

ALASKA LEGISLATIVE COMMITTEE FILES 1900-1900 00/2

4228 SRES SB 57 - SB 66 108



RECORDS CERTIFICATION

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James O. Smith
Signature of Camera Operator

11/24/89
Date

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Alaska State Legislature

ARLISS STURGULEWSKI, Chairman
BETTYE FAHRENKAMP, Vice Chairman
JACK COGHILL
DICK ELIASON
VIC FISCHER
RICK HALFORD
FRED ZHAROFF



POUCH V
JUNEAU, ALASKA. 99811
(907) 465-4807

Senate Committee on Resources

MEMORANDUM

March 12, 1985

TO: All Members
Senate Resources Committee

FROM: Staff *JH*
Senate Resources Committee

RE: CSSB 57 (Resources) "An Act relating to preferential use of
Alaska Agricultural or fisheries products."

Committee Substitute for Senate Bill 57 (Resources) would add a new chapter to Title 36, Public Contracts, requiring that Alaska agricultural and fisheries products be used when purchase is financed by state money. These Alaskan products must be competitively priced, available, and of like quality compared to agricultural or fisheries products originating outside of the state.

The second section requires that the language of the bill be included in all calls for bids and in all contracts awarded that call for agricultural or fisheries products.

The packet includes:

1. A fiscal note from the Department of Natural Resources which is zero.
2. A bill analysis from the Department of Natural Resources.
3. A memo from the Senate Advisory Council regarding in-state preference practices in other states.
4. A 1985 Resolution from Alaska Farmers and Stockgrowers Association, Inc.
5. A Resolution from the Greater Fairbanks Chamber of Commerce.
6. A letter from Alaska Mill and Feed Company in support of the bill.

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

POUCH M
JUNEAU, ALASKA 99811
PHONE: 907-465-2400

March 12, 1985

The Honorable Arliss Sturgulewski
Chair, Senate Resources Committee
Pouch V
Juneau, AK 99811

Dear Senator Sturgulewski:

As you have requested, the Department of Natural Resources has reviewed the Sponsor Substitute for Senate Bill 40, the Committee Substitute for Senate Bill 120 (Resources) and the Committee Substitute for Senate Bill 57 (Resources). We offer our support for these three bills and are very pleased to note that they allow the department to undertake many of the actions we believe are necessary to assist farmers and promote the development of agriculture in Alaska.

Our recent report to the Governor on agriculture identified high debt levels and the difficulties associated with marketing farm products as major problems faced by Alaska's farmers. The solutions we have proposed include establishment of a production credit program, similar to the program described in SSSB 40; increasing the flexibility of the Agricultural Revolving Loan Fund (ARLF) to restructure loans, and assisting in the organization of commodity marketing associations, as outlined in CSSB 120; and encouraging the preferential use of Alaska agricultural products when state money is used for purchases, as described in CSSB 57.

We have enclosed specific information about each bill with this letter, and a summary of our report on agriculture in Alaska.

Please let us know if you need additional information about these bills or our agricultural programs.

Sincerely,



Esther C. Wunnicke
Commissioner

Enclosures

Analysis for CS for SB 57

The CS for SB 57, which relates to the preferential use of Alaska fish and agricultural products, would help Alaska's farmers and fishermen to market Alaska grown or raised products.

This bill requires that Alaska grown agricultural products and fish be purchased when state money is used for the purchase, if the product is available and of comparable quality and price to ag products from other states. Clauses requiring the preferential use of Alaska ag products would be required in contracts involving agricultural or fish product purchases.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: CSSB 57
Title: Prefer. Use of AK Ag Products

FISCAL DETAIL

Agency Affected: Division of Agriculture, DNR
Program Category Affected: NRMEC

Sponsor: Sen. Kerttula
Requestor: Senate Resources Committee
Date of Request: 3/8/85

BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: Carol Wilson Phone: 465-2400
Division: Commissioners Office Date: 3/8/85

Approved by Commissioner: *Ester C. Wunniche* Date: 3-12-85
Agency: Department of Natural Resources

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

Advisory Council Members
Senator Kerttula, Chairman
Senator Bennett
Senator Fahrenkamp
Senator Vic Fischer



Pouch V
State Capitol
Juneau, Alaska 99811
Phone: (907) 465-3114

SENATE ADVISORY COUNCIL

MEMORANDUM

TO: Richard Ramsey

FROM: Pete Jeans *PJ*
Senior Advisor
Senate Advisory Council

DATE: March 9, 1984

RE: In-State Preference Purchasing

*Back up
put into file for
a new bill
we have in House
84*

In response to your request earlier today, the following is a breakdown of responses we received to our letter sent to all the states September 23, 1983 regarding laws or regulations addressing "In-State Preference Purchasing" of agricultural goods produced within their state.

A total of 31 states responded. Of that total 15 stated that they do not have a law or regulation that mandates a preference for the purchase of in-state goods and services specifically relating to public purchasing of agricultural products. In-state purchasing is encouraged in a majority of these states. Those states responding were:

- | | |
|-------------|---------------|
| California | Illinois |
| Mississippi | Connecticut |
| Oklahoma | New Hampshire |
| Utah | Nevada |
| Nebraska | Virginia |
| Maryland | Illinois |
| Kentucky | Delaware |
| Georgia | |

Memorandum
Richard Ramsey

-2-

March 9, 1984

A total of 16 states responded that they did have statutory provisions that provide for in-state bidders preference for the purchase of goods and services made under state purchasing laws however, these statues do not permit the sacrafice of price or quality in giving this preference. Here again, there is no regulations relating specifically to public purchasing of agricultural products. A number of these states also have regulations stating "preference shall be given to purchasing American made products and purchases from American based businesses whenever possible." Those states responding were:

New Mexico
Maine
Minnesota
Flordia
Missouri
Colorado
Ohio
South Dakota

North Dakota
New York
Hawaii
Arkansas
Missouri
Iowa
Alabama
Noru' Carolina

I have attached copies of these responses along with the regulations which have been cited. I hope this will be of use to you. If I can provide you with any additional information on this, please let me know.

ALASKA FARMERS AND STOCKGROWERS ASSOCIATION, INC.

1985 Resolution Platform

The following resolutions were adopted by the General Assembly of the Alaska Farmers and Stockgrowers Association at its annual meeting, in Anchorage, on December 5, 1984:

- 1) Requesting the institution of a State Board of Agriculture, consisting of producers and a representative of the Governor's office, whose task is to act as a liaison between the industry, the Governor, and the Division of Agriculture.
- 2) Requesting that the State of Alaska put up at least two (2) storage bins in Seward for in-state storage and distribution of grain.
- 3) Supporting the establishment of favorable agricultural rates on the State ferry system and on the Alaska Railroad.
- 4) Requesting that in all instances where state institutions use or require agricultural products, they use Alaska-grown products when those products are in season, price competitiv., and of a like quality.
- 5) Supporting right-to-farm legislation.
- 6) Endorsing the concept of a petition requesting a constitutional amendment which would protect agricultural rights on State lands.
- 7) Supporting the concept that all agricultural lands sold in the future be disposed of by lottery only, and that they include agricultural development credits.
- 8) Supporting disposal of agricultural lands under the Homestead Bill enacted in 1983 to include soils classified as II, III, IV, V, and VI, and to specify that the lands be sold with agricultural rights, only, forever.
- 9) Supporting the development of a policy which classifies as agricultural land those lands containing Class II and III soils which are suitable for grazing.
- 10) Encouraging the State to rework its land lease laws to better facilitate agricultural needs (including the incorporation of "option-to-renew" clauses.)
- 11) Requesting that duties related to the agricultural industry be transferred from the Department of Environmental Conservation to the Department of Natural Resources.
- 12) Requesting clarification of the conveyance of the agricultural rights title to guarantee the rights of the purchaser.

The Agricultural Development Committee and the Board of Directors of the Greater Fairbanks Chamber of Commerce urges your support for the following legislation to encourage agricultural development in Interior and South Central Alaska.

