

AK LEGISLATURE FINANCE COMMITTEES FILES 2007-2008 3237



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Campaign law violations past APOC's scope

FBI investigations show state agency needs more authority, legislators say

An FBI investigation into corruption in the Alaska Legislature has turned up numerous instances of violations of the state's campaign finance laws that will not be prosecuted.

Those implicated, including former VECO Corp. owner Bill Allen, won't even be investigated, said Brooke Miles, executive director of the Alaska Public Offices Commission.

The Alaska Legislature shortened the statute of limitations for pursuing such campaign finance violations to one year, according to Miles.

"The bundling of campaign donations, the giving of illegal campaign contributions ... all those things are beyond our scope because of the statute of limitations," Miles said.

Miles said she plans to seek more authority for the commission to go back and prosecute violations.

"By the time I read them (in the federal indictment) they were already beyond the statute of limitations," she said.

One allegation made in court filings so far was that contributions were made to one person to be passed on to another to mislead APOC about where the money was coming from. Another was that VECO reimbursed a top executive's campaign donations made at Allen's behest.

Former House Minority Leader Ethan Berkowitz, D-Anchorage, an outspoken critic of the ethical standards of the Legislature, said he didn't know how the statute of limitations was shortened, but said there were efforts at about that time to weaken oversight of campaign finance laws.

"I know there were efforts around then to gut APOC," he said.

Miles said when the commission meets in Anchorage on Thursday and Friday, she'll request a longer time to go after violations.

"I intend to recommend the commission seek to revise that statutory language to four years," she said.

She said she would only ask for four years because memories faltered and obtaining documents becomes more difficult as time passes.

House Rules Committee Chairman Rep. John Coghill, R-North Pole, was one of the leaders in ethics reform in the Legislature last year. He said he's be open to that request, after what the public has learned from the FBI investigation.

"I think we should be able to give a good rational answer about why it is so short," Coghill said of the statute of limitations.

He said it initially appeared to him that the minimum time period should be a two-year election cycle, and perhaps longer.

Berkowitz said he'll support a longer statute of limitations, but APOC may need more done to it than that.

"I think there needs to be an audit of APOC's functions," he said. "I think we need to see if they have the statutory authority and th resources to do their job."

Coghill said the ongoing corruption trials indicate that enforcement of campaign finance rules in the state need to be more proactive, but said the commission could do that.

"Brooke (Miles) has said 'give me the tools and I'll be proactive,'" Coghill said.

Gov. Sarah Palin included money for an APOC investigator in her first budget as governor, and the Legislature approved the expenditure.

Miles recently announced that former Alaska journalist Jeff Berliner had been hired to fill that job.

Berkowitz said that was not enough.

"I know people are touting the fact that they've added an investigator, but all they've done is put an investigator back in after they took it out," he said.

• Contact Pat Forgey at 523-2250 or patrick.forgey@juneauempire.com.

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APOC investigating VECO



by Steve MacDonald
Monday, Sept. 24, 2007

ANCHORAGE, Alaska -- The Alaska Public Offices Commission, the agency that enforces state campaign finance laws, says it will investigate a claim by the former owner of VECO Corp. that it bought dozens of public opinion polls for political candidates.

APOC says it will investigate a claim by the former owner of VECO Corp. that it bought dozens of public opinion polls for political candidates. (KTUU-TV)

VECO apparently paid for the polls but never reported the transactions on campaign disclosure forms, a violation of state regulations.



APOC Director Brooke Miles said it's the commission's goal to investigate the facts surrounding the allegations. (Scott Jensen/KTUU-TV)

During the Pete Kott bribery trial, former VECO owner Bill Allen claimed his company bought a public opinion poll for Kott's re-election campaign.

That revelation prompted a question from political watchdog Ray Metcalfe as to how many other candidates received the gift of a free poll.

"I think that our goal is to establish as many facts as we can regarding the polls that have been alleged that VECO undertook on behalf of candidates," APOC Director Brooke Miles said.



The claim prompted a question from political watchdog Ray Metcalfe as to how many other candidates received the gift of a free poll. (KTUU-TV)

This morning, the Alaska Public Offices Commission held an emergency meeting.

It has decided to investigate whether any other candidates got the same kind of help from VECO or any other company.

But the commission's investigation will have its limits.

"We can't go back further than a year for the purpose of imposing a civil penalty, but for the purpose of determining what may have gone wrong with this whole polling information issue, I think we are free to go back further than that if we wish," Miles said.



Jeff Berliner is APOC's new investigator, hired by the Palin Administration. (Scott Jensen/KTUU-TV)

That's because in 2003 the Legislature, at the urging of then Gov. Frank Murkowski, reduced the statute of limitations for how far back APOC could go when investigating a campaign violation. It was slashed from four years to one.

During his time in office, Murkowski made APOC a prime target for cutbacks.

He got rid of the agency's lone investigator, along with a paralegal and another staffer, but that now has begun to change.



Jeff Berliner is APOC's new investigator, hired by the Palin Administration.

"Everybody is suspicious now. Alaska is even in the national spotlight and there is a climate of distrust and I hope we can turn that around," Berliner said.

And that will take time, but the Palin Administration believes beefing up APOC and the new ethics regulations put into place this summer will help.

Assistant Attorney General Dave Jones says stricter regulations for candidates will make contributions more transparent. (Scott Jensen/KTUU-TV)

Assistant Attorney General Dave Jones says stricter regulations for candidates will make contributions more transparent.

"I think the electronic filing requirement will help members of the public identify when there are potential problems and bring those to the attention of the APOC and perhaps push for some additional investigations," Jones said.

It's an agency that now has some teeth behind the regulations it's supposed to enforce.

He says he's "delighted to hear that APOC is investigating," but is questioning the statute of limitations.

Metcalf wants to know if the statute of limitations begins when a violation is committed or when it's discovered.

He believes the clock starts ticking when a violation is uncovered.

Contact Steve MacDonald at stevem@ktuu.com



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OPINION

Anchorage Daily News (AK) - September 25, 2007

Author: Staff

Only 1 year? Short limit on campaign law cases lets violators off easily

The Veco corruption scandal has revealed a stunning loophole in Alaska's political integrity laws. Candidates, corporations and others who violate state campaign laws apparently get a free pass if they can hide their offenses for a year and a day.

That's because the state's campaign watchdog agency is saddled with an almost microscopic **statute of limitations** -- just one year from the illegal act.

Even if the illegal act is detected within a year, the Alaska Public Offices Commission can pursue only civil fines. It's unclear whether the state can pursue criminal penalties against a corporation that makes illegal donations or a candidate who accepts them. **APOC** executive director Brooke Miles says she has asked the state attorney general's office if there are any criminal law enforcement options.

With Veco's illegal donations, **APOC**'s short **statute of limitations** has been a non-issue. Veco and its executives will avoid civil penalties for the firm's illegal contributions, but its two top lobbyists will go to prison for bribery. Several of the legislators who benefited from Veco's illegal contributions face trial or investigation for similar influence-peddling offenses. Veco itself is dead, sold to a firm that couldn't wait to dispose of the tarnished name.

But what about other lawmakers and candidates who got Veco's illegal campaign help? The company routinely did polling about its favored candidates. If Veco shared poll results directly with a campaign, it was an illegal corporate contribution. As long as the candidates took the illegal aid more than a year ago, though, they're home free as far as the Alaska Public Offices Commission is concerned.

And what if the illegal corporate donor is, unlike Veco, still in business? Without any criminal penalties, **APOC**'s one-year **statute of limitations** leaves enormous room to flout the ban on corporate campaign contributions.

Campaign law violations used to have a four-year **statute of limitations** -- until the Republican-dominated Legislature and Frank Murkowski

combined forces on a concerted effort to loosen state campaign financing rules.

The Veco scandal shows that Alaska's campaign laws need more backbone. Restoring the original **statute of limitations** is one obvious and urgent fix. Ensuring the state can impose criminal penalties for large-scale or widespread campaign law violations is another.

When the Legislature convenes next year, tightening up campaign law enforcement should be an early order **of business**.

BOTTOM LINE: Here's a loophole that needs closing, fast.



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VECO polling assistance comes under scrutiny

Statute of limitations may preclude violations from being pursued

The Alaska Public Offices Commission decided Monday to investigate whether VECO Corp. may have violated campaign finance rules by providing poll results to favored candidates without reporting the cost of the poll.

Such contributions could be either illegal corporate contributions or reporting violations on the part of candidates.

The practice is one of the ways the formerly powerful player in Alaska politics asserted its influence in the state, according to a federal indictment. VECO, an oil field services company, is now part of Colorado-based CH2M-Hill.

It's questionable whether APOC can pursue penalties due to the commission's one-year statute of limitations on such investigations, but the investigation may be valuable anyway, said one commissioner, Elizabeth Hickerson.

"I am less concerned about the statute of limitations as I am about getting at the facts," said Hickerson, an attorney and a Democratic commission member from Anchorage.

The commission's authority over campaign finance violations goes back for only one year from the dates of violations. Sen. Bill Wielechowski, D-Anchorage, said he intends to introduce legislation extending that to four years.

Hickerson said an investigation may highlight the need for a longer statute of limitations for the Legislature.

A little more than a year ago, FBI agents revealed to top VECO executives that they were under investigation as part of a widespread probe into influence buying in Alaska politics.

Any violation that could be pursued would have to have occurred after the FBI investigation was revealed.

"I don't think we have a violation within one year before us," said Roger Holl,

commission chairman and a public member of the commission from Anchorage. He also is an attorney.

The allegation that VECO has paid for polls used by numerous candidates over the years was made by former VECO executive Rick Smith in testimony during the federal bribery trial of former Rep. Pete Kott, R-Eagle River, in Anchorage.

Among the federal charges against Kott is that a poll VECO provided for his campaign constituted a bribe.

Former state legislator and APOC critic Ray Metcalfe had earlier urged the commission to investigate all 60 legislators, but had not filed a formal complaint as of the commission's special Monday morning meeting.

Commission members weren't clear on whether Metcalfe wanted unsuccessful candidates to be investigated as well.

Department of Law attorney Margaret Paton-Walsh called Metcalfe's accusations "incredibly vague and general."

The commission, however, decided to investigate the matter on its own.

Sen. Kim Elton, D-Juneau, said he could say that VECO never provided him with any poll results.

"That's probably not a surprise to anyone," he said.

Elton was pushing for a higher oil tax rate than that which VECO executives sought.

One of the first steps taken in the investigation may be to simply call up Smith and see if he'll say who VECO provided the polling data to, commissioners said. Others cautioned that he may not be able to talk, because of the ongoing federal investigation.

Smith has already pleaded guilty, and Hickerson said his testimony against his own interests should be considered reliable.

"If his testimony is correct, and I have no reason to doubt it, there were violations," Hickerson said.

• Contact Pat Forgey at 523-2250 or patrick.forgey@juneauempire.com.
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District 31 Anchorage

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Sponsor Statement for Version 25-LS115\J.A

CSHB 281(RLS) am: Campaign Finance Complaints

House Bill 281 enhances Alaska's campaign finance and ethics laws by allowing the Alaska Public Offices Commission and the Select Committee on Legislative Ethics more time to receive complaints and properly investigate alleged violations. It also establishes an adequate time period for the retention of records related to those complaints.

