

ALASKA LEGISLATURE COMMITTEE FILES 1985-1986 86/2

3878 SCRA SB 356 (FILE 3) - SB 369 59

"influencing or attempting to influence the actions of the voters" -- are very broad, attempts to develop a more precise definition inevitably resulted in banning things that arguably should be legitimate political expenditures. This section would also prohibit a candidate from repaying a loan made by the candidate to his own campaign if the loan was not timely reported as a loan under Sec. 060.

Sec. 15.14.180. TERMINATION OF CAMPAIGN ACTIVITY AND CLOSING OF CAMPAIGN ACCOUNTS. This section is new, and it is one of the major changes that this bill makes in the existing law. Existing law permits office holders to continue to solicit and accept contributions to pay off campaign debts during their terms in office. Not only does this give the winner in an election an enormous advantage over the losers in terms of the ability to raise post-election campaign contributions, but it also involves at the very least an appearance of impropriety, since the winner has the power -- at least in theory -- to assist contributors in ways that the losers do not. It also encourages candidates to run up large debts in their campaigns, since they can always hope that they will be successful and through subsequent fund raisers, be able to reduce or pay the debt.

This section requires candidates to close all accounts relating to a designated campaign no later than the date on which the successful candidate is sworn into office. Candidates who lose in the primary, municipal candidates, and candidates who withdraw before an election must close their accounts within a brief period after the election or withdrawal from the race. The section also prohibits candidates from soliciting or accepting contributions and from making any expenditures other than disposing of surplus funds after the date on which accounts must be closed.

Sec.15.14.190. SURPLUS FUNDS. This section is new. Under existing law, a candidate may use surplus campaign funds for any purpose, including as personal income, the only requirement being that the funds be declared as income for tax purposes. This section strictly limits the ways in which surplus campaign funds may be spent.

Sec. 15.14.200. SOLICITATION OF CONTRIBUTIONS. This section is new. There are currently no restrictions in law concerning the solicitation of contribution by and from public employees. Subsections (a) and (b) prohibit state and municipal officers and employees, except those elected to office by popular vote, from soliciting contributions from other public officials or employees while either the solicitor or the person being solicited is on the premises

of a state or municipal office. Subsection (c) prohibits candidates and PACs from accepting contributions obtained through those means.

Sec. 15.14.210. IDENTIFICATION OF COMMUNICATION.

Subsection (a) of section 210 is identical to existing AS 15.13.090, and requires that all advertisements and other political communications be identified by a "paid for by" statement. Subsection (b) is new. It requires a person or political action committee making an independent expenditure also to include a statement that the communication is not authorized by any candidate. This requirement is directed at independent advertisements that are ostensibly favoring one candidate, but that are so scurrilous as to require the candidate to adopt a defensive posture and disavow the advertisement after the fact. While there is no way constitutionally to prohibit scurrilous independent campaign efforts, this subsection at least offers the "benefited" candidate some protection.

Subsection (c) of this section is also new. In its most recent regulations, the commission adopted a provision that would exempt certain small campaign items -- buttons, pens, pencils, and so forth -- from including the phrase "paid for by." The regulation makes sense, but there is a real question as to whether the existing law provides

sufficient authority for the commission to adopt regulations to allow any exceptions to the statute's "paid for by" requirement. Subsection (c) would provide that authorization. The bill does not define in detail what constitutes "too small," as that is a matter more appropriately left to the commission to determine through regulations.

ARTICLE 5. VIOLATIONS, CIVIL PENALTIES, AND PROCEDURES.

As originally introduced, SB 356 contained three levels of penalties for violations of the provisions of Chapter 14 -- Class C felonies for knowing and intentional violations of the most important requirements of the law, Class A misdemeanors for knowing and intentional violations or less critical requirements, and civil penalties to be administered by the commission for inadvertent violations of the law. However, after the Attorney General testified before the Senate State Affairs Committee that the Department of Law did not want to be involved in prosecuting any violations of the act as crimes, the Committee totally revised the penalty provisions. The Committee Substitute for Senate Bill 356 now contains only civil penalties -- all to be administered by the Public Offices Commission. The bill does, however, continue to make a distinction between

intentional or knowing violations of the more important provisions of the law and those violations for which penalties may be imposed without proof of knowledge or intent.

Sec. 15.14.220. CAMPAIGN FINANCING VIOLATIONS IN THE FIRST DEGREE. This section deals with the more serious violations of the act that are committed either knowingly or with intent to avoid public disclosure. The heaviest potential penalty under this section is provided for a person or PAC that, with intent to avoid disclosure, fails to file a report due 30 days or seven days before the election or within 24 hours after receiving a contribution. Such a person or PAC would be subject to a penalty of not less than \$100 nor more than \$300 for each day the report was due but not filed, up to a maximum of \$25,000 for each report. The following are examples of the types of fines provided under this section for intentional violations of the law. A person or PAC that, with intent to avoid disclosure, files a 30 day, seven day, or 24 hour report containing false or misleading information would be subject to a fine of not less than \$500 nor more than \$5,000 plus an additional fine not to exceed twice the amount of the contribution or expenditure involving the false or misleading statement. Knowingly accepting or making

contributions in excess of the dollar limitations would carry a fine of not less than \$1,000 nor more than \$5,000, plus an additional fine not to exceed twice the amount that the contribution exceeded the limit. Knowingly accepting or making contributions in excess of the \$100 cash limitation would carry a fine of not less than \$100 nor more than \$500 if the cash contribution is less than \$500; if the cash contribution is \$500 or more, the commission would be authorized to assess an additional penalty not to exceed twice the amount of the cash contribution. Knowingly making or accepting a contribution made anonymously or in the name of another would carry a penalty of not less than \$500 nor more than \$5,000; if the contribution is \$500 or more, the commission would be authorized to assess an additional penalty not to exceed twice the amount of the contribution.

Sec. 15.14.230. CAMPAIGN FINANCING VIOLATIONS IN THE SECOND DEGREE. This section provides for lesser civil penalties for acts or omissions included under the previous section for which knowledge or intent to avoid public disclosure need not be proven -- in essence, inadvertent violations. These violations in the second degree carry maximum fines ranging between \$3,000 and \$5,000. This section also provides for civil penalties for less serious violations of the law -- primarily those that do not impede

pre-election disclosure of the sources and amounts of campaign contributions. Maximum penalties for these violations range between \$500 and \$2,000.

Under existing law, any violation of the law is a misdemeanor. As the Attorney General noted in his testimony before the Senate State Affairs Committee, there has never been a criminal case brought under this act in its 12 years of existence. By the same token, the only penalties that the commission is authorized to assess under the current law are daily fines for late reports. The new penalty provisions will ensure that for the first time persons who violate other provisions of the law -- not just those who file reports late -- will receive some penalty. These provisions are also more likely to result in having serious, intentional violators receive severe penalties, particularly in light of the fact that there have been no criminal prosecutions to date under the existing laws.

Sec. 15.14.240. PAYMENT OF FINES. This section is new, and prohibits a candidate or PAC from paying any fine imposed by the commission from campaign funds.

Sec. 15.14.250. REMOVAL FROM OFFICE. Subsection (a) is similar to existing AS 15.13.120(f), and outlines the procedures to be followed for removing a successful candidate from office. This section provides that these

procedures be initiated only a successful candidate is found to have committed an intentional or knowing violation in the first degree under sec. 15.14.220 of the bill.

Subsection (b) is taken from existing AS 15.13.120(g), and simply requires that the record developed by the commission shall be considered during any removal process. Subsection (c) is a slightly edited version of AS 15.13.120(h), which purports to require the courts to give priority on the calendar to criminal proceedings brought against successful candidates or their campaign officers under the existing act. The new subsection (c) requires that the commission give priority in its handling of cases to those involving successful candidates accused of first degree violations.

Sec. 15.14.260. LIMITATIONS ON ACTIONS. Existing law contains a four year statute of limitations for both crimes and violations under the existing law. Proposed sec. 260 adopts a series of statutes of limitation -- four years for first degree violations and two years for second degree violations. Subsection (c) makes it clear that for violations involving late reports, the violation is considered to have been committed on the day after the report was due.

Sec. 15.14.270. INVESTIGATIONS. This section is largely new. The existing statutes governing commission investigations and procedures are hopelessly confused. This section retains the provision of existing law (AS 15.13.120(d)), which permits the commission to commence an investigation upon receiving a citizen's complaint. The proposed section, however, incorporates into the law the commission's current regulation that requires such complaints to be signed and verified.

Subsection (b) requires the commission to send a copy of a citizen's complaint to the person charged in the complaint, and to inform both the complainant and the person being investigated if and when the investigation is closed or an accusation is filed. Existing law provides only that the complainant be informed of the closing of an investigation. Existing law permits the complainant to appeal a decision to terminate an investigation to the superior court. In light of Alaska Supreme Court decisions involving similar issues, a judicial order requiring the commission to prosecute a matter would be a violation of separation of powers. This bill therefore deletes that provision of existing law.

Sec. 15.14.280. ACCUSATIONS. Existing law contains very few provisions governing the actual administrative

procedures that the commission must follow in adjudicating contested violations and imposing penalties. To the extent that its regulations have filled that gap, the commission has generally followed the provisions contained in AS 44.62, the Administrative Procedure Act. It is preferable, however, to include the basic procedures in the law rather than leaving such an important matter to regulations. Sec. 280 thus is borrowed from the Administrative Procedure Act provisions which are applicable to the initiation of proceedings by nearly every other administrative agency in state government.

Sec. 15.14.290. NOTICE OF DEFENSE. Like proposed sec. 280, this section is also taken almost verbatim from the Administrative Procedures Act, and describes the "answering" document that the respondent to an accusation files with the commission.

Sec. 15.14.300. HEARINGS. Subsection (a) requires the commission to provide notice of contested hearings -- a requirement contained in the Administrative Procedure Act. Subsection (b) adopts by reference for the commission the general hearing procedures contained in the Administrative Procedure Act for other agencies' hearings -- mostly governing such things as the use of depositions, rules of evidence, and so forth. In contrast to the Administrative

Procedures Act, however, this section provides that the Commission need not appoint hearing officers to preside at its hearings. Hearing officers must be attorneys, and they do not work for free. Requiring them in every case before the commission would add greatly to the commission's costs. This subsection does require, however, that an assistant attorney general must be present to advise the commission on legal matters during a hearing if a hearing officer is not appointed.

Sec. 15.14.310. IMPOSITION OF PENALTY. This section has no counterpart in the existing statute. It provides that the commission may impose penalties only after a person has admitted or pled no contest to an accusation or after the Commission holds a hearing at which certain rights have been afforded the respondent, and at which the commission determines that the person has committed the violation. This section also proposes that violations must be proved by clear and convincing evidence. The existing statute does not address standards of proof in hearings before the commission. Most agencies are governed by what the court terms "substantial evidence." For violations resulting from inadvertent errors where a report is late or contains inaccuracies, proof of the violation will be simple even under a heightened standard of proof such as "clear and

convincing." But a determination that someone deliberately attempted to deceive the public has obvious and major implications for one's life, to say nothing of one's political career. For these reasons, this section requires proof by "clear and convincing" evidence.