1. Support is urged for SB39 to build the roads and bridges necessary to develop both the agricultural and mineral resources in the Totchaket area of Interior Alaska.
2. Support is urged for the concept of production credits, as outlined in SB40 and SB154, to assist Alaska's agricultural industry in its early stages of development.
3. Support is urged for SB41 to increase from five years to ten years, the moratorium on payments for the sale of state land for agricultural purposes. This bill will assist Alaskan farmers in adjusting to the new worldwide economic conditions in agriculture.
4. Support is urged for the concept of SB42 as it relates to the transfer of land title from state to private ownership. This concept will enhance the ability of Alaskan farmers to obtain financing from private sector sources for agricultural production.
5. Support is urged for SB57, which would require a clause be inserted in all state bids, requiring agricultural products originating in this state be used wherever competitively priced and available and of like quality as compared with agricultural products originating outside the state.
6. Support is urged for SB110 to increase the amounts of long term loans available from the State of Alaska to any one borrower for agricultural purposes. This legislation will increase the loan limits to be more in line with the economy of scale necessary for economically sound, modern farming and will enhance the ability of borrowers to repay.
7. Support is urged for the concept of SB155, relating to the splitting and combining of agricultural parcels, with the suggestion the bill be amended to allow the minimum parcel size be 320 acres. This legislation will permit increased flexibility in the development of economically sound full-time and part-time farming enterprises in Alaska.
8. Support is urged for SB120 to increase the limits of the Agricultural Revolving Loan Fund, to assist in the establishment of Commodity Marketing Associations, and to increase the number of members on the Agricultural Revolving Loan Fund Board.

DON CHEMICAL CO., INC.

ALASKA MILL & FEED CO., INC.

Manufacturers of
SOAP
WAXES
CLEANERS

114 NORTH ORCA
P. O. BOX 1246
ANCHORAGE, ALASKA 99510
TELEPHONE (907) 279-4519

Manufacturers of
A COMPLETE
LINE OF
FEEDS

March 4, 1985

*Copy for
Res Chair
& Comm*

MAR 8 1985

Senator Jay Kerttula
Alaska State Legislature
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Senator Kerttula:

Please reference your letter of February 25th concerning Senate Bill 57.

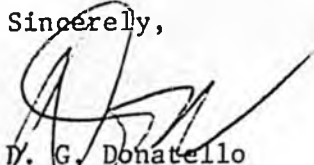
We think Senate Bill 57 is a good start, but we would like to see two qualifications added to the Bill.

1. Local Alaskan Businesses should be given a 5% bid preference.
2. An additional 5% preference should be given to items that are produced and processed within the State of Alaska.

The above incentives would give local companies and producers a stronger position in the market place. The local producer of milk, vegetables, meat, etc. would be encouraged to produce a quality product that would be available in sufficient quantities to supply the local population.

Good luck with Senate Bill 57. We appreciate your help.

Sincerely,


D. G. Donatello
President

DGD/dsd

DIVISION OF ENVIRONMENTAL HEALTH

Joe Cladouhos - Director

465-2696

This division promotes and helps assure public health protection through a healthful environment. Activities are carried out by 55 professional and eight support staff located in the Central Office, three Regional Offices, and ten District Offices. It is organized into three sections: Environmental Sanitation, Seafood, and Animal Industries.

The Environmental Sanitation Section deals with plan review, inspection and enforcement at over 4500 public facilities (restaurants, schools, day-care centers, grocery stores, etc.) across Alaska, excluding the Municipality of Anchorage, which administers its own health program. Objectives to control and eliminate substandard conditions are achieved through public education, inspections, consultations and enforcement of state statutes and regulations.

The Seafood Section handles all phases of Alaskan fishery inspections, including seafood and shellfish processing, and covers Alaska's participation in the National Shellfish Program.

The Animal Industry Section is comprised of five sub-programs: Animal Health, Dairy, Meat/Poultry Inspection, Laboratory support, and Pesticides.

The Animal Health program monitors the import/export of domestic animals, controls animal diseases and provides for quarantines and the disposal of diseased livestock.

The Dairy Sanitation program oversees producers and processors of milk and frozen desserts in the state.

The Meat and Poultry program assures state compliance with the federal Wholesome Meat Act.

The Palmer laboratory provides chemical, bacteriological and serological support to all inspection programs, in addition to certifying private laboratories that analyze drinking water.

The Pesticide Program trains commercial applicators, issues herbicide permits and regulates pesticides/herbicides in the state in lieu of the US Environmental Protection Agency.

ENVIRONMENTAL SANITATION SECTION

Kit Ballentine - Section Chief

465-2628

This section conducts a program involving development of standards, technical review, and inspection of restaurants, bars, swimming pools and spas, food processing plants, schools, day-care centers, institutions, tourist accommodations, grocery stores, compressed air sellers, and barber/beauty shops. Goals to control and eliminate substandard conditions in public facilities are achieved through education, consultation, and enforcement of state statutes and regulations. Epidemiological investigations, nuisance complaint handling, plan review, and handling the new "Smoking in Public Places" law comprise additional activities.

Food service is the first priority in the area of routine regulatory inspections. There is a continuing need for improvement in food handling practices in the state. Since food-borne illness is frequently not reported unless large numbers of people are involved, there is no way of documenting the actual number of cases occurring during the year. However, each year sanitarians are called upon to investigate proven cases--in 1983 over 250 individuals became ill after eating in Alaskan restaurants, the highest incidence since 1976. The department has responded by increasing the inspection frequency, publishing restaurant inspection scores in local newspapers, standardizing field sanitarians, and proposing mandatory food service manager training.

Public facility inventories and inspections are entered into an automated data processing system, which at the present time can provide a master listing of public facilities throughout the state, including food service facilities in the Municipality of Anchorage. The system will also provide information regarding inspections, monitoring, and monthly work schedules for our inspectional staff.

The loss of the Nome sanitarian PCN and funding in the FY85 budget has severely impacted provision of public health and sanitation services to northwest Alaska. Legal issues involving rules for contracting out regulatory functions to nonprofit corporations have prevented issuing a contract; the net effect has been that inspectional coverage and assistance to over 35 communities in northwest Alaska is severely limited.

SEAFOOD SECTION

Doug Donegan - Acting Chief

272-1561

This section handles all phases of Alaska fisheries, including seafood product processing, shellfish processing, cold storage, and ice plants. The program also includes the Seafood Task-Force which acts as an advisory group to the department, as well as a permit system to annually review and approve both shore-based and floating processors. This section also monitors the state's participation in the National Shellfish Program, which sets standards for paralytic shellfish toxin levels and bacteriological water standards before certifying beaches for commercial shellfish production.

The seafood inspectional program is placing more emphasis on inspections and increased coverage of seafood processors. Actual product wholesomeness is being stressed more than in the past. The Department is inspecting larger quantities of seafood. Previously, sanitarians have engaged in time-consuming inspections which examined every aspect of a processor's operation. The Department's current policy is to obtain one "regular" inspection and then more effectively utilize personnel resources by conducting greater numbers of spotcheck and follow-up inspections. The development and usage of an "Inspection Checklist" in 1984 has helped to provide the division and industry with more consistent and uniform inspections (1168 in 1984).

Four contract inspectors were hired during the 1984 season, and more emphasis was placed on the examination of product in transit and wholesomeness of product in facilities. Contract inspectors worked at airports in Kenai, Anchorage, and King Salmon, and performed spotcheck inspections for product wholesomeness in Anchorage. The Division has requested an increment for eight (8) temporary employees to adjust for seasonal fluctuations in the workload without incurring the expense of full-time personnel. This would replace contracting for inspectional services, in addition to providing clerical help in Cordova, Dillingham, and Dutch Harbor during the summer.

Due to the expense and difficulty in achieving acceptable levels of inspection for floating processors, an amendment to the department's regulations is being prepared which will require that floating processors designate a port and time at which they may be inspected once during the course of the year. In addition, the Division is developing a more aggressive "Floater Inspection Plan" to establish more equity in the inspectional coverage of land based and floating processors.

ANIMAL INDUSTRY SECTION

Dr. Bert Gore - State Veterinarian

745-3236

This section has three components: Meat and Poultry Inspection, Animal Health, and Dairy Sanitation. The Meat and Poultry Inspection Program ensures compliance with federal standards as required by the Wholesome Meat Act of 1967. The Dairy Program oversees producers and processors of milk and frozen desserts in this state. The Animal Health Program monitors the import and export of domestic animals and controls animal-to-animal and animal-to-human diseases, providing for quarantines and/or disposal of diseased livestock.

