


ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672

5062 HSTA HB 79 - HB 95

634

RANDY PHILLIPS
State Representative
P.O. Box 770142
Eagle River, Alaska 99577
(907) 694-4949

1987
Report to the People
REP. RANDY PHILLIPS
Alaska House of Representatives



While in Session:
P.O. Box V
Juneau, Alaska 99811
(907) 465-4949

Thank you for participating in my 1987 legislative questionnaire. Of the 8,049 questionnaires mailed, 1,479 or 18% were returned. The results are indicated below. Percentages expressed in each answer represent a percent of the total answering that question and not a percent of the total returned.

STATEWIDE ISSUES

1. ALASKA PERMANENT FUND

A. Since 1992, qualified Alaskan residents have been receiving a yearly dividend distribution from 50% of the interest earned on the Alaska Permanent Fund.

Should this program be continued or discontinued?

20% Discontinued 80% Continued Total answers: 1,417

B. The Alaska Constitution protects the principal of the Permanent Fund from legislative appropriation but does not protect the Undistributed Income Account. After payment of the permanent fund dividends and inflation proofing of the fund, the current balance of the Undistributed Income Account is approximately \$114 million. At present, the Undistributed Income Account is being kept by the Permanent Fund as a reserve for future inflation-proofing and dividends. Should this account be used for (Please check one):

17% State's Operating Budget (Note: means funds used to pay for day-to-day operation of state government)

27% State's Capital Improvement Budget (Note: means funds used for roads, water, sewer, buildings, etc.)

56% Leave As Is Total answers: 1,359

2. ALASKA'S FISCAL 1988 BUDGET

A. Because of declining oil revenues (from \$2.1 billion for Fiscal Year '87 to \$1.3 billion projected for Fiscal Year '88), I would ask that you give me your ideas. Please be as specific as possible when indicating programs or agencies in your answers.

i. What areas of our State's budget do you think need to be:

Eliminated: Various areas were mentioned.

Reduced: Various areas were mentioned.

ii. How do you think the State should handle budget reductions? Frequent mention was made of a need to reduce overall operating budget.

iii. Of the total State operating budget, 38.6% of the budget (\$.843 billion out of \$2.18 billion for Fiscal Year '87) goes for municipal assistance, revenue sharing, school foundation, school construction debt retirement and other programs that assist local governments in offering services and keeping property taxes down. Do you feel that funding for these programs should be (Please check one):

3% Eliminated 6% Increased Total answers: 1,371
44% Reduced 47% Remain Same

3. STUDENT LOANS

Currently, students borrowing funds from the Alaska Student Loan Program are not restricted as to which university, college, or other institution they may attend. Student loans may be used at in-state or out-of-state learning institutions. Should student loans be limited to in-state institutions only?

49% Yes 51% No Total answers: 1,434

4. UNIVERSITY SYSTEM

A. Do you support the merger of the University system and the Community College system?

52% Yes 48% No Total answers: 1,317

5. NUCLEAR FREE ZONE

Do you favor or oppose the creation of a nuclear free zone for the arctic and sub-arctic regions?

53% Favor 47% Oppose Total answers: 1,278

6. CONCEALED WEAPONS

Should private individuals have the right to carry concealed weapons?

36% Yes 64% No Total answers: 1,393

7. RAILBELT ENERGY FUND

This fund contains \$280 million for the purpose of developing future electrical energy sources for consumers along the Railbelt (Fairbanks to Homer). Because of declining oil revenues, this fund may be used as a source of money to make up any possible shortfalls for Fiscal Year '88. Should the \$280 million be retained for developing future electrical energy sources along the Railbelt?

52% Yes 48% No Total answers: 1,360

DISTRICT 15 ISSUES

8. What ONE capital improvement project (i.e., road, sewer, water, school, park, etc.) do you feel our district needs. Please be as SPECIFIC as possible (name of road, name of school, location of water/sewer systems, etc.). PLEASE LIMIT YOURSELF TO THE ONE PROJECT THAT YOU FEEL SHOULD HAVE THE HIGHEST PRIORITY FOR FISCAL YEAR 1988. Projects most frequently identified: Hiland Bridge project - 30%;

Glenn Highway improvements - 22%; Eklutna Water project - 2%. Other projects (either not specifically identified or other than the three mentioned previously) - 46%

Total answers: 1,197

9. GENERAL COMMENTS


Thank you for taking the time to respond to my 1987 questionnaire. Everyone who answered the questionnaire, and left a mailing label intact, is receiving a copy of the results and a letter. Additionally, a copy of the tabulated results is made available to interested legislators, the Governor, Commissioners, and members of the press. THIS TABULATION IS FOR YOUR INFORMATION. IF YOU HAVE FURTHER QUESTIONS OR COMMENTS, PLEASE DO NOT HESITATE TO CONTACT ME OR SEND A MESSAGE TO ME BY TELEPHONING 694-4949 or 278-3668.