Subsection (b) contains what in essence is a ban on plea bargaining. It is worded similarly to the Department of Law's prohibition against plea bargaining in criminal cases.

Subsection (c) insures that the staff will not communicate penalty recommendations to the commission unless the respondent has notice of what the recommendation will be and has an opportunity to respond to it.

Subsection (d) contains broad guidelines for the commission to follow in imposing penalties in particular cases. In essence, this section suggests that the higher penalties should be reserved for egregious conduct involving relatively large contributions. Including a section like this will provide some guidance to the commission in exercising its discretionary "sentencing" authority, as well as provide some standards for judicial review of commission actions.

Sec. 15.14.340. SUMMARY DISPOSITION OF VIOLATIONS.

This section authorizes the commission to adopt a schedule

of fines for the least serious violations -- with maximum penalties of up to \$500 for a single violation. The vast majority of violations that have come or will come before the commission involve reports that are filed a few days late. This section will permit the commission to continue to deal with those minor violations in a summary fashion, without having to employ the more elaborate procedures of the Administrative Procedure Act. The concept of summary disposition of violations by means of a schedule of fines is modeled after the mail-in-bail provisions of the Motor Vehicle Code (AS 28).

Sec. 15.14.330. CONFIDENTIALITY. This section requires that all commission investigations -- including the fact that an investigation is even being conducted -- must remain confidential until such time as an accusation is filed. Subsections (b) and (c) are modeled after the confidentiality requirements governing employees of the Department of Revenue with respect to tax matters. Like the Revenue statute, this proposed section makes it a misdemeanor for a current or former commission member or current or former commission employee to divulge confidential information about a past, pending, or contemplated investigation.

Sec. 15.14.340. JUDICIAL REVIEW. This section is new, and is modeled after a similar section in the Administrative Procedure Act.

Sec. 15.14.350. POWERS OF THE COMMISSION. This section is, apart from minor editing, identical to existing AS 15.13.045, and provides the commission with the power to compel witnesses, issue subpoenas, and so forth, with respect to an investigation or hearing.

Sec. 15.14.360. LEGAL COUNSEL. This section is modeled after existing AS 15.13.122. It provides that the Attorney General is the legal counsel for the commission. The existing statute allows the commission to request the chief justice of the supreme court to appoint a special prosecutor "if the public interest warrants." Because the bill has removed criminal penalties for violations of the act, this provision was deleted from the bill. The existing statute also permits the commission, without the concurrence of any official, to employ temporary legal counsel. All other agencies must seek the concurrence of the Attorney General before legal counsel outside the Department of Law may be employed, since the Attorney General must be in charge of all state legal policy. Subsection (b) of the proposed section requires concurrence by the Attorney

General before the commission may employ its own legal counsel.

ARTICLE 6. MISCELLANEOUS PROVISIONS.

Sec. 15.14.900. DEFINITIONS.

The definition section is similar to Sec. 15.13.130 in the present law with the following major changes:

(a) Expenditure. The existing definition of "expenditure" is confusing primarily because it is poorly drafted. The new definition attempts to clarify the meaning of the term without changing the substance of the existing law.

(b) Political action committee. A definition of "political action committee" replaces the present definition of "group." A "political action committee" is not simply a combination of persons who act "jointly" for political purposes, but instead is defined as a person or combination of persons that accepts contributions for the purpose of influencing elections. It includes individuals who raise money and use their own discretion as to how that money is spent; present law does not specifically cover such individuals. Individuals who do not use the contributions of others but simply spend their own funds are not a political action committee -- the expenditures will be reported, however, under proposed sec. 15.14.080.

(c) Political Party. There is no current definition of a political party in Alaska. The previous definition contained in AS 15.60.010(20) defined a political party as a group of organized voters representing a political program and that nominated a candidate for governor who received at least 10 percent of the vote at the preceding general election. This definition was struck down in Vogler v. Miller, 660 P.2d 1192 (Alaska 1983) as unduly restrictive. Three members of the court indicated through reference to definitions from other states that replacing the ten percent figure with a five percent requirement would be sufficient to restore the validity of the definition. While two justices stated that their decision on a new definition would depend on the interplay between the rights of a political party to receive unlimited donations and the restriction on contributions to candidates who might not be supported by established political parties, it is nonetheless reasonable to believe that the court would approve the definition proposed in this section, based on a five percent support figure from the previous gubernatorial election.

#### OTHER SECTIONS OF THE BILL

Sections 2, 4, 5, 6, 7, 8, 9, 10, and 11 amend other statutes that refer to "AS 15.13." These references have

been changed to "AS 15.14." Additionally, in section 11 (page 47, lines 17-18) the conflict of interest statute is amended to require the executive director and employees of the APOC to file conflict of interest statements as well as members of the commission.

Section 3 of the bill adds a section to the criminal penalties for election code violations under AS 15.56. Under the original version of SB 356, it was a crime to intentionally solicit a contribution by threats of physical force, job discrimination or financial reprisal. The Senate State Affairs Committee believed that this was one type of campaign financing activity -- in essence extortion -- that should be a crime, regardless of the way other violations were treated. This section would make such a crime a class C felony.

Section 12 contains a technical amendment to the Administrative Procedure Act that makes it clear that the procedures contained in this bill will govern APOC investigations and hearings rather than any inconsistent provisions in the Administrative Procedure Act.

Section 13 of the bill repeals the existing campaign financing laws (AS 15.13.).

Section 14 repeals the two subsections of AS 15.56.010 that make it a misdemeanor to knowingly fail to include the

"paid for by" information in campaign communications and to knowingly print, publish or broadcast a communication without that information. These two provisions have been relocated to the civil penalty provisions of this bill.

Section 15 makes it clear that the members of the commission appointed under the existing statutes continue in office under the new law.

Section 16 provides that any municipality that has voted to exempt its elections from the provisions of AS 15.13 need not hold a new election after the effective date of this bill in order to maintain the exemption.

Section 17 provides that the provisions of this bill relating to the closing of campaign accounts do not require the closing of campaign accounts that were used during an election held before the effective date of the act. This section further provides that post-election fundraising is not prohibited for the purpose of raising funds to pay campaign debts from previous elections.

Section 18 describes the activities that will be covered by the bill -- those that take place after the general effective date of January 1987 and that relate to state and municipal elections held after January 1, 1987.

Section 19 provides for a general effective date of January 1, 1987, to ensure that the provisions of this bill do not apply to the 1986 election.



# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

*James O. Smith*  
Signature of Camera Operator

*10/31/89*  
Date

S B

5 6 9

STATE OF ALASKA  
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY  
LEGISLATIVE REFERENCE LIBRARY

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

May, 1986

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS date base CM 14. In order to save space copies of minutes have not been left in the files.

Jeanie Henry

*Senate Community and Regional Affairs*  
2/13/86, 3:45  
2/20/86, 3:37  
3/18/86, 3:40

3/18/86. Mtg

Burman said AMU supports  
CS for SB 369 (C&RA)

Puts responsibility on Dept  
most involved in the issue

Jeff Smith <sup>DC&RA</sup> — Reduced  
Official note

Basic component is dolo

✓ data base  
Supports CS for SB 369 (C&RA)

Dave Diehardoff <sup>SM</sup> & Review of  
Statutes + Drafter of bill.

Really talking about expenditures  
not appropriations — recommended  
amendment to bill

Cerbell mod. bl w/ amendment  
~~to be checked with inbio rec. content.~~  
CS for SB 369 (C&RA)  
so ordered.

COMMITTEE REPORT  
SENATE

FURTHER: FINANCE

1/29/86

Date 3-18-86

Mr. President

The Committee on C&RA considered SB 369  
relating to fiscal notes for legislation affecting a municipality.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for "SB 369 (C&RA)"
- new title
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

[Signature]  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS

[Signature] No Rec  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Edm De Vries  
Chairman  
[Signature]  
Chairman recommendation

Original sponsor: Community and Regional  
Affairs Committee

1 IN THE SENATE

BY THE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 369 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to fiscal notes for legislation  
7 affecting a municipality."

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

9 \* Section 1. AS 24.08.035(a) is amended to read:

10 (a) Before a bill or resolution, except an appropriation bill,  
11 is reported from the committee of first referral, there shall be  
12 attached to the bill a fiscal note containing an estimate of the  
13 amount of the expenditure [APPROPRIATION] increase or decrease related  
14 to a state agency or a municipality that [WHICH] would result from  
15 enactment of the bill for the current fiscal year and five succeeding  
16 fiscal years. If [OR, IF] the bill has no fiscal impact, a statement  
17 to that effect shall be attached. The fiscal note or statement shall  
18 be prepared in conformity with the requirements of this section by the  
19 department or departments affected and may be reviewed by the office  
20 of management and budget. The fiscal note or statement shall be  
21 delivered to the committee requesting it within five days of the  
22 request or within two days if the request is made after the 90th day  
23 of a regular session, or during a special session of the legislature.  
24 If the bill is presented by the governor for introduction in accor-  
25 dance with AS 24.08.060(b) and the uniform rules of the legislature,  
26 the fiscal note or statement shall be attached to the bill before the  
27 bill is introduced. An amendment or a substitute bill proposed by a  
28 committee of referral that changes the fiscal impact of a bill shall  
29 be explained in a revised fiscal note or statement attached to the

1 bill.

2 \* Sec. 2. AS 24.08.035(c) is amended to read:

3 (c) A fiscal note for a bill or resolution must contain the  
4 following information if the expenditure increase or decrease is  
5 related to a state agency:

- 6 (1) the fiscal impact on existing programs;
- 7 (2) the fiscal impact of new programs or activities;
- 8 (3) a line item detail of the fiscal impact;
- 9 (4) the source of funds expected to be utilized by general  
10 fund source, federal fund source, or other identified source;
- 11 (5) the number of new positions which may be required,  
12 identified as full-time, part-time, or temporary;
- 13 (6) an analysis of how the figures in the fiscal note were  
14 derived;
- 15 (7) additional information necessary to explain the fiscal  
16 note;
- 17 (8) a fiscal impact projection for the current fiscal year  
18 and for the succeeding five fiscal years; and
- 19 (9) formal information consisting of
- 20 (A) the bill or resolution number,
- 21 (B) the name of the prime sponsors,
- 22 (C) the date the fiscal note was prepared,
- 23 (D) the name of the committee requesting the fiscal  
24 note,
- 25 (E) the name and phone number of the person who pre-  
26 pared the fiscal note, and
- 27 (F) the budget request unit, program, or subprogram  
28 affected.