The Dairy Program consists of a dairy sanitarian and a microbiologist in Palmer. In FY84 over 137,700 pounds of milk was "dumped" due to product violations. All dairies in Alaska work with the dairy sanitarian for plan review and ongoing production concerns. Presently there are 13 dairies in Alaska. By fall of 1985 there will be 20, and by 1986 it is projected we will have 32 dairies.

The Palmer Laboratory provides chemical, bacteriological, and serological support to the entire division. They also certify over 25 private laboratories in the state that analyze drinking water.

The Pesticide Program has primacy from the U.S. Environmental Protection Agency for regulation of pesticides and herbicides in the state and has responsibility to train commercial operators and issue permits prior to application of herbicides.

The number of commercial applicators to be trained and certified will increase 30% as right-of-way herbiciding is initiated by state agencies. A 15% increase in the number of industrial and home pest control operators is estimated due to South-Central's growth.

Herbicide use permits to be processed will increase as utility, highway, airport and railroad authorities seek to initiate long-delayed right-of-way maintenance. Almost all of these permit applications will result in complicated public hearings and time-consuming appeals.

Most of our training is aimed at certifying users to apply pesticides restricted by EPA. Less than 10% of our population wants or needs this certification. Now, because several important wood preservatives ("penta") have been restricted by the U.S. EPA, it is estimated that almost every household user will need training/education within the next three years.

DIVISION OF ENVIRONMENTAL HEALTH

DI^R.ECTOR
Cladouhos
7056 JUNEAU

SECRETARY I
Lawson
7016 JUNEAU

ADMINISTRATIVE
ASSISTANT III
Bennett
7187 JUNEAU

MANAGEMENT
ANALYST II
Fleischhauer
7304 JUNEAU

ENV. CONS. SUPV.
SEAFOOD PROGRAMS
Vacant
7209 ANCHORAGE

ENV. CONS. SUPV.*
SANITATION PROGRAM
Ballentine
7223 JUNEAU

VETERINARIAN I
MEAT/POULTRY INSP
Gore
7236 PALMER

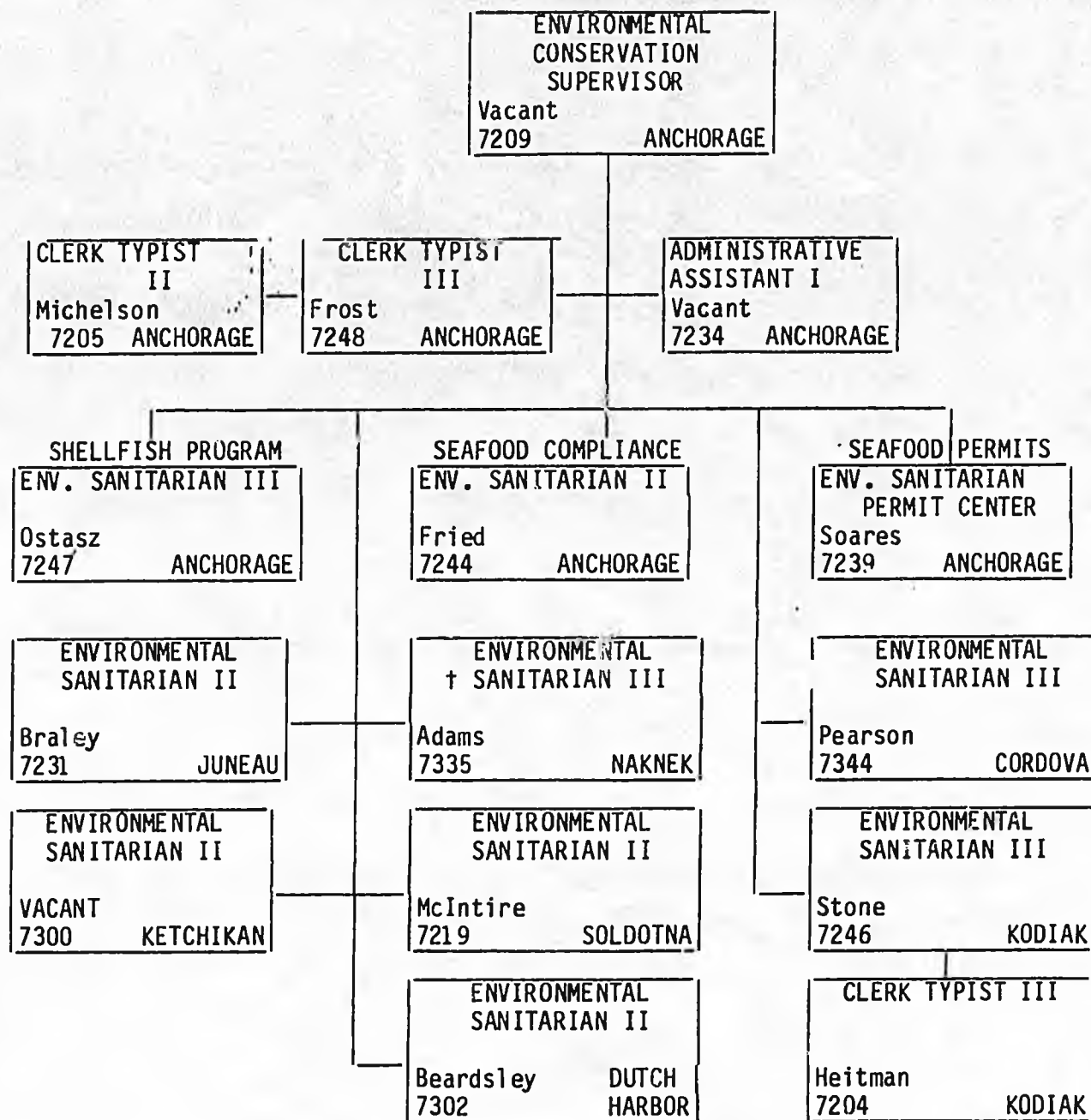
ECOLOGIST II
PESTICIDE PROGRAM
Burgoyne
7126 PALMER

