

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672

4661 HJUD HB 73 - HB 94

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ALASKA STATE LEGISLATURE
 HOUSE OF REPRESENTATIVES
 RESEARCH AGENCY

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March 21, 1988

MEMORANDUM

TO: Representative Mike Miller
 ATTN: Gene Therriault
 FROM: Karla Hart *KH*
 Legislative Analyst
 RE: Motor Vehicle Theft in Alaska
 Research Request 88.213

You requested that House Research Memorandum 87.069, automobile theft in Alaska, be updated.

Motor Vehicle Theft in Alaska

There were 17,537 reported cases of motor vehicle theft, including auto, trucks and buses, and other vehicles, in Alaska between 1981 and 1986. Figures for 1987 are not yet available. The following table breaks the cases down by year.

Motor Vehicle Thefts

<u>Year</u>	<u>Total</u>	<u>Auto</u>	<u>Bus/Truck</u>	<u>Other</u>
1981	2,822	1,097	703	1,022
1982	2,544	991	623	930
1983	3,017	1,167	822	1,028
1984	3,039	1,322	794	923
1985	3,083	1,348	763	972
1986	3,032	1,319	702	1,011
Total	17,537	7,244	4,407	5,886

As noted in memorandum 88.069, the Department of Public Safety does not require that municipalities break down motor vehicle theft into categories, such as joyriding and grand theft auto.

Representative Miller
March 21, 1988
Page 2

The number of people arrested for motor vehicle theft is broken down by year and by adults and juveniles (under 18 years of age). A breakdown of arrests by type of motor vehicle stolen is not available. Arrests for the years 1981 through 1986 follow.

<u>Year</u>	<u>Adults</u>	<u>Juveniles</u>
1981	160	137
1982	172	146
1983	196	172
1984	153	156
1985	143	138
1986	146	154
Total	970	903

Attached is information on motor vehicle thefts as reported in Crime in Alaska 1986, Uniform Crime Reporting, Department of Public Safety.

* * *

I hope this information is helpful. If you have questions, please call.

Attachment

1986 STATEWIDE TOTALS
OFFENSES KNOWN TO POLICE

CLASSIFICATION OF OFFENSES	OFFENSES REPORTED OR KNOWN	UNFOUNDED FALSE OR BASELESS	NUMBER OF ACTUAL OFFENSES	TOTAL OFFENSES CLEARED BY ARREST OR EXCEPT	NUMBER OF CLEARANCES PERSONS UNDER 18
1. Criminal Homicide					
A. Murder & Nonneg Mansl	51	2	49	33	2
B. Mansl By Negligence	9		9	7	2
2. Forcible Rape	TOTAL 411	45	366	145	8
A. Rape By Force	338	41	297	122	6
B. Attempts To Commit Forc. Rape	73	4	69	23	2
3. Robbery	TOTAL 462	6	456	119	9
A. Firearm	180	1	179	52	4
B. Knife Or Cutting Instrument	62	1	61	25	3
C. Other Dangerous Weapon	28	2	26	6	
D. Strong-Arm (Hands, Fist, Feet)	192		190	36	2
4. Assault	TOTAL 6,353	155	6,178	3,401	237
A. Firearm	441	14	427	225	18
B. Knife Or Cutting Instrument	383	5	378	181	16
C. Other Dangerous Weapon	397	1	396	202	20
D. Hands, Fist, Feet - aggravated	913	31	882	510	27
E. Other Assaults - simple	4,199	104	4,095	2,283	156
5. Burglary	TOTAL 6,175	100	6,075	634	261
A. Forcible Entry	3,718	42	3,676	412	139
B. Unlawful Entry-No Force	1,938	36	1,902	195	112
C. Attempted Forcible Entry	519	22	497	27	10
6. Larceny - Theft (Except Motor Veh)	TOTAL 20,565	340	20,225	4,796	1,656
7. Motor Vehicle Theft	TOTAL 3,298	266	3,032	523	146
A. Autos	1,476	157	1,319	198	70
B. Trucks And Buses	750	48	702	95	15
C. Other Vehicles	1,072	61	1,011	230	61
	TOTAL 37,304	914	36,390	9,658	2,321
9. Arson	242	1	241	32	13
GRAND TOTAL	35,063	1,113	33,950	8,701	2,084

Officers Killed or Assaulted
Killed-Felony 2 Killed-Accident 0 Assaulted 239

1986 STATEWIDE TOTALS

PROPERTY STOLEN BY CLASSIFICATION

CLASSIFICATION OF OFFENSES	NUMBER OF ACTUAL OFFENSES	VALUE OF PROPERTY STOLEN
1. Murder/Nonneg Mansl	49	\$ 4,200
2. Forcible Rape (TOTAL)	366	\$
3. Robbery		
A. Highway (Street, Alleys, Etc.)	204	\$ 634
B. Commercial House (Ex. C,D,F)	80	35,720
C. Gas or Service Station	12	2,181
D. Chain Store	48	5,500
E. Residence (Anywhere on Prem)	47	41,597
F. Bank	10	9,732
G. Miscellaneous	55	29,262
TOTAL ROBBERY	456	\$ 189,626
4. Assault - Not Applicable		\$
5. Burglary - Breaking or Entering		
A. Residence (Dwelling)		
1. Night (6 p.m. - 6 a.m.)	802	\$ 756,417
2. Day (6 a.m. - 6 p.m.)	972	1,303,449
3. Unknown	1,586	2,030,054
B. Non-Residence (store, off, etc.)		
1. Night (6 p.m. - 6 a.m.)	1,166	1,146,541
2. Day (6 a.m. - 6 p.m.)	270	296,623
3. Unknown	1,279	1,649,025
TOTAL BURGLARY	6,075	\$ 7,182,109
6. Larceny - Theft (Except Motor Veh)		
A. \$200 and over	7,011	\$ 7,813,035
B. \$50 to \$200	4,598	539,434
C. Under \$50	8,616	131,126
TOTAL LARCENY	20,225	\$ 8,483,595
7. Motor Vehicle Theft	3,032	\$ 11,114,547
GRAND TOTAL ALL		\$ 26,974,174
6X. Nature of Larcenies under 6		
A. Pocket - picking	111	\$ 47,728
B. Purse - snatching	73	11,877
C. Shoplifting	4,849	243,967
D. From Motor Vehicles	3,538	1,578,069
E. Motor Vehicle Parts and Acc.	1,329	529,981
F. Bicycles	2,084	400,225
G. From Buildings (except C & H)	3,066	1,835,139
H. From any Coin-Op Machines	131	15,257
I. All Other	5,044	3,821,352
TOTAL LARCENIES	20,225	\$ 8,483,595
7X. Motor Vehicles Recovered		
A. Number Stolen Locally & Recovered Locally	1,880	
B. Number Stolen Locally & Recovered Other Jurisdictions	177	
C. Total Locally Stolen Motor Vehicles Recovered	2,057	
D. Number Stolen Out of Town, Recovered Locally	70	

1986 STATEWIDE TOTALS

PROPERTY BY TYPE AND VALUE

<u>TYPE OF PROPERTY</u>	<u>VALUE OF PROPERTY STOLEN AND RECOVERED IN YOUR JURISDICTION</u>	
(1)	STOLEN (2)	RECOVERED (3)
A. Currency, Notes, Etc.	\$ 1,976,397	\$ 138,252
B. Jewelry and Precious Metals	2,778,183	279,872
C. Clothing and Furs	568,092	79,794
D. Locally Stolen Motor Vehicles	11,349,818	7,757,151
E. Office Equipment	685,542	110,574
F. Television, Radios, Cameras, Etc.	1,544,898	132,671
G. Firearms	618,678	97,443
H. Household Goods	732,409	55,942
I. Consumable Goods	185,435	36,739
J. Livestock	4,919	65
K. Miscellaneous	6,529,803	952,813
TOTALS	\$ 26,974,174	\$ 9,641,316

M/V THEFTS

TREND

	<u>NUMBER OF OFFENSES</u>	<u>% CHANGE</u>	<u>RATE PER 100,000 % CHANGE</u>
1982	2544		
1983	3056	20.1%	8.3%
1984	3039	-0.6%	-2.9%
1985	3083	+1.4%	-0.8%
1986	3032	-1.7%	-2.9%

Motor vehicle theft is defined as the theft or attempted theft of a motor vehicle.

1986 SUMMARY

A total of 3032 motor vehicles were stolen in 1986. This is a 1.7% decrease compared to 1985.

Motor vehicle thefts accounted for 10% of the property crimes and 9.3% of the total crime index. Motor vehicle theft rate per 100,000 people was 559.4.

Automobile had the highest percentage of motor vehicle thefts with 44%, followed by trucks and buses with 23%, and other vehicles making up 33%.

Thirteen-Fourteen year-olds had 13% of the arrests made for motor vehicle thefts along with 15 year-olds who also had 13%. This is followed by 16 year-olds and 17 year-olds who had 12% of the arrests respectively.

The most motor vehicle thefts occurred in August, 320, and December had the least, 185.

M/V THEFT ARRESTS - 1986

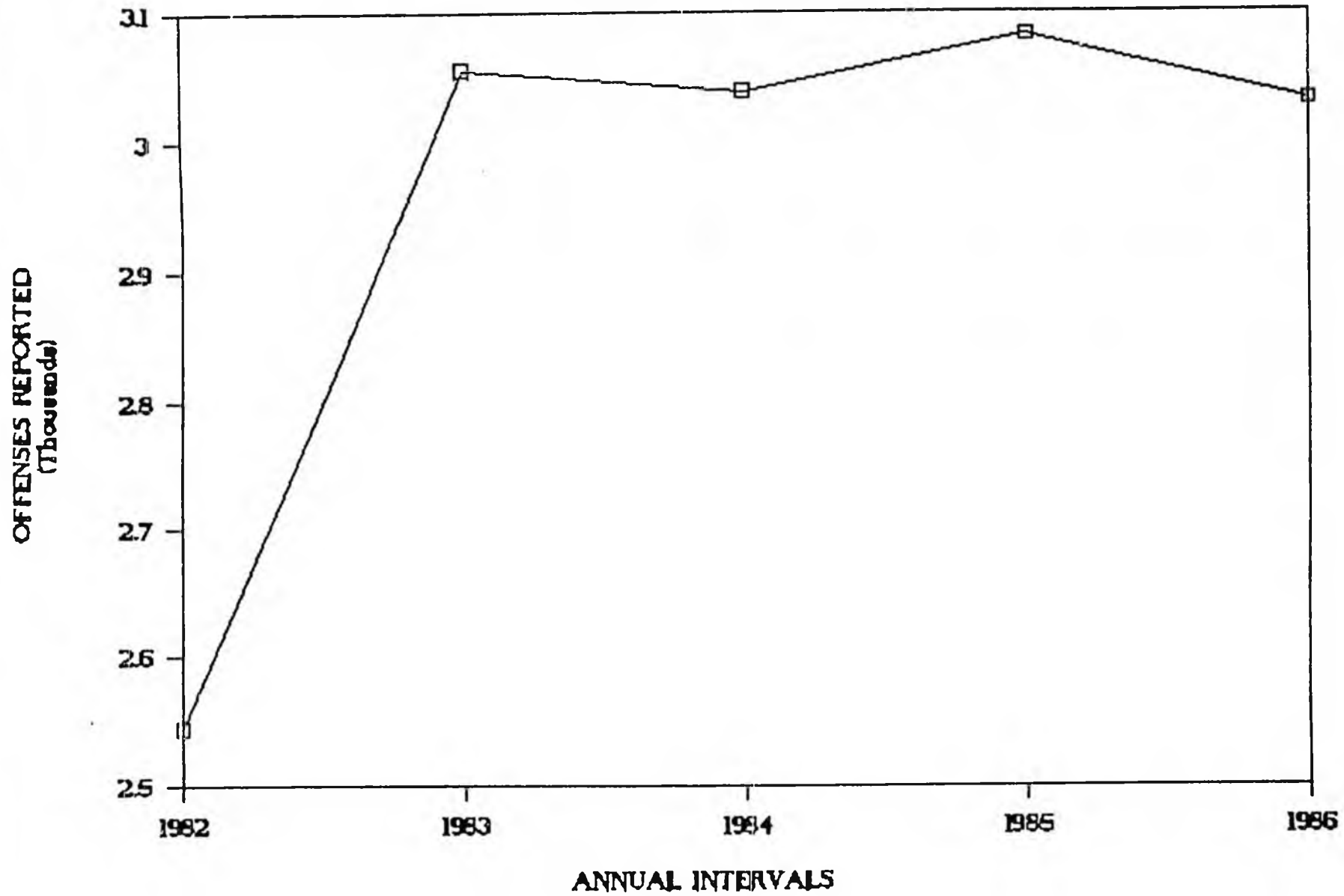
12 and under	M	4
	F	1
13-14	M	29
	F	10
15	M	35
	F	5
16	M	34
	F	1
17	M	33
	F	2
18	M	21
	F	3
19	M	9
	F	0
20	M	11
	F	1
21	M	10
	F	1
22	M	6
	F	1
23	M	15
	F	2
24	M	9
	F	1
25-29	M	28
	F	3
30-34	M	11
	F	1
35-39	M	5
	F	0
40-44	M	1
	F	1