29 \* Sec. 3. AS 24.08.035 is amended by adding a new subsection to read:

1 (e) If the expenditure increase or decrease is related to a  
2 municipality, the fiscal note for a bill or resolution must contain  
3 the information required by (c)(1), (2), and (6) - (9) of this sec-  
4 tion.  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29



Official Business

# Alaska State Legislature

## Senate

### Committee on Community and Regional Affairs

Senator Edna DeVries, Chairman  
Members  
Senator Ferguson, Vice Chairman  
Senator Coghill  
Senator Sturgis-Jewski  
Senator V. Fischer

Pouch V  
Juneau, Alaska 99811

Committee Meeting March 18, 1986

CS for SB 369 (C&RA)-- An Act relating to fiscal notes for affecting a municipality

---

This bill was considered by the committee on February 20, at which time it was agreed that further work on the bill would be done by the Municipal League, Committee Staff and Legislative Finance with the view of preparing a new proposal for the committee. The attached committee substitute is the result.

Dave Dierdorff, Legal Services, who drafted the CS will be in attendance to provide any input the committee desires.

Scott Burgess with the AML will also be available to provide comment and answer questions.

Some representative from DC&RA will also attend today's meeting.

Material attached:

Position paper and Fiscal Note from the Dept. of C&RA.

# STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

## DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

March 18, 1986

### POSITION PAPER

RE: CSSB 369

SPONSOR: Senate Community and Regional Affairs Committee

#### Program Effects of Bill

Requires that fiscal notes be prepared for legislation which would affect municipalities.

#### Comments

The Department strongly supports the concept of providing municipalities with information on potential fiscal impacts at the local level. We also believe that the C&RA Committee Substitute for SB 369 is an improvement over the original bill.

Instead of placing the entire task of reviewing virtually every bill in this Department, the Committee Substitute merely provides that municipal impacts be reviewed and addressed as part of the fiscal note process. Each agency responsible for fiscal note preparation would be accountable for this procedure in their area of expertise, and the Department believes this is a fair approach.

Compared to the original bill, the number of bills this Department would be directly responsible for reviewing would decrease dramatically. However, it is anticipated that State agencies involved in this new task would call on DCRA for information about municipalities to aid them in their fiscal note preparation.

We believe one mid-level professional, along with seasonal support staff, should be hired to do this work. Certainly we are concerned with this potential expansion of State government considering the current decline in State revenues.

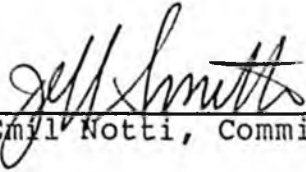
We would envision staff working closely with the Alaska Municipal League in estimating fiscal impacts and, in many cases, also directly contacting municipalities. The valuable information gained directly from these entities could then be reviewed and an objective fiscal opinion could be rendered.

POUCH B  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-4700

949 E. 36TH AVENUE, SUITE 400  
ANCHORAGE, ALASKA 99508  
PHONE: (907) 563-1073

CSSB 369  
March 18, 1986  
Page Two

Given the prospect of greatly reduced State government, the Department believes this bill is timely and important. The Department continues to have some concerns about the amount of additional work this bill may generate and the accuracy of fiscal notes for a State as large and diverse as ours. However, the Committee Substitute is a vast improvement and the Department supports its passage.

  
\_\_\_\_\_  
Emil Notti, Commissioner

**STATE OF ALASKA 1986 LEGISLATIVE SESSION  
FISCAL NOTE**

Revision Date : \_\_\_\_\_

**REQUEST**

Bill/Resolution No. : CSSB 369 (C&RA)  
 Title : An Act relating to fiscal notes  
 for legislation affecting a  
 municipality.  
 Sponsor : Senate C&RA Committee  
 Requestor : Senate C&RA Committee  
 Date of Request : \_\_\_\_\_

**FISCAL DETAIL**

Agency Affected : Community & Regional Affairs  
 BRU : Local Government Assistance  
 Components : Statewide Assistance

**EXPENDITURES/REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		62.4	62.4	64.3	64.3	66.2
TRAVEL		1.0	1.0	1.1	1.1	1.1
CONTRACTUAL		3.5	3.6	3.7	3.8	3.9
SUPPLIES		.4	.4	.4	.4	.5
EQUIPMENT		7.5	-0-	-0-	-0-	-0-
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>		<b>74.8</b>	<b>67.4</b>	<b>69.5</b>	<b>69.6</b>	<b>71.7</b>

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

**FUNDING : (Thousands of Dollars)**

GENERAL FUND		74.8	67.4	69.5	69.6	71.7
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS :**

FULL-TIME		1	1	1	1	1
PART-TIME		1	1	1	1	1
TEMPORARY						

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

See page 2, attached.

Prepared by : Doug Griffin, Deputy Director  
 Division : Municipal & Regional Assistance

Phone : 465-4750  
 Date : 03/18/86

Approved by Commissioner : Emil Notti  
 Agency : Community & Regional Affairs

Date : 3/18/86

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

# CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSSB 369 (C&RA)

## ANALYSIS

This fiscal note recognizes there is a degree of uncertainty regarding the impact of this bill; however, it is a conservative estimate of staff and support requirements. It is also anticipated that this Department will receive requests from other Departments and agencies for municipal information to assist them in doing their fiscal notes. Personal Services is increased 3% every other year, while other areas are adjusted for inflation at an annual rate of 4%. In order to accomplish this task with this limited staff, it is envisioned that a complete data base will be maintained on a powerful personal computer to reflect municipal services and financial information. During the interim, the Research Analyst would be responsible for maintaining and updating this data base. Ultimately, a municipal model may be developed to allow more precise and rapid fiscal note preparation.

## PERSONAL SERVICES 62,381

One Research Analyst III, Range 18			
	Salary	37,356	
	Benefits	<u>11,525</u>	
			48,881

One Seasonal (6 months) Clerk Typist III, Range 8			
	Salary	9,761	
	Benefits	<u>3,739</u>	
			13,500

## TRAVEL

2 trips @ \$500 (includes per diem) (attend AML Convention, MFOA meetings, etc.)			1,000
---	--	--	-------

## CONTRACTUAL 3,500

Communication	3,000	
(toll calls, postage for mass mail questionnaires, etc.)		
Photocopy/Printing	500	

## SUPPLIES 400

## EQUIPMENT (one-time item) 7,500

Personal Computers w/attachments & software	5,500	
Office Equipment	2,000	

Dierdorff  
3/3/86 ✓

*This is the CS  
Amended by Senate  
C&RA 3/18/86*

Original sponsor: Community and Regional  
Affairs Committee

BY THE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE

1 IN THE SENATE

2 CS FOR SENATE BILL NO. 369 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to fiscal notes for legislation  
7 affecting a municipality."

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

9 \* Section 1. AS 24.08.035(a) is amended to read:

10 (a) Before a bill or resolution, except an appropriation bill,  
11 is reported from the committee of first referral, there shall be  
12 attached to the bill a fiscal note containing an estimate of the  
13 amount of the <sup>expenditure</sup> ~~appropriation~~ increase or decrease related to a state  
14 agency or a municipality that [WHICH] would result from enactment of  
15 the bill for the current fiscal year and five succeeding fiscal years.  
16 If [OR, IF] the bill has no fiscal impact, a statement to that effect  
17 shall be attached. The fiscal note or statement shall be prepared in  
18 conformity with the requirements of this section by the department or  
19 departments affected and may be reviewed by the office of management  
20 and budget. The fiscal note or statement shall be delivered to the  
21 committee requesting it within five days of the request or within two  
22 days if the request is made after the 90th day of a regular session,  
23 or during a special session of the legislature. If the bill is pre-  
24 sented by the governor for introduction in accordance with AS 24.08.-  
25 060(b) and the uniform rules of the legislature, the fiscal note or  
26 statement shall be attached to the bill before the bill is introduced.  
27 An amendment or a substitute bill proposed by a committee of referral  
28 that changes the fiscal impact of a bill shall be explained in a  
29 revised fiscal note or statement attached to the bill.

1 \* Sec. 2. AS 24.08.035(c) is amended to read:

2 (c) A fiscal note for a bill or resolution must contain the  
3 following information if the <sup>expenditures</sup> appropriation increase or decrease is  
4 related to a state agency:

- 5 (1) the fiscal impact on existing programs;
- 6 (2) the fiscal impact of new programs or activities;
- 7 (3) a line item detail of the fiscal impact;
- 8 (4) the source of funds expected to be utilized by general  
9 fund source, federal fund source, or other identified source;
- 10 (5) the number of new positions which may be required,  
11 identified as full-time, part-time, or temporary;
- 12 (6) an analysis of how the figures in the fiscal note were  
13 derived;
- 14 (7) additional information necessary to explain the fiscal  
15 note;
- 16 (8) a fiscal impact projection for the current fiscal year  
17 and for the succeeding five fiscal years; and
- 18 (9) formal information consisting of
- 19 (A) the bill or resolution number,
- 20 (B) the name of the prime sponsors,
- 21 (C) the date the fiscal note was prepared,
- 22 (D) the name of the committee requesting the fiscal  
23 note,
- 24 (E) the name and phone number of the person who pre-  
25 pared the fiscal note, and
- 26 (F) the budget request unit, program, or subprogram  
27 affected.

28 \* Sec. 3. AS 24.08.035 is amended by adding a new subsection to read:

29 (e) If the appropriation <sup>expenditures</sup> increase or decrease is related to a

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

municipality, the fiscal note for a bill or resolution must contain the information required by (c)(1), (2), and (6) - (9) of this section.

# STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : \_\_\_\_\_

**REQUEST**

Bill/Resolution No.: CSSB 369 (C&RA)  
 Title: An Act relating to fiscal notes for legislation affecting a municipality.  
 Sponsor: Senate C&RA Committee  
 Requestor: Senate C&RA Committee  
 Date of Request: \_\_\_\_\_

**FISCAL DETAIL**

Agency Affected: Community & Regional Affairs  
 BRU: Local Government Assistance  
 Components: Statewide Assistance

**EXPENDITURES/REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		62.4	62.4	64.3	64.3	66.2
TRAVEL		1.0	1.0	1.1	1.1	1.1
CONTRACTUAL		3.5	3.6	3.7	3.8	3.9
SUPPLIES		.4	.4	.4	.4	.5
EQUIPMENT		7.5	-0-	-0-	-0-	-0-
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>		<b>74.8</b>	<b>67.4</b>	<b>69.5</b>	<b>69.6</b>	<b>71.7</b>
<b>CAPITAL</b>						
<b>REVENUE</b>						

**FUNDING : (Thousands of Dollars)**

GENERAL FUND	74.8	67.4	69.5	69.6	71.7
FEDERAL FUNDS					
OTHER					
<b>TOTAL</b>					

**POSITIONS :**

FULL-TIME	1	1	1	1	1
PART-TIME	1	1	1	1	1
TEMPORARY					

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

See page 2, attached.