MICROBIOLOGIST IV
PALMER LABORATORY
Barrett
7306 PALMER

ENV. SAN. III
MPI COMPLIANCE
Faro
7240 ANCHORAGE

* Reclassification Action

DIVISION OF ENVIRONMENTAL HEALTH
SEAFOOD PROGRAMS

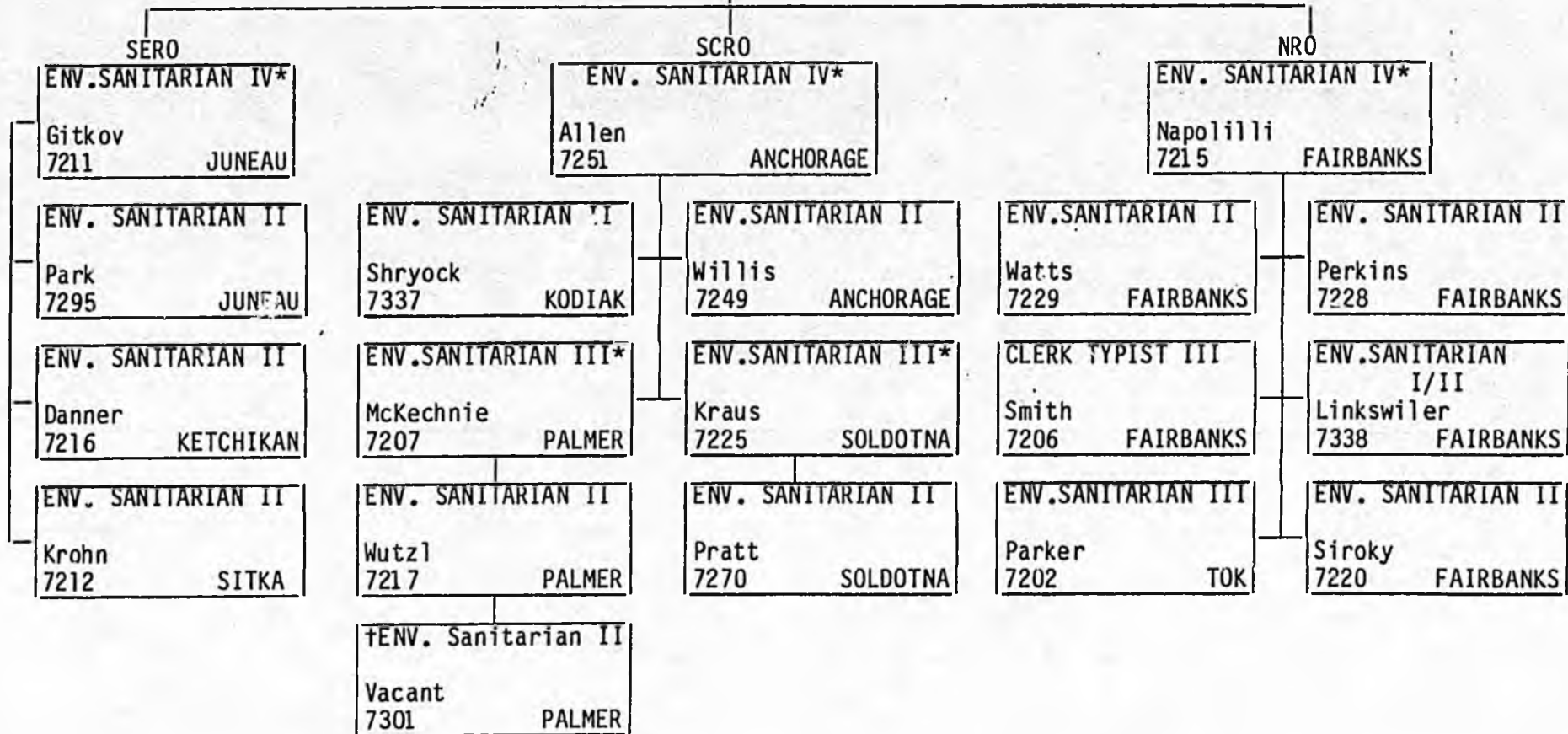


†In Process

DIVISION OF ENVIRONMENTAL HEALTH
SANITATION PROGRAM

ENVIRONMENTAL CONSERVATION
SUPERVISOR *

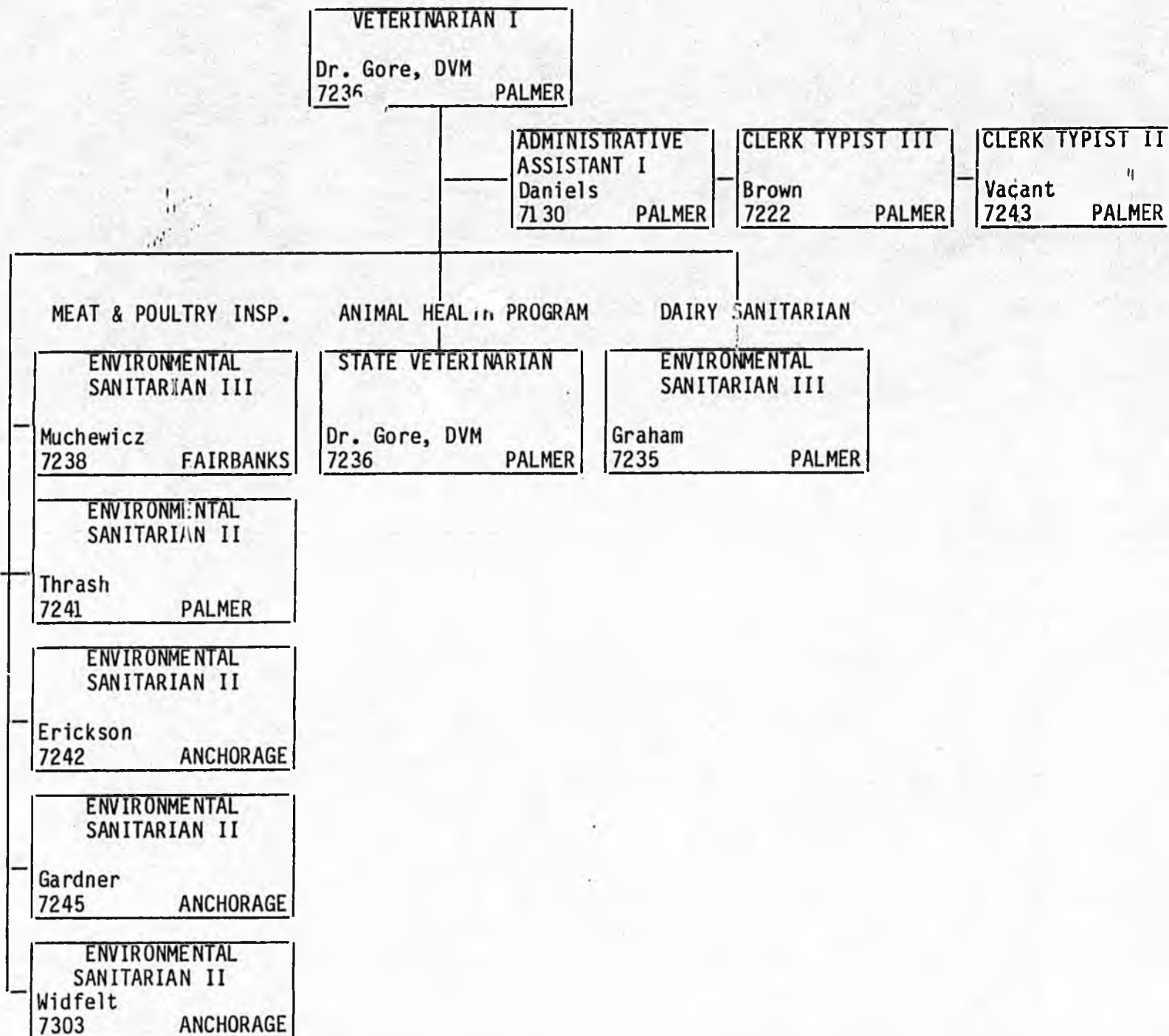
Ballentine
7223 JUNEAU



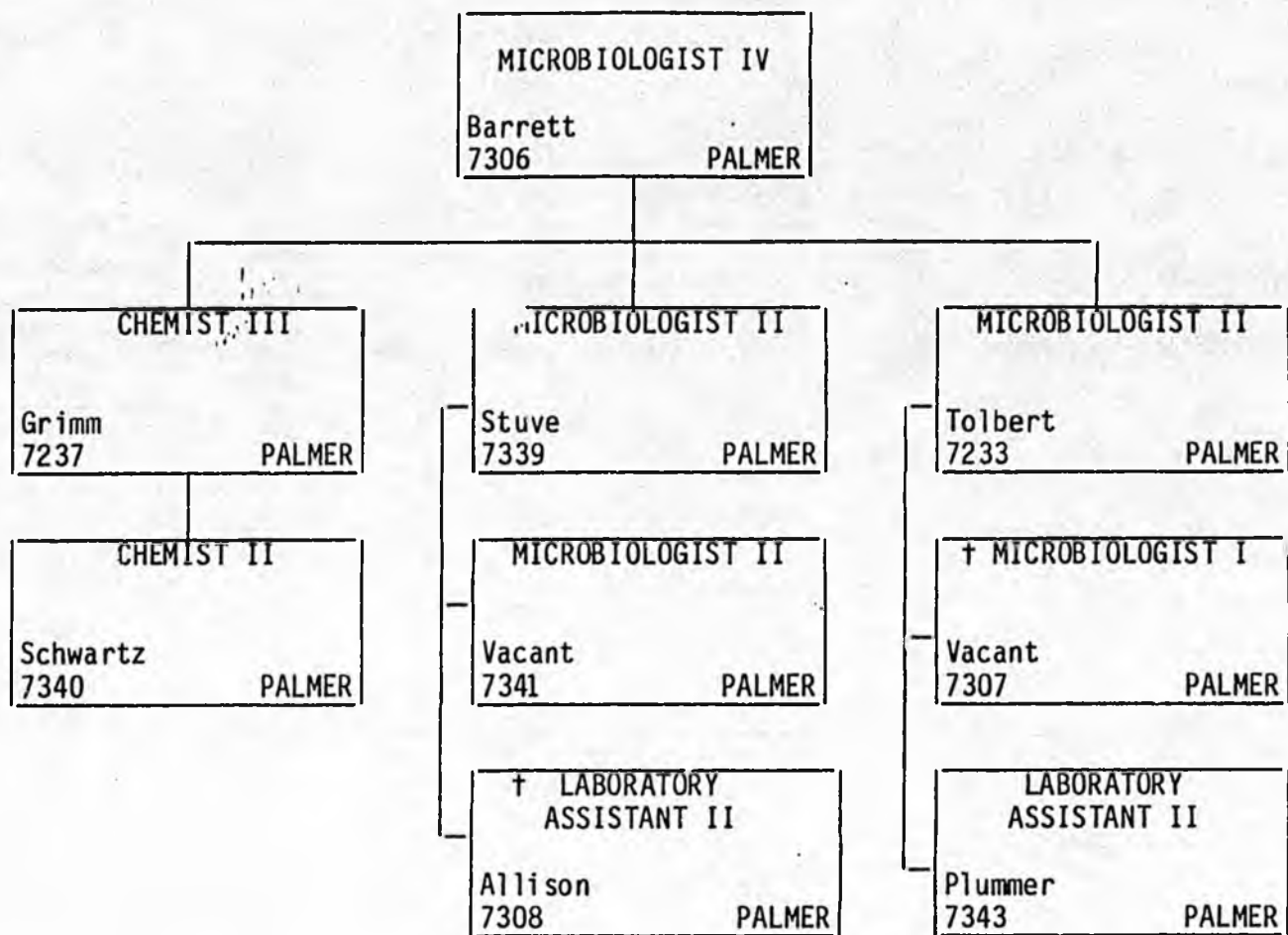
*Reclassification Actions

†In Process

DIVISION OF ENVIRONMENTAL HEALTH
ANIMAL INDUSTRIES



DIVISION OF ENVIRONMENTAL HEALTH
PALMER LABORATORY



†In Process

Original sponsor: Kerttula

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 57 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to preferential use of Alaska agri-
7 cultural or fisheries products; and providing for an
8 effective date."

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

10 * Section 1. AS 36 is amended by adding a new chapter to read:

CHAPTER 16. PREFERENTIAL USE OF ALASKA AGRICULTURAL
OR FISHERIES PRODUCTS.

11 Sec. 36.16.010. USE OF LOCAL AGRICULTURAL AND FISHERIES PRODUCTS
12 REQUIRED IN PURCHASES WITH STATE MONEY. In the purchase of agricul-
13 tural or fisheries products financed by state money, only agricultural
14 or fisheries products originating in this state shall be used wherever
15 competitively priced, available, and of like quality compared with
16 agricultural or fisheries products originating outside the state.

17 Sec. 36.16.020. INSERTION OF CLAUSE IN CALLS FOR BIDS AND IN
18 CONTRACTS. A clause containing the substance of AS 36.16.010 shall be
19 inserted in all calls for bids and in all contracts awarded that
20 involve agricultural or fisheries products.

* Sec. 2. This Act takes effect immediately in accordance with AS 01.-
10.070(c).

Offered: 3/14/85
Referred: Finance

Original sponsor: Kerttula

1 IN THE SENATE BY THE RESOURCES COMMITTEE
2 CS FOR SENATE BILL NO. 57 (Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - FIRST SESSION
5 A BILL

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22 involve agricultural or fisheries products.

23 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
24 10.070(c).

Produced

Solely

Produced

Senator Ray is raising questions re these 2 areas. He just brought up issues. I'll call at some time to see if he has amendments.

Arthur

Original sponsor: Kerttula

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 57 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

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21 involve agricultural or fisheries products.

*effective date immediately in accordance
with AS 01-10.070(c).*

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 Resources Committee 3/13/85, 1:40pm



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

11/24/89
Date

S B

G O

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

MAY 03 1985
BILL SHEFFIELD, GOVERNOR

POUCH M
JUNEAU, ALASKA 99811
PHONE: 907-465-2400

May 2, 1985

The Honorable Arliss Sturgulewski
Chair, Senate Resources Committee
Pouch V
Juneau, AK 99811

Dear Senator Sturgulewski:

Your staff has requested fiscal information regarding SB 60, which would make retroactive the 25% discount on purchases of state land by veterans.

Obviously any measure which reduces state revenues or creates a need for new government administration requires close scrutiny in this time of declining oil revenue. The bill on veterans' discounts would do both.

First, the bill would reduce revenue from land sales between April 1983 and July 1984, when an existing discount took effect (AS 38.05.940(a)-(e)). During this time the Department issued 2,343 land sale contracts valued at \$22,770,540.05. If 20% of the buyers were qualified veterans (as we estimate) and each of these buyers received a 25% discount, the total discount value would be \$1,138,527.

Because the purchase is in many cases being financed by the State over 20 years, the immediate revenue loss would not be so high, but the aggregate loss would be greater than the total discount value.

The second concern is the cost of administering the proposal.

