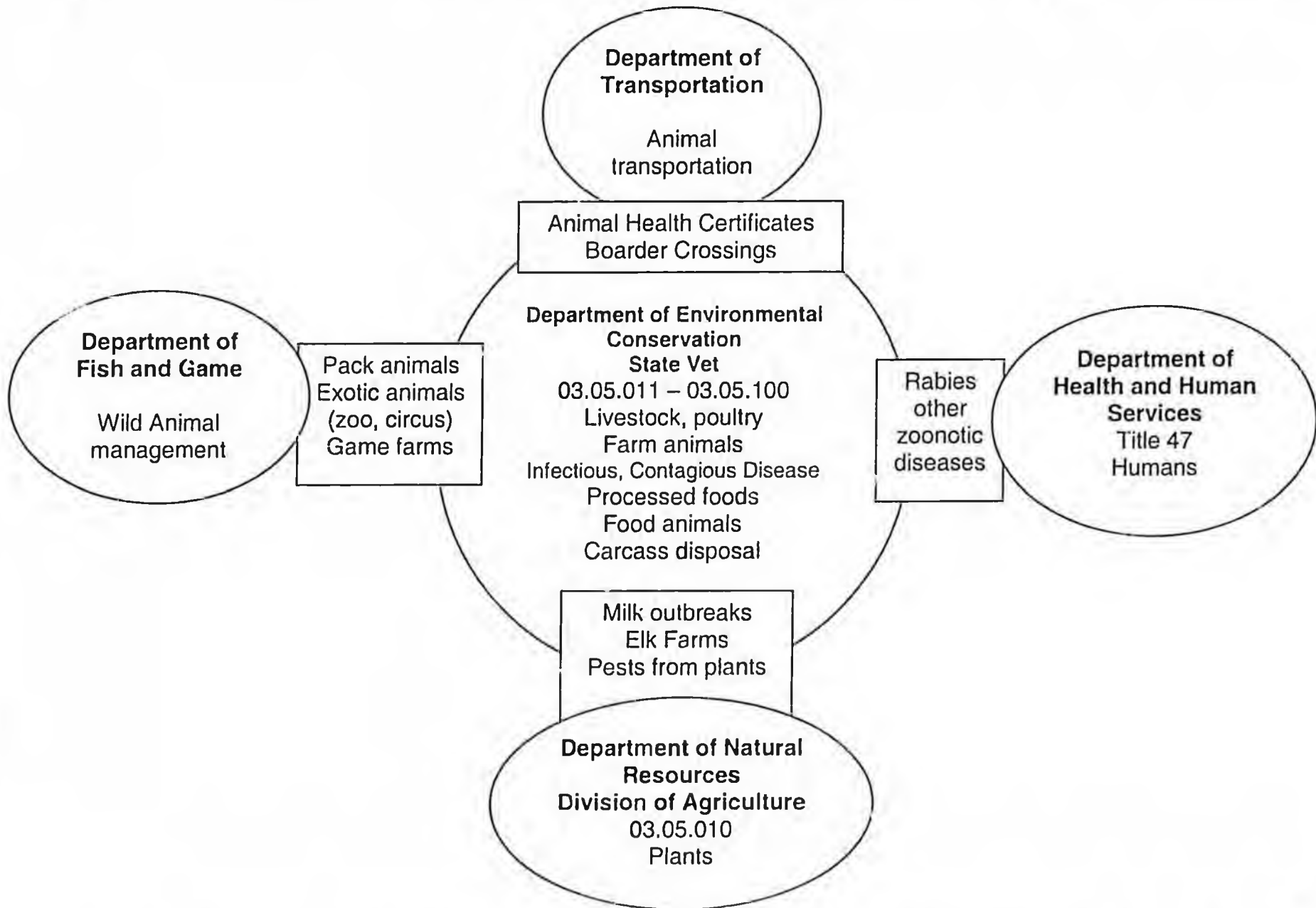


ALASKA LEGISLATURE

HOUSE and SENATE FINANCE COMMITTEE FILES, 2005-2006 2931

State of Alaska, Animal Health Management System



HB 380 would fill a critical gap by including domestic animals under the State Vet.

Prepared by the Department of Environmental Conservation

REPRESENTATIVE KEVIN MEYER

HOUSE DISTRICT 30

MEMORANDUM *Change Summary*

DATE: April 11, 2006
TO: Representative Kevin Meyer
FROM: Mike Pawlowski
RE: Changes to HB 380 incorporated in SCS CSIB 380 (RES)
(Version No. 24 – LS1469\L)

Section 1. Added new language on page 2, lines 29-31 and page 3, lines 1-2 allowing the department to match federal indemnity payments, or make payments for animals destroyed under this section from any funds available for that purpose.

Section 10. Included AS 03.45.070 & 03.45.080 in the list of sections repealed by HB 380.



January 26, 2006

The Honorable Representative Kevin Meyer

We wanted to let you know that The Alaska Veterinary Medical Association supports HB 380. Technology, society and animal diseases have changed dramatically since the original 1949 statutes. The changes that have occurred since then are not as important as the changes you are proposing today. We believe the proper protocol for controlling animal disease and infections needs to exist to adequately protect the animal resources and people of our State. This bill is essential in assuring a mechanism to investigate, control the spread of and eradicate dangerous emerging zoonotic and debilitating diseases of this era.

The Office of the State Veterinarian works closely with our organization and it is a collaborative relationship that has been beneficial for private veterinarians. (Dr. Gerlach offers training and assistance as requested) and for the State (private veterinarians are the first responders in the field to animal emergencies such as disease outbreaks and natural disasters). Together, we meet the current challenges that face the State. Existing and emerging diseases such as Rabies, Monkey Pox, Avian Influenza, SARs and West Nile Virus have significant impacts in our world. As a profession, we must better address the fact that diseases in pets, livestock, and wild-life can harm humans. HB 380 will help us achieve that.

Thank you for introducing this important legislation.

Sincerely,

AKVMA Board of Directors
President: Dr. Siri Kavanaugh
Anchorage—522-1006

adn.com

Anchorage Daily News

Print Page

Close Window

Biologist tests state fair's fowl for avian flu virus**FLYWAY FEARS: Migration could bring disease to state.**By DOUG O'HARRA
Anchorage Daily News*(Published: August 26, 2005)*

State veterinarian Bob Gerlach has been visiting Alaska's agricultural fairs to help test all those ribbon-winning chickens, ducks and turkeys for the presence of deadly avian flu.

It's the domestic portion of a much larger project to find out what flu viruses circulate among Alaska's wild migratory birds, and whether any of those strains include the dangerous H5N1 bird flu from Southeast Asia.

So far, Gerlach has taken samples from about 350 birds at three fairs, including 130 fowl entered into competition at the Alaska State Fair in Palmer on Aug. 23. Owners volunteered their animals.

"I wanted to go ahead as state veterinarian and sample our domestic population (to) find out if there were any circulating viruses," Gerlach said Thursday. "There's no doubt, our interest from the state end is to identify any highly pathogenic strain."

No one has discovered the H5N1 flu in Alaska's wild or domestic birds yet, and the state has few large poultry operations.

More sampling will take place Tuesday when 4H Club kids and adult producers check in their prized poultry at the main animal barn on the Palmer fairgrounds.

Chickens and turkeys are generally stoic during the test -- which involves swirling a Dacron-tipped swab inside each bird's anal cavity, he said.

But ducks and pigeons, with much smaller "cloacal vents," tend to squawk.

"The kids get a kick out of that," Gerlach said. "They think it's really funny to have a grown man take a Q-Tip and put it up their duck's behind."

The surveillance is serious business, however. The H5N1 strain is endemic among poultry in five countries, with more than 100 million birds killed. It has also killed 57 of the 112 people confirmed with the disease, almost always after direct contact with infected birds, according to the federal Centers for Disease Control and Prevention.

The virus showed up in western China and Siberia this summer, apparently carried by migrating waterfowl. Alaska is the Pacific Ocean's major migratory crossroad, where species from Asia and North America mingle in summer.

If the deadly H5N1 strain mutates into a form that could pass easily among people, health officials fear it could trigger a pandemic, with millions of deaths across the globe.

Gerlach is collaborating with other scientists in a project coordinated by University of Alaska

Program on the Biology and Epidemiology of Avian Influenza. Biologists have so far collected samples from 4,085 geese, ducks and other wild birds across the state and hope to collect 5,000 samples by the end of the season, said spokeswoman Marie Gilbert.

Initial testing of the samples is now under way at the Armed Forces Institute of Pathology, she said.

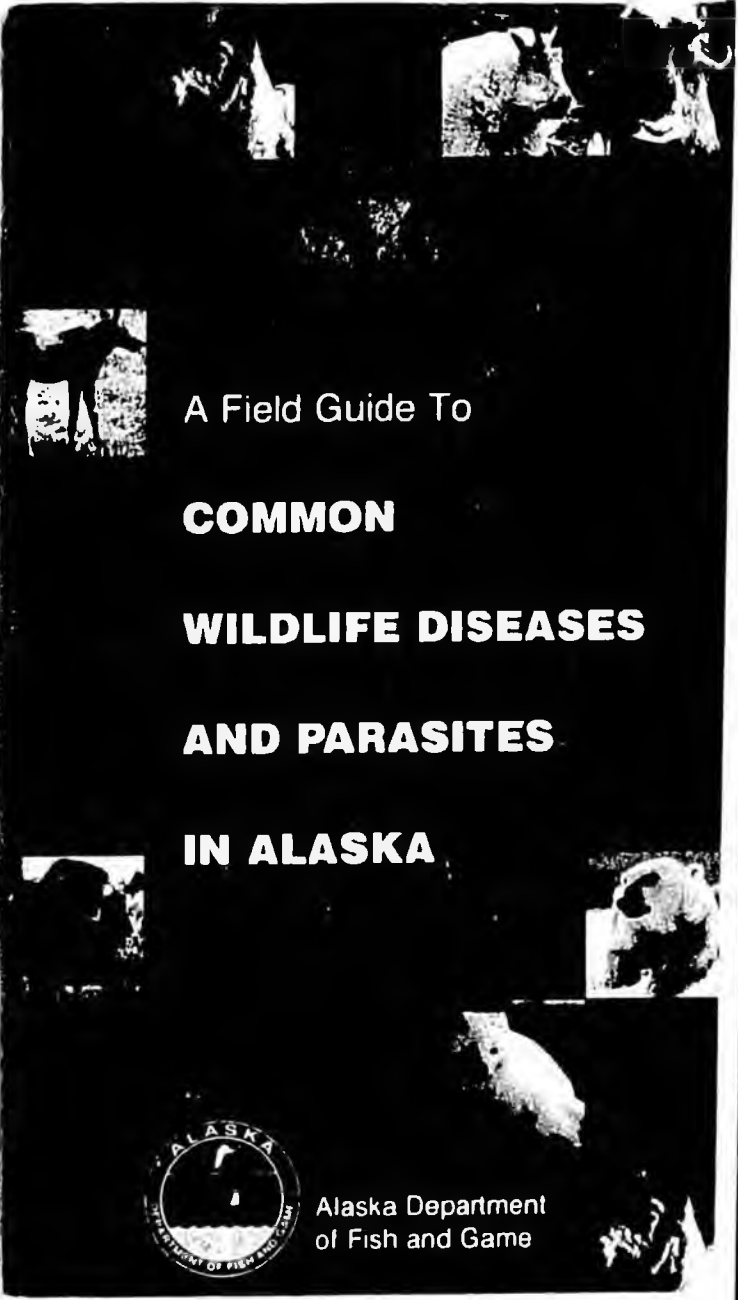
Daily News reporter Doug O'Harra can be reached at do'harra@adn.com.

[Print Page](#)

[Close Window](#)

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THE FOLLOWING DOCUMENT HAS NOT
BEEN FILMED BUT IS AVAILABLE IN THE
ORIGINAL FILE.