M/V THEFT ARRESTS - 1986 (cont.)

45-49	M	2
	F	2
50-54	M	0
	F	1
55-59	M	0
	F	0
60-64	M	1
	F	0
65 and over	M	0
	F	0
TOTAL	M	264
	F	36
White		169
Black		28
Indian		102
Asian		1

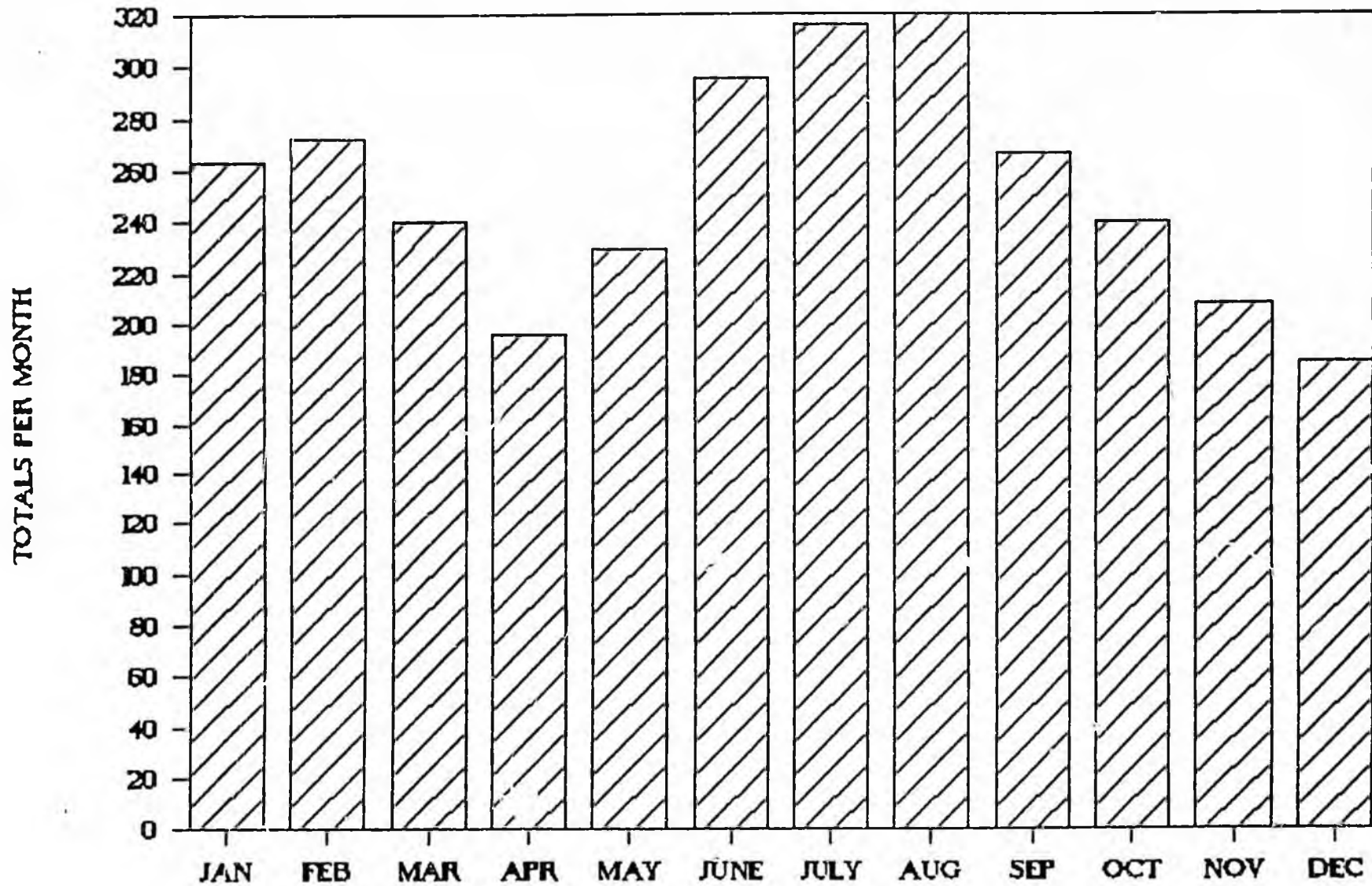
MOTOR VEHICLE THEFT TREND

1982 THROUGH 1986



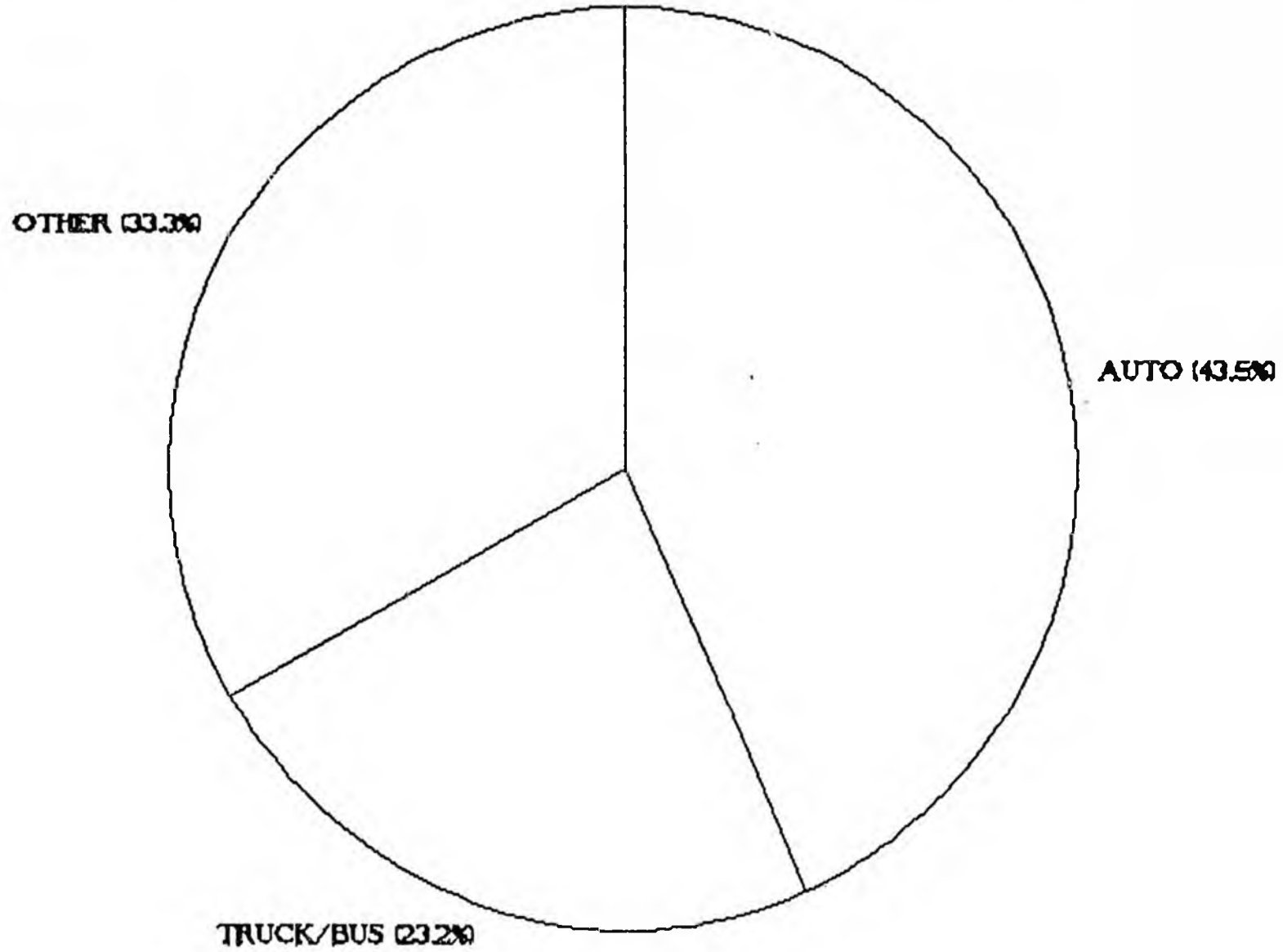
MOTOR VEHICLE THEFT BY MONTH

1965



MOTOR VEHICLE THEFTS - 1986

PERCENTAGE DISTRIBUTION



~~EXISTING LANGUAGE TO BE DELETED~~

Sec. 11.46.482. Criminal mischief in the second degree. (a) A person commits the crime of criminal mischief in the second degree if, having no right to do so or any reasonable ground to believe the person has such a right,

(1) with intent to damage property of another, the person damages property of another in an amount of \$500 or more;

(2) the person tampers with an oil or gas pipeline or supporting facility or an airplane or helicopter with reckless disregard for the risk of harm to or loss of the property;

(3) the person recklessly creates a risk of damage in an amount exceeding \$100,000 to property of another by the use of widely dangerous means; or

(4) the person drives, tows away, or takes the propelled vehicle of another and the vehicle or any other property of another is damaged or the owner incurs reasonable expenses as a result of the loss of use of the vehicle in a total amount of \$500 or more.