This bill creates a standard statute of limitations of five years for those complaints and a retention period of six years for those records required under these sections.

This act covers the four areas of oversight assigned to the APOC and the Ethics Committee: AS 15.13 State Election Campaigns, AS 24.45 Regulation on Lobbying, AS 24.60 Standards of Conduct as well as the Financial Disclosure for the Legislative Branch, and AS Public Officials Financial Disclosures.

By allowing a reasonable amount of time to receive complaints and conduct investigations, HB 281 helps APOC and the Select Committee accomplish their missions of ensuring the public's confidence in elected and appointed officials, and preserving the integrity of the legislative process.

This bill is an important step in shoring up the Foundation of Trust between Alaskans and their government.

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CSHB 281(RLS) am, Version J.A: Brief Explanation of Changes From earlier versions E, K and T

Title Changes

The original title in version E referred to extending the statute of limitations for the filing of complaints with the Alaska Public Offices Commission under Title 15; the House State Affairs Committee version K expanded the title to also include records retention (as well as the statute of limitations) and complaints with the Select Committee on Legislative Ethics (as well as APOC) under titles 15, 24 and 39; the House Judiciary Committee version T tightened the title to the specific sections of the Act (as opposed to simply referring to APOC and the Select Committee), and the House Rules Committee added language referring to candidates disclosing certain information about all contributions under AS 15.13.

Section Changes

The original version E included only one section (other than an applicability section) extending the statute of limitations from one year to five years for filing an administrative complaint with the Alaska Public Offices Commission.

Version K added many sections creating a uniform standard of five years for the statute of limitations for campaign finance and ethics complaints that fall under the jurisdiction of APOC and the Select Committee on Legislative Ethics: campaign disclosures (AS 15.13), lobbying (AS 24.45), legislative financial disclosure (AS 24.60) and public official financial disclosure (AS 39.50).

(more)

Version T deleted a section requiring business, persons or groups that furnish services, facilities or supplies to a candidate to maintain records for six years. It also changed who can file a complaint in most sections of the bill from "registered voter" to "person." The T version also tightened language in several sections.

The J.A version adds a new section, Sec.1., amending AS 15.13.040(a)(1)(D) requiring each candidate to list the principal occupation and employer of each contributor who contributes in excess of \$50 (currently it's \$250).

A more detailed explanation of changes is available, if necessary.

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Sectional Analysis for CSHB 281(RLS) am Campaign Finance Complaints, Version 25-LS1115J.A

- Section 1** Amends AS 15.13.040(a) to require each candidate to make a full report, upon a form prescribed by the commission, listing the principal occupation and employer of each contributor for contributions in excess of \$50 (currently it's \$250).
- Section 2** Adds a new section, Sec. 15.13.111, creating a retention period of six years for records to be kept by each candidate, group, nongroup entity, or person required to report under this chapter.
- Section 3** Amends AS 15.13.380(b), increasing the time period allowed for filing a complaint for an alleged campaign finance violation from one year to five years. It also eliminates the time limitations of this subsection on proceedings against a person who "intentionally prevents discovery" of a violation of this chapter.
- Section 4** Amends AS 24.45.111(a), requiring that "an employer, retainer, or contractor of a lobbyist," in addition to a lobbyist, retain records required under this section. It also increases the retention period from one year to six years.
- Section 5** Amends AS 24.45.131(a), allowing any "person," not just a "qualified voter," to file a complaint with the commission under this chapter.
- Section 6** Adds a new section, AS 24.45.131(d), prohibiting a commission member who file a complaint from participating in any commission proceeding related to the complaint.
- Section 7** Adds a new section, AS 24.45.135, allowing "a person," as well as a commission member or staffer, to file a complaint alleging a violation of AS 24.45.121-24.45.171 has occurred or is occurring. The complaint must be filed within five years after the date of the alleged violation.

(more)

Sectional Analysis for CSHB 281(RLS) am
Campaign Finance Complaints, Version 25-LS1115\J.A

- Section 8** Amends AS 24.60.170(a), increasing the time limitation on complaints alleging a violation of this section from two years to five years. It also increases the time limitation for investigation of complaints against a former legislator from one year to five years.
- Section 9** Adds a new section, Sec. 24.60.255, allowing a person, as well as a member of the Alaska Public Office Commission or a member of its staff, to file a written complaint alleging a violation of AS 24.60.200-24.60.260 has occurred or is occurring . The complaint must be filed within five years after the date of the alleged violation.
- Section 10** Adds a new section, AS 39.50.055, allowing a person, as well as a member of the Alaska Public Office Commission or a member of its staff, to file a written complaint alleging a violation of this chapter has occurred or is occurring . The complaint must be filed within five years after the date of the alleged violation. An APOC member who files a complaint may not participate in any proceeding of the commission relating to the complaint.
- Section 11** Amends AS 39.50.100, creating a statute of limitation of five years from the date of the alleged violation for a complaint to be filed under this section.
- Section 12** Repeals AS 15.56.130 to create a statute of limitation of five years for alleged violations that could be prosecuted as a criminal offense.
- Section 13** Establishes applicability for the sections that have been amended and created in this act.
- Section 14** Allows the Alaska Public Offices Commission to immediately adopt regulations necessary to implement changes made by this act, in accordance with the Administrative Procedure Act, but not before Jan. 1, 2009.
- Section 15** Allows Section 14 to take effect immediately.
- Section 16** Except as provided in Section 15, allows this Act to take effect on Jan. 1, 2009.

CSHB 281(RLS) am

Relevant Statutes

Campaign Finance & Ethics Complaints

Sec. 15.13.040(a) Contributions, expenditures, and supplying of services to be reported.

Sec. 15.13.380(b) Violations; limitations on actions.

Sec. 24.45.111(a) Preservation of records.

Sec. 24.45.131 Examination of statements, reports.

Sec. 24.60.170 Proceedings before the committee. Limitations.

Sec. 15.56.130 Time limitation.

Sec. 12.10.010 General time limitations

Sec. 15.13.040. Contributions, expenditures, and supplying of services to be reported.

(a) Except as provided in (g) and (l) of this section, each candidate shall make a full report, upon a form prescribed by the commission,

(1) listing

(A) the date and amount of all expenditures made by the candidate;

(B) the total amount of all contributions, including all funds contributed by the candidate;

(C) the name, address, date, and amount contributed by each contributor; and

(D) for contributions in excess of \$250 in the aggregate during a calendar year, the principal occupation and employer of the contributor; and

Sec. 15.13.380. Violations; limitations on actions.

(a) Promptly after the final date for filing statements and reports under this chapter, the commission shall notify all persons who have become delinquent in filing them, including contributors who failed to file a statement in accordance with AS 15.13.040, and shall make available a list of those delinquent filers for public inspection. The commission shall also report to the attorney general the names of all candidates in an election whose campaign treasurers have failed to file the reports required by this chapter.

(b) A member of the commission, the commission's executive director, or a person who believes a violation of this chapter or a regulation adopted under this chapter has occurred or is occurring may file an administrative complaint with the commission within one year after the date of the alleged violation. If a member of the commission has filed the complaint, that member may not participate as a commissioner in any proceeding of the commission with respect to the complaint. The commission may consider a complaint on an expedited basis or a regular basis.

Sec. 24.45.111. Preservation of records.

(a) A person required to register or report as a lobbyist shall preserve all accounts, bills, receipts, books, papers, and documents necessary to substantiate the reports required to be made and filed under this chapter for a period of at least one year from the date of the filing of the report containing these items. These accounts, bills, receipts, books, papers, and other documents shall be made available for inspection by the commission, or members of its staff, at any time. If a lobbyist is required under the terms of the lobbyist's employment contract to turn any records over to the employer, responsibility for the preservation of these records under this section rests with the employer.

Sec. 24.45.131. Examination of statements, reports.

(a) The commission or its staff shall examine each statement or report filed under this chapter within 10 days after the date it is filed. A person required to file a statement or report under this chapter shall be notified immediately if

(1) it appears that the person has failed to file a statement or report as required by law or that the statement or report filed does not conform to the requirements of this chapter; or

(2) a written complaint is filed with the commission by any qualified voter alleging that a statement or report filed with the commission does not conform to the requirements of this chapter, or to the truth, or that a person subject to the provisions of this chapter has failed to file a statement or report in the manner prescribed by this chapter.

(b) The commission shall conduct an investigation, and may thereafter conduct a hearing, into an allegation under (a)(2) of this section.

(c) The commission shall report any suspected violations of this chapter to the attorney general, to a district attorney in the judicial district where the alleged violation occurred, or to a grand jury.

Sec. 24.60.170. Proceedings before the committee; limitations.

(a) The committee shall consider a complaint alleging a violation of this chapter if the alleged violation occurred within two years before the date that the complaint is filed with the committee and, when the subject of the complaint is a former member of the legislature, the complaint is filed within one year after the subject's departure from the legislature. The committee may not consider a complaint filed against all members of the legislature, against all members of one house of the legislature, or against a person employed by the legislative branch of government after the person has terminated legislative service. However, the committee may reinstitute proceedings concerning a complaint that was closed because a former employee terminated legislative service or because a legislator left the legislature if the former employee or legislator resumes legislative service, whether as an employee or a legislator, within two years after the alleged violation. The time limitations of this subsection do not bar proceedings against a person who intentionally prevents discovery of a violation of this chapter.

Sec. 15.56.130. Time limitation.

A prosecution for an offense described in AS 15.05 - AS 15.60 (Alaska Election Code) may not be maintained unless it is begun within one year after the date of the election in connection with which the offense is alleged to have been committed.

Sec. 12.10.010. General time limitations.

(a) Prosecution for the following offenses may be commenced at any time:

(1) murder;

(2) attempt, solicitation, or conspiracy to commit murder or hindering the prosecution of murder;

(3) felony sexual abuse of a minor;

(4) sexual assault that is an unclassified, class A, or class B felony or a violation of AS 11.41.425 (a)(2) or (3);

(5) a violation of AS 11.41.425, 11.41.427, 11.41.450 - 11.41.458, AS 11.66.110 - 11.66.130, or former AS 11.41.430, when committed against a person who, at the time of the offense, was under 18 years of age;

(6) kidnapping.

(b) Except as otherwise provided by law or in (a) of this section, a person may not be prosecuted, tried, or punished for an offense unless the indictment is found or the information or complaint is instituted not later than

(1) 10 years after the commission of a felony offense in violation of AS 11.41.120 - 11.41.370, 11.41.425(a)(1), or 11.41.450 - 11.41.458; or

(2) five years after the commission of any other offense.