A Field Guide To

**COMMON
WILDLIFE DISEASES
AND PARASITES
IN ALASKA**



Alaska Department
of Fish and Game

SENATE FINANCE COMMITTEE

SIGN-IN

HB 380-ANIMALS & ANIMAL OR AGRICULTURAL PRODUCTS

✓ NAME: Kristin Ryan Subject/Bill No: _____
Co./Dept./Title: DEC / Director Phone: _____
environmental Health Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

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

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

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

HB

381

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 381
(H) Publish Date: 1/18/06

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
Title: Tobacco Bonds RDU: Centralized Administrative Services
Component: Finance
Sponsor: _____ Component No.: 59
Requester: _____

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						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (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 fiscal note will have a zero impact upon the Division of Finance, as these activities fall within the scope of the division's current responsibilities.

Prepared by: Kim Garnero, Director Phone: 465-3435
Division: Finance Date/Time: 12/23/05 2:00 PM
Approved by: Michael Tibbles, Deputy Commissioner Date: 12/23/2005
Agency: Administration

Tobacco Bond Refinancing

Fact Sheet

What are tobacco bonds?

Tobacco bonds allow the State to realize revenue now by selling its rights to future tobacco Master Settlement Agreement (MSA) payments to private investors.

What is the Master Settlement Agreement?

In November 1998 Alaska and 45 other participating states, along with the District of Columbia, Puerto Rico, the U.S. Virgin Islands, American Samoa, the Northern Mariana Islands and Guam entered into the \$206 billion 25-year MSA with the four largest tobacco manufacturers. The MSA resolved cigarette smoking-related claims, in exchange for payments to be made to the settling states, and the imposition of certain tobacco advertising and marketing restrictions. Annual payments are made to Alaska through the MSA based on a formula which includes adjustment for inflation and consumption.

How does the State sell its future MSA payments?

Through an AHFC subsidiary, the Northern Tobacco Securitization Corporation, the State issues bonds to private investors. The bonds are to be repaid by future MSA payments. Investors assume all of the risks associated with future tobacco MSA payments.

Why should the State sell its future MSA payments?

Selling tobacco bonds achieves multiple public policy objectives:

- Provides capital for needed State infrastructure projects (over \$200 million to date) and up to \$100 million in 2006.
- Transfers risk of diminished or eliminated future MSA payments from the State to investors.
- As MSA revenues are greater when consumption is high, by selling the settlement the State divests itself of a financial interest in the continued use of tobacco products.

Has this been done before?

Alaska has issued tobacco bonds twice previously. The 2000 Alaska Legislature, through HB281, authorized a \$116 million bond sale, which funded \$93 million in public school construction projects. The 22nd Alaska Legislature, through HB 234, authorized a \$135 million sale to fund \$110 million in public school, University of Alaska, and water and harbor projects.

Why now?

Due to a number of legal and economic factors, anticipated tobacco MSA payments are attracting more investors. This provides the State with an opportunity that was not available during the last several years.

The strong current market allows for a refinancing of existing tobacco bonds and at the same time, a further leveraging of the MSA. The proposed transaction will extend the sale of MSA receipts by between 15 and 20 years. This is similar to refinancing your home and at the same time extracting equity to build an addition.

How much will be generated from the sale?

Revenue realized will depend upon market conditions, such as interest rates, at the time of sale. Under current market conditions, Alaska could realize up to \$180 million in revenue.

What will the proceeds fund?

Governor Murkowski proposes using the first \$89.2 million in capital construction projects for the University of Alaska. The largest single project proposed is \$55 million for Phase III of the Integrated Science Facility at UAA. Revenue in excess of \$89.2 million would be used to help finance the construction of a new Department of Corrections facility in the Matanuska-Susitna Borough.

What happens when the bonds are paid?

The State will retain the residual value of the MSA payments. The proposed refinancing bond issue would have an expected life of between 25 and 30 years and once paid off any annual settlement payments will flow directly to the State.

FRANK H. MURKOWSKI
GOVERNOR

GOVERNOR@GOV.STATE.AK.US



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

P.O. Box 110001
JUNEAU, ALASKA 99811-0001
(907) 465-3500
FAX (907) 465-3532
WWW.GOV.STATE.AK.US

January 17, 2006

The Honorable John Harris
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Harris:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the financing of construction, major maintenance, and renovation of facilities for the University of Alaska; relating to the financing of construction of a correctional facility; authorizing the commissioner of revenue to sell the right to receive a portion of the anticipated revenue from a tobacco litigation settlement to the Northern Tobacco Securitization Corporation, with the proceeds of that sale to finance construction, major maintenance, and renovation of facilities for the University of Alaska and to finance the construction of a correctional facility; providing for the establishment of funds for deposit of those proceeds; and authorizing the issuance of bonds by the Northern Tobacco Securitization Corporation for the purpose of acquiring the right to receive a portion of anticipated revenue from a tobacco litigation settlement.

This bill is quite similar to previous measures that securitized a total of 80 percent of the tobacco Master Settlement Agreement revenue stream. See secs. 9 and 10, ch. 130, SLA 2000 and secs. 3 and 4, ch. 96, SLA 2001. This bill would securitize the residual revenue stream that reverts back to the general fund once the outstanding tobacco bonds authorized by the previous legislation are repaid. In other words, that 80 percent of the revenue stream from the settlement of *State of Alaska v. Philip Morris, Incorporated, et al*, No. 1JU-97-915 CI (Alaska Super. 1997) will remain securitized for a longer period. The bill anticipates that the state will realize at least \$89,250,000 in proceeds, with a possibility that additional amounts would be raised. The bill authorizes the proceeds to be spent on certain University of Alaska capital projects, and

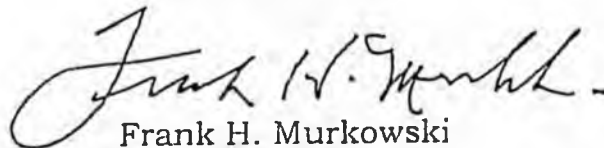
HB 381

The Honorable John Harris
January 17, 2006
Page 2

on a prison in the Matanuska-Susitna Borough, subject to appropriation for those purposes.

I urge your prompt and favorable action on this measure.

Sincerely yours,

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

Frank H. Murkowski
Governor

HB 381

HB

381

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT
MAY 06 2006
 SENATE FINANCE COMMITTEE

DATE: 5/4/06

FURTHER:

 DATE TURNED IN TO OFFICE: 5/6/06

Finance Committee considered CS FOR HOUSE BILL NO. 381 (FIN)

HB 381 TOBACCO REV. FOR CAPITAL PROJECTS

"An Act relating to the financing of construction, major maintenance, and renovation of certain capital projects; authorizing the commissioner of revenue to sell the right to receive a portion of the anticipated revenue from a tobacco litigation settlement to the Northern Tobacco Securitization Corporation, and relating to that sale and the use of the revenue; authorizing the Northern Tobacco Securitization Corporation to issue bonds and use the proceeds to acquire the right to receive a portion of anticipated revenue from a tobacco litigation settlement and for other purposes, and relating to those bonds; and providing for an effective date."

and recommends:

- be replaced with S CS CS HB 381 (FIN)
- adopt previous _____ CS _____ (_____)
- 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#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Ind.	Zero	FN#
Admin	4/23/05			✓	#1

 APPROPRIATION - no fiscal note

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

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT
 MAY 06 2006
 SENATE FINANCE COMMITTEE

DATE: 5/4/06

FURTHER:

DATE TURNED IN TO OFFICE: 5/6/06

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HB 381 TOBACCO REV. FOR CAPITAL PROJECTS

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Department	Date	Fiscal	Ind.	Zero	FN#
Admin	4/23/05			✓	#1

APPROPRIATION - no fiscal note

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

FISCAL NOTE

REPORTED OUT
MAY 06 2006
SENATE FINANCE COMMITTEE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 381
(H) Publish Date: 1/18/06

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
Title: Tobacco Bonds RDU: Centralized Administrative Services
Component: Finance
Sponsor: _____ Component No: 59
Requester: _____

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						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

FUND SOURCE	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (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 fiscal note will have a zero impact upon the Division of Finance, as these activities fall within the scope of the division's current responsibilities.

Prepared by: Kim Garner, Director Phone: 465-3435
Division: Finance Date/Time: 12/23/05 2:00 PM
Approved by: Michael Tibbles, Deputy Commissioner Date: 12/23/2005
Agency: Administration

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT
MAY 06 2006
SENATE FINANCE COMMITTEE

DATE: 5/4/06

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 Technical Title Change
 New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Ind.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Ind.	Zero	FN#
Admin	2/23/05			✓	#1

APPROPRIATION - no fiscal note

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

FISCAL NOTE

REPORTED OUT
MAY 06 2006
SENATE FINANCE COMMITTEE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 381
(H) Publish Date: 1/18/06

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Requester: _____ Component No. 59

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

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

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

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (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 fiscal note will have a zero impact upon the Division of Finance, as these activities fall within the scope of the division's current responsibilities.

Prepared by: Kim Garnero, Director
Division: Finance
Approved by: Michael Tibbles, Deputy Commissioner
Agency: Administration

Phone: 465-3435
Date/Time: 12/23/05 2:00 PM
Date: 12/23/2005

COMMITTEE COPY

1	Campus Center Renewal and Renovation	4,000,000
2	Museum Completion	1,000,000
3	Anchorage - Raspberry Road Extension	1,500,000
4	Glenn Bragaw Interchange, Phase II	8,500,000
5	Chugiak - Birchwood Eagle River, Rural Road Service	
6	Area: Road and Drainage System Rehabilitation	2,000,000
7	Nome - Nome Joint Utilities, Nome Power Plant	4,000,000
8	Bethel - Yukon-Kuskokwim Health Corporation: Prematernal	
9	Home Construction	2,000,000
10	Northwest Arctic Borough - Kivalina Shoreline Protection	1,650,000
11	Kenai - Kenai Peninsula Borough: Borough-wide Road Upgrades	1,800,000
12	Department of Transportation and Public Facilities: Wik	
13	Road Improvements	2,000,000
14	Wrangell - Heritage Harbor Float System	2,200,000
15	Ketchikan - Alaska Industrial Development and Export	
16	Authority: Ketchikan Shipyard Improvements	2,740,000
17	Juneau - Juneau Community Foundation: Recreation/Sports	4 4,000,000
18	Complex Design and Construction	2,000,000
19	Hoop Time Basketball: Multi-use Recreation Facility	2,000,000
20	Kodiak - City of Kodiak: Municipal Airport Improvements	700,000
21	City of Kodiak: Public Safety Building	1,000,000
22	City of Kodiak: Pier III Repairs	300,000
23	Kodiak Island Borough: Ouzinkie Dock Replacement	570,000
24	Kodiak Island Borough: Near Island Facility	500,000
25	Seward - City of Seward: Seward T Dock and Bulkhead Phase II	1,200,000
26	Homer - City of Homer: New City Hall	2,000,000
27	Valdez - Small Boat Harbor Improvements	1,000,000
28	Southeast Islands - City and Borough of Sitka: University of	
29	Alaska Benchland Subdivision Utilities, Water Tank,	
30	Sewer Infrastructure, and Related Road Improvements	5,000,000
31	City of Craig: Ward Cove Cannery Renovation and	



Official Business

Alaska State Senate

Senate Finance Committee

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

Shelf
Kelly
done

FAX COV

DATE: 6 May 2006 TIME: 9:35 am

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 Exchange please
SCS CS HB 381 (FIN)
2A-GH2071\L
plus 1 amendment - attached
Thanks
Mindy

Tam Cook

ginger #: 2138

for final on the floor @ 1:00pm

AMENDMENT

To: CS HB 381(FIN) Version 24-GH2071NL

BY: Senator Green

This amendment is ~~technical~~ in nature.

Amend Page 3, following Line 31

INSERT Tanana Valley Campus:

Amend Page 4, Line 18

DELETE 2,000,000

INSERT 4,000,000

Amend Page 4, Line 19

DELETE entire line and dollar amount

Amend Page 4, Line 28

DELETE "Southeast Islands - "

INSERT "Sitka -"

Amend Page 4, Line 31

INSERT "Southeast Islands -"

Ginger attempted to insert this into the Final CS.