(b) Criminal mischief in the second degree is a class C felony. (§ ch 166 SLA 1978; am § 13 ch 102 SLA 1980)

Cross references. — For liability for destruction of property by minors, see AS 34.50.020.

Effect of amendments. — The 1980 amendment rewrote paragraph (4) in subsection (a).

Legislative history reports. — For a report on Chapter 102, SLA 1980 (HCS CSSB 511), see 1980 Senate Journal Supplement, No. 44, May 29, 1980, or 1980 House Journal Supplement, No. 79, May 29, 1980.

NOTES TO DECISIONS

For case construing former AS 11.20.520, making malicious destruction of property a crime, see Hensel v. State, Sup. Ct. Op. No. 1983 (File No. 2432), 604 P.2d 222 (1979).

For case construing former AS 11.20.525, making stealing, removing or damaging parts of an aircraft a crime, see Catlett v. State, Sup. Ct. Op. No. 1752 (File No. 3213), 585 P.2d 553 (1978).

Sentence upheld. — See Austin v. State, Ct. App. Op. No. 18 (File No. 5341), 627 P.2d 657 (1981).

Applied in Deal v. State, Ct. App. Op. No. 209 (File No. 6812), 657 P.2d 404 (1983).

Stated in Wertz v. State, Sup. Ct. Op. No. 2069 (File No. 4683), 611 P.2d 8 (1980).

Cited in State v. Grogan, Sup. Ct. Op. No. 2356 (File No. 5199), 628 P.2d 570 (1981); Tritt v. State, Ct. App. Op. No. 009 (File No. 4983), 625 P.2d 882 (1981); Deal v. State, Ct. App. Op. No. 225 (File No. 6776), 659 P.2d 625 (1983).

OPTIONAL

(c) A PERSON CONVICTED UNDER (a)(4) OF THIS SECTION SHALL PAY A MINIMUM FINE OF TWO HUNDRED DOLLARS.

~~EXISTING LANGUAGE TO BE DELETED~~

Sec. 11.46.484. Criminal mischief in the third degree. (a) A person commits the crime of criminal mischief in the third degree if, having no right to do so or any reasonable ground to believe the person has such a right

(1) with intent to damage property of another, the person damages property of another in an amount of \$50 or more but less than \$500;

~~(2) the person drives, tows away, or takes the propelled vehicle of another;~~

(3) having custody of a propelled vehicle under a written agreement with the owner of the vehicle that includes an agreement to return the vehicle to the owner at a specified time, the person knowingly retains or withholds possession of the vehicle without the consent of the owner for so long a period beyond the time specified as to render the retention or possession of the vehicle an unreasonable deviation from the agreement;

(4) the person tampers with a fire protection device in a building that is a public place;

(5) the person knowingly accesses a computer, computer system, computer program, computer network, or any part of a computer system or network; or

(6) the person uses a device to descramble an electronic signal that has been scrambled to prevent unauthorized receipt or viewing of the signal unless the device is used only to descramble signals received directly from a satellite or unless the person owned the device before September 18, 1984.

(b) Except as provided in (c) of this section, criminal mischief in the third degree is a class A misdemeanor.

(c) A person convicted under (a)(2) of this section is guilty of a class C felony if, within the preceding seven years, the person was convicted under

(1) the provisions of (a)(2) of this section;

(2) former AS 28.35.010;

(3) the provisions of AS 11.46.482(a)(4);

(4) an offense involving the theft of a propelled vehicle under AS 11.46.120 ~~or~~ 11.46.140; or

(5) a law or ordinance of this or another jurisdiction with elements substantially similar to those of the offenses described in (1)-(4) of this subsection. (§ 4 ch 166 SLA 1978; am 1 ch 18 SLA 1979; am §§ 7, 8 ch 143 SLA 1982; am § 2 ch 79 SLA 1984; am § 2 ch 14 SLA 1984; am § 1 ch 15 SLA 1985)

Revisor's notes. — Paragraph (6) of subsection (a) of this section was enacted as paragraph (a)(5). Renumbered in 1984. Also, minor word changes were made in subsection (a) in 1984.

Effect of amendments. — The first 1984 amendment, in subsection (a), added

paragraph (5) and made related technical changes in paragraphs (3) and (4).

The second 1984 amendment, in subsection (c), deleted "or" at the end of paragraph (3) and added paragraph (6).

The 1985 amendment rewrote subsection (c).

NOTES TO DECISIONS

Lesser included offense of robbery. — Under the cognate approach, joyriding was a lesser included offense of robbery, since an element of robbery is the unauthorized taking or attempted taking of property; and joyriding is the unautho-

rized taking of a vehicle. *Minano v. State*, Ct. App. Op. No. 420 (File Nos. 7812, 7868), 690 P.2d 28 (1984), rev'd on other grounds, Sup. Ct. Op. No. 3006 (File No. S-736), 710 P.2d 1013 (1986).

Joyrider characterized as worst of-

~~EXISTING LANGUAGE TO
BE DELETED~~

Sec. 11.46.486. Criminal mischief in the fourth degree. (a) A person commits the crime of criminal mischief in the fourth degree if, having no right to do so or any reasonable ground to believe the person has such a right,

(1) with reckless disregard for the risk of harm to or loss of the property or with intent to cause substantial inconvenience to another, the person tampers with property of another;

(2) with intent to damage property of another, the person damages property of another in an amount less than \$50; or

(3) the person rides in a propelled vehicle knowing it has been stolen or that it is being used in violation of AS 11.46.482(a)(4) ~~or~~
~~11.46.484(a)(2)~~

(b) Criminal mischief in the fourth degree is a class B misdemeanor. (§ 4 ch 166 SLA 1978)

Cross references. — For liability for destruction of property by minors, see AS 34.50.020.

NOTES TO DECISIONS

Defense of necessity in prosecution for reckless destruction of personal property and joyriding. — See Nelson v. State, Sup. Ct. Op. No. 1878 (File No. 3802), 597 P.2d 977 (1979).

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____

Bill Version: HB 73
Publish Date: _____

Revision Date: _____
Title: "An Act relating to the penalty for unauthorized use of motor vehicles"
Sponsor: Rep. Miller
Requestor: House Judiciary

Agency Affected: Public Safety
BRU: Alaska State Troopers
Components: Detachments & CIB

EXPENDITURES/REVENUES: - (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE						

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

No fiscal impact is anticipated.

Prepared by: Francis C. Allan ^{F.C.A.}
Division: Alaska State Troopers
Approved by Commissioner: William R. Nix
Agency: Public Safety

Phone: 269-5691
Date: 2/12/87
Date: 2/17/87

Distribution (by preparer):

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

JNR
2/17/87

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____

Bill Version: House Bill 73
Publish Date: _____

Revision Date: _____
Title: "An Act relating to the penalty for unauthorized use of a motor vehicle".
Sponsor: Rep. Miller by request
Requestor: _____

Agency Affected: Department of Corrections
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

The impact of this legislation would be negligible on the Department of Corrections. Around 50 persons per year are being incarcerated under these sections and they are serving sentences of 1 to 2 years.

Prepared by: Susie H. Riley Phone: 465-3376
Division: Administrative Services Date: 2/04/87

Approved by Commissioner: W. W. Ladwig Date: 2/04/87
Agency: Department of Corrections

Distribution (by preparer):

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

FISCAL NOTE

REQUEST

Revision Date: 3/18/88 Agency Affected: Public Safety
 Title: "An Act relating to the penalty for unauthorized use of motor vehicles" BRU: Alaska State Troopers
 Sponsor: Rep. Miller Components: Detachments & CIB
 Requestor: House Judiciary

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
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 FUNDS						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact is anticipated as a result of this legislation.

Prepared by: Francis C. Allan Phone: 269-5691
 Division: Alaska State Troopers Date: 3/13/88

Approved by Commissioner: *Francis C. Allan* Date: 3-18-88
 Agency: Public Safety

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

H B

85

Unclaimed Property Unit
Foreign Companies Reporting \$750 or less
As of February 1, 1987

Prepared by:
Steven E. Kettel
Audiic Division
February 6, 1987

USX CORPORATION
F. W. WOOLWORTH CO.
ZURICH INSURANCE CO., U.S. BRANCH
COLEMAN COMPANY, INC.
LOUISIANA-PACIFIC CORPORATION
TAISHO MANAGAEMENT CORP.
SPERRY CORPORATION
BANKAMERICA CORPORATION
ITT CORPORATION
NORTHERN LIFE INSURANCE CO.
NATIONAL GENERAL INSURANCE CO.
NATIONAL WESTERN LIFE INSURANCE CO.
NCR CORPORATION
NORTHWESTERN NATIONAL LIFE INSURANCE CO.
PENNSYLVANIA LIFE INSURANCE CO.
PILLSBURY COMPANY, THE
POLAROID CORPORATION

ROCKWELL INTERNATIONAL CORP.
SECURITY LIFE INS. CO. OF AMERICA
SUNSET LIFE INSURANCE CO. OF AMERICA
TEXACO INC. & SUBSIDIARIES
TEXAS GAS TRANSMISSION CORPORATION
TICOR TITLE INSURANCE
TRUST SERVICES OF AMERICA
UNION CARBIDE CORP.
UNITED AIRLINES, INC.
FIRST FARWEST CORP.
FIRST NATIONAL BANK OF ANCHORAGE
FORT CAMPBELL FEDERAL CREDIT UNION
GENERAL ELECTRIC

HERCULES INC.
HONEYWELL, INC.
IDS FINANCIAL SERVICES, INC.
JERMAIN, DUNNAGAN & OWNES, P.C.
LA MEXICANA, INC.
MERCK & CO., INC.
MIDLAND NATIONAL LIFE INSURANCE CO.
MOBIL OIL CORPORATION

WARNER COMMUNICATIONS, INC.
YOSEMITE INSURANCE COMPANY
ZURN INDUSTRIES, INC.
CONOCO, INC.
GEORGIA-PACIFIC CORP (BANK OF AMERICA)
CENVILL INVESTORS, INC.
FUQUA INDUSTRIES, INC.
SAFEWAY STORES, INC.
ARMCO, INC.
MUTUAL PROTECTIVE INSURANCE CO.
NATIONAL HOME LIFE ASSURANCE CO.
NATIONWIDE MUTUAL INSURANCE CO.
NEW HAMPSHIRE INSURANCE GROUP
NORWEST CORP.
PENTAGON FEDERAL CREDIT UNION
PMI MORTGAGE INSURANCE CO.
R. L. POLK & CO.
RAINIER MORTGAGE COMPANY
ROYAL INSURANCE
SHELL OIL CO. AND SUBSIDIARIES
TEACHERS INSURANCE CO.
TEXAS EASTERN CORPORATION
TEXAS INSTRUMENTS INC.
TITLE INSURANCE AGENCY
UAL, INC.
UNIROYAL, INC.
UNITED GUARANTY RESIDENTIAL INS CO OF IOWA
FIRST INTERSTATE BANK OF OREGON, N.A.
FORD AEROSPACE & COMMUNICATIONS CORP.
GENCORP, INC.
GENERAL ELECTRIC MTG INS CORP
HALLIBURTON COMPANY
HOME SAVINGS OF AMERICA
HOUSEHOLD FINANCE CORP & FINANCE SUBS
INVESTORS INSURANCE CORP
KIEWIT HOLDINGS
MANAGMENT & TECHNICAL SERVICES CO.
APCO LIQUIDATING TRUST
MINNESOTA MINING & MANUFACTURING
A.I. CREDIT CORPORATION

ALLEGHENY INTERNATIONAL, INC.
AMERICAN GEN'L LIFE INS. CO. OF DELAWARE
AMP INCORPORATED
ARKANSAS LOUISIANA GAS CO.
B. F. GOODRICH COMPANY, THE
CAMPBELL SOUP COMPANY
CHASE MANHATTAN BANK, N.A.