Prepared by: Doug Griffin, Deputy Director  
 Division: Municipal & Regional Assistance

Phone: 465-4750  
 Date: 03/18/86

Approved by Commissioner: Emil Notti  
 Agency: Community & Regional Affairs

Date: 3/18/86

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

# CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSSB 369 (C&RA)

## ANALYSIS

This fiscal note recognizes there is a degree of uncertainty regarding the impact of this bill; however, it is a conservative estimate of staff and support requirements. It is also anticipated that this Department will receive requests from other Departments and agencies for municipal information to assist them in doing their fiscal notes. Personal Services is increased 3% every other year, while other areas are adjusted for inflation at an annual rate of 4%. In order to accomplish this task with this limited staff, it is envisioned that a complete data base will be maintained on a powerful personal computer to reflect municipal services and financial information. During the interim, the Research Analyst would be responsible for maintaining and updating this data base. Ultimately, a municipal model may be developed to allow more precise and rapid fiscal note preparation.

## PERSONAL SERVICES 62,381

One Research Analyst III, Range 18			
	Salary	37,356	
	Benefits	<u>11,525</u>	
			48,881

One Seasonal (6 months) Clerk Typist III, Range 8			
	Salary	9,761	
	Benefits	<u>3,739</u>	
			13,500

## TRAVEL

2 trips @ \$500 (includes per diem) (attend AML Convention, MFOA meetings, etc.)			1,000
---	--	--	-------

## CONTRACTUAL 3,500

Communication (toll calls, postage for mass mail questionnaires, etc.)	3,000	
Photocopy/Printing	500	

## SUPPLIES 400

## EQUIPMENT (one-time item) 7,500

Personal Computers w/attachments & software	5,500	
Office Equipment	2,000	

MTG 2/26/86 11:00 a.m. in Mike Greaney's office -  
Greaney, Scott Burgess AS 2408.035

state agency "and municipalities"

then add section under "C" not detailed line item, but total number  
for local government

Ordered CS from Biederhoff 2/28/86

Introduced: 1/29/86  
Referred: Community and Regional  
Affairs and Finance

BY THE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE

1 IN THE SENATE

2

SENATE BILL NO. 369

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to fiscal notes for legislation  
affecting a municipality."

7

8

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

9

\* Section 1. AS 24.08.035(a) is amended to read:

10

(a) Before a bill or resolution, except an appropriation bill,

11

is reported from the committee of first referral, there shall be

12

attached to the bill a fiscal note containing an estimate of the

13

amount of the appropriation increase or decrease <sup>to a state agency and</sup> that [WHICH] would

14

result from enactment of the bill for the current fiscal year and five

15

succeeding fiscal years. [If enactment of the bill would require an

16

expenditure or appropriation by a municipality, <sup>(5)</sup> a fiscal note shall be

17

attached to the bill containing an estimate of the amount of the total

18

expenditure or appropriation that would be required <sup>(c)</sup> during the current

19

fiscal year and five succeeding fiscal years by all affected munic-

20

ipalities. ~~If~~ [OR, IF] the bill has no fiscal impact, a statement to

21

that effect shall be attached. A [THE] fiscal note or statement

22

~~relating to a state expenditure~~ shall be prepared in conformity with

23

the requirements of this section by the department or departments

24

affected and may be reviewed by the office of management and budget.

25

A fiscal note or statement relating to municipal expenditures shall be

26

prepared by the Department of Community and Regional Affairs, which

27

may obtain the assistance of another state agency in the preparation

28

of the note or statement. The fiscal note or statement shall be

29

delivered to the committee requesting it within five days of the

Suggested changes

① add language

② move to Sub Section

③ remove

municipality (c)

1 request or within two days if the request is made after the 90th day  
2 of a regular session, or during a special session of the legislature.  
3 If the bill is presented by the governor for introduction in accor-  
4 dance with AS 24.08.060(b) and the uniform rules of the legislature,  
5 the fiscal note or statement shall be attached to the bill before the  
6 bill is introduced. An amendment or a substitute bill proposed by a  
7 committee of referral that changes the fiscal impact of a bill shall  
8 be explained in a revised fiscal note or statement attached to the  
9 bill.

④ Under subsection (c)  
new (3)  
~~It~~ If ~~an~~ enactment of the bill . . . .  
that would be required.

⑤ re number

⑥ Note but not <sup>as</sup> detailed for state programs  
detail required <sup>new</sup> in  
e.g. lines 4 thru new 10 need not be  
given for new 3.

PROGRAMS

Bills on the floor

Datapage

Figs

Calculator

Graphics

Print

Loan

Toolkit for Datapage

Other programs

Give letter of program:  
Tap ENTER to return to calendar

PROGRAM SELECTION

You enter the FIGS program from the calendar program by tapping the letter F (no need to tap ENTER)

Upon entry to FIGS, give your four digit I.D. code, tap ENTER, then your PASSWORD, tap ENTER.

At this point the computer will compile a list of bills that have been assigned to you and the screen will be at the main menu as shown on the next page. ( If no bills have been assigned to you, some other compilation of bills will occur.)

F I S C A L   I M P A C T   G E N E R A L   S U M M A R Y

---

BILL	SPONSOR OF THE BILL	COMMITTEE ASSIGNMENT	STATUS OF THE BILL
SB0880	CRUCE, DOUG	Labor	Floor w substitute
SB0908	POSTHUMUS, DICK	Commerce	Floor w substitute
HB4073	NASH, ERNEST	State Aff. & Transpor.	Floor w substitute
HB4677	KEITH, WILLIAM	Local Government	Floor w amendments
HB5029	BULLARD, PERRY	Econ. Dev., Trade & T.	Floor w substitute
HB5030	BULLARD, PERRY	Econ. Dev., Trade & T.	Floor w substitute
HB5413	HOFFMAN, PHILIP	Local Government	Floor w amendments
HB5535	BULLARD, PERRY	State Aff. & Transpor.	Floor w amendments
HB5828	GEERLINGS, EDGAR	Education & Health	Floor

===== CHOOSE FROM THE FOLLOWING =====

<input type="checkbox"/> Alter bill cluster	<input type="checkbox"/> Enter fiscal impacts	<input type="checkbox"/> Show bill not in cluster
<input type="checkbox"/> Display other columns	<input type="checkbox"/> Print bill information	<input type="checkbox"/> Refresh screen data
	<input type="checkbox"/> Maintenance	

MAIN MENU

At the Main Menu you will have 7 choices. These appear near the bottom of the screen. To alter the bill Cluster tap **A**, Display different Data tap **D** (3 of the 6 columns of information will be visible.), Enter fiscal Impacts tap **E**, Print bill Cluster tap **P**, Show bill not in cluster tap **S**, and Refresh screen data tap **R**.

Each of these options is explained in detail on the next pages beginning with choice A.

While in the main menu, you can scroll through the list of bills (those in the cluster) by using the number keys. The action of these keys is as follows:

- 9 key...up the list continuously-F1 to stop.
- 8 key...up the list one bill at a time.
- 7 key...not used.
- 6 key...move to the right across 6 possible data items.
- 5 key...allows you to specify bill number to be positioned on the screen
- 4 key...move to the left across the 6 possible data items.
- 3 key...not used.
- 2 key...down one bill at a time.
- 1 key...down the list continuously, F1 to stop.

At any point in this program, tapping the **F1** key will bring you back to this main menu.

FISCAL IMPACT GENERAL SUMMARY

Each bill in the cluster being displayed has a code in common with each of the categories below:

Analysts include (ABCDEFGHIJKLMNORSTUVWXY)  
Committees are (ABCDEFGHIJKLMNO)  
Dispositions are ( ABCDEF)  
Statuses include (BCDEF)  
Fiscal impacts include ( ABCDEFGH)

Choose one of the options below or if finished, just tap ENTER.

ALTER THE BILL CLUSTER

Analysts  Status  
 Committee  Fiscal impact  
 Disposition

ALTER BILL CLUSTER

The set of bills being shown on the screen represent only those bills which have certain data items in common; i.e. they have codes for each of the 5 categories shown above which match those you specify as being of interest to you. In the above screen, for example, only bills with status B,C,D,E, or F (on the Senate Floor) are in the "Cluster of bills" being displayed.

You may alter the cluster specifications of each of the 5 categories (which codes to include) by keying in one of 5 choices:  A for analysts,  C for Committee,  D for Disposition,  S for Status, or  F for Fiscal Impact. Each of the next 5 pages shows these in detail.

F I S C A L   I M P A C T   G E N E R A L   S U M M A R Y

---

A   WEGRYN ,JIM	N   OLSON ,GARY
B   JEFFRIES ,ELLEN	O   HEINRITZI ,WALT
C   SCHWEITZER ,CARL	P   MURPHY ,DAVE
D   CHAPKO ,BOB	O   DEROSE ,CHRIS
E   FERRIS ,TED	R   DEJULIANNIE ,JERRY
F   OWEN ,GREG	S   MILLER ,GEORGE
G   SULLENGER ,GARY	T   ORBAN ,GEORGE
H   MATTHEWS ,LOIS	U   WALKER , JOHN
I   OWEN ,GREG	V   WALKER ,ANN
J   RICH ,ARNOLD	W   WALKER ,ANN
K   ROSSO ,NANCY	X   JEFFRIES ,ELLEN
L   STEWART ,VICKI	Y   WEGRYN ,JIM
M   OLSON ,GARY	

The bills in your cluster include only those which have analyst assignments that match the hi-lighted ones above. You may add or remove analysts from inclusion by tapping the associated letter. Tap ENTER when done.

ALTER BILL CLUSTER continuation.

Each bill introduced is assigned to an analyst by designating it with a one letter code, A, through Y, each letter representing an analyst.

Of the list of analysts displayed at this point, some will be hi-lighted. Those hi-lighted are the analysts whose bills constitute the current selection of bills being displayed. You can change the selection of bills being displayed. You can change the selection (add or remove analyst's bills) by tapping the letter corresponding to the analyst. Tapping a letter reverses the selection; if hi-lighted, tapping letter turns it off; if not hi-lighted, tapping ENTER turns it on.

F I S C A L   I M P A C T   G E N E R A L   S U M M A R Y

---

A Administration & Rules  
B Agriculture & Forestry  
C Approp. & Retirement  
D Commerce  
E Econ. Dev., Trade & T.  
F Education & Health  
G Finance  
H Judiciary  
I Labor  
J Local Government  
K Natural Res. & Environ.  
L Sr. Citizens & Soc.Ser.  
M State Aff. & Transpor.  
N Joint committee

The bills in your cluster include only those which have committee assignments

ALTER BILL CLUSTER continuation.

Each bill introduced is assigned to a Senate committee by designating it with a one letter code, A. through N., each letter representing a Committee.

Of the list of committees displayed at this point, some will be hi-lighted. Those hi-lighted are the committee whose bills constitute the current selection of bills being displayed. You can change the selection of bills being displayed (add or remove committee bills) by tapping the letter corresponding to the committee. Tapping a letter reverses the selection; if hi-lighted, tapping letter turns it off; if not hi-lighted, tapping ENTER turns it on.