Committee did not see or adopt this amendment

Not incorporated into version "5"

Post-it* Fax Note	7671	Date	# of pages ▶
To	Mindy	From	Lynn
Co./Dept.		Co.	
Phone #		Phone #	(606) 51
Fax #	2187	Fax #	

SENATE FINANCE
COMMITTEE
Amendment # _____
To Bill Number: _____
Sponsor: _____
Date: _____ Logged by: _____

A M E N D E N T

To: CS JIB 381(FIN) Version 24-GH2071M.

BY: Senator Green

This amendment is technical in nature.

*per Ginger - amendment
to be offered
on the floor*

Amend Page 3, following Line 31

INSERT Tanana Valley Campus:

Amend Page 4, Line 28

DELETE "Southeast Islands - "
INSERT "Sitka -"

Amend Page 4, Line 31

INSERT "Southeast Islands -"

General guidance on using Tobacco Bonds as a Fund Source for Capital Projects

Provided by OMB- 4/27/2006

Overview

- Tobacco bonds are tax-exempt securities. To achieve that status, projects must accrue benefit to the general government. If an entity other than government accrues benefits from the bond proceeds then the use of this funding stream comes in to question.
- To insure funded projects meet the requirements for tax-exempt status, they are reviewed by bond counsel.
- The projected life of the funded project must be comparable to the life of the bond.
- To provide specific examples, the Department of Revenue reviewed the municipal grant section of the FY 06 capital budget for Commerce and Economic Development. Projects were flagged that were potentially problematic for using Tobacco Bond proceeds as the funding source.

Summary of Findings from Department of Revenue Project Review

- Most of the projects listed were eligible for Tobacco Bonds funding.
- Projects flagged by Revenue as having potential issues with using tobacco bonds had a recurring theme or question: To what extent are nongovernment entities involved?

Examples of projects that were problems:

- Assistance with debt retirement on a private nonprofit corporations facility
- Funding for a facility that is going to be run by a private entity
- Subdivision improvements such as roads or drainage that would benefit a private developer

Examples of projects that may be problems depending upon circumstances:

- Airport terminal improvements
- Dock improvements
- Equipment purchases

Questions or concerns about specific projects can be directed either to the Department of Revenue or OMB. Some of these may in turn need to be reviewed by bond counsel for more definitive guidance. Ultimately all of the projects using this funding stream would need review by bond counsel.

A detailed list of the FY06 projects flagged by Revenue is attached.
Capital projects from FY 06 DCCED municipal grants that may be problematic to fund with tobacco refinance proceeds

Project	Revenue comment
Cold Bay Airport Terminal Project	Potential problem if any private firm such as airline, restaurants, etc, are involved
City of Bristol Bay Port & Dock Improvement	<u>Public Use</u> docks are generally OK- private docks problematic
City of Adak- Adak Small Boat Harbor Construction Phase II	<u>Public Use</u> docks are generally OK- private docks problematic
City of Anderson Subdivision Rd	OK unless a private developer is involved
City of Angoon Search & Rescue Vessel	OK provided no private firm to use vessel, for example as the operator
City of Bethel -Bethel prematernal Home Replacement, design & planning	OK unless private firm is operator (of home itself). Usually designs and plans are OK.
City of Bethel-Emergency Dock repairs	<u>Public Use</u> docks are generally OK- private docks problematic
City of Coffman Cove- Garbage Truck	OK unless a this is for a private operator
City of Cordova- Cordova AWARE shelter	OK unless a this is for a private operator
City of Cordova- Cordova Center	OK unless a this is for a private operator
City of Craig- Fish Processing/Cold Storage	Probably a private operator, if so, not OK
City of Eek- New Landfill Replacement, Design, Planning and Construction	OK unless a this is for a private operator
City of Emmonak- Emmonak Heavy Equipment, Purchase and repair and Congressional Earmark Match	OK if the equipment is for public uses
City of Galena - Expert Legal and Technical Analysis for Proposed Mini-Nuclear Power plant	Probably OK, depends upon the nature of the utility, This would probably need to be reviewed by State's Bond Counsel
City of Gambell- Gambell Landfill Relocation Study	OK if the landfill is publicly operated. Not OK if for a private operator
City of Houston- Mid Valley Senior Center	OK unless a this is for a private operator
City of Ketchikan- Design and Construction of Waterfront Promenade	May be private firms involved in this one
City of Ketchikan- Gravina Electric/Telecommunication Line	May be problematic depending on the nature of the utility
City of King Cove- Harbor Complex Power Upgrade	May be problematic depending on the nature of the utility
City of Klawock Small Boat Harbor Float Construction	<u>Public Use</u> docks are generally OK- private docks problematic
City of Kodiak- Marine Travel Lift	See comment on public use docks
City of Nenana - Nenana Boarding Schools Construction and Maintenance	OK unless a this is for a private operator
City of Saint Mary's - St Mary's Landfill	OK so long as public & not private

Road	operator
Project	Revenue Comment
City of Thorne Bay- Harbor Shack Improvement	See comment on public use docks
City of Wasilla – Sports Complex Emergency Generators and Kitchen	OK unless a this is for a private operator
City of Wrangell- Regional Cold Storage	Probably a private operator, if so, not OK
Fairbanks North Star Borough – Carlson Center Scoreboard	Probably OK unless private lessee using the improvements
Kenai Peninsula Borough- Arctic Winter Games Hosting	Likely OK
Kenai Peninsula Borough- Cooper Landing Senior Citizen's Corp., Inc.	This would probably need to be reviewed by State's Bond Counsel
Road Access and Utilities to Senior Housing Site.	OK so long as public & not private operator
Kodiak Island Borough – Near Island Research and Administration	OK so long as entirely public use (or private use doesn't exceed various limits in Internal Revenue Code)
Municipality of Anchorage Family resource Center (Campfire) Lease and Building/Land Purchase	Lease might not be OK; Would need bond counsel to review. The purchase of the building and land OK if for a public project.
Municipality of Anchorage Foxhall Subdivision Area Drainage	If private developer, this could be a problem. Bond counsel would likely need to review.

FRANK H. MURKOWSKI
GOVERNOR

GOVERNOR@GOV.STATE.AK.US



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JUNEAU

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January 17, 2006

The Honorable John Harris
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Harris:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the financing of construction, major maintenance, and renovation of facilities for the University of Alaska; relating to the financing of construction of a correctional facility; authorizing the commissioner of revenue to sell the right to receive a portion of the anticipated revenue from a tobacco litigation settlement to the Northern Tobacco Securitization Corporation, with the proceeds of that sale to finance construction, major maintenance, and renovation of facilities for the University of Alaska and to finance the construction of a correctional facility; providing for the establishment of funds for deposit of those proceeds; and authorizing the issuance of bonds by the Northern Tobacco Securitization Corporation for the purpose of acquiring the right to receive a portion of anticipated revenue from a tobacco litigation settlement.

This bill is quite similar to previous measures that securitized a total of 80 percent of the tobacco Master Settlement Agreement revenue stream. See secs. 9 and 10, ch. 130, SLA 2000 and secs. 3 and 4, ch. 96, SLA 2001. This bill would securitize the residual revenue stream that reverts back to the general fund once the outstanding tobacco bonds authorized by the previous legislation are repaid. In other words, that 80 percent of the revenue stream from the settlement of *State of Alaska v. Philip Morris, Incorporated, et al*, No. 1JU-97-915 CI (Alaska Super. 1997) will remain securitized for a longer period. The bill anticipates that the state will realize at least \$89,250,000 in proceeds, with a possibility that additional amounts would be raised. The bill authorizes the proceeds to be spent on certain University of Alaska capital projects, and

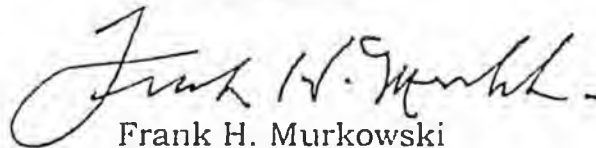
HB 381

The Honorable John Harris
January 17, 2006
Page 2

on a prison in the Matanuska-Susitna Borough, subject to appropriation for those purposes.

I urge your prompt and favorable action on this measure.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Frank H. Murkowski". The signature is written in a cursive style with a large initial "F" and a long horizontal stroke at the end.

Frank H. Murkowski
Governor

HB

384

HFIN

FILE

Sec

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: February 21, 2006

FURTHER REFERRALS:

Date of Committee Action: 4/4/06

The FINANCE Committee considered:

HB 384

HOUSE BILL NO. 384

FINES AND OFFENSES

"An Act relating to fines and offenses; amending Rule 8(b), Alaska District Court Rules of Criminal Procedure; and providing for an effective date."

Recommends it be replaced with [] HCS or [X] HCS for HB 384 (Jud)
For Senate Bills with new title: [] Technical Title [] New Title: HCR [] Same Title [] New Title

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

List of Abbrev for Depts.: ADM, CED, COR, CRT, EED, DEC, DEG, GOV, HSS, LEG, LAW, LWF, MVA, DNR, DPS, REV, DOT, CA

Table with columns: List by Dept(s), *FN#, Fiscal, Indet., Zero. Row 1: GOV, Indet. checked.

Table with columns: List by Dept(s), FN#, Fiscal, Indet., Zero. All cells empty.

Table with columns: Signing with recommendations, Printed Last Name, DP, DNP, NR, AM. Includes signatures like Bern Gustula, Kelly Foster, Bruce Waybrough, and Chair K. Meyer.

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: CSHB384(JUD)
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: All
Title: Fines and Offenses RDU _____
Component _____
Sponsor: Rep. Anderson
Requester: House Finance Committee 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						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

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 would increase fine amounts for a number of statutory violations. The bill would result in some increase in revenue to the State; however, it is not possible to accurately determine the precise amount.

Prepared by: Jack Kreinheder, Senior Analyst Phone: 465-4676
Division: Office of Management and Budget Date/Time: 4/5/06 3:33 PM
Approved by: Cheryl Frasca, Director Date: 4/5/2006
Agency: Office of Management and Budget

ALASKA STATE HOUSE OF REPRESENTATIVES

Labor & Commerce Committee, Chair
Administrative Regulation Review, Chair
Judiciary Committee, Vice-Chair
Health, Education and Social Services



716 W 4th Ave
Suite 610
Anchorage, AK 99501

Phone (907) 269-0265
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Representative Tom Anderson

Sponsor Statement CSHB 384(JUD)

"An Act relating to fines and offenses; amending Rule 8(b), Alaska District Court Rules of Criminal Procedure; and providing for an effective date."

HB 384 proposes to raise the maximum amount a person may be fined to \$750 when found guilty of an infraction or violation as currently provided for in statute. The exception to this is found in *Sec. 2* of this bill that sets \$750 as the minimum fine, with the amount of \$1,000 established as the cap for this type of offense.

In addition, this bill brings fish and game penalty language in Title 16 into alignment with the current statutory definition for a Class A Misdemeanor. In 2002, the Alaska Legislature doubled the fines for Class A misdemeanors from \$5,000 to \$10,000. However, several important Title 16 penalties listed a maximum fine of \$5,000 and thus remained locked at that level. Since some of these penalties went into effect around statehood, it is appropriate to update the maximum fines.

Violations or infractions are both minor offenses and are often confused with one another. Violations are about the same as traffic infractions, except that violations are not traffic offenses. Violations were created as a new class of offense in 1978 when the criminal code was completely revised. Both violations and infractions are non-criminal offenses for which no jail time can be imposed. In 1978, the maximum fine set for infractions was \$300, although some violations impose a \$500 minimum fine. This dollar amount has not changed in almost 30 years.

This increase in the dollar amount is consistent with today's values and begins to allow for inflation since 1978. The increase in the maximum monetary penalty will serve as a further deterrence to those not only found guilty, but for those contemplating any action that might lead to such an act leading to an infraction or violation under law.

In today's society, the most serious infractions and violations are the types of offenses that the public observes daily. The public expects that enforcement action will be taken to insure our collective safety. By increasing the fines levied against those that are found guilty, we act to serve the better good.

FISCAL NOTE

Changed to
inset.

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 384(JUD)
(H) Publish Date: 2/21/06

Revision Date/Time (Note if correction): _____ Dept. Affected: _____
Title Fines and Offenses RDU Alaska Court System
Component Trial Courts
Sponsor Representative Anderson
Requester _____ 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						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

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)*
The court system does not anticipate any fiscal impact from the passage of HB 384.