CITIES SERVICE OIL & GAS CORP.
CONSOLIDATED PAPERS, INC.
CREDIT THRIFT FINANCIAL MANAGEMENT
EASTMAN KODAK COMPANY

EMPLOYERS REINSURANCE CORPORATION

ALLIED-SIGNAL, INC.
AMERICAN LIFE & CASUALTY INS. CO.
ARGONAUT INSURANCE CO.
BECHTEL, INC.
BRUNSWICK CORPORATION
CATERPILLAR, INC.
CHURCH OF JESUS CHRIST OF LATTER-DAY
SAINTS
COLONIAL PENN LIFE INSURANCE COMPANY
CONTROL DATA CORPORATION
DANIEL INTERNATIONAL CORPORATION
EMPLOYERS INSURANCE OF WAUSAU
A MUTUAL COMPANY
FARMERS NEW WORLD LIFE INS. CO.

STATE OF ALASKA THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY LEGISLATIVE REFERENCE LIBRARY

May, 1988

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

Mary Van Nimwegen

H. JUD	2-12-87	1:30 p.m.
H. JUD	2-11-87	1:30 p.m.
H. JUD	2-10-87	1:30 p.m.

HOUSE COMMITTEE REPORT

(7)

Date referred: /30/87

FURTHER REFERRALS: Finance

DATE: 2-12-87

The Judiciary Committee has considered HB 85

"An Act relating to reporting of unclaimed intangible property; and providing for an effective date."

RECOMMENDS:

- replace with C.S. HB 85 (Judiciary) the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

[Signature]

Walter L. Taylor

James H. Baker

Mike Savane

Max F. Gruenberg

SIGNING OTHER RECOMMENDATIONS:

John Ulmer. no rec

Jim Gosh. no rec

[Signature]

Chairman's signature

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 85 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to reporting of unclaimed property;
7 and providing for an effective date."

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

9 * Section 1. AS 34.45.280(f) is amended to read:

0 (f) The requirements of this section do not apply to the holder
1 of gift certificates and credit memos that are [INTANGIBLE PROPERTY
2 THAT IS] presumed abandoned under AS 34.45.240 [AS 34.45.110 - 34.45.-
3 780] during the year preceding June 30 of each year if the total
4 aggregate value of the certificates and memos [INTANGIBLE PROPERTY] is
5 less than \$100 [\$750].

6 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).
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5-0417B
Bannister
2/11/87

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 85 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

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12 THAT IS] presumed abandoned under AS 34.45.240 [AS 34.45.110 - 34.45.-
13 780] during the year preceding June 30 of each year if the total
14 aggregate value of the certificates and memos [INTANGIBLE PROPERTY] is
15 less than \$250 [\$750].

16 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).
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JUDICIARY COMMITTEE SUBSTITUTE RECOMMENDED BY NFIB/ALASKA

IN THE HOUSE

HOUSE BILL NO. 85

IN THE LEGISLATURE OF THE STATE OF ALASKA

FIFTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to reporting of unclaimed intangible property; and providing for an effective date."

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

* Section 1. AS 34.45.280(f) is amended to read:

(f) The requirements of this section do not apply to the holder of intangible property that is presumed abandoned under AS 34.45.110-34.45.780 during the year preceding June 30 of each year if

(1) the total aggregate value of the intangible property is less than \$100; or
→ (2) with the exception of dividends, the intangible property is of the type identified in AS 34.45.760(10)(A)(i) and (ii) and the total aggregate value of the property is less than \$750.

* Sec. 2. This act takes effect immediately in accordance with AS 01.10.070(c).

STATEMENT IN SUPPORT OF RECOMMENDED CSHB 85
PREPARED BY NFIB/ALASKA
FOR THE JUDICIARY COMMITTEE HEARING
FEBRUARY 9, 1987

The proposed CS for HB 85 is intended to resolve two problems in the Unclaimed Property Act enacted in the 1986 legislative session.

First, the Department of Revenue is concerned that out of state corporations will not account for and pay over to the state the unclaimed dividends and stock shares and other similar property because many of them would fall under the broad exemption of \$750.00 in any one year. The proposed CS would reduce the exemption for dividends, stock shares and similar property to \$100.00 but would retain the \$750.00 exemption on the large group of other unclaimed property as defined in the act which occurs for businesses actually doing business in Alaska. The NFIB/Alaska membership strongly support retaining the annual \$750.00 exemption for business operations related unclaimed property.

Second, the Unclaimed Property Act did not incorporate any exemption other than the broad \$750.00 exemption. The proposed CS includes an exemption of \$100 which would apply to unclaimed dividends, stock shares and similar property. This exemption is proposed because the state must recognize that the businesses who are required to maintain the records of unclaimed property incur substantial costs in maintaining the records over the several year period required in the law. Also, it recognizes that the state also incurs costs of recording and accounting for all property reported and subsequently turned over to it. As everyone clearly realizes, employee salaries and benefits as well as the necessary filing and computers systems all have significant price tags. This \$100 exemption would save businesses the costs of continued accounting, reporting and payment and also save the state the costs of accounting, advertising and filing the reports on the unclaimed property.

BALLOT

National Federation of Independent Business

© 1986 Institute for Enterprise Advancement

P.O. Box 210194
Anchorage, AK 99521

Important Notice:

NFIB has commissioned the Institute for Enterprise Advancement to gather and publish valuable information from NFIB members pertaining to small business issues in your state.

The effectiveness of this survey will be enhanced by returning the entire ballot. Thank you for your participation.

TAXES/FISCAL:

Gross Receipts Tax

1. Should a gross receipts tax be enacted which would be separately added on the retail selling price of goods or services?
 Yes No Undecided
 1 10% 2 86% 3 4% 4

BACKGROUND: On the 1986 NFIB/Alaska State Ballot, the membership vote regarding the imposition of new taxes indicated overwhelmingly that the least desired tax was a traditional gross receipts tax. However, it has been suggested by state officials that a gross receipts tax should be enacted that would be added on to a retail sale of goods or services in the same way that a sales tax is. This is

presently being done in at least one other state. The adoption of a state sales tax is strongly supported by the NFIB/Alaska membership, with over 50 percent favoring such a tax.

Proponents of enacting a separately computed gross receipts tax acknowledge that it is really a sales tax being called by a different name. However, they counter that the Alaska Legislature has historically felt that a sales tax should be reserved for local governments. While the difference is primarily in name only, the potential for adoption will be enhanced to some degree because of the fact that it will be

called a gross receipts tax. A state gross receipts tax at a nominal rate of one to two percent would raise significant revenues and would have little or no effect on the imposition of a sales tax by local governments.

Opponents contend that it should be readily apparent to all legislators that a separately computed gross receipts tax is really a sales tax, and that the Legislature should continue to maintain its historical position of reserving the sales tax for local governments. This is especially critical in light of the current fiscal situation in Alaska, which is the result of the dramatic decline in state revenues.

Abandoned Property

2. Should all businesses be exempt from reporting and paying to the state of Alaska the first \$750.00 of abandoned property each year?
 Yes No Undecided
 1 73% 2 13% 3 14% 4

2a. Should all businesses be exempt from reporting and paying to the state of Alaska for the first \$750.00 of abandoned property each year except for unclaimed corporate dividends and shares of stock?
 Yes No Undecided
 1 58% 2 23% 3 19% 4

BACKGROUND: This issue is one on which the NFIB/Alaska membership has never voted and which could have a significant impact on most businesses. The issue has been split into two questions in order to determine the position of NFIB/Alaska members on the legislation as passed in 1986 and also on a possible amendment that will be proposed during the 1987 legislative session.

The bill enacted by the Legislature in 1986

provides that all tangible property in the possession of a business that is unclaimed for five years will have to be accounted for, reported, and subsequently paid to the state, unless the total unclaimed property has a value of less than \$750.00 in any one year.

As defined by the law, unclaimed property includes money, checks, drafts, deposits, interest, dividends, credit balances, customer overpayments, gift certificates, security deposits, refunds, credit memos, unpaid wages, and unidentified remittances, as well as a variety of other types of tangible property.

NFIB/Alaska has been advised that the Department of Revenue will be attempting to modify the exemption provision because of an anticipated loss of revenue to the state. It is expected that the amendment which will be proposed would delete unclaimed corporate dividends and shares of stock from the \$750.00 annual exemption.

Proponents of the proposed legislation will argue that the state is losing many thousands of dollars and, perhaps, hundreds of

thousands of dollars because of the \$750.00 annual exemption. They will point out that the stock of thousands of corporations is owned by residents of Alaska. Any time that a dividend of such a corporation is not deliverable and the last known address is in Alaska, the corporation is required to account for and turn the unclaimed dividend over to the state. The same is true for any outstanding shares of stock when a company has not been able to contact a stockholder for five years.

They do not know the extent of revenue loss that will result from the current exemption. They maintain that rather than attempting to change the law, supporters of the proposal should wait three or four years until they have some hard data on the actual loss to the state.

Opponents also contend that the estimated loss of hundreds of thousands of dollars is greatly exaggerated, and that the revenue loss will probably be only a few thousand dollars, which is, in all likelihood, less than the cost of a keeping the records necessary to account for the property.

Interest Rate Limitations

3. Should the interest rate on retail installment sale contracts be set at 18 percent?
 Yes No Undecided
 1 29% 2 56% 3 15% 4

4. If the 18 percent interest rate on retail installment contracts is approved, should that interest rate also apply to business

charge accounts and credit card accounts regardless of the outstanding balance?
 Yes No Undecided
 1 35% 2 52% 3 13% 4
 (continued)



NFIB National Federation
of Independent Business

The Guardian of Small Business.

March 5, 1987

March 5, 1987

TO: The Honorable John L. Sund
Alaska House of Representatives

SUBJECT: HB 85-KEY SMALL BUSINESS VOTE

FROM: Gary L. Jenkins, Dir., Gov't Relations
NFIB/Alaska

We urge you to carefully consider the impact of this issue on the businesses in your district when you vote on this bill. Your vote on this very important issue will be reported to our membership in your district. Our position is based on the vote of our Alaska members.

ISSUE: Repeal of the Alaska small business \$750.00 exemption in the Unclaimed Property Act.

NFIB POSITION: We strongly oppose the original Governor's bill as well as the Judiciary Committee CS and urge you to vote "No".