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MEMORANDUM

January 24, 2008

SUBJECT: Statute of Limitations for Election Offenses (amendment K.2 to CSHB 281(STA) (Work Order No. 25-LS1115\K.2)

TO: Representative Bob Lynn

FROM: Geraid P. Luckhaupt *JPL*
Legislative Counsel

I was requested to take a look at Amendment K.2 dealing with the statute of limitations for election offenses as the amendment deals with general issues of criminal law. The amendment changes AS 15.56.130 by expanding the statute of limitations for election offenses from one year after the date of the election to five years after the commission of the offense. Five years is also the general statute of limitations for offenses contained in AS 12.10.010(b)(2). AS 12.10 also contains other provisions dealing with when the statute of limitation begins¹ and how the statute of limitation runs,² and provisions that stay the running of the limitation period when the offender has fled the jurisdiction³ and expand the limitation period when the offender is a public officer or employee who has committed misconduct in office.⁴

Because the amendment makes the statute of limitation for AS 15 offenses the same as the general criminal statute of limitation in AS 12.10.010 there is no need for AS 15.56.130 and the provision should be repealed if the legislature wants a general five year statute of limitations to apply. Allowing the provision to remain will only engender uncertainty and encourage litigation about how and whether the other provisions of AS 12.10 apply to AS 15 offenses.

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¹ AS 12.10.030(a)

² AS 12.10.030(b)

³ AS 12.10.040

⁴ AS 12.10.020(b) expands the statute of limitation in such cases by up to three years by allowing prosecution up to one year after discovery of the offense.

Legislative Research Services

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January 16, 2008

Memorandum

TO: Senator Bill Wielechowski

FROM: Daniel Lesh
Legislative Analyst

RE: States with Filing Limits of Four Years or Greater Regarding Campaign Finance Violations
LRS 08-104

You asked for examples of states that allow campaign finance complaints regarding state election campaigns to be filed up to four years or greater after the violation has taken place. A previous report by this agency identified the following examples:

- 1) Georgia – OCGA § 21-5-13 – Within three years of a violation involving any person elected to serve for a term of two years; within five years of a alleged violation involving any person elected to serve for a term of four or more years.
- 2) Washington – RCWA § 42.17.410 – Five years from the date of the violation.

In the time allotted, we identified an additional six examples by speaking with staff attorneys at the relevant elections commissions in the following states:

- 3) Arkansas – Four years.
- 4) California – Five years for administrative sanctions and four years for civil sanctions.
- 5) Connecticut – No limit; however, by practice, the Connecticut Elections Enforcement Commission generally limits their investigations to complaints regarding violations that occurred within the previous two election cycles.
- 6) Hawaii – No limit.
- 7) Massachusetts – No limit.
- 8) New Jersey – No limit in statute; however, after four years, candidates and committees are not required to maintain records and investigations are not generally conducted.

I hope this is useful. Please contact us if you require additional information.

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TO: Representative Bob Lynn

FROM: Gerald P. Luckhaupt
Legislative Counsel *ERL*

I was requested to take a look at Amendment K.2 dealing with the statute of limitations for election offenses as the amendment deals with general issues of criminal law. The amendment changes AS 15.56.130 by expanding the statute of limitations for election offenses from one year after the date of the election to five years after the commission of the offense. Five years is also the general statute of limitations for offenses contained in AS 12.10.010(b)(2). AS 12.10 also contains other provisions dealing with when the statute of limitation begins¹ and how the statute of limitation runs,² and provisions that stay the running of the limitation period when the offender has fled the jurisdiction³ and expand the limitation period when the offender is a public officer or employee who has committed misconduct in office.⁴

Because the amendment makes the statute of limitation for AS 15 offenses the same as the general criminal statute of limitation in AS 12.10.010 there is no need for AS 15.56.130 and the provision should be repealed if the legislature wants a general five year statute of limitations to apply. Allowing the provision to remain will only engender uncertainty and encourage litigation about how and whether the other provisions of AS 12.10 apply to AS 15 offenses.

GPL:lmb
08-001.lmb

¹ AS 12.10.030(a)

² AS 12.10.030(b)

³ AS 12.10.040

⁴ AS 12.10.020(b) expands the statute of limitation in such cases by up to three years by allowing prosecution up to one year after discovery of the offense.

Table 1: Selected States' Statutes of Limitations for Filing Complaints Related to Campaign Finance Violations

State	Citation	Time Limit for Filing Complaint
Alaska	AS § 15.13.380	One year from the date of the violation.
Colorado	CRS § 16-5-401	Three years from the date of the election in which the violation took place.
Florida	FS § 105.25	Two years from the date of the violation.
Georgia	OCGA § 21-5-13	Within three years of a violation involving any person elected to serve for a term of two years; within five years of a alleged violation involving any person elected to serve for a term of four or more years.
Minnesota	MS § 211B.32	Within one year of the violation, except that if the act or failure to act involves fraud, concealment, or misrepresentation that could not be discovered during that one-year period, the complaint may be filed with the office within one year after the violation was discovered.
Ohio	ORC § 3517.157	Within two years of the violation, except that if the act or failure to act involves fraud, concealment, or misrepresentation and was not discovered during that two-year period, a complaint may be filed within one year after discovery of such act or failure to act.
Texas	Texas Ethics Comm. Rule § 12.5	Violation must have occurred within three years of the date the complaint is filed or the date the commission votes to initiate a preliminary review of a matter.
Washington	RCWA § 42.17.410	Five years from the date of the violation occurred.

Notes: With the exception of Texas, the states listed are those with statutory time limitations for filing complaints that we were readily able to locate. We located the rules of the Texas Ethics Commission through a statutory reference. We believe this table is best interpreted as a sample of states' positions on the topic.

Sources: Lexis online database of state statutes, Texas Ethics Commission website, <http://www.ethics.state.tx.us/legal/rules.htm>.

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

HB

284

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 284
(H) Publish Date: 1/24/08

Identifier (file name): HB284-DOR-PFD-1-21-08

Dept. Affected: Revenue

Title: PFD Allowable Absence: Fellowships

RDU: Permanent Fund Dividend Division

Component: Permanent Fund Dividend Division

Sponsor: Reps. Hawker, Kerttula

Requester: House State Affairs

Component Number: 981

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1050 PFD Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Full-time	0.0	0.00	0	0	0	0	0
Part-time		0					
Temporary		0					

ANALYSIS: (Attach a separate page if necessary)

PFD already has an educational type absence category, and would incorporate this proposed absence reason into the current educational category, within its forms and databases. The financial effect to the operating expenses of the PFD program are anticipated to be minimal.

Prepared by: Amy Skow, Division Manager
Division: Permanent Fund Dividend Division

Phone: 907 465-4784
Date/Time: 1/18/08 4:35 PM

Approved by: Jerry Burnett
Department of Revenue

Date: 1/21/2008

82 ✓

moved
1/30/08

25-LS1142A.1
Cook
1/24/08

adopted

AMENDMENT

OFFERED IN THE HOUSE
TO: HB 284

BY REPRESENTATIVE HAWKER

- 1 Page 3, following line 17:
- 2 Insert new bill sections to read:
- 3 **"* Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to
- 4 read:
- 5 PERMANENT FUND DIVIDEND APPLICATIONS. Notwithstanding permanent
- 6 fund dividend application procedures or deadlines, an individual who qualifies for a dividend
- 7 for 2006, 2007, or 2008 because of the amendment to AS 43.23.008(a) made in sec. 1 of this
- 8 Act may apply for the dividend by September 15, 2008. The Department of Revenue shall
- 9 prepare a form for applications under this section.
- 10 *** Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to
- 11 read:
- 12 RETROACTIVITY. Sections 1 and 2 of this Act are retroactive to January 1, 2005."
- 13
- 14 Renumber the following bill section accordingly.
- 15
- 16 Page 3, line 18:
- 17 Delete all material and insert:
- 18 **"* Sec. 5.** This Act takes effect immediately under AS 01.10.070(c)."

Representative Mike Hawker

Alaska State Legislature



House Bill 284 Sponsor Statement

Session:

State Capitol
Juneau, AK 99801
907 465-4949 direct
800 478-4950 toll free
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Member:

*House Finance Committee
Legislative Budget
& Audit Committee*

House District 32:

*Eagle River
Anchorage
Rainbow
Indian
Bird
Girdwood
Portage
Whittier
Sunrise
Hope*

Short Title: PFD Allowable Absence: Fellowships

HB 284 corrects an inequity in our statutes regarding allowable absences for Permanent Fund Dividends. Current law provides for an allowable absence for students who are "receiving vocational, professional, or other specific education on a full-time basis for which, as determined by the Alaska Commission on Postsecondary Education, a comparable program is not reasonably available in the state." For some reason, the above statutory language has been interpreted by regulation to exclude students who are participating in an international educational exchange under a U.S. Fulbright Scholarship.

The Fulbright Scholar Program, which was signed into law by President Truman in 1946, is sponsored by the United States Department of State, Bureau of Educational and Cultural Affairs. Every year, the program sends 800 scholars and professionals, chosen for their academic merit and leadership potential, to more than 150 countries, where they lecture or conduct research in a wide variety of fields.

Those chosen for the Fulbright program represent Alaska and the United States in foreign countries all over the world. Grants are typically for three months to one year. I encourage you to support this bill and correct this inequality in our current law.

Representative Mike Hawker
Alaska State Legislature



Session:

State Capitol
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Member:

*House Finance Committee
Legislative Budget
& Audit Committee*

House District 32:

*Eagle River
Anchorage
Rainbow
Indian
Bird
Girdwood
Portage
Whittier
Sunrise
Hope*

To: Representative Kevin Meyer, Co-Chairman
House Finance Committee

From: Representative Mike Hawker

Date: January 24, 2008

Re: House Bill 284

I request that House Bill 284, which would add the Fulbright Scholar Program to the list of allowable absences for Permanent Fund Dividends, be scheduled for a hearing in the House State Affairs Committee at your earliest convenience.

The Fulbright is the largest U.S. international exchange program, allowing students, scholars and professionals to pursue graduate study, advanced research and teaching opportunities abroad. Scholars are sponsored by the United States Department of State's Bureau of Educational and Cultural Affairs and represent our state and country in more than 140 foreign countries.

Attached you will find a sponsor statement, background materials and written testimony. I have requested an amendment to change the effective date to January 1, 2005, which will be provided to your office as soon as possible.

I would like to request an off-net teleconference for Robb Kulin, a graduate student at University of California, San Diego and former Fulbright Scholar, to testify.

Please feel free to contact me, or my legislative aide, Juli Lucky, if you need any additional information.

Before the State Affairs Committee, Alaska State Legislature
Written testimony of Demian A. Schane in support of HB 284 (PFD Allowable Absences:
Fellowships)

January 24, 2008

Dear Committee Members:

My name is Demian Schane, and I am a resident of Juneau, Alaska. I currently work for the National Oceanic & Atmospheric Administration, but I would like to make clear that I give this testimony as an individual and on my own behalf. I do not represent the views of my agency or the federal government.

I applaud the efforts of Representative Hawker and urge all legislative staff to support HB 284. I believe it is important, and the current PFD statute already does this to a certain extent, to support residents who leave the State for educational purposes or to serve the country and State (e.g., to serve in the military, in Congress, in the U.S. Peace Corps, or on the U.S. Olympic Team). The proposed amendment adds one more excusable absence that I believe is a worthy one.