The department would be obliged to notify each land purchaser of the retroactive discount, would have to evaluate the applications to assure compliance with the statutory conditions, would have to amend the contracts to reflect the changed amortization schedule, and (depending on the intent of the bill) might actually be forced to refund 25% of any down-payments or installments received before the effective date of the bill. We have estimated that the cost of administering the retroactive discount would be between \$40-\$60,000.

May 2, 1985

Another concern - not fiscal in nature - is that the retroactive discount excludes persons who did not buy state land between April 1983 and July 1984, and may not have bought land because they thought it too expensive. It may be inequitable now to provide price discounts to those veterans who purchased land.

Thank you for your interest. Please contact me if you have any questions.

Sincerely,



Esther C. Wunnicke
Commissioner

cc: Tom Hawkins, Director
Division of Land and Water
Management
Senator R. Ziegler, Sponsor of SB 60
Rep. M. Pignalberi, Sponsor of HB 388
Rep. R. Shultz, Chair, House Resources

May 16, 1985

Bruce Stafford
5059 Vance Drive
Anchorage, AK 99508

Dear Bruce:

With the last minute rush of legislative business, it was impossible to get back to you regarding SB 60. On May 2, we received additional information from the Commissioner of Natural Resources regarding the 25% discount on purchases of state land by veterans.

Senator Ziegler, prime sponsor of the bill, wanted to see this information prior to making a request for scheduling of the bill. He did not request that the legislation be heard. As you know, this legislation will still be in the Senate Resources Committee and could possibly receive consideration next year. Because of equity questions and the fiscal impact, I can give you little assurance that this legislation will receive favorable action.

It was good to communicate with you and I'll look forward to talking with you over the interim.

Sincerely yours,

Senator Arliss Sturgulewski
Chairman, Senate Resources Committee

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

MAY 03 1985
BILL SHEFFIELD, GOVERNOR

POUCH M
JUNEAU, ALASKA 99811
PHONE: 907-485-2400

May 2, 1985

VETS DISCOUNT
SB60

The Honorable Arliss Sturgulewski
Chair, Senate Resources Committee
Pouch V
Juneau, AK 99811

Dear Senator Sturgulewski:

Your staff has requested fiscal information regarding SB 60, which would make retroactive the 25% discount on purchases of state land by veterans.

Obviously any measure which reduces state revenues or creates a need for new government administration requires close scrutiny in this time of declining oil revenue. The bill on veterans' discounts would do both.

First, the bill would reduce revenue from land sales between April 1983 and July 1984, when an existing discount took effect (AS 38.05.940(a)-(e)). During this time the Department issued 2,343 land sale contracts valued at \$22,770,540.05. If 20% of the buyers were qualified veterans (as we estimate) and each of these buyers received a 25% discount, the total discount value would be \$1,138,527.

Because the purchase is in many cases being financed by the State over 20 years, the immediate revenue loss would not be so high, but the aggregate loss would be greater than the total discount value.

The second concern is the cost of administering the proposal.

The department would be obliged to notify each land purchaser of the retroactive discount, would have to evaluate the applications to assure compliance with the statutory conditions, would have to amend the contracts to reflect the changed amortization schedule, and (depending on the intent of the bill) might actually be forced to refund 25% of any down-payments or installments received before the effective date of the bill. We have estimated that the cost of administering the retroactive discount would be between \$40-\$60,000.

May 2, 1985

Another concern - not fiscal in nature - is that the retroactive discount excludes persons who did not buy state land between April 1983 and July 1984, and may not have bought land because they thought it too expensive. It may be inequitable now to provide price discounts to those veterans who purchased land.

Thank you for your interest. Please contact me if you have any questions.