Prepared by: Doug Wooliver, Administrative Attorney Phone 463-4750
Division Alaska Court System Date/Time 2-10-06 @ 9:00 am
Approved by: Doug Wooliver for Stephanie Cole, Administrative Director Date 2/10/2006
Agency Alaska Court System

FISCAL NOTE

Change to impact

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 384(JUD)
(H) Publish Date: 2/21/06

Revision Date/Time (Note if correction): _____ Department: Labor and Workforce Development
Title: Fines and Offenses RDU: Office of the Commissioner
Sponsor: Representative Anderson Component: Alaska Labor Relations Agency
Requester: House JUD Component Number: 1200

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						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

Estimate of any current year (FY2006) cost: None
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)

Section 21 would change the penalty in AS 23.40.180 (Public Employment Relations Act) for violation of a decision or order from a misdemeanor punishable by a fine of up to \$500, to a violation with no monetary penalty.

Section 29 would change the penalty in AS 42.40.830 (Alaska Railroad Labor Relations) for violation of a decision or order from a misdemeanor punishable by a fine of up to \$500, to a violation with no monetary penalty.

There is no anticipated financial impact to the department as a result of this legislation.

Prepared by: Mark Torgerson, Hearing Examiner Phone: 269-4895
Division: Alaska Labor Relations Agency Date/Time: 2/17/06 9:37 AM
Approved by: Greg O'Claray, Commissioner Date: 2/17/2006
Agency: Department of Labor and Workforce Development

FISCAL NOTE

Changed in date

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSHB 384(JUD)
(H) Publish Date: 2/21/06

Revision Date/Time (Note if correction): _____ Dept. Affected: LAW
Title: "An Act relating to fines and offenses, amending RDU: CRIMINAL
Rule 8(b), Alaska District Court Rules of Criminal Procedure..." Component: Criminal Justice Litig: "on
Sponsor: Representative Anderson
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 2006	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

Estimate of any current year (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 makes various amendments throughout statute to increase the penalty for a violation to \$750. It also reclasses certain offenses as violations. In some cases the change represents an increase from a previous statutory level (frequently \$500), in some cases a fine would be imposed where one had not been. Even in the latter instance, it is unlikely that we will experience increases in the amount of time spent on prosecution because offenders choose to contest the higher or new fine. As a result we are not anticipating a fiscal impact to the Department of Law if this legislation passes.

Prepared by: Kathryn Daughheteo, Director
Division: Administrative Services Division
Approved by: Kathryn Daughheteo for David Márquez, Attorney General
Agency: Department of Law

Phone: 465-3673
Date/Time: 2/13/06 11:16 AM
Date: 2/13/2006



STATE OF ALASKA
OFFICE OF THE GOVERNOR

BILL ANALYSIS

DEPARTMENT Public Safety	DIVISION Alaska State Troopers	BILL NUMBER None - Title 16	SPONSOR Alaska Dept. of Fish & Game
SHORT TITLE OF BILL An Act amending the fines for an A misdemeanor in Title 16 which include; non-resident guide requirements; hunting same day airborne; operation of fish traps; Erection of fish traps prohibited on land or water owned by the State; use of drum or purse seine and termination device for shellfish/bottom fish pots; unlawful taking and sale of migratory fish and shellfish taken on the high seas; purchase of fish by the pound; and bringing these fines up to the current statutorily allowable amount as defined under AS 12.55.035 (b)(7); and providing for an effective date.			
DEPARTMENT POSITION Support			
PREPARED BY Lt. James Helgoc	DATE 1/6/06	COMMISSIONER'S SIGNATURE	DATE

SUMMARY

OTHER AGENCIES AFFECTED BY BILL	CONSTITUENT GROUP(S) AFFECTED BY BILL
ORGANIZATIONAL SUPPORT FOR BILL	ORGANIZATIONAL OPPOSITION TO BILL

FISCAL IMPACT: NONE FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT

In October 2002, the Alaska Legislature doubled the fines for Class A misdemeanors from \$5,000 to \$10,000. The intent is to bring the penalties for violating these sections up to the current \$10,000 maximum for an A Misdemeanor. Several important AS16 penalties list a maximum fine of \$5,000 and thus remained locked at that level while others that did not list the fine increased to \$10,000. These inconsistencies add confusion to title 16 and are inconsistent with the penalties/fines listed in AS12.55.035 (B) (7).

The reason these changes are needed is that well-meaning persons, many years ago, listed the \$5,000 maximums as a convenience in statute, not foreseeing that the base misdemeanor fine would be doubled in 2002. Some of these penalties went into effect around statehood and it is appropriate that we now update the maximum fines.

While some of these (fish traps and purse seine drums) are rarely, if ever, encountered these days, some of them (same day airborne and unlawful sale of migratory fish) are highly appropriate for the increase. Since they are all current laws, it seems appropriate to update them all.

ANALYSIS OF BILL PROGRAM EFFECTS

Sectional analysis:

Non-Resident Guide Requirement

AS 16.05.407 (d) is amended to read:

A nonresident who violates (a) of this section, or who fails to furnish an affidavit under (b) of this section, is guilty of a Class A misdemeanor [AND UPON CONVICTION IS PUNISHABLE BY IMPRISONMENT FOR NOT MORE THAN ONE YEAR, OR BY A FINE OF NOT MORE THAN \$5,000, OR BY BOTH].

Hunting Same Day Airborne

AS 16.05.783 (c) is amended to read:

(c) A person who violates this section is guilty of a Class A misdemeanor [AND UPON CONVICTION IS PUNISHABLE BY A FINE OF NOT MORE THAN 5,000, OR BY IMPRISONMENT FOR NOT MORE THAN ONE YEAR, OR BY BOTH]. In addition, the court may order the aircraft and equipment used in or in aid of a violation of this section to be forfeited to the state.

Waste of Salmon

As 16.05.831 (c) is amended to read:

A person who violates this section or a regulation adopted under it is guilty of a Class A misdemeanor. [PUNISHABLE BY A FINE OF NOT MORE THAN \$10,000, OR BY IMPRISONMENT FOR NOT MORE THAN SIX MONTHS, OR BY BOTH]. In addition, a person who violates this section is subject to a civil action by the state for the cost of replacing the salmon wasted.

Activities by Aliens Prohibited

AS 16.05.905 (b) is amended to read:

An alien person who violates (a) of this section is guilty of a Class A misdemeanor, and upon conviction is punishable by a confiscation and forfeiture of the fishing vessel used in the violation [OR BY IMPRISONMENT FOR NOT MORE THAN ONE YEAR, OR BY A FINE OF NOT MORE THAN \$10,000, OR BY ALL OR ANY TWO OF THE FORGOING PUNISHMENTS].

Interference With Commercial Fishing Gear

AS 16.10.055 is amended to read:

A person who willfully or with reckless disregard of the consequences, interferes with or damages the commercial fishing gear of another person is guilty of a Class A misdemeanor. For the purposes of this section "interference" means the physical disturbance of gear which results in economic loss or loss of fishing time, and "reckless disregard of the consequences" means a lack of consideration for the consequences of one's acts in a manner that is reasonably likely to damage the property of another.

Operation of Fish Traps

AS 16.10.090 is amended to read:

A person who violates AS 16.10.070 is guilty of a Class A misdemeanor [AND IS PUNISHABLE BY IMPRISONMENT FOR NOT MORE THAN ONE YEAR, OR BY A FINE OF NOT MORE THAN \$5,000 OR BOTH].

Erection of Fish Traps Prohibited on Land or Water Owned by the State

AS 16.10.110 is amended to read:

A person who violates AS 16.10.100 is guilty of a Class A misdemeanor [, AND UPON CONVICTION IS PUNISHABLE BY IMPRISONMENT FOR NOT MORE THAN ONE YEAR, OR BY A FINE OF NOT MORE THAN \$5,000, OR BY BOTH].

Use of Drum for Purse Seine and Termination Device for Shellfish/Bottom fish Pots

AS 16.10.130 is amended to read:

A person who violates AS 16.10.120 or 16.10.125 is guilty of a Class A misdemeanor [, AND UPON CONVICTION IS PUNISHABLE BY IMPRISONMENT FOR NOT MORE THAN SIX MONTHS, OR BY A FINE OF NOT MORE THAN \$1,000, OR BY BOTH].

Unlawful Taking and Sale of Migratory Fish and Shellfish Taken on the High Seas

AS 16.10.220 is amended to read:

A person who violates AS 16.10.200 and 16.10.210 is guilty of a Class A misdemeanor [, AND UPON CONVICTION IS PUNISHABLE BY A FINE OF NOT MORE THAN \$5,000 OR BY IMPRISONMENT FOR NOT MORE THAN ONE YEAR, OR BY BOTH].

Penalty

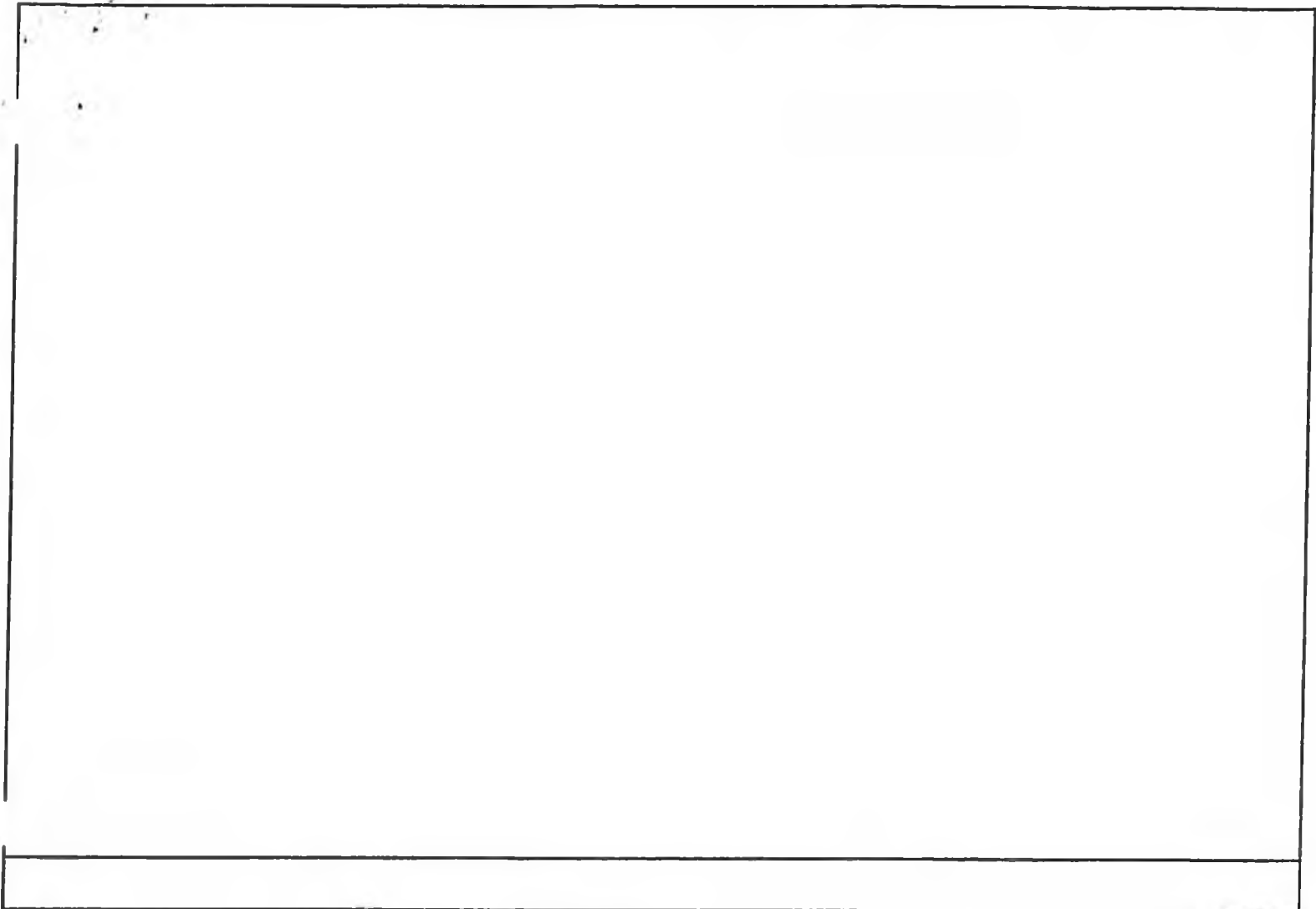
AS 16.10.250 is amended to read:

A person, association, or corporation violating AS 16.10.240 or contributing to or cooperating in the violation of AS 16.10.240 is guilty of a Class A misdemeanor [AND UPON CONVICTION IS PUNISHABLE BY A FINE OF NOT MORE THAN \$5,000. OR BY IMPRISONMENT FOR NOT MORE THAN ONE YEAR, OR BY BOTH]. Vessels and equipment used in or in aid of a violation of AS 16.10.240 may be seized and disposed of as provided in AS 16.05.190. Conviction under AS 16.10.240 is grounds for suspension of a fishing license or permit by the department.