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

RANDY PHILLIPS
State Representative
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1987
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 - 56% Leave As Is
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i. What areas of our State's budget do you think need to be:

Eliminated: Various areas were mentioned.

Reduced: Various areas were mentioned.

ii. How do you think the State should handle budget reductions? Frequent mention was made of a need to reduce overall operating budget.

iii. Of the total State operating budget, 38.6% of the budget (\$.843 billion out of \$2.18 billion for Fiscal Year '87) goes for municipal assistance, revenue sharing, school foundation, school construction debt retirement and other programs that assist local governments in offering services and keeping property taxes down. Do you feel that funding for these programs should be (Please check one):

- 37% Eliminated
 - 6% Increased
 - 44% Reduced
 - 47% Remain Same
- Total answers: 1,371

B. TAXES

Should the following taxes be increased or decreased or, in case of taxes not now in existence, instituted? (Please check only one answer in each category)

i. General Business Tax

18% Increase 6% Decrease 76% Remain Same Total answers: 1,373

ii. Oil Taxes

20% Increase 5% Decrease 75% Remain Same Total answers: 1,382

iii. School Tax: Until personal taxes were repealed, Alaska had a school tax that was collected once a year from all employed persons. It amounted to \$10 per employed person and was used for schools. Should such a tax be reinstated?

71% Yes 29% No Total answers: 1,416

iv. Income Tax: Should a personal income tax be reestablished?

26% Yes 74% No Total answers: 1,420

v. State Sales Tax: Should the state institute a statewide sales tax?

38% Yes 62% No Total answers: 1,304

vi. State Property Tax: Should the state institute a statewide property tax?

12% Yes 88% No Total answers: 1,410

C. USER FEES

i. Parks: During the last legislative session, the Legislature considered establishment of a fee for overnight use of state park facilities. Do you feel that such a campground fee should be established?

78% Yes 22% No Total answers: 1,426

ii. Should fees for the following items be increased?

a. State Motor Fuel Tax presently 8¢ per gallon; suggested new amount - 16¢ per gallon, this raise would generate approximately \$30 million for use on highway projects.

49% Yes 51% No Total answers: 1,403

b. Resident Hunting License (presently \$12; suggested new amount - \$20)

Resident fishing License (presently \$10; suggested new amount - \$14)

Hunting: 72% Yes 28% No Total answers: 1,435

Fishing: 69% Yes 31% No Total answers: 1,440

c. Business License (presently \$25; suggested new amount - \$100; no increase in this fee since 1949)

60% Yes 40% No Total answers: 1,415

3. STUDENT LOANS

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H B

8 3

HOUSE COMMITTEE REPORT

(7)

Date referred: 1/30/87

FURTHER REFERRALS: Finance

DATE: 3-4-87

The State Affairs Committee has considered HB 83

"An Act relating to computation and payment of permanent fund dividends; 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 _____
- zero with analysis

SIGNING DO PASS:

D. C. ...
Cliff Damson
...
...
Dave W. Doolley

SIGNING OTHER RECOMMENDATIONS:

... (No Rec)

...
 Chairman's signature



Official Business

Alaska State Legislature

House

P.O. BOX V
State Capitol
Juneau, Alaska 99811

STATE AFFAIRS COMMITTEE

HOUSE BILL 93

FILE CONTENTS

1. HB 93: AN ACT RELATING TO COMPUTATION AND PAYMENT OF PERMANENT FUND DIVIDENDS; AND PROVIDING FOR AN EFFECTIVE DATE
2. GOVERNOR'S TRANSMITTAL LETTER, DATED 1/29/87
3. FISCAL NOTES (THREE), DEPARTMENT OF REVENUE, DATED 12/10/86 AND 2/19/87: -0-
4. FISCAL NOTE, DEPARTMENT OF HEALTH AND SOCIAL SERVICES

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

14813
+
1484

2

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 two bills -- one, a substantive measure, and the other, an appropriation bill -- relating to permanent fund dividends.