Sincerely,



Esther C. Wunnicke
Commissioner

cc: Tom Hawkins, Director
Division of Land and Water
Management
Senator R. Ziegler, Sponsor of SB 60
Rep. M. Pignalberi, Sponsor of HB 388
Rep. R. Shultz, Chair, House Resources

FILE
SB60

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*****
*
* DELIVER TO: JPOM
*
* ORIGINAL
* SENT: 04/18/85 TIME: 16:09
* FROM: BARBARA NORRELL
* SUBJECT: POM
* PRINT DATE: 04/18/85 TIME: 16:09
*
*****

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TO: SENATOR ~~STURBUCEWSKI~~

FROM: BRUCE STAFFORD, 5059 VANCE, ANCHORAGE, AK 99508,
333-2151

SUBJECT: SB 60, VETERANS' STATE LAND PURCHASE DISCOUNT

SEN. KELLY'S OFFICE ADVISED ME BY LETTER YESTERDAY THAT SB 60 IS PRESENTLY IN THE (S) RESOURCES COMMITTEE AND HEARINGS ARE PLANNED THIS SESSION ON THIS LEGISLATION. SINCE YOU CHAIR THIS COMMITTEE, WOULD YOU PLEASE ADVISE ME OF THE DATE THE HEARINGS ARE SCHEDULED ON THE LEGISLATIVE CALENDAR OR IF NOT SCHEDULED AS TO WHEN I CAN EXPECT THE HEARING DATES WILL BE SCHEDULED. I WOULD ALSO APPRECIATE BEING APPRISED OF YOUR POSITION ON THIS PARTICULAR BILL.

IMARY DISTRIBUTION	DATE/TIME SENT
JPOM	04/18/85 16:09
LIOA	04/18/85 16:09

Resources

223 Fawn Ct.
Anchorage, AK 99515
August 22, 1985

Senator Arliss Sturgulewski,
2957 Sheldon Jackson Street,
Anchorage, AK 99508

Dear Senator Sturgulewski:

I've just learned that SB60, which Senator Robert H. Ziegler, Sr. introduced last January, has been referred to the Natural Resources and the Finance Committees and that, to date, no hearings have been held, as the Natural Resources Committee is researching the cost of the legislation to the state.

This news comes as something of a surprise; first of all because, the blatant injustice of withholding veteran's discount rates from a deserving but unlucky few would seem to indicate a speedy rectification to be in order, questions of cost notwithstanding. And secondly, the lapse of time strikes one as a bit unwarranted, inasmuch as matters of much less merit have long since "had their day in court."

In closing, let me urge you to schedule a hearing as early as possible next session. Thank you very much.

Yours sincerely,

Richard E. Jonsson

Richard E. Jonsson

Alaska State Legislature

SENATOR:
ROBERT H. ZIEGLER, SR.
307 BAWDEN STREET
KETCHIKAN, ALASKA 99901

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811



Senate

MEMBER
SENATE JUDICIARY COMMITTEE

SELECT COMMITTEE ON LEGISLATIVE ETHICS

WESTERN STATES LEGISLATIVE
FORESTRY TASK FORCE

EXECUTIVE COMMITTEE
WESTERN LEGISLATIVE CONFERENCE
COUNCIL OF STATE GOVERNMENTS

ALTERNATE MEMBER
NATIONAL CONFERENCE OF STATE LEGISLATURES
STATE AND FEDERAL ASSEMBLY
COMMITTEE ON
FEDERAL TAXATION TRADE AND ECONOMIC DEVELOPMENT

April 10, 1985

Senator Arliss Sturgulewski,
Chairman - Senate Resources Committee
Alaska State Legislature
Juneau, Alaska

Dear Arliss:

Tucked in your committee is SB 60, relating to veterans' state land purchase discount, which I introduced at the beginning of the session.

As you may be aware, all discounts (residency and veteran) were discontinued around April of 1983. The veterans' discount was reinstated during the 1984 session. In the meantime, between those two dates, there were lotteries held throughout the state. Those veterans who purchased land through the lottery system during that period were not entitled to the benefits of the veterans' discount program.

SB 60 merely entitles those veterans who purchased state land during that 12 month period to the veterans discount on a one-time only basis.

I would very much appreciate your scheduling the bill for a hearing in the near future.

Regards,

132

Robert H. Ziegler, Sr.

RHZ:1kh

Frank -
 This is OK letter from
 DNR
 re: Vets Discounts
 A wanted for you.
 (I think?)
 MAF

April 23, 1984

The Honorable Arliss Sturgulewski
 Alaska State Senate
 Pouch V
 Juneau, AK 99811

Dear Senator Sturgulewski:

Thank you for your inquiry of Commissioner Wunnicke about veterans' discounts for purchases of state land. The commissioner is away and asked me to respond to your letter.

You asked what impacts we could expect from making retroactive the 25% veterans' discount in SB 324 (now included in SB 375) and HB 529. Although our figures are preliminary, I am able to offer some information.

We estimate that since the veterans' discount was discontinued in April of 1983 about 880 land contracts have been entered into. About 80 of these were in special veterans' auctions at Ketchikan and Fairbanks, and of the 800 remaining contracts we believe that 40% of the purchasers were veterans. Additionally, about 700 remote parcel leases have been issued.

Disposal Program	No. of parcels	Parcels' est. price	% of Veterans	Vet Discount	Lost Revenue
Lottery	300	\$12,000	40%	25%	\$360,000
Auction	80	\$10,000	100%	100%	\$200,000
Remote Parcel	700	\$10,000	40%	25%	\$700,000
Over the Counter	500	\$8,000	40%	25%	\$400,000
TOTAL	1580			DIRECT REVENUE LOSS	\$1,660,000

The interest costs over 20 years, at approximately 150% of the actual displaced revenue from principal, would bring the total loss to the State to \$4,150,000.

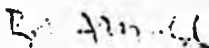
April 23, 1984

Additionally, the Department would have to amend the existing contracts that have been entered into, at about \$150 per contract. This would amount to about \$132,000. Each contract with a discount would also require manual handling, rather than automated. We anticipate that this would require two additional staff in the Division of Management, at the cost of about \$55-60,000 per year.

In sum, the decision to make the veterans' discount retroactive would be a major one with direct impact on revenues and Departmental operations.

Please contact me if more information would be useful.

Sincerely,


Robert D. Arnold
Deputy Commissioner

cc: Tom Hawkins, Director,
Division of Land and Water Management
Mary Halloran, Director,
Division of Management

FEB 20 1985

Senate Resource Committee
Arless Sturgulewski (chair.)

Feb 18, 1985

Dear Senator Sturgulewski,

This letter is in regard to SB 60, sub-
mitted by Senator Robert Ziegler.

On reference to changes made in
the State Land Lottery program in July
'84, I think it is great that Veterans
are once again given a 25% (once in a
lifetime) discount.

Taking this one step further, I'd like
to see the discount retro-active for Veterans
who won lottery parcels during the "no-
discount" period. My husband, Harvey, is
one of these Vets. He won a lottery parcel
in June of '83, but since no discounts
were allowed from April '83 to July '84 he
could not get 25% off the purchase
price of his lot. We feel this is unfair.
The sale price of the property was not
cheap and chances of us being able
to afford to use that discount on another
purchase is slim; 1) He has to wait seven
years between purchases, 2) The last lottery
for several years here in the Whangell area
was held in Sept. '84.

We ask that you support the passage

of Senate Bill 60 for these deserving Veterans.
Thank you very much for your time.

Sincerely,

Gayle A. Gross
Harvey B. Gross
P.O. Box 11
Wrangell Alaska
99929
(907) 874-3950

F
R
O
M

DICK STOKES
P. O. Box 732
WRANGELL, ALASKA 99929

Message
Reply

2/26/85

PRIORITY

- URGENT
- SOON AS POSSIBLE
- NO REPLY NEEDED

FILE NO.

ATTENTION:

Senator A. Sturgulewski

SUBJECT:

Senate Bill # 60

SENATOR AALISS STURGULEWSKI
Head Senate Resources Committee
Pouch V
Juneau, AK. 99811

I STRONGLY endorse The PASSAGE OF Senate
Bill # 60.

M
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AN ACT MAKING VETERANS STATE LAND
PURCHASE RETROACTIVE; AND PROVIDING
FOR AN EFFECTIVE DATE TO _____
APRIL 1, 1983.

Sincerely,

SIGNED:

Rich Stokes

DATE OF REPLY:

REPLY TO:

R
E
P
L
Y

SIGNED:

SENDER: MAIL RECIPIENT WHITE AND PINK SHEETS.