F I S C A L   I M P A C T   G E N E R A L   S U M M A R Y

---

- A   Assigned first time
- B   Been analyzed (comments) *E-95 COMMENTS*
- C   Completed analysis
- D   Demands second look
- E   Edited (needs comments)
- F   Finished analysis
- G   No disposition assigned

Bills in your cluster include only those which have disposition assignments that match the hi-lighted ones above. You may add or remove dispositions from inclusion by tapping the associated letter. Tap ENTER when done.

ALTER BILL CLUSTER continuation.

Each bill has a disposition code which reflects it's step in the analysis procedure. Dispositions are assigned a one letter code, A. through G., each letter representing each step in the analysis.

Of the list of Dispositions displayed at this point, some will be hi-lighted. Those hi-lighted are the dispositions whose bills constitute the current selection of bills being displayed. You can change the selection of bills being displayed (add or remove bills) by tapping the letter corresponding to the disposition. Tapping a letter reverses the selection; if hi-lighted, tapping letter turns it off; if not hi-lighted, tapping ENTER turns it on.

F I S C A L   I M P A C T   G E N E R A L   S U M M A R Y

---

A   Committee  
B   Floor  
C   Floor w amendments  
D   Floor w substitute  
E   Floor sub. w amends.  
F   Floor conf. report  
C   Passed  
H   Defeated  
I   Pending reconsidrn.  
J   Tabled  
K   In the House  
L   In conf. committee  
M   Passed both houses  
N   Enacted into law  
O   Vetoed by Governor  
P   Not introduced yet

The bills in your cluster include only those which have status assignments that match the hi-lighted ones above. You may add or remove statuses from inclusion by tapping the associated letter. Tap ENTER when done.

ALTER BILL CLUSTER continuation.

Each bill has a status code which reflects it's step in the legislative process. Status' are assigned a one letter code, A. through P., each letter representing where it is in the legislative process.

Of the list of Status' displayed at this point, some will be hi-lighted. Those hi-lighted are the status' whose bills constitute the current selection of bills being displayed. You can change the selection of bills being displayed (add or remove bills) by tapping the letter corresponding to the status. Tapping a letter reverses the selection; if hi-lighted, tapping letter turns it off; if not hi-lighted, tapping ENTER turns it on.

F I S C A L   I M P A C T   G E N E R A L   S U M M A R Y

---

- A   No fiscal impact
- B   Expenditure increase
- C   Expenditure decrease
- D   Revenue loss
- E   Revenue gain
- F   Indeterminate impact
- G   Transfer of money
- H   Appropriations bill
- I   Impact not determined

"Primary fiscal impact" is the first impact listed of the 9 possible fiscal impacts for any bill.

The bills in your cluster include only those which have primary fiscal impacts that match the hi-lighted ones above. You may add or remove primary from inclusion by tapping the associated letter. Tap ENTER when done.

ALTER BILL CLUSTER continuation.

Each bill has either "no fiscal impact" or one of several "fiscal impacts" as the first of nine possible impacts. This impact is a sentence made of 2 or 3 pieces, the first piece being any of those shown above, with a one letter code, A. through I.

Of the list of fiscal impacts displayed at this point, some will be hi-lighted. Those hi-lighted are the impacts whose bills constitute the current selection of bills being displayed. You can change the selection of bills being displayed (add or remove bills) by tapping the letter corresponding to the impact. Tapping a letter reverses the selection; if hi-lighted, tapping letter turns it off; if not hi-lighted, tapping ENTER turns it on.

F I S C A L   I M P A C T   G E N E R A L   S U M M A R Y

---

You can choose 3 of the following data items to be displayed.  
Key in the numbers designating your choices.

- 1 Sponsor's name
- 2 Analyst's name
- 3 Committee assigned to
- 4 Disposition of bill
- 5 Status of the bill
- 6 Fiscal impact

Choices:

---

===== CHOOSE FROM THE FOLLOWING =====

DISPLAY DIFFERENT DATA

The screen can only display 3 pieces of information at a time, fom 6 possible items shown above. Selecting option **D** at the main menu allows you to put on the screen any of 3 of the 6 items. Just type in any desired 3 numbers.

F I S C A L   I M P A C T   G E N E R A L   S U M M A R Y

Bill number: SB0070

Analyst: WALKER,ANN

Status: Committee

Disposition: Assigned first time

Committee: State Aff. & Transpor.

Last update: 05/04/83

CURRENT FISCAL IMPACTS ARE:

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9

Give number of impact to be changed or tap ENTER when done:

ENTER FISCAL IMPACT

The bill that was high-lighted at the main menu when you selected this option is brought up on the screen.

After you choose a number you can build a sentence to explain the fiscal impact. The sentence will be constructed as you enter choices from the prompts. If you want to change the sentence, tap F2 to go back a step. Each bill can have up to nine fiscal impacts referring to the State and/or local implications for several fiscal years.

These impacts will print in the order you put them with the first impact being the primary impact., i.e. the impacts that shows up in the table of contents of the floor sheet printout.

F I S C A L   I M P A C T   G E N E R A L   S U M M A R Y

---

Bill number: SB0070	Analyst: WALKER, ANN
Status: Committee	Disposition: Assigned first time
Committee: State Aff. & Transpor.	Last update: 05/04/83

CURRENT FISCAL IMPACTS ARE:

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9

CONSTRUCTING IMPACT 1      Key in the letter of your choice:

- |                        |                               |
|------------------------|-------------------------------|
| A No fiscal impact     |                               |
| B Expenditure increase |                               |
| C Expenditure decrease |                               |
| D Revenue loss         | Type in * to blank out impact |
| E Revenue gain         |                               |
| F Indeterminate impact |                               |
| G Transfer of money    |                               |
| H Appropriations bill  |                               |

ENTER FISCAL IMPACTS continued.

The first step in building a fiscal impact is choosing a letter A. through H. to begin the impact sentence. More choices are given after each selection until the impact is complete. Fiscal year and dollar amounts may be given with most impacts.

If you are not satisfied with any particular impacts, you may re-do it, by tapping F2, which takes you back a step.

When you have finished entering fiscal impacts, tap ENTER only!

The following page explains the next step.

FISCAL IMPACT GENERAL SUMMARY

Bill number: SB0070

Analyst:

Status: Committee

Disposition: Assigned first time

Committee: State Aff. & Transpor.

Last update: 05/04/83

CURRENT FISCAL IMPACTS ARE:

1 No fiscal impact/for the State

in FY86

2

3

4

5

6

7

8

9

Please enter the current disposition of this bill.  
Choose by letter one of the following:

- A Assigned but no analysis done
- B Been analyzed but needs comments added
- C Completed in all respects

Disposition:

ENTER FISCAL IMPACTS continued.

Before you can exit the "fiscal impact entry" mode, you MUST settle on a disposition for his bill. These are as follows:

- A....Assigned but no analysis done (use A, if Fiscal impact is not completed).
- B....Been analysed but needs comments added (use B if comments must be inserted).
- C....Completed in all respects.

If comments need to be entered, choice B. must be selected. After comments have been entered by the FIGS operator the disposition will be changed to a "C".

F I S C A L   I M P A C T   G E N E R A L   S U M M A R Y

BILL	COMMITTEE ASSIGNMENT	STATUS OF THE BILL	FISCAL IMPLICATION
SB0003	State Aff. & Transpor.	Committee	No fiscal impact
SB0004	Sr. Citizens & Soc.Ser.	Committee	No fiscal impact
SB0005	Sr. Citizens & Soc.Ser.	Committee	No fiscal impact
SB0016	State Aff. & Transpor.	Passed both houses	No fiscal impact
SB0020	Education & Health	Committee	Expenditure decrease
SE0024	Education & Health	Passed both houses	No fiscal impact
SB0034	State Aff. & Transpor.	Committee	No fiscal impact
SB0040	State Aff. & Transpor.	Committee	No fiscal impact
SB0041	State Aff. & Transpor.	Committee	No fiscal impact
SB0043	Education & Health	Committee	No fiscal impact
SB0050	Education & Health	Committee	Expenditure decrease
SB0055	Agriculture & Forestry	Passed both houses	No fiscal impact
SB0056	Agriculture & Forestry	Passed both houses	No fiscal impact
SB0069	State Aff. & Transpor.	Committee	No fiscal impact
SB0070	State Aff. & Transpor.	Committee	No fiscal impact

===== PRINT BILL INFORMATION =====

- All data for each bill in cluster
- Summary data for each bill in cluster
- Individual bills not necessarily in cluster

PRINT BILL INFORMATION

You may get printouts in three possible ways:

- Choice A. Gives you each bill in the cluster, one bill per page, with all the information for the bills including comments.
- Choice B. Gives a listing of all bills in the current cluster, one line per bill, 6 data items for each; Sponsor, Analyst, Committee, Disposition, Status, Fiscal Impact.
- Choice C. Gives you a printout similar to Choice A. but does not use the bill cluster; rather you must specify each bill on which you want printed information.

F I S C A L   I M P A C T   G E N E R A L   S U M M A R Y

---

BILL	COMMITTEE ASSIGNMENT	STATUS OF THE BILL	FISCAL IMPLICATION
SB0003	State Aff. & Transpor.	Committee	No fiscal impact
SB0004	Sr. Citizens & Soc.Ser.	Committee	No fiscal impact
SB0005	Sr. Citizens & Soc.Ser.	Committee	No fiscal impact
SB0016	State Aff. & Transpor.	Passed both houses	No fiscal impact
SB0020	Education & Health	Committee	Expenditure decrease
SB0024	Education & Health	Passed both houses	No fiscal impact
SB0034	State Aff. & Transpor.	Committee	No fiscal impact
SB0040	State Aff. & Transpor.	Committee	No fiscal impact
SB0041	State Aff. & Transpor.	Committee	No fiscal impact
SB0043	Education & Health	Committee	No fiscal impact
SB0050	Education & Health	Committee	Expenditure decrease
SB0055	Agriculture & Forestry	Passed both houses	No fiscal impact
SB0056	Agriculture & Forestry	Passed both houses	No fiscal impact
SB0069	State Aff. & Transpor.	Committee	No fiscal impact
SB0070	State Aff. & Transpor.	Committee	No fiscal impact

===== MAINTENANCE =====

<input type="checkbox"/> Enter bill information	<input type="checkbox"/> Status update	<input type="checkbox"/> Revise analyst codes
<input type="checkbox"/> Comments inserted	<input type="checkbox"/> P.A. designation	<input type="checkbox"/> Legislator out of office
<input type="checkbox"/> Floor sheets	<input type="checkbox"/> Disposition entry	<input type="checkbox"/> System generation

MAINTENANCE

Under the maintenance section, the choices:

M  **E** .enter new data      M  **S** .Status Update      M  **R** .Revise Analyst Codes  
 M  **C** .Comments inserted      M  **P** .P.A. Designation      M  **L** .Legislator not in Ofc.  
 M  **F** .Floor Sheets      M  **D** .Disposition      M  **S** .