Every year, a handful of Alaskans are offered fellowship opportunities to live abroad in the pursuit of educational and/or vocational training. I personally spent 10 months in Iceland on a U.S. Fulbright grant studying the European Union's mechanisms for regulating escapes from farm fishing operations. It was a uniquely rewarding experience and an honor and privilege to represent the U.S. and Alaska in Iceland.

The Fulbright Program is funded through the U.S. Department of State and it promotes a cultural and educational exchange program in numerous foreign countries. The grantees can enroll in a foreign university or conduct research independently under the auspices of a university or professional organization. During the grant period, grantees will typically meet with the staff of the U.S. embassy and the host country's counterparts. The host country may also offer a variety of forums to foster the exchange of ideas, experiences, and values. For example, in Iceland, there were conferences on international seafood trade, aquaculture innovations, and genetic impacts on wild fish populations from farmed fish escapes. In short, the program offers U.S. citizens an opportunity to further their understanding of issues and policies of international significance and experience how other cultures endeavor to resolve them.

U.S. sponsored fellowships such as the U.S. Fulbright Program are professionally and personally rewarding. I hope that the Legislature recognizes and supports its fellow Alaskans' efforts to pursue such opportunities by allowing them to do so without losing their residential status and eligibility for a PFD disbursement.

Thank you for your time and consideration.

Sincerely,
Demian A. Schane
836 Calhoun Ave
Juneau, AK 99801
907-463-5145
dschane@gmail.com

ABOUT - FULBRIGHT

Page location: <http://us.fulbrightonline.org/about.html>

"Fostering leadership, learning and empathy between cultures was and remains the purpose of the international scholarship program." - Senator J. William Fulbright

THE FULBRIGHT PROGRAM:

- Is sponsored by the U.S. Department of State.
- Is the largest U.S. international exchange program offering opportunities for students, scholars, and professionals to undertake international graduate study, advanced research, university teaching, and teaching in elementary and secondary schools worldwide.
- Was established in 1946 by the U.S. Congress to "enable the government of the United States to increase mutual understanding between the people of the United States and the people of other countries."
- Awarded approximately six thousand grants in 2006, at a cost of more than \$235 million, to U.S. students, teachers, professionals, and scholars to study, teach, lecture, and conduct research in more than 150 countries, and to their foreign counterparts to engage in similar activities in the United States.
- Receives its primary source of funding through an annual appropriation from Congress to the Department of State. Participating governments and host institutions in foreign countries, and in the United States, also contribute financially through cost-sharing and indirect support, e.g., through salary supplements, tuition waivers, and university housing.



J. William Fulbright

In This Section

Program History

The origins and development of the Fulbright Program, outlining its mission and vision.

U.S. Department of State

The role of the U.S. Department of State in the Fulbright Program.

Program Design

The U.S. Student Program

ABOUT - PROGRAM HISTORY

Page location: http://us.fulbrightonline.org/about_programhistory.html

"The Fulbright Program aims to bring a little more knowledge, a little more reason, and a little more compassion into world affairs, and thereby to increase the chance that nations will learn at last to live in peace and friendship." – J. William Fulbright

In 1945, Senator J. William Fulbright introduced a bill in the United States Congress that called for the use of proceeds from the sale of surplus war property to fund the "promotion of international good will through the exchange of students in the fields of education, culture, and science."

On August 1, 1946, President Harry S. Truman signed the bill into law, and Congress created the Fulbright Program.

The J. William Fulbright Foreign Scholarship Board (FSB) was created by Congress to supervise the Fulbright Program. This 12-member Board, appointed by the President of the United States, works in cooperation with the Bureau of Educational and Cultural Affairs of the U.S. Department of State, binational Fulbright Commissions and Foundations, and Public Affairs Sections of U.S. Embassies abroad, to administer the Program. The FSB sets policies and procedures for administration of the Fulbright Program, has final authority for selection of all grantees, and supervises the conduct of the program both in the United States and abroad. [Click here for a complete list of current FSB members.](#)

The primary source of funding for the Fulbright Program is an annual appropriation from Congress to the Department of State. Participating governments and host institutions in foreign countries, and in the United States, also contribute financially through cost-sharing and indirect support, e.g., through salary supplements, tuition waivers, and university housing.

The Fulbright U.S. Student Program is now the largest U.S. exchange program offering opportunities for students and young professionals to undertake international graduate study, advanced research, university teaching, and teaching in elementary and secondary schools worldwide. The U.S. Student Program currently awards approximately 1,300 grants annually in all fields of study, and operates in more than 140 countries worldwide.

Since the establishment of the Program, more than 45,000 students from the United States and 148,000 students from other countries have benefited from the Fulbright experience.

The Fulbright Program has provided more than 250,000 participants, chosen for their leadership potential, with the opportunity to observe each others' political, economic and cultural institutions, exchange ideas, and embark on joint ventures of importance to the general welfare of the world's inhabitants.

U.S. Fulbright Student alumni populate an entire range of professions and include heads of state, cabinet ministers, ambassadors, Members of Congress, judges, heads of corporations, university presidents, journalists, artists, professors, and teachers. Actor **John Lithgow**, composer **Philip Glass**, opera singer **Renee Fleming** and economist **Joseph Stiglitz** are among notable former grantees.

- From its inception, the Fulbright Program has fostered bilateral relationships in which other countries and governments work with the U.S. to set joint priorities and shape the Program to meet shared needs. The world has been transformed in ensuing decades, but the fundamental principle of international partnership remains at the core of the Fulbright mission.



President Harry S. Truman signs the Fulbright Act into law. 1946.



President John F. Kennedy signs the Fulbright-Hays Act into law, 1961.

ABOUT - U.S. DEPARTMENT OF STATE

Page location: <http://us.fulbrightonline.org/about/us.html>

The United States Department of State's Bureau of Educational and Cultural Affairs (ECA) sponsors the Fulbright Program under policy guidelines established by the J. William Fulbright Foreign Scholarship Board (FSB) and in cooperation with binational Fulbright Commissions/Foundations and Public Affairs Sections of U.S. Embassies abroad.

As the administrative and executive arm of the Fulbright Program, the Bureau has fiscal responsibility for the preparation of an annual budget request to Congress and makes decisions on funding allocations to participating countries. Under policies established by the J. William Fulbright Foreign Scholarship Board, **ECA** also holds primary responsibility for the administration of the Program, together with the assistance of cooperating non-profit organizations. The Bureau's contribution to the Fulbright Program in 2006 amounted to \$184.6 million.

Within a U.S. Embassy abroad (the **Post**), exchange-program activities are the responsibility of a **Public Affairs Officer (PAO)** or a **Cultural Affairs Officer (CAO)**. At least one of these officers is a member of the local **Binational Commission** and maintains liaison with the Commission on policy and program matters on behalf of the Bureau. In countries without a Commission, the PAO or CAO administers the educational exchange program.

[HTTP://US.FULBRIGHTONLINE.ORG/THINKING_ELIGIBILITY.HTML](http://us.fulbrightonline.org/thinking_eligibility.html)

Page location: http://us.fulbrightonline.org/about_programdesign.html

THE U.S. STUDENT PROGRAM:

- Awards grants to U.S. citizens in all fields of study
- Operates in more than 140 countries worldwide
- Awards more than 1,400 grants to U.S. students to study overseas
- Offers one academic year of study, research, or teaching assistantship experience
- Projects may include university course work, independent library or field research, or professional training in the arts.
- Preference will be given to candidates who have not had extensive recent experience abroad (excluding recent undergraduate study abroad), especially in the country of applications

THE U.S. STUDENT PROGRAM IS DESIGNED FOR:

- Recent BA/BS graduates,
- Master's, and doctoral candidates
- Young professionals, including writers, journalists, and those in law, business, and other professional fields
- Artists and musicians

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 284
(H) Publish Date: 1/24/08

Identifier (file name): HB284-DOR-PFD-1-21-08

Dept. Affected: Revenue

Title: PFD Allowable Absence: Fellowships

RDU: Permanent Fund Dividend Division

Component: Permanent Fund Dividend Division

Sponsor: Reps. Hawker, Kerttula

Requester: House State Affairs

Component Number: 981

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1050 PFD Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

Full-time	0.0	0.00	0	0	0	0	0	0
Part-time		0						
Temporary		0						

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

PFD already has an education type absence category, and would incorporate this proposed absence reason into the current educational category, within its forms and databases. The financial effect to the operating expenses of the PFD program are anticipated to be minimal.

Prepared by: Amy Skow, Division Manager

Division: Permanent Fund Dividend Division

Approved by: Jerry Burnett

Department of Revenue

Phone: 907-465-4784

Date/Time: 1/18/08 4:35 PM

Date: 1/21/2008

HB

285

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 285(CRA)
(H) Publish Date: 2/4/08

Identifier (file name): HB285-CED-CRA-01-23-08 Dept. Affected: DCCED
Title: Muni Tax Exemptions: Combat Death RDU: Comm Asst & Ec Dev (405)
Component: Community & Regional Affairs
Sponsor: Coghill, Lynn, Foster, Kawasaki, Ramras
Requester: House Community & Regional Affairs Component Number: 2879

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
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	0.0

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

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

FUND SOURCE (Thousands of Dollars)

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This legislation would allow municipalities to partially or wholly by ordinance exempt from taxation real property owned and occupied by a resident a who is the widow or widower of certain members of the armed forces of the United States. The residence must be a permanent place of abode.

This is a local optional property tax exemption not reimbursable by the State. It would have no fiscal impact on the operations of the division. The amount of municipal residential real property potentially subject to this tax exemption is indeterminate.

Prepared by: Tara Jollie, Director
Division: Community and Regional Affairs
Approved by: Emil R. Notti, Commissioner
Commerce, Community, and Economic Development

Phone: 907-269-7959
Date/Time: 1/23/08 10:00 AM
Date: 1/23/2008

ALASKA STATE HOUSE OF REPRESENTATIVES



Session

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State Capitol
Room 214

Contact:

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REPRESENTATIVE JOHN COGHILL

SPONSOR STATEMENT

CSHB 285(CRA)
(25-LS1146E)

"An Act relating to an optional exemption from municipal property taxes for residences of widows and widowers of certain members of the armed forces of the United States."

This bill will provide the authority for a municipality or city, by ordinance, to partially or wholly exempt from taxation the real property owned and occupied by a widow or widower of a member of the armed forces of the United States injured while serving on active duty who was eligible for hostile fire or imminent danger pay.

Alaska Statute 29.45.050 (i)(2) provides authority for a municipality to allow a tax exemption on real property to disabled veterans. This legislation will help relieve some of the financial hardships on the spouses of members of the armed forces that do not survive their injuries.

This bill gives the municipalities the responsibility of including requirements for determining eligibility for the exemption, and procedures for applying for the exemption.

ALASKA STATE HOUSE OF REPRESENTATIVES

7/18/08

Session

(907)-465-3719

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State Capitol

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REPRESENTATIVE JOHN COGHILL

SECTIONAL

CSHB 285(CRA) (25-LS1146\C)

"An Act relating to an optional exemption from municipal property taxes for residences of widows and widowers of certain members of the armed forces of the United States."