Purchase of Fish by the Pound

AS 16.10.270 (b) is amended to read:

(b) A person who violates this section is guilty of a Class A misdemeanor [AND UPON CONVICTION IS PUNISHABLE BY IMPRISONMENT FOR NOT MORE THAN ONE YEAR, OR BY A FINE OF NOT MORE THAN \$5,000, OR BY BOTH].



HB384 Sectional Analysis

Prepared by Department of Public Safety

Section 5: AS 05.25.090(b) is amended to read:

(b) A person who violates

- (1) AS 05.25.010, 05.25.020, 05.25.030(b), 05.25.060(2), or a regulation adopted under this chapter relating to As 05.25.010 or 05.25.020 is guilty of a violation **[AS DEFINED IN AS 11.81.900 AND MAY BE FINED UP TO \$500]**;
- (2) AS 05.25.055 is guilty of a violation **[AS DEFINED IN AS 11.81.900]** and may be fined up to \$50

Paragraph (1) would modify the maximum amount that could be fined for violations of several provisions of AS 05.25. Under this proposal, the maximum amount would not be specifically stated, but would fall within the range identified for violations. Those parameters are identified in AS 12.55.035(b)(7). The verbiage of "as defined in AS 11.81.900" should be retained as a means of defining "violation".

Paragraph (2) under this section also needs to retain the verbiage "as defined in AS 11.81.900". There is no need to include language about being fined up to \$50. That amount is already listed within the bail schedule as set by the Supreme Court.

Section 6: As 12.55.035(b) is amended to read:

(7) \$750 [~~\$500~~] for a violation or an infraction

This section is the core of what AST's efforts were hoping to accomplish. AS 12.55.035(b)(7) will raise the maximum amount that can be access for a violation to \$750. The proposed language also adds infractions to this statute. It is suggested that infractions, since they are unique to only title 28, be defined in this statute. Possible language could be: "or an infraction as defined as AS 28.40.050(c)".

Bringing these two minor offenses together for purposes of determining the maximum penalty will serve to clarify much of the confusion that currently exist not only in law enforcement circles, but also in some of the magistrate courts across the state.

Section 8: AS 16.05.420(b) is amended to read:

(b) A person may not make a false statement, or omit a material fact, in an application for a license, tag, permit, sport fishing vessel registration issued under AS 16.05.130 – 16.05.430. A person who without any culpable mental state makes a false statement as to the person's identity or residency in an application for a license, tag, permit, or sport fishing vessel registration issued under AS 16.05.330 – 16.05.430 is guilty of a violation and upon conviction is punishable by a fine of not more than \$750

[\$300}. A person who knowingly violates this subsection is guilty of a class A misdemeanor.

It is suggested that "and upon a conviction is punishable by a fine of not more than \$750" be deleted from the proposed language. In its place, substitute "subject to the penalties specified in AS 12.55.035 (b)(7).

Section 12: AS 16.10.030 is amended to read:

Sec. 16.10.030 Penalty for violations of AS 16.10.010 – 16.10.050. A person who violates AS 16.10.010 – 16.10.050 is guilty of a misdemeanor and, upon conviction, is punishable by a fine of not less than \$100 nor more than \$750 [\$500}.

This is proposed as a housekeeping provision to come into compliance with the new language if the proposals of section 6 within this bill are adopted.

Consideration should be given, however, as to why this offense is titled a misdemeanor but has a maximum penalty of between \$100 and \$750. Perhaps this offense should be called a Class B Misdemeanor with no specific monetary penalty spelled out. Conversely, if it is desired to not have penalties of any greater amount than \$100 to \$750, the offense should be titled as a violation subject to the penalties as specified in AS 12.55.035(b)(7).

Section 35: AS 28.39.010(b) is amended to read:

(b) A person who violates (a) of this section is guilty of an infraction [AND IS SUBJECT TO A \$300 FINE UNDER AS 28.40.050(c)].

This is essentially a housekeeping change in order to make the maximum amount that could be assessed under this provision of title 28 falls within the cap as established by the provisions of section 6 of this bill. For clarification as to the penalty, the following verbiage is suggested:

(b) A person who violates (a) of this section is guilty of an infraction subject to the penalty specified in AS 12.55.035(b)(7).

Section 36: AS 28.40.050(b) is amended to read:

(b) A person convicted of a misdemeanor for a violation of a provision of this title for which another penalty is not specifically provided is punishable by a fine of not more than \$750 [\$500], or by imprisonment for not more than 90 days, or both. In addition, the privilege to drive or the registration of vehicles may be suspended or revoked.

This section raises the maximum amount that could be assessed for a misdemeanor for violating title 28 to \$750 plus the stated amount of jail time.

It is unclear as to why misdemeanor offenses under title 28 have a monetary cap, currently \$500 but proposed as \$750, plus have a provision for imprisonment of not more than 90 days.

Perhaps this statute could be simplified by simply stating that offenses as identified by this section are Class B Misdemeanors without establishing any particular monetary amount.

Section 37: AS 28.40.050(c) is amended to read:

(c) Unless otherwise specified by law a person convicted of a violation of a regulation adopted under this title, or a municipal ordinance regulating vehicles or traffic when the municipal ordinance does not correspond to a provision of this title, is guilty of an infraction {AND IS PUNISHABLE BY A FINE NOT TO EXCEED \$300}.

This section essentially raises the maximum amount of penalty that can be assessed for a violation of title 28 for those offenses that are not specified by law as any other degree of offense. It is recommended that the proposed language include a defined reference for the penalty such as "subject to the penalty specified in AS 12.55.035(b)(7).

STATE OF ALASKA

FRANK MURKOWSKI, GOVERNOR

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

P.O. BOX 25526
JUNEAU, AK 99802-5526
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MEMORANDUM

TO: The Honorable Tom Anderson
Representative, Alaska State Legislature

FROM: Sarah A. Gilbertson
Legislative Liaison, ADF&G

DATE: February 14, 2006

SUBJECT: Sectional Analysis for CS for HB 384 (JUD)

Sections 7, 9-11, and 13-19 have a different purpose and reasoning than the other sections.

In 2002, the Alaska Legislature increased the maximum fine for Class A misdemeanors from \$5,000 to \$10,000. Several important AS 16 (fish & game) penalties list the maximum misdemeanor fine as \$5,000 (which was the maximum Class A misdemeanor fine for many years) and thus did not increase when the legislature increased all other Class A misdemeanor fines. This issue was not brought to the attention of legislators in 2002 and is now being addressed as part of CS for HB 384 (JUD).

The sections below update and bring uniformity to the old wording to now include "class A misdemeanor" so they will reflect the new standard the legislature created in 2002. Additionally, maximum fines will be automatically adjusted in the future should the legislature make changes to the Class A Misdemeanor fines. Currently, a Class A misdemeanor carries a maximum penalty of \$10,000 and up to one year imprisonment.

Section 7 modifies the maximum fine from \$5,000 to a Class A misdemeanor for violation of AS 16.05.407, which requires non-residents taking brown bear, grizzly bear, mountain goat, or sheep to be accompanied by a licensed guide-outfitter or a resident who is related within the second degree of kindred.

Section 9 modifies the maximum fine from \$5,000 to a Class A misdemeanor for violation of AS 16.05.783, which prohibits persons from shooting or assisting in shooting wolves and wolverines on the same day that the person has been airborne.

Section 10 modifies the maximum imprisonment time from 6 months to one year as required by a Class A misdemeanor for violation of AS 16.05.831, which prohibits a person from intentionally wasting salmon. The legislature previously set the maximum fine at \$10,000 and this change brings the entire section into alignment with other fisheries crimes that are punishable with up to one year in jail.

Section 11 is already set at a maximum fine of \$10,000 and one year imprisonment but should be modified for uniformity to be a Class A misdemeanor. This penalty is for violation of AS 16.05.905, which prohibits alien persons not lawfully admitted to the United States from engaging in commercial fishing activities or taking marine mammals.

Section 13 states that the penalty is a "misdemeanor" but should designate it a Class A misdemeanor for clarity and uniformity. This section pertains to AS 16.10.055, which prohibits persons from interfering with or damaging the commercial fishing gear of another person.

Section 14 modifies the maximum fine from \$5,000 to a Class A misdemeanor for a violation of AS 16.10.070, which prohibits persons from operating fish traps.

Section 15 modifies the maximum fine from \$5,000 to a Class A misdemeanor for violation of AS 16.10.100, which prohibits the construction or maintenance of fish traps.

Section 16 modifies the maximum fine from \$1,000 and a maximum of six months imprisonment to a Class A misdemeanor for violation of AS 16.10.120 & 125. AS 16.10.120 prohibits the use of a drum or reel in operation of a purse seine, and AS 16.10.125 requires the use of a termination device on shellfish and bottomfish pots so when they are lost they will cease fishing after a period of time. These changes are needed to bring these crimes into alignment with other commercial fishing penalties.

Section 17 modifies the maximum fine from \$5,000 to a Class A misdemeanor for AS 16.10.200 & 210. AS 16.10.200 prohibits a person from possessing or selling migratory fish and shellfish that were taken unlawfully and AS 16.10.220 prohibits a person from possessing or purchasing migratory fish or shellfish that have been taken unlawfully.

Section 18 modifies the maximum fine from \$5,000 to a Class A misdemeanor for violation of AS 16.10.240 which prohibits the exportation of live crab from the state.

Section 19 modifies the maximum fine from \$5,000 to a Class A misdemeanor for violation of AS 16.10.270 which requires the purchaser of raw fish to determine the weight of fish that are purchased.

* * *

LEGAL SERVICES

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

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Juneau, Alaska 99801-1182
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MEMORANDUM

February 17, 2006

SUBJECT: CSHB 384() - Fines and Offenses for Noncriminal Violations and Infractions and certain misdemeanors outside of the criminal code for which no term of imprisonment may be imposed (Work Order No. 24-LS0985\Y)

TO: Representative Tom Anderson

FROM: Gerald P. Luckhaupt
Legislative Counsel 

You have asked for a memorandum discussing the rationale for my inclusion of various provisions outside of AS 16 and AS 28 in this bill. Originally your office supplied me with a bill draft from the Department of Public Safety that sought to substantially increase the fines for seat belt and child car seat offenses and increase the maximum fine that can be imposed under AS 28 for a motor vehicle or driver's license infraction.¹

Your office then supplied me additional materials from the Department of Public Safety in which the department reasoned that since we were increasing the maximum penalty for motor vehicle infractions that we should increase the maximum penalty for all noncriminal violations so they match the new maximum for infractions.² The department also proposed amending AS 22.15.120 and AS 05.25.090. At this time you directed me to work with Dean Guaneli.

Mr. Guaneli and I discussed the proposals and had concerns with raising the maximum penalties for these noncriminal offenses while there existed criminal offenses with lesser penalties. These concerns basically concerned proportionality, due process, and basic common sense. First it seems rather absurd to convict a person of a criminal offense, a misdemeanor, but to impose a penalty that is less than the penalty for a noncriminal offense, a violation or an infraction. Violations and infractions, by definition noncriminal offenses, are our least blameworthy offenses and should have the lowest penalties on the range of penalties the legislature authorizes for offenses. Violations and infractions, as noncriminal offenses, can only have a fine as punishment - no term of imprisonment can be authorized or imposed for their violation. Misdemeanors, a criminal offense, are the

¹ Currently \$300, the materials you supplied wanted the maximum raised to \$750.