SUMMARY STATEMENT. We oppose this legislation for the following reasons:

1. It will cost Alaska businesses \$5,750,000 (\$100 per business per year) to comply but will generate only \$500,000 in revenue per the Dept. of Revenue.
2. Regarding uniformity with other states, all other state legislatures have exercised the prerogative of making modifications to the Act. The exemption for Alaska small businesses is not detrimental to the effective operation of the Act.
3. Alaska adopted all the interest and civil penalty provisions of the income tax law as well as specific criminal penalties which will apply to those small businesses who do not comply with the Act. These are very harsh penalties for failing to account for a \$30.00 deposit or a \$25.00 customer overpayment. Do you really want to impose these penalties on every business in your district?
4. The Judiciary CS only confuses the issue since it identifies only two kinds of unclaimed property which will be exempted up to the \$100.00 limit proposed in the CS. The exemption of \$750.00 in present law should be retained.

For further information, feel free to contact the NFIB/Alaska office.

NFIB/ALASKA
Legislative Office
P.O. Box 210194
Auke Bay, AK 99821
907/586-4100

MEMORANDUM

3/6/87

TO: SUND
FROM: HARTLE
RE: HB 85

JH

1. JUDICIARY COMMITTEE HEARD HB 85 ON 2/10, 2/12
 - A. PASSED OUT A CS
2. 2 PEOPLE TESTIFIED ON THE BILL:
 - A. STEVE KETTLE, AUDIT DIVISION, DEPT OF REVENUE
 - B. GARY JENKINS, NATIONAL FEDERATION OF INDEPENDANT BUSINESS
 - 1) (ON OPPOSITE SIDES OF ISSUE)
3. PURPOSE OF THE BILL - UNITE CONSUMERS WITH THEIR MONEY
 - A. REPEAL REPORTING THRESHHOLD IN UNCLAIMED PROPERTY ACT
 - 1) NOW AT \$750 FOR ALL TYPES OF UNCLAIMED PROPERTY
 - a) STOCK CERTIFICATES
 - b) BANK ACCOUNTS
 - c) CREDIT MEMOS
4. JUDICIARY CS - AN ATTEMPT AT COMPROMISE
 - A. LEAVES A THRESHHOLD OF \$100.- ONLY FOR GIFT CERTIFICATES AND CREDIT MEMOS
 - B. ALL OTHER UNCLAIMED PROPERTY REPORTABLE
 - C. \$100 AS HIGH AS COMMISSIONER MALONE WOULD GO
5. ARGUMENTS FOR BILL:
 - A. A CONSUMER BILL + REVENUE MEASURE (\$500,000/YR EST)
 - B. A UNIFORM ACT - WE'RE ONLY STATE WITH A THRESHHOLD
 - C. \$750 TOO HIGH
 - D. ALASKANS USE CATALOG STORES MORE THAN OTHER STATES
6. ARGUMENTS AGAINST BILL:
 - A. ANOTHER REPORTING REQUIREMENT FOR BUSINESS

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST _____
 Revision Date: 2/3/87
 Title: An act relating to reporting of unclaimed intangible property.
 Sponsor: _____
 Requestor: Judiciary and Finance

Bill Version: HB 85
 Publish Date: 1/30/87
 Agency Affected: Revenue
 BRU: Audit
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
CAPITAL	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
REVENUE	500.0	500.0	500.0	500.0	500.0	500.0

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: See attached.

Prepared By: Steven E. Kettel *Steven E. Kettel* Phone: 465-2320
 Division: Audit Date: 2/3/87

Approved by Commissioner: Hugh Malone *Hugh Malone* Date: 2/4/87
 Agency: Revenue

Distribution (by Agency preparing fiscal note):

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

Fiscal Note Analysis
HB 85

During the final hours of the 1986 legislative session, an amendment to the Uniform Act was offered by a local businessman. The amendment, AS 34.45.280(f) exempts holders of unclaimed property and abandoned property from filing a report with the Department if the total amount held is less than \$750.00. The Department was not given an opportunity to testify on the amendment and would have been in extreme opposition to it. The Uniform Act was adopted primarily to give this State the authority to require holders located outside this State to turn over property held for persons with a last known address in Alaska. We believe millions of dollars are held by thousands of financial institutions, often in increments much less than the \$750.00 minimum contained in 280(f). Retaining this amendment will preclude the State, and eventually its citizens, from being reunited with hundreds of thousands of dollars of their property. Repeal of this section must be enacted immediately before holders become accustomed to its provisions allowing them exemption from filing a report.

109 of 193 holders that filed a 1986 report with the Department were lower 48 companies that paid less than \$750.00 each. Much of the property being reported to us consists of dividends paid to shareholders on the company's stock. The state is entitled to receive these unclaimed dividends annually and after seven dividends are abandoned the underlying shares are also subject to being reported to the State. These companies, many of them Fortune 500 companies, represent the "tip of the iceberg" as far as the number of foreign corporations and businesses that should be reporting unclaimed property to us. Many others are not yet aware of our new legislation. However, because of the number of requests we have received for copies of our law, we also believe that hundreds of companies have not exceeded the \$750 threshold and have legally not filed a report this year. Interestingly, only five Alaska corporations with unclaimed property of less than \$750.00 have reported it to us.



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 29, 1987

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to reporting of unclaimed intangible property.

The Uniform Unclaimed Property Act, promulgated in 1981 by the National Conference of Commissioners on Uniform State Laws, was enacted in Alaska last year (ch. 133, SLA 1986). During the hectic final days of the 1986 legislative session, two amendments to the bill proposing the Uniform Act were adopted to exempt holders of unclaimed and abandoned intangible property from filing a report with the Department of Revenue if the total amount held by a particular holder is less than \$750. (See AS 34.45.280 and compare sec. 17 of the Uniform Act.) Those two amendments, significantly increasing the breadth and depth of AS 34.45.280(f)'s exemption (already in the then pending, but not the original, version of the bill), grossly intensified the problem of AS 34.45.280(f) itself. I am convinced that their effect was not fully analyzed before adoption. The most appropriate solution is the complete repeal of AS 34.45.280(f), and that is what this bill does.

Not only is AS 34.45.280(f) inconsistent with the Uniform Act, retaining it would preclude the state and eventually the people of the state from being reunited with hundreds of thousands of dollars of property. It is important that this subsection be repealed at the earliest possible date, before holders of unclaimed property become accustomed to its exemption and get in the habit of not filing a report for this property.

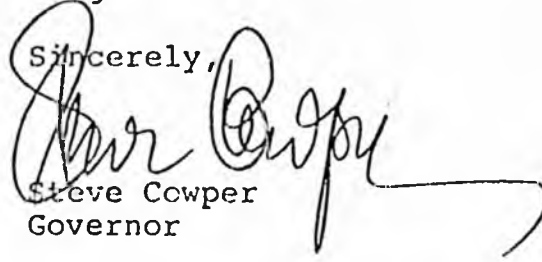
One primary reason for enacting the Uniform Act was to give the state the authority to require holders located outside of this state to turn over property held for persons with a last known address in this state. It is believed that millions of dollars are held by thousands of out-of-state

11/75

businesses, especially banks and other financial institutions, in amounts less than the \$750 specified in AS 34.45.280(f). Repeal of that subsection would enable the state to reclaim most of that money.

For the good of the state and its people, and to help provide uniformity with other states enacting the Uniform Act, I strongly urge your prompt passage of this bill.

Sincerely,

A handwritten signature in cursive script, appearing to read "Steve Cowper", with a long horizontal flourish extending to the right.

Steve Cowper
Governor

H B

H B

8

6

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 29, 1987

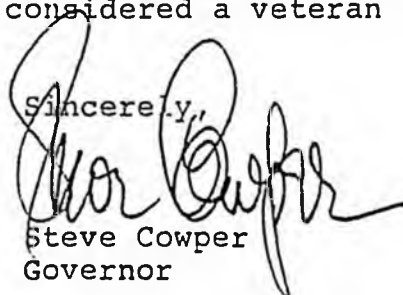
The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the definition of "veteran" for purposes of veterans' preference rights for state employment. This bill conforms the current definition of "veteran" found in AS 39.25.150(19)(A) to the federal definition in 5 U.S.C. sec. 2108.

In essence, the bill extends the period of time of active duty in the United States armed forces which qualifies an individual as a veteran for employment preference. The Alaska statute currently sets November 7, 1975 as the service cut-off date for qualifying as a veteran, while federal law establishes October 14, 1976 as the date. The bill amends AS 39.25.150(19)(A) to reflect the October 14, 1976 date, thereby conforming the federal and state periods of service for being considered a veteran to receive employment preference rights.

Sincerely,



Steve Cowper
Governor

House Bill 86: An Act relating to the definition of veteran for purposes of veterans' employment preference rights.

Number 240

Dick Rountree, Director of Administrative Services in the Department of Military and Veterans Affairs, gave background information on HB 86.

Number 266

Pete Carran from the Division of Personnel in the Department of Administration testified that the \$1,700 fiscal note for HB 86 would be to advertise the change in definition of "Veteran".

Number 290

Representative Donley asked about public service ads.

Number 300

Mr. Carran said they would take advantage of all public service advertising but feel display ads will be necessary to reach everyone. He testified that there is no statutory requirement to advertise.

Number 335

Mr. Rountree testified that veterans organizations would make the change known to their members.

Number 380

Representative Menard moved the bill with individual recommendations and a zero fiscal note. Representative Davidson objected. The bill passed with a zero fiscal note with Representatives Menard, Ulmer, Donley, and Martin signing do pass and Representative Davidson signing do pass with with original fiscal note.

Number 410

Discussion followed with Representative Ulmer stating that the committee would have the permanent Commissioner of Public Safety before the State Affairs Committee when he is appointed.

Number 429

The meeting was adjourned at 4:15 pm.

STATE OF ALASKA
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

May, 1988

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

Mary Van Nimwegen

H. JUD.	3-11-87	1:30p.m.
H. JUD.	2-19-87	1:30p.m.

HOUSE COMMITTEE REPORT

(7)

Date referred: 2/11/87

FURTHER REFERRALS: Finance

DATE: 2-19-87

The Judiciary Committee has considered HB 86

"An Act relating to the definition of veteran for purposes of veterans' employment preference rights."

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

[Handwritten signatures]

SIGNING OTHER RECOMMENDATIONS:

[Handwritten signature]

Chairman's signature

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: 02/09/87

Bill Version : HB 86
Publish Date : _____

Revision Date: Definition of "Veteran"

Agency Affected : Administration

Title : _____

BRU : Personnel

Sponsor : Rules Committee

Components : _____

Requestor : Governor

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONNEL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS : (Attach a separate page if necessary)

The State Affairs Committee intends for all advertising to be done through public service announcements and veterans organizations.

Prepared by: Fran Ulmer, Chair

Phone : 465-4963

Division : House State Affairs Committee

Date : February 9, 1987

Approved by Commissioner : _____

Date : _____

Agency : _____

Distribution (by preparer) :

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

HB 86

REQUEST
Bill/Resolution No.:
Title: Definition of veteran for
purposes of employment preference

Revision Date: _____
FISCAL DETAIL
Agency Affected: Administration
BRU: Personnel

Sponsor: _____
Requestor: _____
Date of Request: _____

Components: Personnel

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0.0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0.0	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	0.0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0.0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: Attach a separate page if necessary Cost of running 2" x 4" display ad in newspapers around the state to notify applicants of the change--\$1,700. Assumes an effective date in FY 87.