Wrangell T & H Community Council
P.O. Box 2029
Wrangell, Alaska 99929

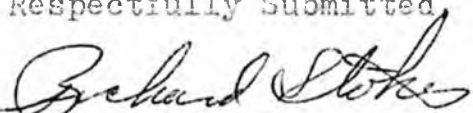
March 11, 1985

Senator Arliss Sturgulewski
Head of the Senate Resources Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

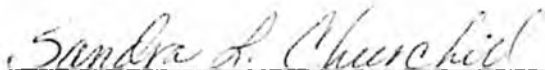
The Tlingit & Haida Community Council of Wrangell AK, by unanimous consent, does hereby support the Senat Bill No. 60. For a 25% discount to Veterans on State lands purchased after March 31,1983.

Respectfully Submitted,



Richard Stokes, President

Your efforts concerning this Bill are greatly appreciated.



Sandra Churchill, Secretary-Treasurer

Alaska State Legislature

SB 60

ARLISS STURGULEWSKI, Chairman
BETTYE FAHRENKAMP, Vice Chairman
JACK COGHILL
DICK ELIASON
VIC FISCHER
RICK HALFORD
FRED ZHAROFF



POUCH V
JUNEAU, ALASKA. 99711
(907) 485-907

Senate Committee on Resources

February 25, 1985

Gayle A. Gross
P.O. Box 11
Wrangell, AK 99929

Dear Gayle:

Thank you for your letter regarding SB 60 which would make the veterans discount program retroactive to April, 1953.

This bill is now in the Senate Resources Committee and will be evaluated for future consideration and possible scheduling of hearings. I have included your letter in our file for this bill and it will be made available to all committee members when a hearing date is established.

As you know, the state's revenues are declining and the legislature is extremely cautious this year. Additional revenue forecasts are being developed now but will not be available until late March. At that time the legislature will have a clearer picture on state spending.

I will keep you informed on the progress of this bill.

Sincerely yours,

A handwritten signature in cursive script that reads "Arliss Sturgulewski".

Senator Arliss Sturgulewski
Chairman, Senate Resources Committee

fh:bh



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

11/24/89
Date

S B

6 6

Alaska State Legislature

ARLISS STURGULEWSKI, Chairman
BETTYE FAHRENKAMP, Vice Chairman
JACK COGHILL
DICK ELIASON
VIC FISCHER
RICK HALFORD
FRED ZHAROFF



POUCH V
JUNEAU, ALASKA. 99811
(907) 465-4807

Senate Committee on Resources

MEMORANDUM

January 30, 1985

TO: Senator Arliss Sturgulewski

FROM: McKie Campbell *McK*

RE: SB 66 An Act relating to fees for, sales of, and collection of fees for sport fishing and hunting licenses and commercial fishing crewmember licenses.

The main thrust of SB 66 is to increase the ability of the Department of Revenue to collect license fees from private vendors. At present there is no mechanism, short of criminal prosecution, to ensure that vendors are passing through to Revenue, the proper amounts of money from sale of hunting, sport fishing, or commercial fishing crewmember licenses.

I have highlighted the bill and the sectional analysis for you. There are several side issues in the bill that you should take note of.

1) Sect. 1 deals with nonresident military (must purchase nonresident big game license at full price, then eligible for reduced rate on big game tags). This section simply clarifies the law and does not change either the existing legal requirement or the current practice.

2) Sect. 5 would allow state employees to sell licenses and retain the vendors fees if it is not in connection with their employment. This is a departure from current practice. A number of state employees have been lobbying for this change for some time.

Relevant questions:

The extent of the existing problem, the amount of lost revenue? *b/c*

Are these losses due to criminal intent or poor accounting? *b/c*

Will this legislation impose accounting requirements on rural vendors that they will have trouble complying with? ✓
ok

Will the change in Section 5, allowing state employees to sell licenses and retain the vendor's fees, put state employees in competition with existing private businesses? ✓
ok

Will these requirements make it more difficult to convince people to act as agents or vendors for license? ✓
ok

This bill was before the Senate last year in a similar form but died in Finance Committee for lack of interest. DOR indicates that that they are not aware of anyone who was or is opposed to the bill.

I have notified DOR, Fish and Game, and Ron Sommerville, representing the Ak. Fish and Wildlife Conservation Fund and the Ak. Fish and Wildlife Federation and Outdoor Council. None of these parties were aware of anyone else that would be interested in the bill. ✓



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 21, 1985

The Honorable Don Bennett
President of the Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator Bennett:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to fees for sport fishing and hunting licenses, to sales by agents of those licenses and of tags and commercial fishing crewmember licenses, and to transmission of license fees by agents to the Department of Revenue. The department has experienced a number of problems in recent years with agents who fail to account properly for fees collected from sales of licenses. The enforcement powers of the department in regard to these fees are not now well-defined by statute, and most of the bill is designed to both strengthen and clarify those powers.

Section 1 of the bill makes it clear that military personnel in the state who are not Alaska residents must purchase a nonresident big game license at the regular rate before they are eligible for reduced rates on tags.

Section 2 of the bill substitutes a requirement that an individual who applies to be an agent must execute the application under "penalty of perjury" for the current requirement of notarization. Section 3 changes the requirement of a bond for agents from a mandatory duty of the commissioner of revenue to a discretionary power, and prohibits requirement of a bond if the agent is a federal employee who makes sales primarily to military personnel. Section 3 also authorizes the commissioner to suspend or revoke the appointment of an agent who does not comply with the requirements for agents established by law.

Agents are now required by both AS 16.05.390 and 16.05.470 to report all sales and to transmit all but a small portion of the fees they collect to the department. Sections 4 and 8 of the bill add a reference to AS 16.05.470 in AS 16.05.390 and 16.05.430 for clarity and for uniformity in

sh 66

requirements for sport license agents and commercial license agents. Section 8 also makes violation of AS 16.05.430 a class B misdemeanor for uniformity with the criminal code. Section 6 of the bill adds a provision that an agent who fails to report and transmit fees forfeits the compensation otherwise due and is subject to a civil penalty and enforcement action by the department and the attorney general. Section 5 specifies that state employees who sell licenses and tags as part of their duties are not entitled to the additional compensation for sales provided by AS 16.05.390(a) for agents. On the other hand, state employees would be entitled to extra compensation if the sale of licenses and tags is not connected with their state employment.

Section 7 of the bill makes failure to report to and transmit fees to the commissioner a violation of AS 16.05.390 or 16.05.470 which is a misdemeanor under AS 16.05.430.

Section 9 of the bill extends the present audit and subpoena powers of the department to the records of agents who are appointed to sell licenses. Sections 10, 12, and 13 extend other Department of Revenue enforcement powers to collection of license fees including distraint on property and imposition of a lien. Section 11 makes license fees not transmitted by agents, along with a civil penalty assessed by the commissioner, a debt to the state.

To improve the efficiency and decrease the cost of our distribution system for these licenses, I urge passage of this bill.

Sincerely,



Bill Sheffield
Governor

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date 10/22/84

REQUEST

Bill/Resolution No: 66
 Title: An act relating to fees for sales of and collection of fees for sport
 Sponsor: _____
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Revenue
 Program Category Affected: Revenue Collection and Management
 BRU, Program or Subprogram(s) Affected: Public Services Division BRU

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	-	-	-	-	-	-
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

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

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: No fiscal impact.

Prepared By: Martin J. Richard
 Division: Public Services Division

Phone: 465-2392
 Date: October 22, 1984

Approved by Commissioner: _____
 Agency: Department of Revenue

Date: _____

Distribution (by Agency preparing fiscal note):

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

Introduced: 1/21/85
Referred: Resources, Judiciary
and Finance



BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

CS

2 SENATE BILL NO. 66

2

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to fees for, sales of, and col-
7 lection of fees for sport fishing and hunting li-
8 censes and commercial fishing crewmember licenses."

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

10 * Section 1. AS 16.05.340(d) is amended to read:

11 (d) Members of the military service on active duty who are
12 permanently stationed in the state, and their dependents, who do not
13 qualify as residents under AS 16.05.940(19) [16.05.940(20)], may
14 obtain special nonresident military small game and sport fishing
15 licenses at the rates for resident hunting and sport fishing licenses,
16 but may not take a big game animal without previously purchasing a
17 regular nonresident hunting license for the full fee prescribed for
18 the nonresident license in (a)(9) of this section and a numbered,
19 nontransferable appropriate tag[,] issued at one-half of the
20 nonresident rate prescribed in [, UNDER] (a)(15) of this section.