² The maximum penalty for a violation is \$500. AS 12.55.035.

next step up and typically imprisonment for less than one year and a fine are authorized and imposed for their violation.³ Felonies, a criminal offense, are the next step and involve periods of imprisonment of greater than one year, a fine, and a loss of certain civil rights.⁴ With these proposed increases we would now have violations and infractions with a greater punishment than various misdemeanors that exist outside of AS 11. Further, the state would have to provide all the criminal safeguards, appointed counsel, trial by jury, etc., for these misdemeanor offenses with only a small fine as punishment while the state would not provide those criminal safeguards to persons accused of violations and infractions who would be subject to a greater punishment. We also knew of misdemeanor offenses outside of AS 11 that imposed a term of imprisonment but authorized a fine of less than these proposed increases. In short, we saw problems with increasing the maximum penalty for violations and infractions unless something was done with these unclassified misdemeanors outside of AS 11.

We also identified a problem with the piecemeal increase in maximum penalties that had traditionally occurred instead of a coordinated decision to increase the penalties of all similar offenses. For example, the maximum penalty for a violation was increased a number of years ago to \$500 but the penalty for an infraction, a comparable offense was not increased. Now we were considering an increase to the infraction maximum that leapfrogged the violation maximum. Mr. Guaneli and I agreed that making the penalties for violations and infractions the same seemed to improve the criminal law. Setting that maximum at whatever amount the legislature decided was appropriate and specifying the penalty for each in AS 12.55.035 also seemed to be an improvement.

To these ends I devoted a considerable period of time to identify all the unclassified misdemeanor offenses that exist outside of AS 11 (our criminal code) that only carry a penalty of a small fine and do not allow for the imposition of any period of imprisonment. These unclassified misdemeanor offenses are primarily relics from territorial and early statehood days when the state basically classified any miscellaneous offense as a misdemeanor and then decided whether to impose a term of imprisonment, a fine, or both for its violation. In the bill draft I converted each of these offenses to a

³ The legislature has created two levels of misdemeanors in Alaska, a class A misdemeanor with imprisonment of up to one year (AS 12.55.135) and a fine (AS 12.55.035) and a class B misdemeanor with imprisonment of up to 90 days (AS 12.55.135) and a fine (AS 12.55.035). Unclassified misdemeanors exist outside of AS 11 and the penalty for their violation is provided in the sections creating the misdemeanor or if no penalty is provided the misdemeanor is classified as a class A misdemeanor. AS 11.81.250(c).

⁴ The legislature has created class A, B, and C felonies and left certain serious felonies in AS 11 unclassified. Unclassified felonies outside of AS 11 exist and the penalty for their violation is listed in the statute creating the felony. If no penalty is provided then the felony is treated as a class C felony. AS 11.81.250(b).

Representative Tom Anderson

February 17, 2006

Page 3

violation.⁵ I did this as, while these offenses were labeled misdemeanors, the legislature had not, in most cases in over 40 years of these offenses being on the books, felt they were serious enough to impose a period of imprisonment for their violation.⁶

I also searched out all the misdemeanor offenses outside of AS 11 that impose a period of imprisonment but a fine of \$500 or less and increased the possible fine to \$750 to match the increase being made to the noncriminal violations.⁷ The legislature could also choose to convert each of these sections to a class A or class B misdemeanor, as appropriate, and remove any reference to a specific penalty thereby adopting the appropriate penalty in AS 12.55.135(imprisonment) and 12.55.035(fine).

In addition, I searched out all violations and infractions outside of AS 11 and removed any reference to a specific penalty thereby adopting the penalty authorized in AS 12.55.035.⁸ If a violation or infraction outside of AS 11 provided for a minimum fine I retained that minimum and increased the maximum to \$750.⁹

At the specific request of the Department of Public Safety I converted a number of unclassified misdemeanors in AS 16 to class A misdemeanors as punishments authorized for violation of these sections were equal to class A misdemeanors.¹⁰

The provisions relating generally to the increase in the maximum fine for a violation or an infraction can be found in secs. 6, 29, 37, and 44.

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⁵ These provisions can be found in secs. 2, 22, 23, 32, 34, and 40.

⁶ An alternative would be for the legislature to convert each of these offenses to a class B misdemeanor if the legislature believes that these offenses should remain as criminal offenses.

⁷ These provisions can be found in secs. 20, 21, 25, 26, 27, 28, 30, 31, 33, 36, 38, and 41.

⁸ These provisions can be found in secs. 3, 5, 34, 35, 37, 39, 42, and 43.

⁹ These provisions can be found in secs. 4, 12, and 24.

¹⁰ These provisions can be found in secs. 7, 9, 10, 11, 13, 14, 15, 16, 17, 18, and 19.

HB

386

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 386(O&G)
(H) Publish Date: 3/17/06

Revision Date/Time (Note if correction): _____ Dept. Affected: Natural Resources
Title: Extend North Slope Severance Tax Credit RDU: Resource Development
Component: Oil and Gas Development
Sponsor: Rep. Kohring
Requester: House Oil and Gas Component No.: 439

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						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (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 does not have any fiscal impact to the Department of Natural Resources.

Prepared by: William Van Dyke, Acting Director Phone: 269-8800
Division: Oil and Gas Date/Time: 2/17/2006
Approved by: Michael Menge, Commissioner Date: 2/17/2006
Agency: Natural Resources

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 386(O&G)
(H) Publish Date: 3/17/06

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
Title: Extending North Slope Severance Tax Credits RDU: Revenue Operations
Component: Tax Division
Sponsor: Rep. Kohring
Requester: House Committee on Oil and Gas Component No.: 2476

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						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

CHANGE IN REVENUES ()	See Analysis
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FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2006) cost: 0.0

Check 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 extends the existing credit for hydrocarbon exploration, including seismic and exploratory wells, north of 68 degrees, 15 minutes North latitude. The only change made to existing law is to extend the credit cutoff date from July 1, 2007 until July 1, 2010. All other portions of existing law remained unchanged under this bill including:

1. Credit up to 40 percent of total qualifying exploration expenditures with the possibility of an additional 20 percent credit for distance exploratory well drilling.
2. The credit may be used against production taxes.
3. The credits are transferable and saleable.

Prepared by: Dick Tremaine Phone: 269-1021
Division: Tax Division Date/Time: 2/22/06 11 a m
Approved by: Jerry Burnett Date: _____
Agency: Department of Revenue

FISCAL NOTE #2

STATE OF ALASKA
2006 LEGISLATIVE SESSION

BILL NO. CSHB 386(O&G)

ANALYSIS CONTINUATION

The effect of this provision is that the State pays up to 40 percent of eligible exploration expenses with no maximum limit on such cumulative credits. This occurs whether or not the State owns the surface or mineral rights to the area explored. This credit is likely to induce additional exploration in marginal fields. Exploration encouraged by this legislation will result in economic activity within the State and should increase the probabilities of hydrocarbon discovery and, ultimately, production. Such production may result in increased corporate income tax and property tax to the State. Royalties and severance taxes to the State might also increase.

To date, 95.5 million dollars in expenditures have been claimed representing 11 exploration projects on both the north slope and within Cook Inlet. Credits totaling 14.8 million dollars have been issued and an additional 15.1 million dollars in credits are under consideration.

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REPRESENTATIVE VIC KOHRING
DISTRICT 14

House Bill 386 Sponsor Statement

House Bill 386 provides a production tax credit for certain oil and gas exploration expenses from a leasehold or property owned in the state. It also establishes a deadline for using credits from certain exploration expenditures against production tax on oil and gas produced.

HB 386 would extend the exploration credit incentives to 2010 and encourage exploration in Alaska and in particular the North Slope. HB 386 would make AS 43.55.025 uniform thorough out the state, allowing oil producers to credit exploration expenditures against production tax on oil and gas produced after July 1, 2004.

In order to qualify for the production tax credit under existing statute, exploration expenditures must be incurred on or after July 1, 2003, and before July 1, 2007. It has become apparent that the July 1, 2007, deadline will arrive too soon for some smaller independent oil companies that are now planning their exploration dollars for the future. Given this timetable, it is likely that exploration expenditures on these leases would occur after July 1, 2007, in which case they could not be credited against future production taxes.



PIONEER

April 25, 2006

Representative Vic Kohring
Chairman
House Oil and Gas Committee

Thank you for the opportunity to share Pioneer's views regarding HB 386 extending the deadline for certain exploration expenditures used as credits against Alaska production taxes.

Pioneer Natural Resources Alaska, Inc. fully supports this legislation and urges the Legislature to enact its provisions.

Pioneer began its investment in Alaska in early 2003 with the drilling of 3 exploration wells in the shallow waters of the Beaufort Sea. Pioneer significantly expanded its Alaskan inventory at the October 2003 Alaska State Lease Sale where it was the largest participant and successful bidder on approximately 150,000 acres. We opened an office in Anchorage in early 2004 and we now employ 26 persons in Alaska. In 2004, Pioneer concluded exploration agreements with ConocoPhillips and Anadarko across a vast portion of NPR-A. Pioneer has assembled a substantial portfolio with an interest in approximately 1.7 million acres on the North Slope of Alaska. More recently, Pioneer acquired a 10 percent working interest and the option to acquire up to an additional 40 percent working interest and possibly succeed ConocoPhillips as the operator of the Cosmopolitan unit located in the Cook Inlet.

For independent companies like Pioneer, the challenges to building a business in Alaska are formidable. Firstly, the remaining North Slope resources are nothing like the billion barrel fields that opened the Slope. Independents are working to commercialize: a) smaller, lower quality oil reservoirs, b) viscous oil resources, c) remote resources in NPR-A, the foothills and offshore and d) natural gas resources, which will not have a market until the next decade. All of these resources are challenging to commercialize, but it is a challenge that must be met to insure new sources of supply for the state. Secondly, the North Slope is one of the highest cost areas in the world. Remote geography translates to some of the highest capital, lease operating and product transportation costs in the world. Thirdly, North Slope projects have comparatively long

cycles times. From buying a lease to selling oil takes 5 to 10 years depending upon drilling success and distance to existing infrastructure.

The largest challenge independents face on the North Slope is arguably uncertainty. To be successful, we must properly assess and make provision for a number of uncertainties related to exploration risk, future oil and gas prices, fiscal policy, regulatory processes and access to infrastructure. With the long cycle times for Alaska projects, we must make our investments against a long term view for prices. Although current prices exceed \$70 per barrel, the 10 year average price for North Slope crude is less than \$30 per barrel. For Pioneer's Alaska projects, the price of oil in 2006 is irrelevant. The prevailing price in the next decade and beyond will determine future cash flow for new projects.

For explorers, properly assessing exploration risk is critical to the success of an exploration portfolio. Will the value of the fields we ultimately discover offset the cost of dry holes, land, seismic data and development costs? For many of the remote exploration areas on the North Slope, it is difficult to project acceptable full cycle returns due to the cumulative effect of all costs, the long time between investment and cash flow and the relatively long odds of finding a large enough discovery to justify new infrastructure. In 2003, the state initiated exploration incentive credits for certain qualifying exploration expenditures. These incentives encouraged Pioneer to invest more significantly in infrastructure challenged areas such as NPR-A. We believe the state has and is benefiting from this existing program and support the extension of the credits beyond the current expiration in 2007. The program has worked.

Thank you for this opportunity to express Pioneer Natural Resource's views on HB 386. We urge your support for this measure.



Ken Sheffield

President

Pioneer Natural Resources Alaska, Inc.