The first bill relates to computation and payment of the dividends. The major purpose of the bill is to amend the formula for determining the amount of each year's dividend, to reflect disbursements made from the dividend fund for payment of prior-year dividends. Section 1 of the bill. Existing AS 43.23.055(3) provides a mechanism for persons to establish, in later years, that they have a right to a prior-year dividend. Those affected are children who reach the age of majority and establish that one or more applications were not filed on their behalf in prior years. Under the bill, proposed AS 43.23.025(1)(C) provides for current-year payment of prior-year dividends approved for payment in that year, by recognizing that the amount available for payment of current-year dividends is reduced by the amount necessary to pay approved prior-year dividends.

The legislature addressed the problem of funding prior-year dividends in the 1982 appropriation for the dividend program, by specifying that the appropriation was nonlapsing. The "nonlapse" provision was not, however, included in the FY 1983, 1984, 1985, and 1986 appropriations. (The second bill deals with the 1982 -- 1985 appropriations, and is discussed later in this letter.) This first bill will preclude the necessity for a "nonlapse" provision in future appropriations by statutorily providing that each year's batch of approved prior-year dividends is paid from money in the dividend fund on October 1 of that year. This method of payment will provide a much more accurate way of dealing with an unknown number of prior-year dividend applicants than will a method requiring an "estimate" of that unknown number and the setting-aside of the amount "estimated" necessary to pay those dividends.

Proposed AS 43.23.045(d), in sec. 2 of the bill, provides a "lapse" provision for appropriations made to implement AS 43.23. An appropriation has been the vehicle for the "transfer" of permanent fund income to the dividend fund that is required by current AS 43.23.045(b). The lapse provision in proposed AS 43.23.045(d) will make certain that that appropriation remains available to pay dividends. This provision assures that, to the maximum extent possible, money appropriated to the dividend fund is used to pay dividends. One of the amendments in sec. 1 of the bill, proposed AS 43.23.025(1)(E), amends the dividend determination formula to reflect the new lapse provision.

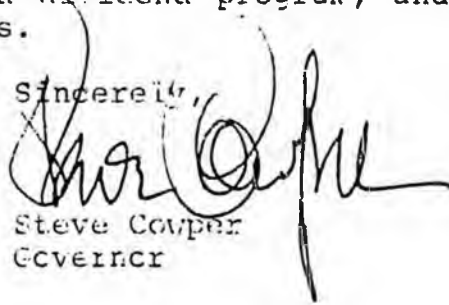
As mentioned earlier in this letter, the second bill deals with the 1982 -- 1985 appropriations made to pay permanent fund dividends. The primary purpose of this bill (in secs. 2 -- 7) is to provide a June 30, 1987 lapse date for the 1983, 1984, and 1985 appropriations, lapsing them to the dividend fund under AS 43.23.045(d) (proposed in the first bill).

Unlike the others, the 1982 appropriations were made from the general fund. Under sec. 1 of the second bill, the remaining portion of the 1982 appropriations lapses back to the general fund June 30, 1987.

The permanent fund dividend appropriation enacted for fiscal year 1987 is not dealt with in this bill because, if enacted, the new lapse provision in the first bill (AS 43.23.045(d)) will take effect before the end of fiscal year 1987 and will apply to that appropriation.

This pair of bills resolves complicated problems in the administration of the permanent fund dividend program, and I urge your support of these measures.

Sincerely,



Steve Cooper
Governor

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

3

REQUEST _____

Bill Version: HB 83
Publish Date: _____

Revision Date: _____
Title: An act relating to computation and payment of permanent fund dividends
Sponsor: Rules, Request of Governor
Requestor: State Affairs

Agency Affected: Revenue
BRU: Permanent Fund Dividend

Components: Administrative Services

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	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

No administrative impact.

Prepared By: Ervin B. Jones
Division: Administrative Services

Phone: 465-2313
Date: 2/19/87

Approved by Commissioner: Hugh Malone, Jr.
Agency: Revenue

Date: 2/19/87

Distribution (by Agency preparing fiscal note):

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

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

HB 831 44
Revision Date: 30/87

REQUEST

Bill/Resolution No. : 773-87-0050
 Title : An Act amending appropriations
pertaining to permanent fund dividends;
and providing for an effective date.
 Sponsor : _____
 Requestor : _____
 Date of Request : _____

FISCAL DETAIL

Agency Affected : Health & Social Services
 BRU : _____
 Components : _____

EXPENDITURES/REVENUES : (Thousand, of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
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	-0-	-0-	-0-	-0-	-0-	-0-
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