Prepared By: Frank Raye Phone: 465-4430
Division: Personnel Date: _____

Approved by Commissioner: Eleanor Andrews Date: _____
Agency: Department of Administration

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

1/30/87

Revision Date:

REQUEST

Bill/Resolution No.: Law Log #773-87-0002
Title: Definition of "Veteran"

Sponsor: Rules Committee
Requestor: Governor
Date of Request:

FISCAL DETAIL

Agency Affected: Military & Veterans Affairs
BRU:

Components:

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

No fiscal impact on this department.

Prepared by: Richard L. Rountree, Director
Division: Administrative & Support Services

Phone: 465-4600
Date: 10/13/86

Approved by Commissioner: MG Edward G. Pagano
Agency: Dept. of Military & Veterans Affairs

Date: 10/13/86

Distribution (by Agency preparing fiscal note):

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

HOUSE COMMITTEE REPORT

(7)

Date referred: 1/30/87

FURTHER REFERRALS: Judiciary
Finance

DATE: 2-9-87

The State Affairs Committee has considered HB 86

"An Act relating to the definition of veteran for purposes of veterans' employment preference rights."

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

[Signature]

[Signature]

[Signature]

[Signature]

SIGNING OTHER RECOMMENDATIONS:

Cliff Davidson (do pass w/ original fiscal note)

[Signature]
Chairman's signature

H

B

8 8

Sec. 45.50.531. Private and class actions. (a) A person who purchases or leases goods or services and thereby suffers an ascertainable loss of money or property, real or personal, as a result of another person's act or practice declared unlawful by AS 45.50.471, may bring a civil action in the judicial district in which the seller or lessor resides or has the principal place of business or is doing business, to recover actual damages or \$200, whichever is greater. The jury or, if the action is tried without a jury, the judge may, in cases of wilful violation, award up to three times the actual damages sustained, and in all cases the court may provide equitable relief it considers necessary or proper.

(b) A person entitled to bring an action under this section may, after investigation by and approval of the attorney general, if the unlawful act or practice has caused similar injury to numerous other persons similarly situated and if the person adequately represents the similarly situated persons, bring an action on behalf of the person and other similarly injured and situated persons to recover actual damages. A person planning to bring an action under this subsection shall first submit to the attorney general a copy of the proposed complaint, and the person may not file the complaint in court without the attorney general's approval. In an action brought under this subsection, the court may in its discretion order, in addition to damages, injunctive or other equitable relief.

(c) Upon commencement of an action brought under this section the clerk of the court shall mail a copy of the complaint or other initial pleading to the attorney general and, upon entry of an order or judgment in the action, shall mail a copy of the order or judgment to the attorney general.

(d) In an action brought by a person under this section, the court may award, in addition to the relief provided in this section, reasonable attorney fees and costs.

(e) A permanent injunction or final judgment against a person against whom an action was initiated under AS 45.50.501 is prima facie evidence in an action brought under this section that the person used or employed an act or practice declared unlawful by AS 45.50.471.

(f) A person may not commence an action under this section more than two years after the person discovers or reasonably should have discovered that the loss resulted from an act or practice declared unlawful by AS 45.50.471.

(g) If the court finds for the defendant in an action brought under this section, it may award the defendant an amount equal to the actual costs and attorney fees the defendant incurred in the defense.

(h) Manufacturers or suppliers of merchandise, the fault of which is the basis for the action under this chapter, are liable for the damages assessed to or suffered by retailers charged under this chapter. (§ 2 ch 246 SLA 1970; am § 1 ch 225 SLA 1976)

repealed

*filter
removed*

repealed

P

Δ

STATE OF ALASKA THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY LEGISLATIVE REFERENCE LIBRARY

May, 1988

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

Mary Van Nimwegen

H. JUD.	3-24-87	1:30p.m.
H. JUD.	3-11-87	1:30p.m.

DATE: 3-24-87

The Judiciary Committee has considered HB 88

"An Act relating to private causes of action by businesses under the Alaska Unfair Trade Practices and Consumer Protection Act; and providing for an effective date."

RECOMMENDS:

- replace with CS HB 88 (Judiciary) the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published 11/30/87
- zero with analysis

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

See C.T. memo

 Chairman's signature

MEMORANDUM

DATE: March 24, 1987
TO: Members, House Judiciary Committee
FROM: Max F. Gruenberg, Jr.
RE: Sectional Analysis of C.S. for HB 88 (Judiciary)

Title

The bill's title has been broadened to cover the changes made in the committee substitute.

Sec. 1

AS 45.50.531(a) has been amended to accomplish the original purpose of the bill, allowing persons whose business is injured by a violation of AS 45.50.471 to bring suit under the act, without creating a new paragraph "(i)." Other changes remove unnecessary language and clarify subsection (a).

Sec. 2

AS 45.50.531(g) is amended to allow actual costs and attorney's fees to either party prevailing in an action brought under this act. Presently only prevailing defendants are entitled to actual costs and fees.

Sec. 3

AS 45.50.531(h) is amended only to clarify the language of this subsection.

Sec. 4

AS 45.50.531(b) has been repealed because class actions are covered under Civil Rule 23 and it is inappropriate and impracticable to require the attorney general's approval for the maintenance of a civil action under this act.

AS 45.50.531(d) is repealed because plaintiff's attorney's fees are now covered by subsection(g).

Letter of Intent to Accompany C.S. HB 88 (Judiciary)

AS 45.50.531 (a) has been amended to allow persons whose business has been injured by a violation of AS 45.50.471 to bring suit under the act.

AS 45.50.531 (b) has been repealed because Civil Rule 23 allows class actions. AS 45.50.531 (b) is not necessary.

AS 45.50.531(d) is repealed because costs and attorney's fees are now covered under AS 45.50.531(g) as amended.

not needed

Adopted

WORK DRAFT

WORK DRAFT

WORK DRAFT

wo0587hB
Bannister
3/23/87

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 88 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to private and class actions under
7 the Alaska Unfair Trade Practices and Consumer Pro-
8 tection Act."

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

10 * Section 1. AS 45.50.531(a) is amended to read:

11 (a) A person who [PURCHASES OR LEASES GOODS OR SERVICES AND
12 THEREBY] suffers an ascertainable loss of money or property [, REAL OR
13 PERSONAL,] as a result of another person's act or practice declared
14 unlawful by AS 45.50.471 [,] may bring a civil action [IN THE JUDICIAL
15 DISTRICT IN WHICH THE SELLER OR LESSOR RESIDES OR HAS THE PRINCIPAL
16 PLACE OF BUSINESS OR IS DOING BUSINESS,] to recover actual damages or
17 \$200, whichever is greater. The court [JURY OR, IF THE ACTION IS
18 TRIED WITHOUT A JURY, THE JUDGE] may, in cases of wilful violation,
19 award up to three times the actual damages sustained. The [, AND IN
20 ALL CASES THE] court may provide other [EQUITABLE] relief it considers
21 necessary and [OR] proper.

22 * Sec. 2. AS 45.50.531(g) is repealed and reenacted to read:

23 (g) In an action brought under this chapter, the court may award
24 the prevailing party, the actual costs and attorney fees incurred by
25 the party. *all or a portion of*

26 * Sec. 3. AS 45.50.531(h) is repealed and reenacted to read:

27 (h) If the basis for the action is the fault of the manufacturer
28 or supplier of the merchandise, the manufacturer or supplier who is at
29 fault is liable for the damages awarded against the retailer under

1 this chapter.

2 * Sec. 4. AS 45.50.531(b) and ~~(d)~~ are repealed.
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wo0587hB
Bannister
3/18/87

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 88 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to private and class actions under
7 the Alaska Unfair Trade Practices and Consumer Pro-
8 tection Act."

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

10 / * Section 1. AS 45.50.531(a) is amended to read:

11 (a) A person who [PURCHASES OR LEASES GOODS OR SERVICES AND
12 THEREBY] suffers an ascertainable loss of money or property, [REAL OR
13 PERSONAL,] as a result of another person's act or practice declared
14 unlawful by AS 45.50.471, may bring a civil action [IN THE JUDICIAL
15 DISTRICT IN WHICH THE SELLER OR LESSOR RESIDES OR HAS THE PRINCIPAL
16 PLACE OF BUSINESS OR IS DOING BUSINESS,] to recover actual damages or
17 \$200, whichever is greater. The court [JURY OR, IF THE ACTION IS
18 TRIED WITHOUT A JURY, THE JUDGE] may, in cases of wilful violation,
19 award up to three times the actual damages sustained. The [, AND IN
20 ALL CASES THE] court may provide other [EQUITABLE] relief it considers
21 necessary and [OR] proper.

22 * Sec. 2. AS 45.50.531(h) is amended to read:

23 (h) Manufacturers or suppliers of merchandise, the fault of
24 which is the basis for the action under this chapter, are liable for
25 the damages awarded against [ASSESSED TO OR SUFFERED BY] retailers
26 [CHARGED] under this chapter.

27 * Sec. 3. AS 45.50.531(b), ^{a-z}(d), [~~and (g)~~] are repealed.
28
29

HOUSE AMENDMENT

1

TO: CS HB 88 (Jud.)

BY: Fettyjohn

Page 1 Line 24

after "party" insert:

"all or a portion of"

Adopted

Submit original amendment to the Chief Clerk.
It will then be numbered and duplicated.

HOUSE AMENDMENT

TO: CS HB 45 (L&C)

BY: Rep. Donley

Page 2, after line 8, insert a new bill section to read:

"* Sec. 4. AS 36.30.930 is amended by adding a new subsection to read:

(3) A person may file a civil action against a person or entity, including the state, an instrumentality of the state, or an officer or employee of the state acting in an official capacity, for damages due to failure to carry out a policy established under this section. A court, in issuing a final order in an action brought under this section, may award costs to the prevailing party."

Renumber remaining sections accordingly.

**Submit original amendment to the Chief Clerk.
It will then be numbered and duplicated.**

Introduced: 1/30/87
Referred: Labor & Commerce
and Judiciary

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 88

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to private causes of action by
7 businesses under the Alaska Unfair Trade Practices
8 and Consumer Protection Act; and providing for an
9 effective date."

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

11 * Section 1. AS 45.50.531 is amended by adding a new subsection to
12 read:

13 (i) A/business/person whose business is injured and who suffers
14 an ascertainable loss of money or real or personal property as a
15 result of a competitor's act or practice declared unlawful by AS 45.-
16 50.471, may bring a civil action to recover actual damages. The jury,
17 or, if the action is tried without a jury, the judge, may, in cases of
18 wilful violation, award up to three times the actual damages sus-
19 tained. In all cases the court may provide equitable relief it con-
20 siders necessary or proper.

21 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
22 10.070(c).

define:

granted

*Who awards damages
judge or
jury*

HOUSE COMMITTEE REPORT

2/37

(7)

Date referred: 1/30/87

FURTHER REFERRALS: Judiciary

DATE: 2/26/87

The Labor & Commerce Committee has considered HB 88

"An Act relating to private causes of action by businesses under the Alaska Unfair Trade Practices and Consumer Protection Act; and providing for an effective date."

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published 1/30/87
- zero with analysis

SIGNING DO PASS:

W. Paul Douley

Cliff Dawson

John A. Broun

John F. Johnson

SIGNING OTHER RECOMMENDATIONS:

Walt Furman

W. Paul Douley
Chairman's signature

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 29, 1987

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that makes clear the right of a business to bring a private civil action to enjoin, or to recover for damages caused by, a competitor's unfair trade practice.