Oil and Gas Incentives

Exploration Incentive Credits

AS 38.05.180(i)

- This program authorizes the DNR Commissioner to establish an EIC system under which a lessee drilling an exploratory well on state-owned land may earn credits based upon the footage drilled and the region in which the well is located. The program also provides for an EIC for geophysical work on state land if that work is performed during the two seasons immediately preceding an announced lease sale and is on land included within the sale area and the geophysical information is made public following the sale.
- EIC provisions are set by the DNR Commissioner as a lease sale term at the time of each lease sale.
- The credits may not exceed 50 percent of the cost of the drilling or geophysical work and may be applied against royalties, rentals, or taxes under AS 43.55. The credit may not exceed 50 percent of the payment to which it is being applied.
- EICs totaling \$54,692,614.64 have been approved since 1983 for 20 wells. No applications have been filed seeking this EIC since 1994. Several applications for seismic EICs were withdrawn possibly due to public disclosure requirement.

AS 41.09.010 (Implemented 1994)

- This exploration incentive credit program was enacted in 1994. Under this program, EICs may be granted for exploratory drilling, the drilling of stratigraphic test wells, and for geophysical work on unleased state, private, or federal lands. Credits are applied against oil and gas royalties, rentals, taxes, and bonus bids payable to the state. Credits may be as high as 50 percent of eligible costs if performed on state land and as high as 25 percent if performed on private or federal land. However, in order to qualify for the credit, the work must have been performed after August 7, 1994, and before July 1, 2007.
- The intent of this EIC program was to encourage the acquisition of oil and gas geophysical and well data for oil and gas exploration in remote areas of the state on unleased state acreage and provide a means for the state to obtain exploration data from federal lands and private lands.
- No applications pursued as of this date, possibly because of prohibition of extended confidentiality for well information and limited disclosure of geophysical data to approved third parties.

Exploration Tax Credits

AS 43.55.025 Department of Revenue Oil and Gas Exploration Tax Credit

AS 43.020.043 Department of Revenue Capital Investment and Operating Cost Tax Credit.

Royalty Reduction

AS 38.05.180(j) (Amended most recently in 2003)

- This program provides a mechanism to modify oil and gas royalties to allow for production that would not otherwise be economically feasible. Royalties may be reduced to as low as 5 percent if there is new production; 3 percent if producing or shut-in.
- Goal is to encourage otherwise uneconomic production of oil and gas.
- Two companies applied in the past but later withdrew their applications. We believe two companies may soon make application under this provision, but no final applications have been received.

AS 38.05.180(f)(5) (Implemented 2003)

- This incentive program allows payments of royalties as low as 5 percent (rather than the usual 12.5 percent) for oil production from Cook Inlet platforms if production falls below specified levels.
- The goal was to prevent certain Cook Inlet platforms from being shut down and "mothballed" prematurely.
- Thus far, one platform has qualified for the incentive.

Discovery Royalty

AS 38.05.180(f)(4) Cook Inlet Discovery Royalty (Implemented 1996)

- Awarded to the first to have drilled a well discovering oil or gas in a previously undiscovered oil or gas pool and certified by the DNR commissioner within one year of completion of that discovery well. The pool must be capable of producing in paying quantities.
- Five percent royalty (rather than the usual 12.5 percent) on all production of oil or gas from that pool attributable to that lease for a period of ten years following the date of discovery.
- Intent was to encourage additional exploration in the mature Cook Inlet area.
- No applications have been received.

AS 38.05.180(f)(5) Cook Inlet Royalty Relief for small shut-in fields. (Implemented 1998)

- Reduces the royalty to five percent on the first 25,000,000 barrels and first 35,000,000,000 cubic feet for ten years (following the date on which the production for sale commences) on six specific units. The field must have been producing by January 1, 2004.
- The intent was to encourage production from six Cook Inlet oil or gas fields that were either undeveloped or shut in.
- Numerous projects qualified for royalty relief under this provision: Falls Creek Unit (now Ninilchik Unit) Nicolai Creek, Point Starichkof Unit (now Cosmopolitan Unit), Redoubt Shoal Unit, and the West Foreland Unit have all

qualified for the incentive. Only the North Fork Unit did not meet the January 1, 2004 deadline. Falls Creek, Nicolai Creek, Redoubt Shoal, and West Foreland are currently producing units.

Value of state's royalty gas used for agriculture products - AS 38.05.180(ee)
(Implemented 2003)

- Allows the DNR Commissioner to establish the value of the state's royalty share for gas that is sold under contracts entered into on or after the effective date between an oil and gas lessee and a manufacturer of agricultural chemicals. The royalty value may not be less than the price used in contracts (floor) but may not exceed the amount that would otherwise be due under the lease (ceiling).
- This incentive may have slowed the shut-down of the Agrium plant.

Nonconventional Gas Incentive – AS 38.05.180(n)(2) (Implemented 2004)

- Lessee of a gas only lease must demonstrate to the DNR commissioner that potential resources are estimated to be only nonconventional gas.
- Rental payment is \$1 per acre. If the nonconventional gas is not indirect competition with gas which a royalty rate of at least 12.5 percent is payable, then the royalty share is set at 6.25 percent.
- This incentive may have encouraged both the Healy and Holitna Exploration License Applications.

Exploration Licensing – AS 38.05.132 - .133 (Implemented 1994)

- Exclusive right to explore an area between 10,000 and 500,000 acres in size for a term of up to 10 years. Pays a one-time \$1 per acre license fee, no bonus bid, and no annual rental. Has the sole right to convert to an oil and gas lease.
- Goal was to encourage oil and gas exploration within remote areas of the state outside of known oil and gas provinces.
- So far four Exploration Licenses have been issued (Copper River Basin, Nenana, and two in Susitna, Bristol Bay Basin has been awarded, and Healy and Holitna Basins have been proposed).

CURRENT INCENTIVES	CONVENTIONAL LEASES	UNLEASED STATE LAND	LICENSED LAND	SNG LEASES	FEDERAL & PRIVATE LAND
Exploration Incentive Credits (EIC)					
AS38.05.180(l)	up to 50% of drilling costs	up to 50% of seismic costs	N/A	up to 50% of drilling costs	N/A
AS41.09.010 – expires 7-1-2007	N/A	up to 50% of drilling & seismic costs	up to 50% of drilling & seismic costs	N/A	up to 25% of drilling & seismic costs
Exploration Tax Credit					
AS43.55.025 – expires 7-1-2007 (03.185)	20% of drilling costs or 40% of drilling costs if >25 mi of a unit plus 40% of seismic costs	20% of drilling costs or 40% of drilling costs if >25 mi of a unit plus 40% of seismic costs	20% of drilling costs or 40% of drilling costs if >25 mi of a unit plus 40% of seismic costs	20% of drilling costs or N/A	20% of drilling costs or 40% of drilling costs if >25 mi of a unit plus 40% of seismic costs
AS43.20.043 – expires 1-1-2013 (03.61) for below 68° latitude *** (see note at bottom)	10% of capital investment 10% of annual cost	10% of capital investment 10% of annual cost	10% of capital investment 10% of annual cost	10% of capital investment 10% of annual cost	10% of capital investment 10% of annual cost
Royalty Reduction					
AS38.05.180(j) (03.28)	as low as 5% if new production as low as 3% if producing or shut-in	N/A	(Applies after conversion to Lease) (Applies after conversion to lease)	as low as 5% if new production as low as 3% if producing or shut-in	N/A
AS38.05.180(f)(5) (03.185)	As low as 5% for oil production from CI platforms if production falls below specified levels	N/A	N/A	N/A	N/A
Discovery Royalty					
AS38.05.180(f)(4) for Cook Inlet only for pre-1969 leases only, statewide	5% royalty for 10 yrs 5% royalty for 10 yrs	N/A N/A	(In limited area after conversion: T18N) N/A	(Applies to limited area: T18N) N/A	N/A N/A
AS38.05.180(f)(5) for following fields only: Falls Creek, Nicolai Creek, Stanchkof, Nor Fork, Redoubt Shoals, & West Foreland field must be in production by 1-1-2004	5% on 1st 25 MM bbls for 10 yrs 5% on 1st 35 BCF for 10 yrs	N/A	N/A	N/A	N/A
Economic Limit Factor – AS43.55.013	Yes	N/A	(Applies after conversion to Lease)	Yes	Yes
Contract Gas Price With a Utility vs Royalty Value – AS38.05.180(aa)	Value of state's royalty share equals gas contract price	N/A	(Applies after conversion to Lease)	Value of state's royalty share equals gas contract price	Value of state's royalty share equals gas contract price
Value of state's royalty gas used for ag products – AS38.05.180(aa) (03.57)	Negotiated Value	N/A	(Applies after conversion to Lease)	Negotiated Value	Negotiated Value
*** If requesting this credit, not eligible for any other tax credits or royalty modifications					
INCENTIVES AS PART OF A PROGRAM	CONVENTIONAL LEASES	UNLEASED STATE LAND	LICENSED LAND	SNG LEASES	FEDERAL & PRIVATE LAND

Exploration Licensing	AS38.05.132	N/A	N/A	Up to 500,000 acres per license One-time \$1/acre license fee No bonus bid No annual rental sole right to convert to O & G leases	N/A	N/A
Nonconventional Gas Incentive—		reduced rental	N/A	(Applies after conversion to Lease)	N/A	
AS 38.05.180(n)(2)	(04.531)	6.25% royalty if no competition with 12.5% leasee				

Exploration Incentive Credit Summary (a layman's explanation)

AS 43.55.025 provides

<u>Section</u>	<u>tax credit rate</u>	<u>must satisfy (see below)</u>
(a)(1)	20% credit	(b) and (c)
(a)(2)	20 % credit	(b) and (d)
(a)(3)	40% credit	(b), (c) and (d)
(a)(4)	40% credit	(b), and (e)

Section (b)

- (1) must be seismic or geophysical work
- (2) must be a well not included in a unit POD or POE on 5/13/03

Section (c)

- (1) well must be greater than 3 miles from pre existing well except in Cook Inlet where well can be less than 3 miles from pre existing well if it is drilled for a separate exploration target.

Section (d)

- (1) well must be greater than 25 miles from a preexisting unit except for Cook Inlet where the well must be greater than 10 miles from a pre existing unit

Section (e)

- (1) seismic program must be outside of unit area

Cook Inlet Results

1. Seismic and geophysical can get a 40% credit anywhere outside unit areas
2. A well can get a 20% tax credit as long as it is drilled for a separate exploration target even if it is closer than 3 miles from a pre existing well.
3. A well can get a 40% tax credit if it greater than 10 miles from a unit that is under a plan of development. Again, the 3 mile limit from pre existing wells can be waived if it is drilled for a separate exploration target. The 10 mile limit can not be waived.

WVD 3/20/06

February 23, 2006

Representative Vic Kohring
Chairman, House Special Committee on Oil & Gas
Alaska State Legislature
State Capitol
Juneau, AK 99801

Dear Chairman Kohring:

We would like to express our thanks to you and your Committee for sponsoring House Bills 372 and 386.

While it may seem basic, in order to increase future North Slope oil production, more exploration wells must be drilled. Even with modern technology, the commercial chance of success of frontier exploration projects in Alaska is still under 10%. When compared with many other exploration opportunities worldwide, it takes longer in Alaska to begin generating revenue from investments. By reducing early expenditures, exploration tax credits provide great incentives to invest and drill more wells.

The companies listed below strongly support extending the North Slope exploration incentive credits because we believe they are effective in encouraging additional investment in oil and gas exploration, as well as in attracting new players to Alaska.

Anadarko Petroleum Corporation
Arctic Slope Regional Corporation
BG Alaska E&P, Inc.
Brooks Range Petroleum Corporation / AVCG LLC
Devon Energy Corporation
FEX L.P.
Petro-Canada (Alaska) Inc.
Pioneer Natural Resources Alaska, Inc.
Ultrastar LLC

Support

22 February 2006

Representative Vic Kohring
Chairman, House Special Committee on Oil & Gas
Alaska State Legislature
State Capitol
Juneau, AK 99801

Dear Chairman Kohring:

BG Group plc is new to Alaska, having just announced our partnership with Anadarko Petroleum and Petro-Canada to explore for oil and gas along the North Slope. We are convinced there is potential in Alaska for the continued development of gas and oil reserves. However, there are also considerable risks and we along with the other independents would like to express our thanks to you and your Committee for sponsoring House Bills 372 and 386.