[and providing that this Act may be known as the Sergeant Irving Hernandez, Jr., Act.] *It was felt that the Fairbanks North Star Borough could honor Sergeant Irving Hernandez, Jr., in some local way, rather than name the bill after him.*

Section 1: AS 29.45.050 is amended by adding a new [section to read

SHORT TITLE. This Act may be known as the Sergeant Irving Hernandez, Jr., Act.] *This change reflects the deletion in the title.*

Section [2] 1: AS 29.45.050 is amended by adding a new subsection to read:

(s) This new subsection will give authority to a municipality by ordinance to partially or wholly exempt real property taxation owned or occupied as a permanent place of residence by an individual who is a widow or widower of a member of the armed forces of the United States who:

* was injured serving on active duty while eligible for hostile fire or imminent danger pay

* dies because of the injury or complications related to the injury or its treatment.

[within 90 days] *the 90 day limit was removed because it was felt that the medical experts could make the determination as to whether or not a service member died because of his injuries.*

The ordinance must include requirements for determining eligibility for the exemption and a procedure for applying for the exemption.

7/13/08

**CITY OF NORTH POLE
RESOLUTION 07-13**

**A RESOLUTION OF THE CITY OF NORTH POLE URGING THE ALASKA
STATE LEGISLATURE TO AMEND STATE STATUTE TO ALLOW FOR
AN EXEMPTION OF MUNICIPAL PROPERTY TAXES FOR SURVIVING
SPOUSES OF MEMBERS OF THE ARMED FORCES WHO HAVE LOST
THEIR LIFE IN ACTIVE DUTY COMBAT**

WHEREAS, the North Pole City Council and the North Pole community have the greatest pride and respect for the members of the Armed Forces and strongly support them; and

WHEREAS, the war in Iraq began on March 20, 2003 and in the years since, thousands of men and women have made sacrifices for their country and for some the sacrifice has meant their lives; and

WHEREAS, the sacrifice made by these brave men and women extends to their families who struggle both emotionally and financially after their death; and

WHEREAS, the war has claimed more than 3700 casualties nationwide. The statistics for Alaskans killed in action as of September 25, 2007 are 15 Alaska residents, 30 soldiers from Ft. Wainwright, 1 from Eielson Air Force Base, 52 from Ft. Richardson and 5 from Elmendorf Air Force Base; and

WHEREAS, several surviving spouses have chosen to make Alaska their permanent home; and

WHEREAS, everything that can be done should be done to ease the burden placed upon surviving spouses and their children; and

WHEREAS, a small way to extend our gratitude to these families is to offer surviving spouses of military members who have lost their life in combat, an exemption of municipal property taxes.

NOW, THEREFORE, BE IT RESOLVED, that the North Pole City Council supports a change to state statute that would allow for the municipal property tax exemption for the surviving, un-remarried spouse of a military member killed in active duty combat.

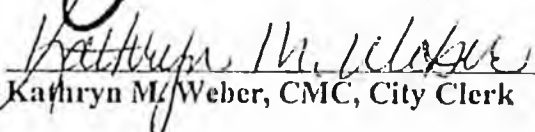
BE IT FURTHER RESOLVED, that copies of this resolution be sent to the Honorable Governor Sarah Palin and the Alaska Interior Delegation.

PASSED AND APPROVED by a duly constituted quorum of the City Council of the City of North Pole on October 1, 2007.



Douglas W. Isaacson, Mayor

ATTEST:



Kathryn M. Weber, CMC, City Clerk



Fairbanks North Star Borough

Office of the Mayor

809 Pioneer Road

P.O. Box 71267

Fairbanks, Alaska 99707-1267

907/459-1300

Fax 907/459-1102

Email mayor@co.fairbanks.ak.us

2/13/08

January 29, 2008

The Honorable Representative John Coghill
State Capitol
Juneau, AK 99801

Dear Representative Coghill,

I would like to thank you for your sponsorship of HB 285, also known as the Sgt. Irving Hernandez Act of 2007.

The greater Fairbanks area incorporates a seamless community of military and civilian residents. Those of us residing here hold an immense degree of respect and value for our military families. However, there is no provision by which to allow for the same property tax exemptions for the spouses of our fallen active duty military as there exists for our veterans.

This legislation allows our community to better honor the sacrifices and contributions of our active duty residents and their families.

The Fairbanks North Star Borough fully supports the passage of this legislation.

Regards,

Jim Whitaker, Mayor

HB

285

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 2/25/08

FURTHER:

DATE TURNED
IN TO OFFICE: 4-3-08

Finance Committee considered CS FOR HOUSE BILL NO. 285(CRA)

HB 285 MUNI TAX EXEMPTION: COMBAT DEATHS

"An Act relating to an optional exemption from municipal property taxes for residences of widows and widowers of certain members of the armed forces of the United States."

and recommends:

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

SENATE BILL:
 Same Title
 New Title

HOUSE BILL:
 Same Title
 Technical Title Change
 New Title w/ SCR # _____

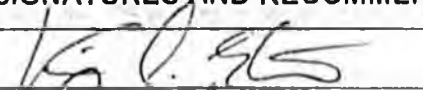

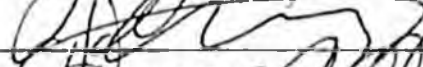
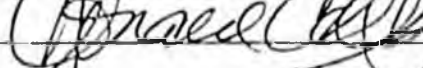
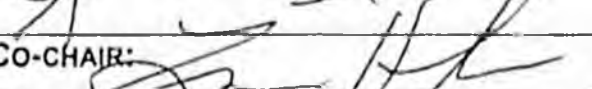

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
CED	1/23/08			✓	

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC.	AMEND
	Elton	✓			
	Thomas	✓			
	Huggins	✓			
	Olson			✓	
CO-CHAIR: 	Hoffman			✓	
CO-CHAIR: 	St. Julian			✓	

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 285(CRA)
(H) Publish Date: 2/4/08

Identifier (file name): HB285-CED-CRA-01-23-08 Dept. Affected: DCCED
Title: Muni Tax Exemptions: Combat Death RDU: Comm Asst & Ec Dev (405)
Component: Community & Regional Affairs
Sponsor: Cochill, Lynn, Foster, Kawasaki, Ramras
Requester: House Community & Regional Affairs Component Number: 2879

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
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	0.0

CAPITA 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 Interagency Receipts								
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

This legislation would allow municipalities to partially or wholly by ordinance exempt from taxation real property owned and occupied by a resident who is the widow or widower of certain members of the armed forces of the United States. The residence must be a permanent place of abode.

This is a local optional property tax exemption not reimbursable by the State. It would have no fiscal impact on the operations of the division. The amount of municipal residential real property potentially subject to this tax exemption is indeterminate.

Prepared by: Tara Jollie, Director
Division: Community and Regional Affairs
Approved by: Emil R. Notti, Commissioner
Commerce, Community, and Economic Development

Phone 907-260-7959
Date/Time 1/23/08 10:00 AM
Date 1/23/2008

CORRECTION

Discard: CSHB 285(CRA)
(Work Order 25-LS1146\C)

and retain this corrected version.
(Work Order 25-LS1146\E)

Corrected February 6, 2008
Chief Clerk's Office

CS FOR HOUSE BILL NO. 285(CRA)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 2/4/08
Referred: Finance

Sponsor(s): REPRESENTATIVES COGHILL, Lynn, Foster, Kawasaki, Ramras

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to an optional exemption from municipal property taxes for residences
2 of widows and widowers of certain members of the armed forces of the United States."

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

4 * Section 1. AS 29.45.050 is amended by adding a new subsection to read:

5 (s) A municipality may by ordinance partially or wholly exempt from taxation
6 the real property owned and occupied as a permanent place of abode by a resident who
7 is the widow or widower of a member of the armed forces of the United States injured
8 serving on active duty while eligible for hostile fire or imminent danger pay who dies
9 because of the injury or complications related to the injury or its treatment. The
10 ordinance must include requirements for determining eligibility for the exemption and
11 a procedure for applying for the exemption.

ALASKA STATE HOUSE OF REPRESENTATIVES

Contact:

Interim Address:

3340 Badger Road
North Pole, AK 99705
(907)-488-5725
Fax# (907)-488-4271



Session

(907)-465-3719
FAX# (907)-465-3258
State Capitol
Room 214

REPRESENTATIVE JOHN COGHILL

SPONSOR STATEMENT

CSHB 285(CRA)
(25-LS1146\E)

"An Act relating to an optional exemption from municipal property taxes for residences of widows and widowers of certain members of the armed forces of the United States."

This bill will provide the authority for a municipality or city, by ordinance, to partially or wholly exempt from taxation the real property owned and occupied by a widow or widower of a member of the armed forces of the United States injured while serving on active duty who was eligible for hostile fire or imminent danger pay.

Alaska Statute 29.45.050 (i)(2) provides authority for a municipality to allow a tax exemption on real property to disabled veterans. This legislation will help relieve some of the financial hardships on the spouses of members of the armed forces that do not survive their injuries.

This bill gives the municipalities the responsibility of including requirements for determining eligibility for the exemption, and procedures for applying for the exemption.

ALASKA STATE HOUSE OF REPRESENTATIVES



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Session

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State Capitol
Room 214

REPRESENTATIVE JOHN COGHILL

SECTIONAL

CSHB 285(CRA)
(25-LS1146E)

"An Act relating to an optional exemption from municipal property taxes for residences of widows and widowers of certain members of the armed forces of the United States."

Section 1: AS 29.45.050 is amended by adding a new subsection:

(s) This new subsection will give authority to a municipality by ordinance to partially or wholly exempt real property taxation owned or occupied as a permanent place of residence by an individual who is a widow or widower of a member of the armed forces of the United States who:

* was injured serving on active duty while eligible for hostile fire or imminent danger pay who dies because of the injury or complications related to the injury or its treatment.

The ordinance must include requirements for determining eligibility for the exemption and a procedure for applying for the exemption.

ALASKA STATE HOUSE OF REPRESENTATIVES



Session

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State Capitol
Room 214

REPRESENTATIVE JOHN COGHILL

SECTIONAL

CSHB 285(CRA) (25-LS1146(E))

"An Act relating to an optional exemption from municipal property taxes for residences of widows and widowers of certain members of the armed forces of the United States."

[and providing that this Act may be known as the Sergeant Irving Hernandez, Jr., Act.] *It was felt that the Fairbanks North Star Borough could honor Sergeant Irving Hernandez, Jr., in some local way, rather than name the bill after him.*

Section 1: AS 29.45.050 is amended by adding a new [section to read

SHORT TITLE. This Act may be known as the Sergeant Irving Hernandez, Jr., Act.] *This change reflects the deletion in the title.*

Section [2] 1: AS 29.45.050 is amended by adding a new subsection to read:

(s) This new subsection will give authority to a municipality by ordinance to partially or wholly exempt real property taxation owned or occupied as a permanent place of residence by an individual who is a widow or widower of a member of the armed forces of the United States who:

* was injured serving on active duty while eligible for hostile fire or imminent danger pay

* dies because of the injury or complications related to the injury or its treatment.