Only users coded either W, X, or Y can enter in the maintenance section.

F I S C A L   I M P A C T   G E N E R A L   S U M M A R Y

Bill number: SE0866  
Sponsor: FESSLER,RICHARD  
Status: Passed  
Committee: Labor

Analyst: WEGRYN,JIM  
Disposition: Assigned first time  
Last update: 09/20/84

-----SHORT TITLE-----

State agencies (old); labor; employment security commission; remove requirement for appointment of persons to assist claimants and employers.

-----COMMENTS-----

The operating costs of the MESC are funded directly by the Federal gov't. and are not included in the state budget.

ENTER BILL INFORMATION

This routine is used mainly for bills just introduced, but may be used to alter any of the following items:

When entering Bill information, the cursor will be flashing at each entry position.

Analyst-----use letter code assigned.  
Sponsor-----R or S and 3 digit number (district #)  
Committee-----use letter code.  
Status and Disposition---enter automatically.  
Last Update-----will be entered automatically

There is three lines available to enter short title.

To go back a step of entry tap **F2**.

When you have completed entering all data, you will be prompted to enter another bill. To exit this mode tap **F1**.

F I S C A L   I M P A C T   G E N E R A L   S U M M A R Y

Bill number: SB0866  
 Sponsor: FESSLER, RICHARD  
 Status:  
 Committee: Labor

Analyst: WEGRYN, JIM  
 Disposition: Assigned first time  
 Last update: 09/20/84

-----SHORT TITLE-----

State agencies (old); labor; employment security commission; remove requirement for appointment of persons to assist claimants and employers.

-----COMMENTS-----

The operating costs of the MESC are funded directly by the Federal gov't. and are not included in the state budget.

	Enter	Revise	Save
ENTER IN SHORT COMMENTS FOR SB0866====			
LINE 1   The operating costs of the MESC are funded directly by the Federal			
LINE 2   gov't. and are not included in the state budget.			
LINE 3			

COMMENTS INSERTED

Short Comments (three lines or less) are entered using this routine.

1. You may choose to ENTER--REVISE--SAVE. These choices appear in the highlighted portion of the lower screen.
  - a. ENTER--the cursor will move to line (1) for entry of the first comment line. The cursor will wait for you to tap enter to move to the (2) entry line. Tap enter to move to the (3) entry line. You may go back a line by using the F2 key.
  - b. REVISE--to change spelling, insert new word, or delete a word, enter the revision when the program asks for "Bad Text"
  - c. SAVE--at the end of each entry session with comments, you must select SAVE to keep all comment lines you have entered.

For comments longer than 3 lines, you must type in the word "COMMENT" on line 1. Then proceed according to the instructions on the following page.

ENTER COMMENTS IN VISTA-WORD (more than three lines)

To enter comment lines longer than the three lines allowed in the comment section of FIGS follow this processing procedure.

1. Create a document in Vista-Word with the name FN <bill number>
2. Display primary format to make changes.
3. Set the margin to LM 12 and RM 81.
4. Enter the document and tap the ENTER key to create an embedded line command.
5. On the first line enter the word Comment (or COMMENT) at the left margin. (The Program searches for the word comment to include the text with the floor sheets.)
6. Text may be typed after the "Comment" line for as many lines as necessary. Indent paragraphs 5 spaces, without blank lines between.

If you want blank lines between paragraphs or sections of text---insert a period at the beginning of the blank line. A period will serves to allow continuation between text.

F I S C A L   I M P A C T   G E N E R A L   S U M M A R Y

Bill number: SB0866  
Sponsor: FESSLER,RICHARD  
Status: Passed  
Committee: Labor

Analyst: WEGRYN,JIM  
Disposition: Assigned first time  
Last update: 09/20/84

-----SHORT TITLE-----

State agencies (old); labor; employment security commission; remove requirement for appointment of persons to assist claimants and employers.

-----COMMENTS-----

The operating costs of the MESC are funded directly by the Federal gov't. and are not included in the state budget.

=====LISTING OF BILLS ON THE FLOOR=====

Key in the day of the week and date:

FLOOR SHEETS

This routine is used only when the laser printer is unavailable and the FIGS operator must print the floor sheets on a letter quality printer.

Enter the date to appear on the floor sheets as in the following example:

"Thursday, November 22, 1984"

Put paper (plain white) in the printer, push form button to begin printing. The top page or "Cover Page" will be printed last. The program will prompt you to "ready to print cover page", at this point, place standard memo paper in the printer. (with SFA Logo in corner)

F I S C A L   I M P A C T   G E N E R A L   S U M M A R Y

BILL	SPONSOR OF THE BILL	COMMITTEE ASSIGNMENT	STATUS OF THE BILL
SB0880	CRUCE, DOUG	Labor	Floor w substitute
SB0908	POSTHUMUS, DICK	Commerce	Floor w substitute
HB4073	NASH, ERNEST	State Aff. & Transpor.	Floor w substitute
HB4677	KEITH, WILLIAM	Local Government	Floor w amendments
HB5029	BULLARD, PERRY	Econ. Dev., Trade & T.	Floor w substitute
HB5030	BULLARD, PERRY	Econ. Dev., Trade & T.	Floor w substitute
HB5413	HOFFMAN, PHILIP	Local Government	Floor w amendments
HB5535	BULLARD, PERRY	State Aff. & Transpor.	Floor w amendments
HB5828	GEERLINGS, EDGAR	Education & Health	Floor

===== UPDATE STATUS =====

Bill No. 0880 F Floor conf. report  
 Current status: Floor w substitute New status: C Passed  
H Defeated

STATUS UPDATE

This routine allows quick status updates of any bill.

1. Enter the bill number and tap ENTER.
2. Choose the letter corresponding to your status choice. The 8 and 6 cursor keys move the selections up or down on the screen. (there are more status selections than appear on the screen.)
3. Tap ENTER when the status selection you have chosen is in the center or highlighted position.

FISCAL IMPACT GENERAL SUMMARY

===== INSERTING P.A. NUMBERS =====

Bill number: \_\_\_\_\_

Give year of public act: 19\_\_

Give Public Act number:

Key in "Y" if I.E.:

Signed date (include slashes):

===== MAINTENANCE =====

Enter bill information

Status update

Revise analyst codes

Comments inserted

P.A. designation

Legislator out of office

Floor sheets

Disposition entry

System generation

DESIGNATE PUBLIC ACTS

When a bill is signed into law, additional information must be keyed in as follows:

1. Enter Bill number
2. Give year of Public Act
3. Enter P.A. number
4. Enter "Y" if immediate effect
5. Enter signed date
6. Enter another bill number for continuation of this mode or tap F1 to return to the Maintenance selection.

F I S C A L   I M P A C T   G E N E R A L   S U M M A R Y

BILL	SPONSOR OF THE BILL	COMMITTEE ASSIGNMENT	STATUS OF THE BILL
SB0880	CRUCE, DOUG	Labor	Floor w substitute
SB0908	POSTHUMUS, DICK	Commerce	Floor w substitute
HB4073	NASH, ERNEST	State Aff. & Transpor.	Floor w substitute
HB4677	KEITH, WILLIAM	Local Government	Floor w amendments
HB5029	BULLARD, PERRY	Econ. Dev., Trade & T.	Floor w substitute
HB5030	BULLARD, PERRY	Econ. Dev., Trade & T.	Floor w substitute
HB5413	HOFFMAN, PHILIP	Local Government	Floor w amendments
HB5535	BULLARD, PERRY	State Aff. & Transpor.	Floor w amendments
HB5828	GEERLINGS, EDGAR	Education & Health	Floor

===== CHANGE DISPOSTION =====

Bill No. SB0034		Assigned first time
Current disposition	New disposition: A	Assigned first time
is Assigned first time	B	Been analyzed (comments)

DISPOSITION

The Disposition of a bill is the key to the smooth operation in analysis of a bill. The Disposition shows the step or phase of analysis of the bill.

Ordinarily the analyst sets the Disposition from "A" (assigned but not analyzed) to "B" or "C". This menu selection should hold only be used to correct a bill disposition.

The Disposition steps or phases are shown on the following page.

Relationship of Disposition Codes:

Not on Floor

On Floor

Not on Floor	On Floor
A.....>	D
B.....>	E
C.....>	F

Disposition of bills in Committee.

A.....Assigned first time

When the bill is first entered into the computer by the FIGS operator the DISPOSITION is set to (A).

B.....Been analyzed (comments)

The Analyst selects B. after building all fiscal impact sentences If comments are needed, the analyst selects C.

C.....Completed Analysis

The analyst finishes building fiscal impact sentences and no comments are needed. The DISPOSITION must be set to C.

\*\*\*\*\*

Disposition of bills on the floor.

D.....Demands Second Look

All "A" dispositions are changed to "D" automatically when the bill has floor status.

E.....Emended (needs comments)

All "B" dispositions are changed to "E" automatically when the bill has floor status.

F.....Finished Analysis

All "C" dispositions are changed to "F" automatically when the bill has floor status.

FISCAL IMPACT GENERAL SUMMARY

A	1000 WEGRYN, JIM	N	1026 OLSON, GARY
B	1001 JEFFRIES, ELLEN	O	1052 HEINRITZI, WALT
C	1002 SCHWEITZER, CARL	P	1015 MURPHY, DAVE
D	1003 CHAPKO, BOB	Q	1053 DEROSE, CHRIS
E	1004 FERRIS, TED	R	1017 DEJULIANNIE, JERRY
F	1020 OWEN, GREG	S	1018 MILLER, GEORGE
G	1021 SULLENGER, GARY	T	1019 ORBAN, GEORGE
H	1007 MATTHEWS, LOIS	U	1023 WALKER, JOHN
I	1020 OWEN, GREG	V	1025 WALKER, ANN
J	1009 RICH, ARNOLD	W	1025 WALKER, ANN
K	1010 ROSSO, NANCY	X	1001 JEFFRIES, ELLEN
L	1011 STEWART, VICKI	Y	1000 WEGRYN, JIM
M	1026 OLSON, GARY		

Only users W, X, and Y have access to maintenance options.

LETTER:

===== CHANGE ANALYST CODES =====

To insert new analysts or change current assignments, type in letter and give 4 digit user code to be attached to it. When finished tap ENTER only. You may need to run "Verify assignments" option.

REVISE ANALYSTS CODES

Rather than using the 4 digit analyst ID code, a single letter is used in FIGS. This routine provides the crosswalk between the ID codes and FIGS letter codes.

Revise Analyst Codes

1. The screen will show all the analyst codes and letter assigned to that code. You may change any of the letter designations when prompted by giving the letter of the code to be changed and when prompted, the new code selected for that letter.
2. Tap Enter when the change has been made. (F2 will take you back a step.)
3. **F1** will take you out of this selection mode.

