION

Suite 416  
State Capitol Building  
Juneau, Alaska 99801  
Phone: (907) 465-3424  
Fax: (907) 465-3793

## REPRESENTATIVE JIM ELKINS

---

### Sponsor Statement

House Bill 266 "An Act relating to penalties for violation of vehicle weight limitations; prohibiting the use of a violation of a vehicle weight limitation for certain personal automobile insurance actions;" modifies existing law related to the penalty structure for overweight vehicle violations.

This legislation proposes the first increase in penalties since the existing provisions were established in the 1970s. Existing provisions do not adequately inhibit commercial shipping companies and others from violating overweight vehicle limitations. The proposed modification establishes a graduated penalty for the amount of weight in excess of the limitations set by statute, regulation and/or permit.

Another provision of the bill prohibits the use of overweight vehicle violations for use by insurers to adversely impact decisions related to providing private automobile insurance coverage for drivers. In the majority of cases, the driver has little knowledge or ability to limit the weight of the load placed on the vehicle they are assigned to drive. As a result, the company causes the violation and, if cited, pays the fine imposed.

Currently, overweight vehicle violations are used by insurers as justification to take adverse action in relation to the personal automobile insurance coverage of truck drivers. Section 1 of the bill would prohibit this action.

This legislation will protect drivers who do not know they are in violation and protect our roads from overweight vehicles in Alaska. The Department of Transportation, Teamsters, and Horizon Shipping Lines all support HB 266, and we urge you to do the same.

TO PROPOSED COMMITTEE SUBSTITUTE

*Michael T. Kenny, Principal Executive Officer*

## GENERAL TEAMSTERS

530 E. 31st Avenue  
Anchorage, Alaska 99503

**LOCAL 959**  
State of Alaska

751 Old Richardson Hwy., Suite 127  
Fairbanks, Alaska 99701

January 24, 2006

Representative Kevin Meyer  
Representative Mike Chenault  
Co-Chairpersons, Finance Committee  
Alaska State Legislature  
Juneau, Alaska

Re: CSIB 266, Vehicle Weights

Dear Co-Chairpersons Meyer and Chenault:

On behalf of all citizens of Alaska, and specifically those members whom Teamsters Local 959 represents in the trucking industry, I am proud to support CSIB 266 regarding offenses and penalties for violation of vehicle weight limitations.

As you may be aware, overweight penalties in Alaska have not increased for some 20 or more years. While some would say the penalty charged for running overweight in this day and age is "just another cost of doing business", I believe it is truly a matter to be taken seriously.

For the most part, our Teamster drivers work for employers who follow the rules and abide by state-imposed weight requirements. For those employers that do not, a slight penalty fee is paid and drivers are ticketed. But the consequences the public faces when an overweight truck flips over while going down the highway, causing a major traffic accident, are very critical. Many wonder how many more lives need to be lost in this manner.

We further have the issue of our roadways being damaged by vehicles with overweight loads. These overweight loads cause pavement to deteriorate, as well as the subsurface, because they are only designed to specific standards. If that design standard is exceeded, damage occurs. Each year a request for funding is submitted to you to correct damage to our highways and roadways because of overweight abuse.

The passage of CSIB 266 will certainly help curtail much of the indifference shown in this area today. Its passage will increase penalties for overweight violations, no longer allowing penalties paid to be "just another cost of doing business". It further prohibits the use of overweight citations as a basis for "adverse action" by an insurance carrier.

[www.akteamsters.com](http://www.akteamsters.com)

\* Anchorage (907) 565-8122 \* Fairbanks (907) 452-2999 \* Juneau (907) 586-3226 \* Kodiak (907) 400-8818  
\* Fax (907) 565-8285 \* Fax (907) 452-5051 \* Fax (907) 586-1227 \* Fax (907) 283-5030 \* Fax (907) 486-8818

1070-

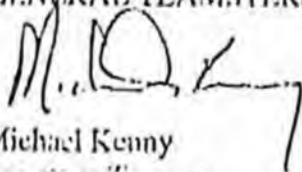
Representative Meyer and Chenault  
Co-Chairpersons, Finance Committee  
Re: CS113 266  
January 24, 2006  
Page 2

We believe this bill will go a long way in protecting the motoring public from overweight trucks and by reducing wear and tear on the highways. The increased penalties will hopefully encourage companies to operate their trucks within proper weight limits and level the playing field for all operators.

We ask you and the Finance Committee members to support moving this out of committee.

Fraternally,

GENERAL TEAMSTERS LOCAL 959



Michael Kenny  
Secretary-Treasurer

# 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

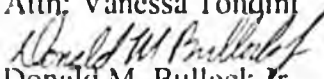
State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

April 29, 2005

**SUBJECT:** Rule 43.6, Alaska Rules of Administration and amending fines by statute - CSHB 266(TRA)

**TO:** Representative Lesil McGuire  
Attn: Vanessa Tondjini

**FROM:**   
Donald M. Bullock Jr.  
Legislative Counsel

You asked whether secs. 4 and 6 are necessary in CSHB 266(TRA). Section 4 of the bill states that sec. 2 "has the effect of changing Rule 43.6, Alaska Rules of Administration (Rule 43.6), by increasing the maximum fine for overweight vehicle violations." Section 6 states that sec. 2 will take effect only if sec. 4 receives the two-thirds vote required by art. IV, sec. 15, Constitution of the State of Alaska.<sup>1</sup>

Section 2 of CSHB 266(TRA) establishes fines for overweight vehicles. There is a flat fine of \$150 for a vehicle that is 1,001 to 2,000 pounds overweight, and a graduated fine schedule for vehicles more than 2,000 pounds overweight. The graduated schedule ranges from \$.08 per pound for a vehicle that is overweight by 2,001 to 4,000 pounds to \$.24 per pound for a vehicle that is overweight by 10,001 pounds or more.

Rule 43.6 lists a bail forfeiture amount of \$.05 per pound for the offenses of overweight axle, overweight gross, overweight inner gross, and overweight axle combination. Rule 43.6 also lists a bail forfeiture amount of \$300 for overweight distribution. Rule 43.6 also states, "if a person charged with one of these offenses appears in court and is found guilty, the penalty imposed for the offense may not exceed the bail amount for that offense listed [in the rule]." With the possible exception of the penalty for an overweight distribution violation, the fines in sec. 2 of CSHB 266(TRA) are higher than those that may be assessed under Rule 43.6. Therefore sec. 2 does have the effect of amending Rule 43.6, as stated in the title of the bill. If Rule 43.6 is a rule of practice or procedure, a two-thirds vote will be required under art. IV, sec. 15, Constitution of the State of Alaska.

---

<sup>1</sup> **SECTION 15. Rule-Making Power.** The supreme court shall make and promulgate rules governing the administration of all courts. It shall make and promulgate rules governing practice and procedure in civil and criminal cases in all courts. These rules may be changed by the legislature by two-thirds vote of the members elected to each house.