When making investment decisions BG looks at opportunities on a world wide basis and one of the key reasons we chose to enter Alaska and explore along the North Slope was because of the tax credits. As you know, in order to increase North Slope gas and oil production, more exploration wells must be drilled. Even with modern technology, the commercial chance of success of frontier exploration projects in Alaska is still under 10%. When compared with many other exploration opportunities worldwide, it takes longer in Alaska to begin generating revenue from investments. By reducing early expenditures, exploration tax credits provide great incentives to invest and drill more wells.

BG strongly supports extending the North Slope exploration incentive tax credits because they are effective in encouraging additional investment in gas and oil exploration, as well as in attracting new players, such as BG, to Alaska.

Sincerely,



David N. Keane

BP NORTH AMERICA LLC
David N. Keane
Vice President
Policy & Corporate Affairs
528 Westheimer
Suite 1000
Houston, Texas 77056

Tel: (281) 201-1000
Fax: (713) 599-4291

Alaska Oil and Gas Association



121 W. Fireweed Lane, Suite 207
Anchorage, Alaska 99503-2035
Phone: (907)272-1481 Fax: (907)279-8114
Judith Brady, Executive Director

Date: March 2, 2006

To: House Special Committee on Oil & Gas

The Alaska Oil & Gas Association (AOGA) supports House Bill 386 extending to July 1, 2010, the deadline for oil and gas exploration tax credits under Title 43 of the Alaska Statutes for both Cook Inlet and the North Slope, thereby making the deadline uniform throughout the state.

AOGA is a non-profit trade association whose 17 member companies represent the majority of oil and gas exploration, production, transportation, refining and marketing activities in Alaska.

The Oil and Gas Exploration Tax Credit, adopted in 2003, now applies to wells drilled between July 1, 2003 and July 1, 2007. HB 386 would extend the deadline to July 1, 2010. This tax credit has been successfully used to encourage exploration investment and should be continued as one of the tools the State has available to encourage interest in both Cook Inlet and the North Slope.

The program allows for a production tax credit of 20 percent of the cost of an exploratory well if the bottom hole location is three or more miles from the bottom hole location of a pre-existing well that was spud more than 150 days, but less than 35 years, prior to the spud date of the eligible exploration well.

The program also allows for a production tax credit of 40 percent of the cost of an exploratory well if the bottom hole location is 25 miles or more from the boundary of any unit under a plan of development as of July 1, 2003. The program also offers seismic exploration tax credits of 40 percent of eligible costs for those portions of activities outside of a unit that is under a plan of development or plan of exploration. Seismic data qualifying for this credit will be held confidential for 10 years and 30 days. This tax credit is transferable.

Thank you for the opportunity to comment on this proposed legislation.

Sincerely

JUDITH M. BRADY
Executive Director

cc: Commissioner Michael Menge, DNR
Ms. Robynn Wilson, DOR - Tax Division
Mr. Pat Galvin, DNR



PIONEER
NATURAL RESOURCES ALASKA, INC.

February 21, 2006

Representative Vic Kohring
Chairman
House Oil and Gas Committee

Thank you for the opportunity to share Pioneer's views regarding HB 386 extending the deadline for certain exploration expenditures used as credits against Alaska production taxes.

Pioneer Natural Resources Alaska, Inc. fully supports this legislation and urges the Legislature to enact its provisions.

Pioneer began its investment in Alaska in early 2003 with the drilling of 3 exploration wells in the shallow waters of the Beaufort Sea. Pioneer significantly expanded its Alaskan inventory at the October 2003 Alaska State Lease Sale where it was the largest participant and successful bidder on approximately 150,000 acres. We opened an office in Anchorage in early 2004 and we now employ 26 persons in Alaska. In 2004, Pioneer concluded exploration agreements with ConocoPhillips and Anadarko across a vast portion of NPR-A. Pioneer has assembled a substantial portfolio with an interest in approximately 1.6 million acres on the North Slope of Alaska. More recently, Pioneer acquired a 10 percent working interest and the option to acquire up to an additional 40 percent working interest and possibly succeed ConocoPhillips as the operator of the Cosmopolitan unit located in the Cook Inlet.

For independent companies like Pioneer, the challenges to building a business in Alaska are formidable. Firstly, the remaining North Slope resources are nothing like the billion barrel fields that opened the Slope. Independents are working to commercialize: a) smaller, lower quality oil reservoirs, b) viscous oil resources, c) remote resources in NPR-A, the foothills and offshore and d) natural gas resources, which will not have a market until the next decade. All of these resources are challenging to commercialize, but it is a challenge that must be met to insure new

sources of supply for the state. Secondly, the North Slope is one of the highest cost areas in the world. Remote geography translates to some of the highest capital, lease operating and product transportation costs in the world. Thirdly, North Slope projects have comparatively long cycle times. From buying a lease to selling oil takes 5 to 10 years depending upon drilling success and distance to existing infrastructure.

The largest challenge independents face on the North Slope is arguably uncertainty. To be successful, we must properly assess and make provision for a number of uncertainties related to exploration risk, future oil and gas prices, fiscal policy, regulatory processes and access to infrastructure. With the long cycle times for Alaska projects, we must make our investments against a long term view for prices. Although current prices exceed \$50 per barrel, the 10 year average price for North Slope crude is approximately \$25 per barrel. For Pioneer's Alaska projects, the price of oil in 2006 is irrelevant. The prevailing price in the next decade and beyond will determine future cash flow for new projects.

For explorers, properly assessing exploration risk is critical to the success of an exploration portfolio. Will the value of the fields we ultimately discover offset the cost of dry holes, land, seismic data and development costs? For many of the remote exploration areas on the North Slope, it is difficult to project acceptable full cycle returns due to the cumulative effect of all costs, the long time between investment and cash flow and the relatively long odds of finding a large enough discovery to justify new infrastructure. In 2003, the state initiated exploration incentive credits for certain qualifying exploration expenditures. These incentives encouraged Pioneer to invest more significantly in infrastructure challenged areas such as NPR-A. We believe the state has and is benefiting from this existing program and support the extension of the credits beyond the current expiration in 2007. The program has worked.

Thank you for this opportunity to express Pioneer Natural Resource's views on HB 386. We urge your support for this measure.



Ken Sheffield
President
Pioneer Natural Resources Alaska, Inc.

HB

387

HFIN

FILE

FISCAL NOTE

*change? to **

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 337(EDU)
(H) Publish Date: 2/17/06

Revision Date/Time (Note if correction): _____ Dept. Affected: Military & Veterans Affairs
Title: Tuition Waiver for National Guard Family RDU: Military & Veterans Affairs
Component: Office of the Commissioner
Sponsor: Representative Croft
Requester: _____ Component No.: 414

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						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

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:

No fiscal impact.

Prepared by: John Cramer
Division: Administrative Services Division
Approved by: Craig E. Campbell, Commissioner
Agency: Department of Military & Veterans Affairs

Phone: (907) 465-4602
Date/Time: 1/23/06 9:15 AM
Date: 1/23/2006

Change to

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 387(EDU)
(H) Publish Date: 2/17/06

Revision Date/Time (Note if correction): _____ Dept. Affected: University of Alaska
Title: TUITION WAIVER FOR NATIONAL GUARD FAMILY RDU _____
Component _____
Sponsor: REPRESENTATIVE(s) THOMAS, Croft
Requester _____ 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						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

FUND SOURCE	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (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 would have no fiscal impact on the University, assuming that the Alaska Commission on Postsecondary Education continues to fund 50 percent of the the tuition waivers for eligible National Guard family members as it currently does.

Prepared by: Pat Pitney
Division: University of Alaska
Approved by: Pat Pitney
Agency: University of Alaska

Phone: 450-8191
Date/Time: 2/10/06 12:00 AM
Date: 2/10/2006

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSHB 387(EDU)
(H) Publish Date: 2/17/06

Revision Date/Time (Note if correction): _____ Dept. Affected: Fish and Game
Title: Tuition Waiver for National Guard Family RDU: Administration and Support
Component: Administrative Services
Sponsor: Representative Bill Thomas
Requester: House HES Committee Component No.: 470

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						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (1024)	(65.7)	(65.7)	(65.7)	(65.7)	(65.7)	(65.7)
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FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2006) cost: 0.0

Check 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)

Fiscal note reflects estimated change in revenues to the Fish and Game Fund for complimentary sport fishing and hunting licenses to Alaska National Guard (ANG) members. There are currently 3,600 ANG members. Based on resident sales, 50% of the ANG would purchase a sport fishing license and 25% would purchase a hunting license. Total revenue loss to Fish and Game Fund is estimated to be \$65,700.

Prepared by: Tom Lawson
Division: Administrative Services
Approved by: McKie Campbell
Agency: Department of Fish and Game

Phone: 465-5999
Date/Time: 2/15/06 4:30 PM
Date: 2/15/2006

FISCAL NOTE #3

STATE OF ALASKA
2006 LEGISLATIVE SESSION

BILL NO. CSHB 387(EDU)

ANALYSIS CONTINUATION

Alaska National Guard Complimentary Licenses

Type of License Sold	Number of ANG	License Fee	Revenue	% of Alaskans who purchase licenses	Total Revenue
R Fishing Lic	3600	\$24.00	\$86,400.00	50%	\$43,200.00
R Hunting Lic	3600	\$25.00	\$90,000.00	25%	\$22,500.00
Total			\$176,400.00		\$65,700.00

24-LS1323MS

24-LS1323MS

Mischel

3/28/06

CS FOR HOUSE BILL NO. 387()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY

Offered:

Referred:

Sponsor(s): REPRESENTATIVES THOMAS, Croft, Lynn, Dahlstrom, Wilson

A BILL

FOR AN ACT ENTITLED

1 "An Act providing for a partial tuition waiver for spouses of members of the Alaska
2 National Guard; directing the Department of Military and Veterans' Affairs to seek
3 additional funding to support tuition waivers and assistance; and providing for free
4 hunting and fishing licenses for active members of the Alaska National Guard."

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

6 * Section 1. AS 14.43 is amended by adding new sections to article 3 to read:

7 **Sec. 14.43.087. Partial tuition waiver for the spouse of a member of the**
8 **Alaska National Guard. The Department of Military and Veterans' Affairs shall**
9 **establish a program for partial tuition waivers entitling a person enrolled as a student**
10 **in good standing in a state-supported educational institution in this state to a waiver of**
11 **50 percent of undergraduate tuition if the person is a spouse of an active member of**
12 **the Alaska National Guard.**

13 **Sec. 14.43.088. Supplemental appropriation. If the adjutant general of the**
14 **Department of Military and Veterans' Affairs determines that there are insufficient**

1 funds to pay for tuition waivers and assistance for all eligible applicants under
2 AS 14.43.087 and AS 26.05.296, the adjutant general shall request that the legislature
3 make a supplemental appropriation to fund the waivers and assistance.

4 * Sec. 2. AS 16.05.340(a)(17) is amended to read:

5 (17) Waterfowl conservation tag 5

6 (A) A person may not engage in waterfowl hunting without
7 having the current year's waterfowl tag in the person's actual possession, unless
8 that person

9 (i) qualifies for a \$5 license fee under (6) of this
10 subsection;

11 (ii) is a resident under the age of 16;

12 (iii) is 60 years of age or older and is a resident;

13 (iv) is [A DISABLED VETERAN] eligible for a free
14 license under AS 16.05.341.

15 (B) The Board of Game shall by regulation exempt the
16 requirement of a waterfowl conservation tag for waterfowl hunting in areas of
17 the state not likely to benefit from programs described in AS 16.05.130(b)(2) -
18 (4).

19 * Sec. 3. AS 16.05.340(a)(23) is amended to read:

20 (23) Resident anadromous king salmon tag 10

21 A resident may not engage in sport fishing for anadromous king salmon without
22 having the current year's anadromous king salmon tag in the resident's actual
23 possession, unless that person

24 (A) qualifies for a 25 cent license fee under (1) of this
25 subsection;

26 (B) is under the age of 16;

27 (C) is 60 years of age or older and has been a resident of the
28 state for at least one year;

29 (D) is [A DISABLED VETERAN] eligible for a free license
30 under AS 16.05.341; or

31 (E) qualifies for a \$5 license fee under (6) of this subsection.