In order to use the maintenance section, the user's ID code must match either the W, X, or Y letters designation.

F I S C A L   I M P A C T   G E N E R A L   S U M M A R Y

=====

BILL	SPONSOR OF THE BILL	COMMITTEE ASSIGNMENT	STATUS OF THE BILL
SB0880	CRUCE, DOUG	Labor	Floor w substitute
SB0908	POSTHUMUS, DICK	Commerce	Floor w substitute
HB4677	KEITH, WILLIAM	Local Government	Floor w amendments
HB5029	BULLARD, PERRY	Econ. Dev., Trade & T.	Floor w substitute
HB5030	BULLARD, PERRY	Econ. Dev., Trade & T.	Floor w substitute
HB5413	HOFFMAN, PHILIP	Local Government	Floor w amendments
HB5535	BULLARD, PERRY	State Aff. & Transpor.	Floor w amendments

===== LEGISLATOR OUT OF OFFICE =====

Give legislator's code: L

CHANGE LEGISLATORS REFERENCE CODES

This entry is used when a legislator leaves office and is replaced by another. (M.J. Miller must enter the proper name to correspond with the district code.)

When prompted give the legislators code to be changed. Tap ENTER. The system will go through all of the bills sponsored by the legislator chosen and change the code so it will not reflect the new legislator representing that district.

F I S C A L   I M P A C T   G E N E R A L   S U M M A R Y

---

BILL	SPONSOR OF THE BILL	COMMITTEE ASSIGNMENT	STATUS OF THE BILL
SB0880	CRUCE, DOUG	Labor	Floor w substitute
SB0908	POSTHUMUS, DICK	Commerce	Floor w substitute
HB4073	NASH, ERNEST	State Aff. & Transpor.	Floor w substitute
HB4677	KEITH, WILLIAM	Local Government	Floor w amendments
HB5029	BULLARD, PERRY	Econ. Dev., Trade & T.	Floor w substitute
HB5030	BULLARD, PERRY	Econ. Dev., Trade & T.	Floor w substitute
HB5413	HOFFMAN, PHILIP	Local Government	Floor w amendments
HB5535	BULLARD, PERRY	State Aff. & Transpor.	Floor w amendments
HB5828	GEERLINGS, EDGAR	Education & Health	Floor

---

MAINTENANCE

---

Repair current files

Generate new files

Verify analyst assignments



SENATE FISCAL AGENCY  
MEMORANDUM



DATE: January 4, 1985  
TO: Ted Ferris  
FROM: Ellen Jeffries *E.J.*  
Chair, Fiscal Notes Task Force  
RE: Fiscal Notes Task Force Recommendations

The Fiscal Notes Task Force met formally and at length, four times during October and November and at numerous other times on an ad hoc basis. The Task Force members, Lynda Davis, Jerry DeJuliannie, Chris DeRose, Gary Olson, Gary Sullenger, Ann Walker, and Jim Wegryn, performed in an exemplary manner and contributed many innovative and thought-provoking ideas. Special thanks should be attributed to Jim and Ann for devising the new program and developing a new users' manual. The following recommendations are the result of our many Task Force discussions:

1. Rewrite the FIGS program to allow specific, more detailed fiscal impact information.
2. Eliminate the separate, long-form fiscal note.
3. Expand the comment section to allow additional comments or inclusion of entire fiscal note, should one be necessary.
4. Purchase 8400 terminal for fiscal notes coordinator to allow simultaneous access to data and word processing.
5. Require fiscal note coordinator to enter bill number, status, sponsor, analyst, short title, and comments (as is the current practice); each analyst would key in fiscal impact data on her/his own Datapoint terminal. (See Draft Manual for exact procedure.)
6. Display bill status daily on each analyst's terminal to enable analysts to quickly determine which of their bills are on the Senate calendar.
7. Retain complete paper rail for each bill, including various analyses (SFA, HFA, SAS, etc.), in the file folder. At end of session, compile notebooks containing all SFA analyses and a complete print-out of final statuses for all bills.
8. Formalize Committee Clerk notification process to ensure timely transmittal of Committee agendas, amendments, and substitutes to SFA fiscal notes coordinator.
9. Conduct a training session on the new fiscal note program including suggestions regarding "quality control".

A Draft Manual and sample pink sheets are attached which illustrate the foregoing recommendations. If you would like any further clarification please feel free to contact me -- the entire Task Force awaits your response.

attachments

cc: Task Force Members  
Bob Chapko

-----  
psh/EJ\_mFISREC

## FISCAL NOTE PREPARATION

1. Be as brief and to the point, as possible.
2. "Purpose of the Bill" statement should be in a form substantially as follows:
  - a) Amendatory bill:

"To amend M.C.L. \_\_\_\_\_ of the \_\_\_\_\_ Act. Specifically, to \_\_\_\_\_."
  - b) A bill proposing a new law:

"To establish \_\_\_\_\_  
\_\_\_\_\_  
Specifically, to \_\_\_\_\_."
3. "Problem Statement" is optional and may be unaddressed if it places analyst in a compromising position. If completed, problem statement should be brief and neither encourage or discourage passage of the bill. Remember, it is Senate Analysis Section's responsibility to more deeply research the rationale for the programmatic implications of proposed legislation.
4. If a fiscal note gets lengthy (more than two pages) include a summary paragraph at the front of the "fiscal impact" section. Do not hesitate to construct a table.
5. Utilize a range for an estimate if necessary to provide any fiscal information. Indicate degree of confidence with which range estimate is made. For instance, one might state that:

"Based upon census data from 1977, updated for consumer price changes, it is reasonable to assume that the levy of a 4% sales tax on soda pop and other carbonated beverages would yield \$10-20 million."
6. Consult other analysts as necessary, and especially when a bill (such as H.B. 4802) transcends organizational lines. Work cooperatively together with the assigned analyst serving as the lead analyst.
7. Remember, above all, that our fiscal notes are to be as accurate and unbiased as possible. If somebody has a better estimate, based upon a better methodology, we will look at it, and perhaps use it. Outside lobbying and pressuring of analysts to slant a fiscal note will not be tolerated and should be brought to the Unit Chief and/or Director's attention.



Official Business

Alaska State Legislature  
Senate

Committee on  
Community and Regional Affairs

*Staff*

Senator E. DeVries, Chairman

Members:

Senator Ferguson, Vice Chairman

Senator Coghill

Senator Sturgulewski

Senator V. Fischer

Pouch V

Juneau, Alaska 99811

*2/13/86  
Mtg*

Senator DeVries.....

Re: Today's meeting:

Senator Ferguson is out of town  
Senator Sturgulewski will be available via  
teleconference line from Anchorage  
Senator Vic Fischer's office was notified  
of teleconference hook-up should he desire  
to participate from Anchorage

The Dept of C&RA position paper for SB 369 -- Fiscal notes  
for legislation affecting municipalities -- attaches  
a fiscal note of \$500,000, which includes 8 new  
positions and \$100,000 for equipment

(I advised Melissa of this fact--position paper  
given to me over lunch hour today--and she was  
going to try to notify Sen Sturgulewski prior  
to the meeting --- however, in case Senator  
Sturgulewski doesn't get the word ahead of  
the meeting --- you might advise her ---  
especially since it's her bill. )

THE OTHER SHOE HAS DROPPED .. (See attached)

*g-*



Official Business

# Alaska State Legislature

## Senate

### Committee on Community and Regional Affairs

Senator Edna DeVries, Chairman

Members:

Senator Ferguson, Vice Chairman

Senator Coghill

Senator Sturgulewski

Senator V. Fischer

Pouch V

Juneau, Alaska 99811

February 13, 1986

Senate C&RA Committee Meeting

SB 369 -- An Act relating to fiscal notes for legislation affecting a municipality.

Position paper from Dept of C&RA -- Department does not support the bill; and attaches a fiscal note of \$500,000 which includes 8 new positions.

Fairbanks North Star Borough supports the bill.

SB 376 -- An Act making appropriations to the Dept of Community and Regional Affairs to reimburse municipalities under certain programs, efd.

Position paper from Dept of C&RA -- Department supports the bill; and attaches a fiscal note of zero.

Fairbanks North Star Borough supports the bill.



# Alaska State Legislature

## Senate

Official Business

Pouch V  
State Capitol  
Juneau, Alaska 99811

Feb 13, 1986

Received telephone call from Linda Anderson, representing the North Star Borough at 2:35p today, Feb 13. Ms. Anderson advised that the North Star Borough supports both SB 369 and SB 376. Representative unable to attend hearing due to dental appointment for child.

yma/2/13/86

cc: Linda Anderson

# STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

## DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

February 12, 1986

POUCH B  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-4700

949 E. 36TH AVENUE, SUITE 400  
ANCHORAGE, ALASKA 99508  
PHONE: (907) 563-1073

### POSITION PAPER

RE: Senate Bill 369

SPONSOR: Senate Community and Regional Affairs Committee

#### Program Effects of Bill

See below.

#### Comments:

The Department strongly supports the concept of providing municipalities with information on potential fiscal impacts at the local level. We do not believe, however, Senate Bill 369 provides the most effective vehicle for accomplishing that goal.

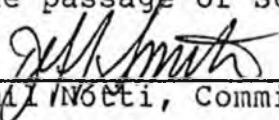
As we read Senate Bill 369, the Department would be required to carefully review virtually every bill introduced each legislative session to ascertain whether there might be fiscal impacts to municipalities, in the event those bills would be adopted. It would not be feasible for the Department to employ personnel who would be expert in the technical matters managed daily by the fifteen departments of State government. Therefore, in estimating these fiscal impacts, the Department would have to consult at length with many other State agencies, as well as individual municipalities.

At the present time, 887 bills have been introduced, with more being introduced each week. Clearly, the task of reviewing those bills and making substantive decisions in regard to their impacts on municipal governments would be enormous. In addition, there is the question of whether the State of Alaska might assume some legal liability for the accuracy of these fiscal notes should the bill become law. These things considered, we believe a number of higher level professionals, along with support staff, should be hired to do this work. Certainly we are concerned with this potential expansion of State government considering the current decline in State revenues. Additionally we are concerned that even higher level professionals might not be able to produce reliable and defensible fiscal estimates on impacts not related to their own fields of expertise.

Senate Bill 369  
February 2, 1986  
Page 2

We believe it would be more appropriate for municipalities to work with an organization such as the Alaska Municipal League in estimating fiscal impacts which might result from State legislation. Individual municipalities, in most cases, would be able to estimate those impacts more accurately because of their greater familiarity with their own communities. Their concerns could then be conveyed to the Legislature through their spokesperson in Juneau.

Given the difficulties produced by current language in the bill, and considering the level of the fiscal note for its operation, we cannot support the passage of Senate Bill 369.