[within 90 days] *the 90 day limit was removed because it was felt that the medical experts could make the determination as to whether or not a service member died because of his injuries.*

The ordinance must include requirements for determining eligibility for the exemption and a procedure for applying for the exemption.



Fairbanks North Star Borough

Office of the Mayor

809 Pioneer Road

P.O. Box 71267

Fairbanks, Alaska 99707-1267

907/459-1300

Fax 907/459-1102

Email mayor@co.fairbanks.ak.us

January 29, 2008

The Honorable Representative John Coghill
State Capitol
Juneau, AK 99801

Dear Representative Coghill,

I would like to thank you for your sponsorship of HB 285, also known as the Sgt. Irving Hernandez Act of 2007.

The greater Fairbanks area incorporates a seamless community of military and civilian residents. Those of us residing here hold an immense degree of respect and value for our military families. However, there is no provision by which to allow for the same property tax exemptions for the spouses of our fallen active duty military as there exists for our veterans.

This legislation allows our community to better honor the sacrifices and contributions of our active duty residents and their families.

The Fairbanks North Star Borough fully supports the passage of this legislation.

Regards,

Jim Whitaker, Mayor

**CITY OF NORTH POLE
RESOLUTION 07- 13**

**A RESOLUTION OF THE CITY OF NORTH POLE URGING THE ALASKA
STATE LEGISLATURE TO AMEND STATE STATUTE TO ALLOW FOR
AN EXEMPTION OF MUNICIPAL PROPERTY TAXES FOR SURVIVING
SPOUSES OF MEMBERS OF THE ARMED FORCES WHO HAVE LOST
THEIR LIFE IN ACTIVE DUTY COMBAT**

WHEREAS, the North Pole City Council and the North Pole community have the greatest pride and respect for the members of the Armed Forces and strongly support them; and

WHEREAS, the war in Iraq began on March 20, 2003 and in the years since, thousands of men and women have made sacrifices for their country and for some the sacrifice has meant their lives; and

WHEREAS, the sacrifice made by these brave men and women extends to their families who struggle both emotionally and financially after their death; and

WHEREAS, the war has claimed more than 3700 casualties nationwide. The statistics for Alaskans killed in action as of September 25, 2007 are 15 Alaska residents, 30 soldiers from Ft. Wainwright, 1 from Eielson Air Force Base, 52 from Ft. Richardson and 5 from Elmendorf Air Force Base; and

WHEREAS, several surviving spouses have chosen to make Alaska their permanent home; and


WHEREAS, everything that can be done should be done to ease the burden placed upon surviving spouses and their children; and

WHEREAS, a small way to extend our gratitude to these families is to offer surviving spouses of military members who have lost their life in combat, an exemption of municipal property taxes.

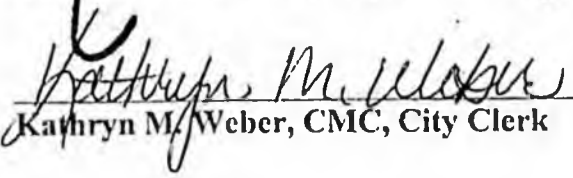
NOW, THEREFORE, BE IT RESOLVED, that the North Pole City Council supports a change to state statute that would allow for the municipal property tax exemption for the surviving, un-remarried spouse of a military member killed in active duty combat.

BE IT FURTHER RESOLVED, that copies of this resolution be sent to the Honorable Governor Sarah Palin and the Alaska Interior Delegation.

PASSED AND APPROVED by a duly constituted quorum of the City Council of the City of North Pole on October 1, 2007.


Douglas W. Isaacson, Mayor

ATTEST:


Kathryn M. Weber, CMC, City Clerk

HB

289

SFIN

FILE

5

SENATE FINANCE COMMITTEE REPORT

DATE: 3/28/08

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered CS FOR HOUSE BILL NO. 289(FSH)

HB 289 EMPLOYMENT TAX EXEMPTION: SPILL RESPONSE

"An Act exempting employers from paying unemployment tax for temporary services provided by fishing vessel crewmembers and related to emergency oil spill training and response activities; and providing for an effective date."

and recommends:

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

SENATE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
<hr/>	
HOUSE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
HWF	2/19/08			✓	

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	Do PASS	DO NOT PASS	NO REC	AMEND
	Elton	✓			
	Thomas			✓	
	HUGGINS			✓	
	O'LEARY			✓	
CO-CHAIR:					
CO-CHAIR:	SPEDMAN	✓			

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSHB 289(FSH)
(H) Publish Date: 3/13/08

Identifier (file name): HB289CS-DOLWD-11-02-19-08 Dept. Affected: Labor and Workforce Development
Title: Employment Tax Exemption: Spill Response RDU: Employment Security
Component: Unemployment Insurance
Sponsor: Representative Harris Component Number: 2276
Requester: House RLS

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
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	0.0	0.0

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

CHANGE IN REVENUES								
---------------------------	--	--	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: None

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This bill excludes from the definition of "employment" temporary services related to oil spill training and response activities by crewmembers on fishing boats described under 23.20.526(a)(17). The term "temporary" is defined as a period of less than 7 continuous days.

There are no anticipated costs associated with administering this piece of legislation.

Because the exclusion is limited to services performed for a period of less than 7 continuous days, it is believed the loss of revenue into the Unemployment Insurance (UI) Trust Fund would be minimal.

Prepared by: Thomas W. Nelson, Director
Division: Employment Security Division
Approved by: Click Bishop, Commissioner
Department of Labor and Workforce Development

Phone: 465-5933
Date/Time: 2/19/08 2:51 PM
Date: 2/19/08

Alaska State Legislature

Speaker John Harris
Room 208
Juneau, AK 99801
Phone: 907-465-4859



Rep. Paul Seaton
Room 102
Juneau, AK 99801
Phone: 907-465-2689

House District 12 ~ House District 35

HB 289 encourages participation in the state's oil spill response program by exempting fishing vessel owners and crew who participate from having to pay unemployment taxes while they are performing oil spill response duties.

Vessel owners and crew members undergo oil spill response training to be prepared to respond to state disasters as a service to the state on a voluntary basis. Training for the program and responding to small spills only takes a few days at a time, filing paperwork and paying unemployment taxes for such a short period of service is unreasonably burdensome. Because commercial fishermen are not covered by unemployment insurance when they engage in commercial fishing, most will not be in a position to have enough service time accrued to collect unemployment after having only worked a handful of qualified days in the oil spill response program.

In the unfortunate event of a large spill (such as the Exxon Valdez), if vessels spend seven or more continuous days responding to an oil spill vessel owners would be required to participate in the unemployment system and their crew would be covered.

In summary, HB 289 encourages fishermen to continue to participate in the state's oil spill response program by removing burdensome unemployment requirements. The state needs more vessels willing and able to respond to such disasters and must work to remove barriers to their participation.

MEMORANDUM

RECEIVED
Department of Labor

State of Alaska

FEB 24 1999

Department of Law

TO: Honorable Ed Flanagan
Commissioner
Department of Labor
Office of the Commissioner

February 17, 1999

FILE NO: 661-98-0255

TOL. NO: 269-5178

SUBJECT: Test Fishing

*Comm. cc
Dwyer cc
cc: Alaska
Shell
Gry
AG Opinion Com*

FROM: Toby N. Steinberger *TNS*
Assistant Attorney General
Governmental Affairs Section, Anchorage
Department of Law

Commissioner Cashen requested our opinion on whether fishermen performing "test fishing" are entitled to benefits from the Fishermen's Fund established under AS 23.35.010 if they are injured while conducting "test fishing." It is our opinion that fishermen who are injured while they are performing test fishing are not entitled to benefits from the Fishermen's Fund because they were not commercial fishing when they were injured.

Under AS 16.05.050, the Department of Fish and Game contracts with the owner or master of a vessel to conduct test fishing.¹ The terms of the contracts vary. In some cases, the contract provides that, in return for conducting the test fishing, the owner or master of the vessel may receive a portion of the value of the fish delivered to the state. In some cases, the owner or the master of the vessel may keep and sell the fish. Yet, in other cases, the Department of Fish and Game may contract to have the vessel owner conduct test fishing for a fee unrelated to the value of the fish. Crew members of the fishing vessel will likely have commercial fishing licenses or fishing permits.

Under AS 23.35.070, "a fisherman, upon becoming disabled, is entitled to receive benefits" However, only fishermen actually engaged in commercial fishing at the time of their injury are entitled to benefits from the Fishermen's Fund. Alaska Statute 23.35.150(3) defines "fisherman" to mean a fisherman engaged in commercial fishing. Alaska Statute 23.35.150(3) reads:

(3) "fisherman" means a person who is licensed by the state to engage in commercial fishing under AS 16.05.480 or who is the holder of a permit issued under AS 16.43 and who, at the time injury is sustained or illness is contracted, is actually

¹ See generally Kodiak Seafood Processors Ass'n. v. State, 900 P.2d 1191 (Alaska 1995).

Fish FEB 26 99
FUD 1

DOL-WC FEB 25 1999
JUNEAU

Honorable Ed Flanagan
Commissioner, Department of Labor
File No. 661-98-0255

February 17, 1999
Page 3

We trust this answers the questions raised in your request for advice. If you have any questions, please feel free to call us.

TNS:vb

Fish Fund FEB 25 '99

FEB 25 1999

STATE OF ALASKA / SARAH PALIN, GOVERNOR

Department of Labor &
Workforce Development
Employment Security Division
Kenai Tax Office

11312 Kenai Spur Hwy, Ste 2
Kenai, AK 99611
Phone: 1-907-283-4476
Fax: 1-907-283-5152

November 14, 2007

Robert Porter
Surburst
P.O. Box 7081
Nikiski, AK 99635

Dear Mr. Porter:

Please find enclosed information on contract labor.

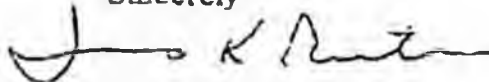
As I understand the procedure, the training is done by Alyeska Pipeline and you as the boat owner are paid by Alyeska and in turn you pay the crew members.

After reading the information on contract labor versus employee employment status, it should be quite clear you have employees, not contract labor. We would appreciate your cooperation in filing the registration form with Department of Labor. Be advised; by not sending in the registration form, could lead to tax audits, interest & penalty fees, and possible fine by Worker's Comp. insurance which could be quit severe.

If you still disagree, may I suggest you contact Bruce Garrison at 1-888-448-3527. Mr. Garrison is the Supervisor, Audit Operations.

I thank you for your time in responding to the letter of November 5, 2007.

Sincerely



James K. Nantau
Field Tax Auditor

Encl. Contract Labor Info

The following table is an example of the factors used to determine employment status comparing the employee versus the independent contractor.