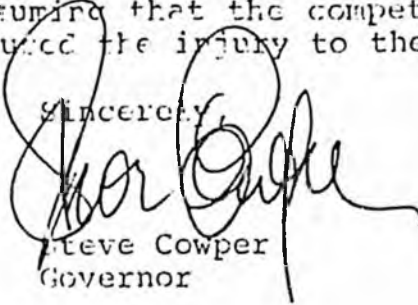
Consumers have a private cause of action for violations of Alaska's Unfair Trade Practices and Consumer Protection Act (UTP Act) but businesses do not, even if harmed by the unfair or deceptive acts or practices of a competitor. Therefore, under present law, only the state (by the attorney general) can bring an action for injunctive relief to stop the unfair trade practices. Private enforcement by businesses aids the attorney general's enforcement efforts.

Specifically, this bill amends AS 45.50.531 to provide that a business that is injured has a private cause of action against the competitor. This cause of action may be inferred in the current UTP Act, but, in order to enhance the rights of private business competitors to guard their own place in the market against unfair competition, a clearly spelled-out private cause of action for the injured competitor is needed. Businesses that often have the resources to pursue private causes of action should not have to depend on state action to stop unfair practices by their competitors.

This would be a desirable change in the statute from a budgetary viewpoint as well. In a slowdown economy, the need for additional state enforcement efforts might also increase; coupled with decreases in revenue, adequate enforcement levels may not be possible. To some extent, this problem might be avoided by allowing private enforcement of the Act. Regularly the consumer protection section of the Department of Law receives calls and complaints from businesses that are concerned about the actions

of their competitors. While the state may act on those cases to stop any violations of law, the state is not, nor should it be, in a position to recover any damages for the honest competitor that is harmed. Nevertheless, the honest competitor should have a remedy that would encourage the seeking of such damages, assuming that the competitor could prove that the violations caused the injury to the business.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cowper", written over the word "Sincerely,".

Steve Cowper
Governor

MS 88 1/30/87

STATE OF ALASKA 1987 LEGISLATIVE SESSION FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No. : _____
Title: "...relating to private causes of action by businesses under the Alaska Unfair Trade Practices & Cons. Prot. Act"
Sponsor: House Rules/Request of the Gov.
Requestor: Office of the Governor
Date of Request: November 3, 1986

FISCAL DETAIL

Agency Affected: Department of Law
BRU: Consumer Protection
Components: Consumer Protection

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

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

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

FUNDING : (Thousands of Dollars)

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

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

- Please see attached. -

Prepared by: Richard I. Pegues, Director
Division: Administrative Services

Phone: 465-3672
Date: 11/05/86

Approved by Commissioner: Harold M. Brown, (Attorney General)
Agency: Department of Law

Date: 11/05/86

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. _____

This bill amends AS 45.50.531 to provide that a business, that is injured by a competitor's unfair trade practice, has a private cause of action against that competitor, under Alaska's Unfair Trade Practices and Consumer Protection Act. Currently, only the state can bring an action to stop unfair trade practices. In view of substantial reductions to the state's consumer protection program, extending a private cause of action to businesses, to cure unfair trade violations, will help avoid some of the increase in unfair trade practices that often occurs during an economic downturn.

H

B

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US Department
of Transportation
**United States
Coast Guard**



Commander
Seventeenth Coast Guard District

P.O. Box 3-5000
Juneau, AK 99802 -1217
Staff Symbol: (b)
Phone: (907) 586-7467

16750
12 February 1987

The Honorable B. Cato
Alaska House of Representatives
P. O. Box V
Juneau, AK 99801

Dear Representative Cato:

These statistics were obtained from various states concentrating on when they adopted their Safe Boating Law, annual fatalities, and most important the number of registered boats. In some cases, although the number of fatalities did not decrease, they remained level while the number of registered boats increased drastically.

Year Passed	State, Reg Boats and Fatalities That YR	1985 Reg Boats and Fatalities
1972	Arizona 62,912(6)	111,702(6)
1974	Delaware 27,251(7)	39,875(2)
1974	Florida 248,898(82)	537,086(65)
1977	South Carolina 160,336(41)	221,322(17)

Similar statistics continue for other states. A State Education Program has a positive effect on reducing fatalities even in the face of increased boating activity.

Thank you for any support you can lend to this effort in Alaska. Enclosed are copies of this letter for all House Transportation Committee members.

Sincerely,

G. M. HARBEN
Commander, U. S. Coast Guard
Chief, Boating Safety Division
Seventeenth Coast Guard District

Encl: (1) Copies of CDR HARBEN ltr 16750 of 12 FEB 87

ENCLOSURE(1)

HOUSE TRANSPORTATION COMMITTEE

HB 94

SAFE BOATING BILL.

CDR G. M. HARBEN, USCG

CDR D. M. WALDRON, USCG

Since the turn of the century, boating has steadily grown to become one of the nation's most popular pastimes.

Correspondingly, the boating accident statistics have also grown. As the years went by the Congress enacted several pieces of legislation to deal with the growing problem. Finally, on August 10, 1971, the Federal Boat Safety Act was signed into law establishing minimum standards which would provide the public with reasonably safe boats and equipment. At the same time the Act stressed the need for the individual states to enact equivalent legislation of their own, thus motivating the public to boating safety awareness through public education and operator and equipment requirements.

With the enactment of the Federal Boat Safety Act of 1971, the vast majority of states have recognized the inherent dangers associated with boating and during the ensuing years, 49 states have enacted boating safety legislation which squarely faced the problems head on. Their actions and subsequent programs have significantly turned the tide of rising boating accidents and deaths within their states. These programs have received national acclaim for the advancements that have been made in the field of boating safety education and public protection.

To better coordinate their activities among themselves, the National Association of State Boating Law Administrators (NASBLA) was formed to serve as a viable public forum for reviewing and improving upon the federally approved state boating programs.

In Alaska, the only state where there is no Federally approved state boating program, the Coast Guard acts as the boating law administrator for areas that fall under Federal jurisdiction. Consequently, because of this very limited Federal Boating Safety Program, Alaska's boaters are paying dearly through personal injury, loss of life and loss of property. In 1985 70 people lost their lives in recreational boating accidents, 70% of these tragedies occurred on inland Alaskan waters such as lakes, rivers and sheltered waters.

This was second only to motor vehicle fatalities as the largest category of accidental deaths. When this figure is compared with the rest of the United States, Alaska has by far the worst boating record --- over 40 times the National average. Only California (76) and Texas (72) had more fatalities and these states have 24 times the number of registered boats.

Another thing to be remembered in the case of California, is that the boating season in many areas of the state lasts year round, unlike Alaska, which has a boating season of 6 months or less.

It is evident from these statistics that Alaska has a severe boating problem when compared to the rest of the United States. What can we do to solve this problem or at least bring it under control?

The most effective and proven means for dealing with this problem

would be to legislate a comprehensive state boating safety program.

How is a state boating safety program going to change Alaska's unenviable record of boating activity?

First of all, it will identify and charge a state agency with the responsibility for implementing a coordinated boating safety program. Not just another law enforcement program of the Department of Public Safety, but more importantly a means to implement a comprehensive public education program.

Why an education program?

With a state as vast as Alaska the emphasis needs to be focused on public education. The resources and expertise of the Department of Education would be utilized to assist in the development and operation of a public education program. In addition, the Coast Guard can be called upon for assistance, training and advice for program development in order to establish effective programs.

How would public protection be handled with the new law?

In addition to the education program, incorporation of the Federal boating regulations into the state boating law would provide procedures and policies for dealing with violators, as well as provide for the minimum operator requirements for safety equipment

and boat operation. Specific sections of the act will empower state law enforcement officials with the necessary authority to carry out its provisions. Existing manpower from the Alaska State Troopers and the Fish and Wildlife Protection could be utilized for public protection purposes without the necessity of recruiting more personnel to enforce boating laws.

The Coast Guard does not have access or jurisdiction to the inland areas where most of the fatalities occur. Each year the number of complaints received by the Alaska State Troopers, the Coast Guard and other state and federal agencies concerning the negligent operation of boats continues to mount, especially along the inland rivers.

With the passage of a state boating safety act, where will the revenues come from to administer these programs?

There is a National Recreational Boating Safety Financial Assistance program, for these states with a federally approved safe boating program.

In-state revenue available would be would be moneys generated by a state operated boating registration program. At the present time this program is administered on behalf of the Federal government by the Coast Guard in Juneau, with all the revenues from this program being deposited in the U. S. Treasury. None of the revenues remain in Alaska!!

What advantages are there to numbering boats?

Most importantly, boats need to be numbered to aid in search and rescue. For example, if a boat is found adrift or capsized, in just a matter of minutes the boat owner can be identified through the numbers on the hull and a check can be made with owner, relatives or neighbors to if there was anyone on board or if the boat was just adrift.

The boat registration program also provides an added benefit for the prospective boat buyer. Financial institutions will more readily lend money for the purchase of boats if some form of previous ownership can be provided.

Boat numbers also fulfill other useful purposes. Among them law enforcement, educational contact, accident reporting and consumer defect notification. Whether used for tracing a person for the negligent operation of a boat, to provide boating safety materials, or notify a consumer of a possible product defect, it helps protect and serve the public welfare.

With the passage of a comprehensive state boating safety program won't the Coast Guard reduce its efforts in boating safety in Alaska?

Quite the contrary, the Coast Guard has a dedicated commitment to boating safety in Alaska. The presence of a state boating safety

program would lend a new dimension to the Coast Guard's role in this area. Specifically, the Coast Guard would assist the State in establishing its own program, provide training to State law enforcement officers and work hand in hand with State and local agencies.

But what if the legislature fails to enact a state boating safety law, what will the consequences be?

With no possibility of the Coast Guard expanding their boating program, the number of boating accidents and fatalities will continue to soar as the boating population grows.

Without a doubt the proposed state boating law will provide the boaters of Alaska with a program designed to meet their special needs without burdening the non-boater.

COAST GUARD ASSISTANCE

1. Training and assistance will be provided by the Coast Guard for initial development of educational programs.
2. Initial training of law enforcement officers to assist in the development of an effective public protection program.
3. The Coast Guard will continue its coastal boarding program for enforcement of boating safety laws.

4. The Coast Guard will continue with present educational programs --- in relation to the Coast Guard Auxiliary.

5. The Coast Guard will remain a viable support agency for state assistance.

ADVANTAGES TO STATE IN ESTABLISHING A BOATING SAFETY PROGRAM

1. The State will assume management, administration and control of the program.

2. Revenues will remain in Alaska, available for state usage, instead being deposited with the Federal government.

3. Offers programs and protection to the entire state, not just coastal areas.

4. The means of reducing Alaska's tragic boating fatality statistic.



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

P.O. Box 7, State Capitol
Juneau, Alaska 99811-3100
Mail Stop 3100
(907) 465-3991

January 27, 1987

MEMORANDUM

TO: Representative Robin Taylor

ATTN: Elsa Froehlich Demeksa

FROM: Mary Jennings *mg*
Legislative Analyst

RE: State Assumption of Boat Registration and Safety Programs
Research Request 87.090

You requested that we provide: 1) an estimate of costs and revenues that would result if the State were to begin a boat registration program; 2) a discussion of the benefits of a State boating safety program; and 3) a discussion of costs and revenues of boat registration and boating safety programs in Washington, Oregon, Texas and California.