21 * Sec. 2. AS 16.05.360 is amended to read:

22 Sec. 16.05.360. COMMISSIONER OF REVENUE CHARGED WITH LICENSE
23 ISSUANCE. The commissioner of revenue or an authorized agent [DEPUTY]
24 shall issue a [EACH] license and tag to each [A] qualified person who
25 files a [UNDER] written application containing the [SUCH] reasonable
26 information [AS] required by the commissioner together with the re-
27 quired fee. The commissioner shall designate the license and tag form
28 or type. The form or type must [SHALL] be sufficient to identify and
29 locate the applicant and establish the applicant's status as to

1 residency and citizenship. The application must be simple in form and
2 must be executed by the applicant under the penalty of perjury. [EACH
3 APPLICATION SHALL BE SUBSCRIBED AND SWORN TO BY THE APPLICANT BEFORE
4 AN OFFICER AUTHORIZED TO ADMINISTER OATHS IN THE STATE.]

5 * Sec. 3. AS 16.05.380 is amended to read:

6 Sec. 16.05.380. COMMISSIONER OF REVENUE MAY APPOINT AGENTS. (a)
7 The commissioner of revenue may appoint state employees or other
8 persons to take applications, issue licenses and tags, and collect
9 fees.

10 (b) The commissioner is not liable for defalcation or failure to
11 account for the fees collected by any person so appointed, but the
12 commissioner may [SHALL] require a bond in an adequate sum, condi-
13 tioned upon faithfully accounting for all money collected. However,
14 the commissioner may not require a [WAIVE THE] bond [REQUIREMENTS] of
15 an instrumentality of the United States or its agents and employees,
16 when the instrumentality or its agents or employees sell licenses
17 primarily to persons in the armed forces.

18 (c) If a person appointed under (a) of this section fails to
19 comply with the requirements of AS 16.05.330 -- 16.05.430 and regula-
20 tions adopted by the commissioner of revenue under AS 16.05.330 --
21 16.05.430, the commissioner of revenue may, after notice to the per-
22 son, suspend or revoke the person's appointment. [EACH PERSON, UPON
23 APPOINTMENT BY THE COMMISSIONER, MAY ADMINISTER OATHS ON APPLICATIONS
24 FOR LICENSES AND TAGS.]

25 * Sec. 4. AS 16.05.390(b) is amended to read:

26 (b) Each agent authorized to sell licenses or tags under AS 16.-
27 05.380 shall, as directed by the commissioner of revenue, transmit the
28 proceeds from the sales of licenses and tags, except the amount au-
29 thorized to be retained, together with a report of the sales, to the

1 commissioner for deposit in the fish and game fund or the general
2 fund. Fees imposed under AS 16.05.340(e) or AS 16.05.440 -- 16.05.480
3 must [SHALL] be collected and transmitted in the same manner.

4
5 *delete*
6
7 *set*
8 *8*

* Sec. 5. AS 16.05.390(e) is amended to read:

(e) The provisions of (a) of this section do not apply to a state employee appointed by the commissioner of revenue under AS 16.-05.380 to sell licenses and tags if the sale of licenses and tags is one of the employee's duties as a state employee. The provisions of (a) of this section do apply to a state employee who sells licenses and tags other than in connection with that employee's state position.

* Sec. 6. AS 16.05.390 is amended by adding a new subsection to read:

(f) If an agent fails to comply with the requirements of (b) of this section, the agent is not entitled to compensation under (a) of this section or under AS 16.05.470 and is subject to a civil penalty of not more than \$500 and the criminal penalties set out in AS 16.05.-430. In addition, the commissioner of revenue and the attorney general may take action under AS 43.05.010 -- 43.05.290 and AS 43.10.010 -- 43.10.200 against the agent to collect all amounts due to the commissioner.

* Sec. 7. AS 16.05.420 is amended by adding a new subsection to read:

(e) An agent who knowingly fails to transmit the proceeds from the sales of licenses and tags and a report of the sales to the commissioner of revenue violates AS 16.05.390 or AS 16.05.470.

* Sec. 8. AS 16.05.430(a) is amended to read:

(a) A person who violates AS 16.05.330 -- 16.05.420 or 16.05.470 is guilty of a class B misdemeanor [AND UPON CONVICTION IS PUNISHABLE BY A FINE OF NOT MORE THAN \$1,000, OR BY IMPRISONMENT FOR NOT MORE THAN SIX MONTHS, OR BY BOTH].

* Sec. 9. AS 43.05.040(a) is amended to read:

notice provision

1 (a) The department may examine the books, papers, records, or
2 memoranda of any person to ascertain the correctness of a return
3 filed, to determine the proceeds due from the sales of licenses and
4 tags under AS 16.05.330 -- 16.05.430 and the sales of licenses under
5 AS 16.05.440 -- 16.05.480, or to determine whether a tax or a payment
6 for oil or gas royalty or net profits shares under a contract, agree-
7 ment, or lease under AS 38.05 is due, or in an investigation or in-
8 spection in connection with tax matters or matters relating to oil and
9 gas royalty or net profits under contracts, agreements, or leases
10 under AS 38.05. The records and the premises where a business is
11 conducted must [SHALL] be open at all reasonable times for official
12 inspection. The [, AND THE] department may summon any person to
13 appear and produce books, records, papers, or memoranda bearing upon
14 tax matters or matters relating to sales of licenses under AS 16.05.-
15 330 -- 16.05.430 and AS 16.05.440 -- 16.05.480 and oil and gas royalty
16 or net profits under contracts, agreements, or leases under AS 38.05,
17 and to give testimony or answer interrogatories under oath respecting
18 tax matters or matters related to sales of licenses under AS 16.05.-
19 330 -- 16.05.430 and AS 16.05.440 -- 16.05.480 and oil and gas royalty
20 or net profits under contracts, agreements, or leases under AS 38.05.
21 The [, AND THE] department may administer oaths to persons who are so
22 summoned.

23 * Sec. 10. AS 43.10.030 is amended to read:

24 *Remove 23*
25 Sec. 43.10.030. DISTRAINT ON PROPERTY EXTENDED TO ALL STATE
26 REVENUE STATUTES. The remedy of distraint on property, set out in
27 AS 43.20.270, applies to all state revenue statutes existing or here-
28 after enacted for the collection of taxes and license fees, including
29 fees required to be transmitted to the commissioner of revenue under
AS 16.05.340 -- 16.05.430 and AS 16.05.440 -- 16.05.480.

1 * Sec. 11. AS 43.10.032(a) is amended to read:

2 (a) Each of the following is a debt to the state:

3 (1) a tax levied under this title which is due and unpaid;

4 (2) the interest, penalty, additional amount, or addition
5 to a tax under (1) of this subsection;

6 (3) a tax levied under this title which has been erroneous-
7 ly refunded; [AND]

8 (4) the interest, penalty, additional amount or addition to
9 a tax which has been erroneously refunded; and

10 (5) the fees required to be transmitted to the commissioner
11 of revenue under AS 16.05.340 -- 16.05.430 and AS 16.05.440 -- 16.05.-
12 480 and the penalty that may be assessed by the commissioner under
13 AS 16.05.390(f).

~~14~~ * Sec. 12. AS 43.10.035 is amended to read:

15 Sec. 43.10.035. LIEN. (a) If any person who is liable to pay a
16 tax or license fee under this title or is required to transmit a
17 license or tag fee to the commissioner under AS 16.05.340 -- 16.05.430
18 and AS 16.05.440 -- 16.05.480 neglects or refuses to pay the tax or
19 license fee or to transmit the license or tag fee after demand, the
20 amount, including interest, additional amount, or assessable penalty,
21 together with costs, is a lien in favor of the state upon all property
22 and right to property, real or personal, belonging to that person.

23 (b) Unless specifically provided otherwise by law, the lien
24 imposed by this section arises at the time the assessment is made or
25 the fee is required to be transmitted to the commissioner and contin-
26 ues until the amount assessed or to be transmitted is paid or a judg-
27 ment against the taxpayer arising out of the liability is satisfied.

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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 RESOURCES COMMITTEE, 1/30/85, 1:35pm