N/A

Prepared by : Michael L. Price *Michael L. Price* Phone : 465-3170
 Division : Family and Youth Services Date : 11/20/86

Approved by Commissioner : John R. Pugh *J.R. Pugh* Date : 11/27/86
 Agency : Department of Health and Social Services

Distribution (by Agency preparing fiscal note):

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

3

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST _____

Bill Version: HB 83
Publish Date: _____

Revision Date: _____
Title: An Act relating to computation and payment of permanent fund dividends
Sponsor: House Rules Committee
Requestor: House State Affairs

Agency Affected: Revenue
BRU: Permanent Fund Dividend
Components: Enforcement Operating

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	-	-	-	-	-	-
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MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: None required.

Prepared By: Thomas C. Williams
Division: Enforcement

Phone: 465-2366
Date: February 24, 1987

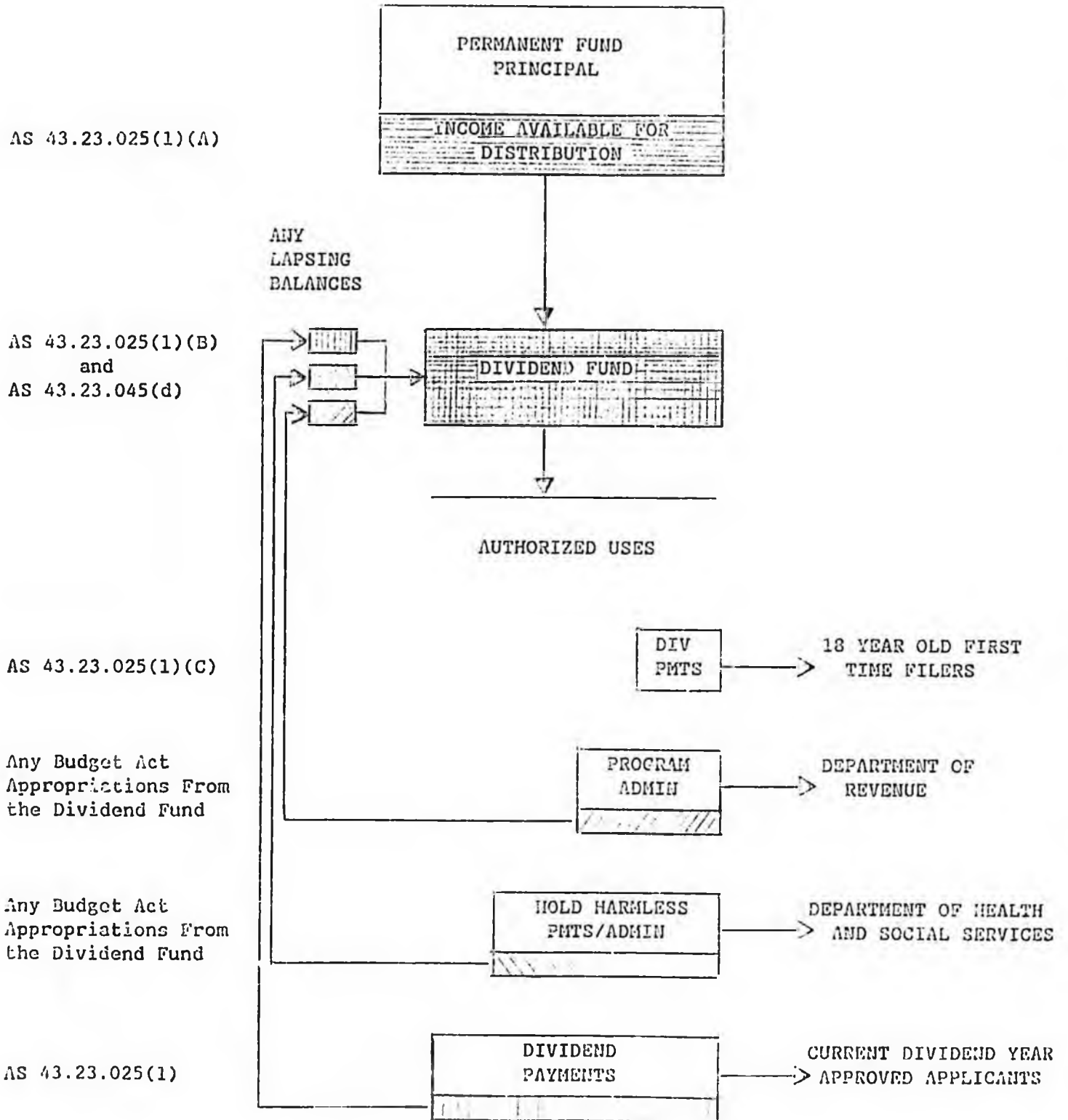
Approved by Commissioner: [Signature]
Agency: _____