  
\_\_\_\_\_  
Emil Notti, Commissioner

**STATE OF ALASKA 1986 LEGISLATIVE SESSION  
FISCAL NOTE**

Revision Date : 2/12/86

**REQUEST**

Bill/Resolution No. : SB 369  
 Title : An Act relating to fiscal notes  
 for legislation affecting a municipality  
 Sponsor : Senate C&RA Committee  
 Requestor : Senate C&RA Committee  
 Date of Request : \_\_\_\_\_

**FISCAL DETAIL**

Agency Affected : Community & Regional Affairs  
 BRU : \_\_\_\_\_  
 Components : \_\_\_\_\_

**EXPENDITURES/REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		320.0	336.0	352.8	370.4	388.9
TRAVEL		10.0	10.5	11.0	11.5	12.1
CONTRACTUAL		50.0	52.5	55.1	57.8	60.7
SUPPLIES		20.0	21.0	22.0	23.1	24.3
EQUIPMENT		100.0	10.0	10.5	11.0	11.5
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>		500.0	430.0	451.4	473.8	497.5

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

**FUNDING : (Thousands of Dollars)**

GENERAL FUND		500.0	430.0	451.4	473.8	497.5
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>		500.0	430.0	451.4	473.8	497.5

**POSITIONS :**

FULL-TIME		8	8	8	8	8
PART-TIME						
TEMPORARY						

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

Prepared by : Michael W. Worley, State Assessor  
 Division : Municipal & Regional Assistance

Phone : 465-4787  
 Date : 2/12/86

Approved by Commissioner : *[Signature]*  
 Agency : Community & Regional Affairs

Date : 2/13/86

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

SB 369

An act relating to fiscal notes

For legislation affecting a municipality

Positions The estimated costs are as follows:

3 Positions Salary Range 18	149,000
2 Positions Salary Range 16	84,600
1 Position Salary Range 13	34,400
2 Positions Clerk Typist II	52,000

Additional costs would include travel, contractual, Supplies and Equipment (word processing, computer equipment and other general office equipment). Included in contractual would be lease of office space. Under equipment would be a one time expense for office fixtures.

# Michigan's Tax-Expenditure Limit

Issues for Implementation

[A SECTION-BY-SECTION ANALYSIS]



SENATE FISCAL AGENCY

LANSING, MICHIGAN

FEBRUARY, 1979

# MICHIGAN'S TAX-EXPENDITURE LIMIT

**Issues for Implementation**  
[A Section-by-Section Analysis]

Prepared by:  
SENATE FISCAL AGENCY  
SENATE OFFICE BUILDING  
FEBRUARY, 1979

THE SENATE  
LANSING, MICHIGAN



SENATE FISCAL AGENCY

February 28, 1979

Members of the Michigan Legislature:

On November 7, 1978, ballot proposal E was approved by a 52% to 48% plurality of those voting on the issue. Proposal E amended the State Constitution of 1963 by adding Sections 25, 26, 27, 28, 29, 30, 31, 32, 33 and 34 to Article IX and amending Section 6 of Article IX. These Sections collectively establish tax and expenditure limitations on state and local government in Michigan.

Although the amendment became effective on December 22, 1978, legislation will be required for its full implementation.

To that end we have prepared this report, with the intent that it might assist you in discharging your duties as required by Section 34 of Article IX.

The format of this report should lend itself to readability. It contains a section-by-section analysis. Each section is broken into three (3) parts: (1) the Constitutional language (all new language capitalized); (2) the apparent purpose of the section; and (3) a summary of key implementation issues surrounding that section. An appendix section at the back of the report contains certain detailed information referenced throughout the report. It also contains a copy of the "Drafters' Notes" on the "Tax Limitation Amendment", which provides an explanation of the drafters' intent in the formulation of the amendment.

If you have questions regarding this report, contact myself or Ted Ferris at 373-2767. We look forward to assisting you in this endeavor.

Sincerely,

A handwritten signature in cursive script, appearing to read "Eugene B. Farnum".

Eugene B. Farnum  
Director

EBF/jmk

-Acknowledgements-

This report was authored by Messrs. Eugene Farnum, Theodore Ferris, Tom Hickner, Arnold Rich and Gary Sullenger of the Senate Fiscal Agency.

Any data presented, estimates made, and judgments offered are our own and are based upon our previous experience and research in this matter. They are the sole responsibility of the Senate Fiscal Agency and should not be attributed as a statement of intent from the Michigan Legislature, its committees, or any of its members.

Michigan's Tax-Expenditure Limit  
Implementation Issues

TABLE OF CONTENTS

	<u>Page No.</u>
Letter of Transmittal.....	1
Acknowledgements.....	ii
Table of Contents.....	iii
Section-by-Section Analysis	
-Sec. 25.....	1
-Sec. 26.....	2
-Sec. 27.....	8
-Sec. 28.....	10
-Sec. 29.....	11
-Sec. 30.....	15
-Sec. 31.....	18
-Sec. 32.....	22
-Sec. 33.....	24
-Sec. 34.....	27
-Sec. 6 (amended).....	28
Appendices	
-Appendix A/Calculation of the Tax Limitation Ratio and Its Application in 1979-80.....	29
-Appendix B/Use of the Term "Liability".....	30
-Appendix C/State of Michigan General Obligation Debt.....	31
-Appendix D/Payments to Local Governments in FY 1978-79 Budget.....	32
-Appendix E/An Analysis of P.A. 532 of 1978.....	33
-Appendix F/An Analysis of P.A. 529 of 1978.....	41
-Appendix G/Drafters' Notes on the Tax Limitation Amendment.....	45

SEC. 25. PROPERTY TAXES AND OTHER LOCAL TAXES AND STATE TAXATION AND SPENDING MAY NOT BE INCREASED ABOVE THE LIMITATIONS SPECIFIED HEREIN WITHOUT DIRECT VOTER APPROVAL. THE STATE IS PROHIBITED FROM REQUIRING ANY NEW OR EXPANDED ACTIVITIES BY LOCAL GOVERNMENTS WITHOUT FULL STATE FINANCING, FROM REDUCING THE PROPORTION OF STATE SPENDING IN THE FORM OF AID TO LOCAL GOVERNMENTS, OR FROM SHIFTING THE TAX BURDEN TO LOCAL GOVERNMENT. A PROVISION FOR EMERGENCY CONDITIONS IS ESTABLISHED AND THE REPAYMENT OF VOTER APPROVED BONDED INDEBTEDNESS IS GUARANTEED. IMPLEMENTATION OF THIS SECTION IS SPECIFIED IN SECTIONS 26 THROUGH 34, INCLUSIVE, OF THIS ARTICLE.

Purpose: This section briefly outlines the purpose of the constitutional amendment as specified in Sections 26 through 34. It states that total Michigan taxation and spending cannot be increased without direct voter approval; the state cannot require local governments to expand current programs or to establish new programs without full state financing; and the state is prohibited from reducing the proportion of its spending in the form of aid to local governments or from shifting the tax burden to local governments.

Implementation Issues:

Section 25 is a general statement of intent relating to sections 26 through 33. It requires no implementation in and of itself other than the implementation of the subsequent sections of the amendment.

SEC. 26. THERE IS HEREBY ESTABLISHED A LIMIT ON THE TOTAL AMOUNT OF TAXES WHICH MAY BE IMPOSED BY THE LEGISLATURE IN ANY FISCAL YEAR ON THE TAXPAYERS OF THIS STATE. THIS LIMIT SHALL NOT BE CHANGED WITHOUT APPROVAL OF THE MAJORITY OF THE QUALIFIED ELECTORS VOTING THEREON, AS PROVIDED FOR IN ARTICLE 12 OF THE CONSTITUTION. EFFECTIVE WITH FISCAL YEAR 1979-1980, AND FOR EACH FISCAL YEAR THEREAFTER, THE LEGISLATURE SHALL NOT IMPOSE TAXES OF ANY KIND WHICH, TOGETHER WITH ALL OTHER REVENUES OF THE STATE, FEDERAL AID EXCLUDED, EXCEED THE REVENUE LIMIT ESTABLISHED IN THIS SECTION. THE REVENUE LIMIT SHALL BE EQUAL TO THE PRODUCT OF THE RATIO OF TOTAL STATE REVENUES IN FISCAL YEAR 1978-1979 DIVIDED BY THE PERSONAL INCOME OF MICHIGAN IN CALENDAR YEAR 1977 MULTIPLIED BY THE PERSONAL INCOME OF MICHIGAN IN EITHER THE PRIOR CALENDAR YEAR OR THE AVERAGE OF PERSONAL INCOME OF MICHIGAN IN THE PREVIOUS THREE CALENDAR YEARS, WHICHEVER IS GREATER.

FOR ANY FISCAL YEAR IN THE EVENT THAT TOTAL STATE REVENUES EXCEED THE REVENUE LIMIT ESTABLISHED IN THIS SECTION BY 1% OR MORE, THE EXCESS REVENUES SHALL BE REFUNDED PRO RATA BASED ON THE LIABILITY REPORTED ON THE MICHIGAN INCOME TAX AND SINGLE BUSINESS TAX (OR ITS SUCCESSOR TAX OR TAXES) ANNUAL RETURNS FILED FOLLOWING THE CLOSE OF SUCH FISCAL YEAR. IF THE EXCESS IS LESS THAN 1%, THIS EXCESS MAY BE TRANSFERRED TO THE STATE BUDGET STABILIZATION FUND.

THE REVENUE LIMITATION ESTABLISHED IN THIS SECTION SHALL NOT APPLY TO TAXES IMPOSED FOR THE PAYMENT OF PRINCIPAL AND INTEREST ON BONDS, APPROVED BY THE VOTERS AND AUTHORIZED UNDER SECTION 15 OF THIS ARTICLE, AND LOANS TO SCHOOL DISTRICTS AUTHORIZED UNDER SECTION 16 OF THIS ARTICLE.

IF RESPONSIBILITY FOR FUNDING A PROGRAM OR PROGRAMS IS TRANSFERRED FROM ONE LEVEL OF GOVERNMENT TO ANOTHER, AS A CONSEQUENCE OF CONSTITUTIONAL AMENDMENT, THE STATE REVENUE AND SPENDING LIMITS MAY BE ADJUSTED TO ACCOMMODATE SUCH CHANGE, PROVIDED THAT THE TOTAL REVENUE AUTHORIZED FOR COLLECTION BY BOTH STATE AND LOCAL GOVERNMENTS DOES NOT EXCEED THAT AMOUNT WHICH WOULD HAVE BEEN AUTHORIZED WITHOUT SUCH CHANGE.

Paragraph 1 of Section 26

Purpose: Establishes the formula for setting a limit on state revenues. The formula is:

$$\text{Tax Limit} = \text{T.L.R.} \times (\text{X}) \text{ Personal Income}^{**}$$

Where:

$$\text{*T.L.R.} = \text{Tax Limit Ratio} = \frac{\text{State Revenues in 1978-79}}{\text{Michigan Personal Income in 1977}}$$

**\*\*Personal income** = Personal income of calendar year prior to fiscal year under consideration or the average of the previous three calendar years, whichever is greater.