FACTOR	EMPLOYEE	INDEPENDENT CONTRACTOR
CONTINUING RELATIONSHIP	An employee has an ongoing working relationship with you, even if work is performed at frequently recurring, although irregular, intervals.	An independent contractor's relationship with you will have an identifiable end when the job is completed.
EXPENSES	An employee may be eligible for reimbursement of business related expenses.	An independent contractor is not reimbursed for expenses. Estimated expenses are included in the job bid.
FULL-TIME WORK	Full-time hours spent at one job indicate employee status.	An independent contractor spends less than a full-time workweek at each job.
HIRING ASSISTANTS	An employee does not employ assistants or additional staff.	An independent contractor provides all workers required to accomplish the job.
INSTRUCTIONS	An employee must comply with your instructions about when, where and how to work. Your right to issue such instructions is the controlling factor.	An independent contractor is responsible only for accomplishing the job; when, where and how it's accomplished is up to him or her.
INTEGRATION	An employee's services are important to the success or continuation of your business.	The services provided by an independent contractor are often peripheral to the success or continuation of the business.
INVESTMENT	An employee does not have a significant financial business investment in your business.	An independent contractor has a significant financial investment in his or her business.
OFFERS SERVICES TO THE GENERAL PUBLIC	An employee does not offer his or her services to the general public.	An independent contractor solicits work from the general public.
ORDER OR SEQUENCE SET	An employee may be required to perform his or her job in an order or sequence determined by you.	An independent contractor determines the order in which he or she will accomplish a job.
PAYMENTS	An employee is paid by the hour, week, month or year.	An independent contractor is paid by the job or on a straight commission.
PROFIT OR LOSS	An employee can't realize a loss or a profit. He or she receives a set wage.	An independent contractor may realize a profit or loss dependent upon the expenses incurred.

REPORTS	An employee may be required to make periodic written or verbal reports to you regarding the status of ongoing projects.	Because an independent contractor is responsible only for the completed products, he or she doesn't make reports.
RIGHT TO FIRE	You may fire an employee at any time.	An independent contractor may not be fired so long as he or she produces the required results.
RIGHT TO QUIT	An employee has the right to quit at any time without incurring liability.	An independent contractor is responsible for the satisfactory completion of the job contracted for. He or she incurs liability for failure to complete it.
SERVICES RENDERED PERSONALLY	An employee must perform his or her job personally.	An independent contractor may hire any labor needed.
SET HOURS OF WORK	An employee must work set hours as established by you.	An independent contractor may work the hours he or she chooses.
TOOLS AND MATERIALS	You provide an employee with necessary tools, materials and facilities.	An independent contractor provides the tools, materials, and facilities required.
TRAINING	You train an employee to perform the job to your standards.	An independent contractor is responsible for acquiring any training needed.
WORK DONE ON PREMISES	An employee works on your business premises or along a route designated by you.	An independent contractor provides or determines the area where he or she works.
WORKS FOR MORE THAN ONE PERSON OR FIRM	An employee usually works for one person or firm.	An independent contractor works for more than one person or firm at the same time.

DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT
EMPLOYMENT SECURITY DIVISION

Sarah Palin, GOVERNOR

11312 KENAI SPUR HIGHWAY
SUITE 2
KENAI ALASKA 99611-9106
PHONE: (907) 283-4476
FAX: (907) 283-5152

November 5, 2007

LEE MARTIN
BAD BETTY
PO BOX 743
HOMER AK 99603

Dear Boat Owner:

We have received information that indicates that you may be engaged in tendering operations or oil spill response drill exercises in Alaskan waters.

Under Alaska law, wages paid to your employees (crew) for tendering operations or oil spill response drills are reportable for unemployment insurance purposes. Alaska laws exempt fishing operations for Alaska-based employers fishing with a crew of fewer than ten members who are paid on a share basis (AS 23.20.526 a 17). However, Alaska law does not exempt wages or shares paid to your employees while working in tendering or oil spill drill operations.

If you are paying wages reportable to the Alaska Department of Labor and Workforce Development, please complete and return the enclosed Registration Form TREG and return it within 15 days to be in compliance with the Alaska Employment Security law.

If you are not paying any reportable wages, please date and sign this letter below and return it within 15 days. Please also include your phone number in case we have further questions.

Thank you for your time and cooperation. Please call me at (907) 283-4478 if you have any questions concerning this matter.

Sincerely,

James Nantau
Field Auditor

Encl: Employer Registration Form

**Alaska Department of Labor
and Workforce Development
Employment Security Division
Employment Security Tax**

Juneau - Registration
1111 W. 8th St., Room 203
PO Box 115509
Juneau, AK 99811 - 5509
(907) 465-2757
Fax (907) 465-2374

Anchorage Employment Security Tax Office
3301 Eagle St., Room 106
PO Box 241767
Anchorage, AK 99524 - 1767
(907) 269-4850
Fax (907) 269-4845

Fairbanks Employment Security Tax Office
675 Seventh Avenue, Station L
Fairbanks, AK 99701 - 4513
(907) 451-2876
Fax (907) 451-2883

Juneau Employment Security Tax Office
1111 W. 8th St., Room 203
PO Box 115509
Juneau, AK 99811 - 5509
(907) 465-2757
Fax (907) 465-2374

Kenai Employment Security Tax Office
11312 Kenai Spur Hwy, Suite 2
Kenai, AK 99611 - 9106
(907) 283-4478
Fax (907) 283-5152

Wasilla Employment Security Tax Office
877 Commercial Drive
Wasilla, AK 99654-6937
(907) 352-2535
Fax (907) 352-2581

Alaska Employer Registration Form

Who is required to file this form?

Every employing unit, including any person, firm, corporation, or other type of organization that for some portion of a day within the calendar year has employed one or more persons, is required by law and regulation to file this report. If you are uncertain of your need to register, contact the Registration Unit or your nearest Field Tax Office.

TO CONTACT US:

- ◆ Toll-free telephone number to connect to your Field Auditor if you are located in Alaska (except Anchorage, Fairbanks, Juneau, Kenai, or Wasilla), out-of-state, and Canada:
1-888-448-2937
- ◆ Toll-free telephone number to connect to your Employer Account Representative in our Central Office in Juneau for all areas outside Juneau, out-of-state, and Canada:
1-888-448-3527
- ◆ Toll-free telephone number to connect to Relay Alaska TDD/TTY/TT Services:
1-800-770-8973
- ◆ E-mail at: esd_tax@labor.state.ak.us

Mail the completed Registration Form to:

Alaska Department of Labor
and Workforce Development
Employment Security Tax
PO Box 115509
Juneau, AK 99811 - 5509

We are an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.

Form TREG (1/19/07)

INSTRUCTIONS FOR NEW EMPLOYERS

Check the box on the top left of Page 3 to indicate if this is a new or update registration. Complete the following if you are a new employer. See below for update instructions.

1. Mark the item that describes your business entity and complete the additional information requested.

If you have selected **NONPROFIT ORGANIZATION** and are exempt under IRC 501(a) and 501(c)(3), you may be able to choose whether you wish to be a regular taxable employer paying at an annual rate, or a reimbursable employer that pays back or reimburses the UI Trust Fund for the actual dollar amount of benefits drawn by former employees. As a reimbursable employer, a minimum \$10,000 bond or deposit is required. Please contact the Employer Account Specialist Unit in Juneau at 907-465-2737 or toll-free at 1-888-441-5277 for information on the deposit and bond requirements. You will be required to present your IRS exemption letter and bond prior to establishing an account.

2. List your Federal Employer Identification Number (FEIN). If you have employees, you must have an FEIN. *Do not use your Social Security Number.*
3. If you were previously assigned an account number by the Employment Security Division in the last three years, indicate that number.
4. Mark the appropriate box if you wish to cover excluded employees. If Yes, complete top of Page 4. See Page 6 for partial listing of excluded employment that may be covered. For a complete explanation of excluded employment see AS 23.20.523 and AS 23.20.526.
5. Indicate the month, day, and year your business first paid or anticipates to first pay wages in Alaska.
6. Indicate if you anticipate hiring contract labor to perform the nature of your business described in item 13.

If you have questions, or are unsure of the tax liability of contract labor, contact the Field Tax Office nearest your location.

7. List the legal name of the business. If a corporation, list exactly as registered with the Department of Community and Economic Development.
8. List the "doing business as" (dba) name of the business if different than item 7.
9. List the mailing address of the business.
10. List the phone number of the business.
11. List your physical worksite address in Alaska if different than item 9. If you do not have a physical worksite in Alaska, please explain. If there is more than one worksite, list additional worksites on Page 4.
12. List your FAX number.
13. This item contains information that is necessary for a assignment of your tax rate.

Failure to complete this section may result in a higher tax rate being assigned to your account.

Describe in detail the specific product(s) sold or service(s) your business will provide in Alaska. Also indicate if sales are retail or wholesale. For example, general contractor building single-family homes, specialty contractor specializing in commercial or residential ceramic tile installation, insurance agent/broker, or retail sale of clothing, etc.

14. Indicate the percentage of Alaska gross income that is provided by the activity described in item 13. This is usually 100%; however, if you have more than one activity, you will need to divide the income into percentages for each activity. Do not list the dollar amount of gross income. List only the percentage of income.
15. Indicate the number of employees you anticipate hiring to perform the business activities.
16. If you changed or purchased an existing business, list the month, day, and year the acquisition took place.
17. List the month, day, and year you first paid wages for the business. This should be the same date as item 5 above.
18. If the business was acquired from previous owners, mark the type of acquisition change that took place. If needed, explain on a separate piece of paper.
19. Mark how the previous business was acquired. If needed, explain on a separate piece of paper.
20. List the percentage of Alaska operating assets acquired from the previous business.
21. List ALL the prior owner(s) name(s), FEIN, and business (dba) name(s) of the acquired business.
22. List all account number(s) of the acquired business (es).
23. List the number of employees acquired from the predecessor employer.

OWNERSHIP INFORMATION:

- Sole Proprietor:** List your name, residence address, and Social Security Number.
- Partnership:** List the requested information for each partner.
- Corporation:** List the requested information for each corporate officer.
- LLC:** List the requested information for each manager of the Limited Liability Company, or member if no managers were elected.
- Non-Profit:** List the requested information for directors, trustees, executors, or other principals.
- Other:** List the requested information for owners or other principals.

Responsibility Codes

1. File contribution reports
2. Pay contributions due
3. Person determines which creditor is paid first
4. Check signing authority
5. Hire Fire authority
6. All of the above

CERTIFICATION and SIGNATURES:

This Registration form must be signed by the **SOLE PROPRIETOR**, **ALL PARTNERS** of a partnership, **ALL CORPORATE OFFICERS** of a CORPORATION, or the **MANAGER** (or if no manager, the members) of an LLC. If you have a Business Contact Person, provide their Name, Phone Number and e-mail address.

All new taxable employers or prospective employers must complete items 13 and 14 on Page 3. Failure to complete these items may mean that your account will be assigned a higher tax rate.

UPDATE REGISTRATION INSTRUCTIONS

To update registration information, be sure to check the update box at the top left of the form in the Department of Labor address block. Always complete item 7 and item 8, listing the name(s) on your account, along with those items that have changed, or those items that you have been instructed to complete.