Background

In other states, the fees generated from registration and titling of undocumented or pleasure boats are used to provide boating safety programs. These programs enforce registration of boats in both inland and coastal waters, enforce safe boating regulations, and provide education to the public on safe boating practices. Alaska is the only state that does not require statewide registration of undocumented boats and, as a result, does not have a boating safety program. According to the U.S. Coast Guard, the minimal enforcement of boating safety regulations that occurs in Alaska results in improperly equipped pleasure boats and a general lack of safe boating practices. The Coast Guard notes that Alaska has the highest boating fatality rate in the nation.

Federal law requires all boats that operate in coastal waters to be numbered. In Alaska, the Coast Guard presently registers undocumented power boats used in coastal waters. The Coast Guard charges a two dollar renewal fee, which is deposited into the U.S. treasury. The Coast Guard provides this service for an estimated annual cost of \$53,000. Registration generates approximately \$70,000 in annual revenues.

Registration Fees. The Coast Guard estimates that if boating registration were enforced by the State in both coastal and inland waters, approximately 50,000 boats would be registered. Fees for registration in other states range from one dollar to \$50. An annual fee of \$10 dollars

(\$30 per three years) is recommended by the Coast Guard. At present, there are 1,200 vessels with Alaska numbers from Washington, Oregon, and other west coast states. The Coast Guard recommends that out-of-state boats be charged \$50 per year.

Operating Cost and Revenues. If Alaska were to initiate a boat registration program, the Coast Guard stated that the present boat registration computer system could be used by the State. (Software changes would be required to provide titling capability.) The Coast Guard estimates that costs to start the registration operation would be \$35,000 and that annual operating costs would be approximately \$95,000. Based upon the number of boats estimated to be eligible for registration and the suggested fees, the Coast Guard estimates that annual revenues would be \$550,000 (for a breakdown of data, see Attachment A).

Federal Funds. States with boating safety programs are eligible to receive federal funds to enhance their programs. One-third of a \$30 million dollar fund, which is appropriated annually by Congress, is divided equally among states and the remainder is distributed based upon the number of vessels registered in the state and the amount of money spent by the state for boating safety. The Coast Guard estimates that Alaska would receive approximately \$250,000 in federal funds if a boating safety program were initiated.

Benefits. A program that enforced boating regulations and provided education on safe boating practices would likely result in greater safety in Alaska's waters. In addition, the initiation of a State boat registration and a boating safety program would likely result in the creation of several jobs. Based upon the number of boats, the Coast Guard estimates that 2.2 positions would be needed to administer registration. Personnel would also be needed for enforcement and for safety education. Funding for these jobs could come from registration fees and federal funds.¹

Washington

Boating registration and boating safety programs in Washington are administered by the Department of Parks and Recreation. The department reports that approximately 150,000 boats are registered in the state. An annual registration fee of \$6 is charged. In addition to this fee, an excise tax based on 0.5 percent of the depreciated value of a boat is charged. The title fee is \$5. Revenues are deposited into the state's general fund. Counties in Washington are allowed to charge an additional 50 cents per foot; these revenues are kept at the county level. Washington collects approximately \$5 million in annual registration fees. The state's boating safety program has an annual operating cost of approximately \$300,000, which includes the cost of registration administration, educational programs, and some limited enforcement of regulations.

¹Although the State Constitution prohibits and dedication of user fees to a program's budget, the legislature has routinely appropriated program receipts to the program that generated the revenue.

Robert Porterfield, of the Washington Department of Parks and Recreation, stated that revenue raised from boat registration is viewed as a means of providing money to the state's general fund in addition to providing funds to operate the boating safety program. He added that because funding is not appropriated to local governments for the enforcement of boating registration, compliance is poor. He felt that only about half of all eligible boats in the state were registered.

Oregon

Oregon, which has 143,000 registered boats, collects approximately \$1.5 million annually in boat registration and title fees. Registration fees are based upon a sliding scale and range from \$11 for a boat less than 12 feet to \$21 for a boat over 20 feet. A \$7 fee is charged to title boats. Revenue generated from boat registration is dedicated to the Marine Board Fund, which is used for the boating safety program and construction of boating facilities. The state spends approximately \$500,000 annually to operate its boating safety program. The Oregon State Marine Board, which administers the program, stated that these operating costs include registration administration, law enforcement, and safety education.

Paul Donhuffner, of the State Marine Board, stated that because Oregon dedicates boat registration fees to a fund for boating-related functions, compliance with registration is excellent. He said that this was because Oregonians feel the fees are justified because they are used to improve aspects of boating in Oregon.

Texas

Boating registration and safety in Texas is administered by the State Department of Parks and Wildlife. Approximately 605,000 boats are registered in Texas. Fees for registration range from \$12 for a 16-foot boat to \$30 for a boat over 40 feet. A title fee of \$5 dollars is charged for all boats over 14 feet. All revenue is deposited to the State Parks and Wildlife Fund which is used for boating safety and other related programs. The department was not able to provide operating and revenue data, but stated that 23 full-time and 12 seasonal employees are utilized to operate the registration and safety program.

Jim Ramsey, of the department, stated that the boating safety program utilizes game wardens who are specifically assigned to water safety patrol and enforcement of safety regulations. He added that state law requires that each boat registration document be accompanied by a pamphlet on boating safety when mailed to the boat owner.

Representative Taylor
January 27, 1987
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California

The California Department of Boating and Waterways reports that approximately 650,000 boats are registered in the state. A \$9 fee is charged to initially register undocumented boats and thereafter a \$5 annual renewal fee is charged. The department reports that \$4.8 million is collected annually in boat registration fees. All revenues are deposited into the Harbor and Water Craft Fund, which is used for the boating safety program.

The operating cost of the boating safety program, which includes registration administration, enforcement, facility construction, and education programs, is approximately \$6.1 million. According to David Johnson, the legislative coordinator for the department, the program also receives revenue from a boat gasoline tax. Mr. Johnson stated that California has good compliance with its registration and safety laws.

I hope you find this information useful. I have requested a copy of the boat registration fee schedules in the other states from the National Association of Safe Boating Law Administrators. I will send it to you when I receive it. Please feel to contact me if you have any questions.

MJ

Attachment

U.S. Department
of Transportation
**United States
Coast Guard**



Commanding Officer
Marine Safety Office

612 Willoughby Ave
Juneau, AK 99801
(907) 586 7349

16750
9 Jan 87

The Honorable Robin Taylor
House of Representatives
P.O. Box V
Juneau, Alaska 99811

Dear Representative Taylor:

All States except Alaska received at least \$200,000 in federal funds for boating safety last year. Alaska's share would have been about \$250,000. The recreational (not commercial) boating accident death rate in Alaska is forty times the national average. Alaska is the only state that has the Federal Government selling boat registration to its citizens with the funds going to the U.S. Treasury.

I hope that I have sufficiently aroused your interest enough to review the attached information. One or more of your colleagues will be entering legislation this session regarding boating safety and registration for the State of Alaska. The potential benefit to the citizens of Alaska is quite evident, as well as the need for state involvement in the safety and welfare of thousands of boaters.

If you are interested in discussing this area of mutual concern, please call me at 586-7349 or feel free to stop by at 612 Willoughby Street.

Sincerely,

A handwritten signature in cursive script, appearing to read "D. M. Waldron".

D. M. WALDRON
Commander, U. S. Coast Guard
Marine Safety Office Juneau, Alaska
Commanding Officer

COST/BENEFIT ANALYSIS
BOAT REGISTRATION, STATE OF ALASKA

Background:

The Coast Guard presently registers undocumented power boats used in the coastal waters of Alaska. Estimated costs for this service is as follows:

Personnel 1.1 man years	\$35K
Computer Generated Forms	8K
Postage	5K
Overhead (office space, computer, etc.)	<u>5K</u>
Estimated costs based on 30,000 boats, renewals every 3 years	\$53K

Renewal Fees at \$2 per year have averaged about \$70K to the U.S. Treasury.

Proposal: That the State of Alaska establish a boating registration program and eventually a boating safety program. All power boats in the state would be required to be registered, not just in coastal (Federal) waters. It is estimated that this would be at least 50,000 vessels. Fees for other states range from \$1 per year to over \$50 per year. An annual fee of \$10 (\$30 for 3 years) is suggested. At present there are about 1200 vessels with Alaska numbers from Washington, Oregon, and other west coast states. It is recommended that out of state boats be charged \$50 per year. The present computer system's use could be negotiated for use by the state. Software changes would be required to provide titling capability and would cost about \$25K. Costs are estimated as follows: (based on 50K boats, 3 year renewal)

Operating Costs

Personnel 2.2 man years	\$60K
Forms	15K
Postage	10K
Overhead	<u>10K</u>
	95K

Startup Costs

Furniture, Setup Costs	\$ 5K
Software Changes	25K
Computer Terminals	3K
Misc Expenses	<u>2K</u>
	35K

Total first year expenses \$130K.

First year estimated revenues (at \$10/boat, \$30 for 3 years)

1/3 X present 50K boats	10Kx\$30 =	300K
New Vessels (not presently registered)	10Kx\$30 =	300K
Out of State Vessels (\$150 for 3 yrs)	400x\$150 =	<u>60K</u>
	TOTAL	660K

Second year

1/3 present vessels (10K)	300K
New Vessels (5K)	150K
Out of State Vessels (.4K)	<u>60K</u>
	TOTAL
	510K

Third year

1/3 present vessels (10K)	300K
New Vessels (3K)	90K
Out of State (.4K)	60K
TOTAL	450K

Fourth year

Registered Vessel (20K)	600K
New Vessels (2K)	60K
Out of State (.4K)	60K
TOTAL	720K

Revenues should tend to stabilize (at about 50K boats) at \$500-600K.

There are many other benefits that are not easily quantified as follows:

- a. Enforcement of boating safety regulations - At present, federal enforcement is minimal in most areas of Alaska resulting in pleasure vessels not properly equipped for Alaskan waters.
- b. Fee for present registration not remaining in the state.
- c. Federal funds in excess of \$250K are being lost because of lack of boating safety program.
- d. Present fatality rate for a summer month recreational boating season is 40 times the national average. An equivalent death rate in Minnesota per 100,000 boats would be 1694 deaths! The loss of 70 Alaskans last year is hard to ignore or put a price tag on.
- e. The creation of jobs for boating registration and boating safety utilizing revenue from the registration program and federal funds would benefit Alaska especially at this time.
- f. The mechanism for assessing local user fees based on the zip code of the boat owner could be implemented in the software changes. This would provide equitable, low cost collection of local user fees.
- g. Alaskans would have a vested interest in having vessels comply with safety standards and registration requirements.
- h. Harbormasters would have better control over vessels in their harbors and enforcement authority to require vessels to comply.
- i. Excess registration and federal grant funds would be available for law enforcement equipment and for hiring additional personnel.
- j. Federal enforcement would probably remain at current levels.