Alaska Employer Registration Form

Form TREG (Rev 9/07)

Alaska Department of Labor and Workforce Development Employment Security Tax PO Box 115509, Juneau, AK 99811-5509	<input type="checkbox"/> New <input type="checkbox"/> Update	Federal Employer Identification Number State Identification Number	Business Type Business Name	Business Address City State Zip	Business Telephone Fax Number	Business Date
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COMPLETE BOTH SIDES OF FORM THE ABOVE AREA IS FOR STATE USE ONLY

Type of Business: Sole Proprietor Partnership: General Limited Date Partnership Formed _____

Non-profit Organization Method of Payment: Taxable Refundable Other _____

Corporation: Date Incorporated _____ State Incorporated _____ State Corporation Number _____

Limited Liability Company (LLC) Number of Members (or members if no number) _____ Date Formed _____ State _____

2) Federal Identification Number _____ 3) Have you ever assigned an Account Number to this Agency? Yes No If yes, see number: _____ 4) Do you wish to cover excluded employees? Yes No If yes, see Page 4

5) What is the date your business first paid wages in Alaska, or the anticipated date you will pay wages? Month _____ Day _____ Year _____ (Your account will be opened this date) 6) Do you anticipate using Contract Labor to perform the activities stated in Item 12? Yes No

7) Legal Business Name: _____ 8) Doing Business As (DBA) Name: _____

9) Mailing Address: _____ City _____ State _____ Zip _____ 10) Business Phone: _____

11) Physical Worksite Address in Alaska (list additional worksites on Page 4): _____ 12) Fax Number: _____

13) Describe (IN DETAIL) the major product sold or service you provide in Alaska _____

14) % of Gross Alaska Income derived from Item 13: _____ 15) Number of employees in Alaska: _____

Your state will be determined by completion of Items 13 & 14. See Page 2 for complete instructions.

Complete this section if you have changed your business or have acquired an Alaska business operation.

16) Date changed or acquired: Month _____ Day _____ Year _____ 17) Date wages first paid under new ownership: Month _____ Day _____ Year _____

18) Type of Change: Change in Entity (Sole Proprietorship to partnership, Partnership to Corporation, etc.) Change in Partner Change in Corporation Stock Transfer Corporate Charter Change Corporate Officer Change Other (Explain) _____

19) Was business acquired through: Purchase Lease Foreclosure Repossession Other (Describe in detail on separate paper) _____

20) What percentage of the Alaska Operating Assets were acquired? _____

21) Prior Owner(s) Name(s), FEIN, and Business (DBA) Name: _____ 22) Prior Account Number: _____ 23) Number of Employees Acquired: _____

Information and signature of a sole proprietor, each partner, all corporate officers, and all managers and/or members of an LLC
CERTIFICATION: With my signature, I certify that information provided on this form is correct and true

Printed Name & Social Security Number	Signature	Residence Address & Telephone Number	Title and Effective Date	% Owned	Code
Name SSN:		Residence Address City State Zip Code Residence Telephone:	Title Effective Date		
Name SSN:		Residence Address City State Zip Code Residence Telephone:	Title Effective Date		
Name SSN:		Residence Address City State Zip Code Residence Telephone:	Title Effective Date		
Name SSN:		Residence Address City State Zip Code Residence Telephone:	Title Effective Date		
Business Contact Person	Phone Number:	E-mail:			

TYPES OF EXCLUDED EMPLOYMENT FOR WHICH COVERAGE MAY BE ELECTED

1. Service of corporate officers if the corporation is formed under AS 10.06.
Note: All corporate officers must be covered as a group.
2. Service of fishing boat crewmembers if there are fewer than 10 and they are paid by shares.
3. Domestic service in a private home where the wages paid are less than \$1,000 per quarter in the current or the preceding year.
4. Service in selling or distributing newspapers on the street or from house to house.
5. Service by a minister, member of a religious order, or other service performed for a church or association of churches, including elementary and secondary schools, but not including other organizations operated for other than religious purposes.
6. Service performed by an individual in the employ of a son, daughter, or spouse.
Note: If the employer is a partnership, a family relationship must exist between the employee and all partners.
7. Service performed for a parent or legal guardian if the individual was under the age of 21 and a full-time student during eight of the last twelve months and intends to resume full-time student status within the next four months.
8. Service by a child under age 18 for a parent.
9. Service for a school, college, or university by an enrolled student who is regularly attending classes.
10. Elected or appointed public officials under AS 23.20.226 (d) (8) (A).
11. Service in the fields of insurance, real estate, or stock by a salesperson, solicitor, or broker paid by commission and not required to be covered by Federal Unemployment Tax Laws.
12. Service in agricultural labor where the employer either paid less than \$20,000 in wages in current or preceding calendar year or employed fewer than 10 people in at least 20 weeks.
13. Service by a full-time student under the age of 22 in a work-study program taken for credit at a public or nonprofit institution which certified that the service is an integral part of the program.
14. Services performed for a nonprofit or governmental agency by a person receiving work relief or work training where the program is financed in whole or in part by funds from any federal, state, or political subdivision.

**Self-employment is not covered, nor can coverage be elected.
Examples of self-employment include sole proprietors, partners, and members of an LLC**

Form 940 (2004)

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. We need it to figure and collect the right amount of tax. Chapter 23, Federal Unemployment Tax Act, of Subtitle C, Employment Taxes, of the Internal Revenue Code imposes a tax on employers with respect to employees. This form is used to determine the amount of the tax that you owe. Section 8011 requires you to provide the requested information if you are liable for FUTA tax under section 3301. Section 6109 requires you to provide your employer identification number (EIN). If you fail to provide this information in a timely manner, you may be subject to penalties and interest.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books and records relating to a form or instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law.

Generally, tax returns and return information are confidential, as required by section 6103. However, section 6103 allows or requires the IRS to disclose or give the information shown on your tax return to others

as described in the Code. For example, we may disclose your tax information to the Department of Justice for civil and criminal litigation, and to cities, states, territories, and the District of Columbia for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal non-tax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: Recordkeeping, 24 hr., 39 min.; Learning about the law or the form, 1 hr., 23 min.; Preparing and sending the form to the IRS, 2 hr., 17 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making Form 940 simpler, we would be happy to hear from you. You can write to: Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:SP, 1111 Constitution Avenue, NW, IR-6408, Washington, DC 20224. Do not send Form 940 to this address. Instead, see *Where Do You File?* on page 2 of the instructions for Form 940.

WZ's

APPS. ← LICENSE
 STATE LIC
 EIN (FED)

ANNUAL FUTA
 REPORT
 CALC.

ESC → FUTA, 941
 MEDICARE
 CHILD SUPPORT

→ Calculated
 \$56 per \$7000.00

940 FUTA

Form 941 (Rev. 1-2007)

Privacy Act and Paperwork Reduction Act Notice.
 We ask for the information on this form to carry out the Internal Revenue laws of the United States. We need it to figure and collect the right amount of tax. Subtitle C, Employment Taxes, of the Internal Revenue Code imposes employment taxes on wages, including income tax withholding. This form is used to determine the amount of the taxes that you owe. Section 6011 requires you to provide the requested information if the tax is applicable to you. Section 6109 requires you to provide your employer identification number (EIN). If you fail to provide this information in a timely manner, you may be subject to penalties and interest.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books and records relating to a form or instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law.

Generally, tax returns and return information are confidential, as required by section 6103. However, section 6103 allows or requires the IRS to disclose or give the information shown on your tax return to others as described in the Code. For example, we may disclose your tax information to the Department of

Justice for civil and criminal litigation, and to cities, states, and the District of Columbia for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

The time needed to complete and file Form 941 will vary depending on individual circumstances. The estimated average time is:

Recordkeeping	12 hr., 39 min.
Learning about the law or the form	40 min.
Preparing the form	1 hr., 49 min.
Copying, assembling, and sending the form to the IRS	16 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making Form 941 simpler, we would be happy to hear from you. You can write to: Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-8406, Washington, DC 20224. Do not send Form 941 to this address. Instead, see *Where Should You File?* on page 4 of the instructions for Form 941.

941

Rough total
 APPROX. 7% annual

MATCHING
 Retrials
 FICA & MED



Cordova District Fishermen United
PO Box 939 | 509 First Street | Cordova, AK 99574
phone: (907) 424 3447 | fax: (907) 424 3430
web: www.cdfu.org | email: cdfu@ak.net

Representative John Harris
State Capitol, Room 208
Juneau, AK 99801-1182

January 15, 2008

Re: HB 289" Tax Exemption: Spill Response

Dear Representative John Harris,

Cordova District Fishermen United (CDFU) wants to thank you for introducing this important piece of legislation.

We are in full support of House Bill 289.

CDFU is a membership organization that represents over 500 commercial fishers in Prince William Sound. The regional Ship Escort Response Vessel System fleet is comprised of approximately 200 of our individual members who, along with their designated response crew are trained as professional oil spill responders. These individuals are the first line of defense in the event of an oil spill in Alaska's waters.

As your bill recognizes, requiring vessel owners to process and pay Alaska Department of Labor taxes for crew earnings would place a disproportionate burden on vessel owners. On behalf of our members, we truly appreciate your efforts to find a workable solution to this issue.

Yours Sincerely,

Gerald McCune
President



Regional Citizens' Advisory Council / "Citizens promoting an environmentally safe operation of the Alyeska terminal and associated tankers."

In Anchorage: 3709 Spenard Road / Suite 100 / Anchorage, Alaska 99503 / (907) 277-7222 / FAX (907) 277-4523
In Valdez: P.O. Box 3089 / 130 South Meals / Suite 202 / Valdez, Alaska 99686 / (907) 834-5000 / FAX (907) 835-5926

MEMBERS

February 13, 2008

Alaska State Chamber of Commerce

Alaska Wilderness Recreation & Tourism Association

Chugach Alaska Corporation

City of Cordova

City of Homer

City of Kodiak

City of Seldovia

City of Seward

City of Valdez

City of Whittier

Community of Chenega Bay

Community of Tatitlek

Cordova District Fishermen United

Kenai Peninsula Borough

Kodiak Island Borough

Karluk Village Mayors Association

Oil Spill Region Environmental Coalition

Prince William Sound Aquaculture Corporation

Click Bishop, Commissioner
Alaska Department of Labor
PO Box 111149
Juneau, AK 99811-1149

Re: Resubmission of Feb. 5 comments regarding House Bill 289, exempting fishing crews from employment security tax during oil spill response training

Dear Commissioner:

We are writing to let your know of our support for House Bill 289, which would establish an exemption from unemployment security taxes for fishermen participating in training for emergency oil spill responses. These individuals are exempt from the ESD for their normal fishing activities, and a substantial number of boat owners say they will withdraw from the spill response program if they have to take on a large tax paperwork burden for a few days per year of spill drills.

Fishing vessel responders are a vital part of preparedness for oil spills. The fishing vessels that responded during the Exxon Valdez crisis were critical to saving several areas from damage. We believe it would be a great loss if any of the more than three hundred vessels now signed up as responders were to withdraw from the program due to this new interpretation of law.

HB 289 is a simple fix for this problem. In the previous committee hearing, no one spoke against it, and your department testified that the amount of taxes involved is so small that a new exemption would not impact the program.

Thanks for your help. Please let us know if we can provide any other information.

Handwritten signature of John S. Devens

John S. Devens, Ph.D.
Executive Director