Date: 2/25/87

Distribution (by Agency preparing fiscal note):

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

ALASKA DEPARTMENT OF REVENUE
 DIVIDEND COMPUTATION AND PAYMENT METHOD PER HB 83
 As of February 20, 1987



STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

HB 83 + HB 87
3 1/30/87

Revision Date: _____

REQUEST

Bill/Resolution No: _____
Title: "Computation and payment of
Permanent Fund Dividends"

Sponsor: House Rules
Requestor: Governor
Date of Request: 12/4/86

FISCAL DETAIL

Agency Affected: Department of Revenue
BRU: Permanent Fund Dividend

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 86	FY 85	FY 90	FY 91	FY 91
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
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CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

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FEDERAL FUNDS	-	-	-	-	-	-
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FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page if necessary

Prepared By: Ervin B. Jones
Division: Administrative Services

Phone: 465-2313
Date: 12/10/86

Approved by ^{For} Commissioner: Wilton B. Barber
Agency: Department of Revenue

Date: 12-10-86

Distribution (by Agency preparing fiscal note):

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

HB

84



Official Business

Alaska State Legislature

House

P.O. BOX V
State Capitol
Juneau, Alaska 99811

STATE AFFAIRS COMMITTEE

HOUSE BILL 84

FILE CONTENTS

1. HR 84: AN ACT AMENDING APPROPRIATIONS PERTAINING TO PERMANENT FUND DIVIDENDS; AND PROVIDING FOR AN EFFECTIVE DATE
2. GOVERNOR'S TRANSMITTAL LETTER, DATED 1/29/87
3. FISCAL NOTES (THREE), DEPARTMENT OF REVENUE, DATED 12/10/86 AND 2/19/87: -0-
4. FISCAL NOTE, DEPARTMENT OF HEALTH AND SOCIAL SERVICES
5. ESTIMATED PFD LAPSE BALANCES UNDER HB 84, DEPARTMENT OF REVENUE

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

14823
+
14824

2

January 29, 1987

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Proposed AS 43.23.045(d), in sec. 2 of the bill, provides a "lapse" provision for appropriations made to implement AS 43.23. An appropriation has been the vehicle for the "transfer" of permanent fund income to the dividend fund that is required by current AS 43.23.045(b). The lapse provision in proposed AS 43.23.045(d) will make certain that that appropriation remains available to pay dividends. This provision assures that, to the maximum extent possible, money appropriated to the dividend fund is used to pay dividends. One of the amendments in sec. 1 of the bill, proposed AS 43.23.025(1)(E), amends the dividend determination formula to reflect the new lapse provision.

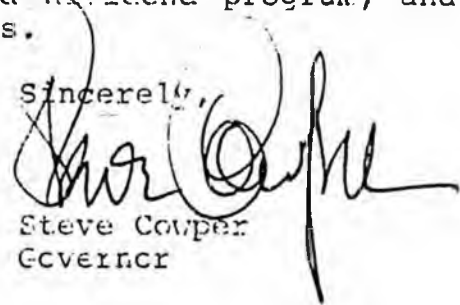
As mentioned earlier in this letter, the second bill deals with the 1982 -- 1985 appropriations made to pay permanent fund dividends. The primary purpose of this bill (in secs. 2 -- 7) is to provide a June 30, 1987 lapse date for the 1982, 1984, and 1985 appropriations, lapsing them to the dividend fund under AS 43.23.045(d) (proposed in the first bill).

Unlike the others, the 1982 appropriations were made from the general fund. Under sec. 1 of the second bill, the remaining portion of the 1982 appropriations lapses back to the general fund June 30, 1987.

The permanent fund dividend appropriation enacted for fiscal year 1987 is not dealt with in this bill because, if enacted, the new lapse provision in the first bill (AS 43.23.-045(d)) will take effect before the end of fiscal year 1987 and will apply to that appropriation.

This pair of bills resolves complicated problems in the administration of the permanent fund dividend program, and I urge your support of these measures.

Sincerely,



Steve Couper
Governor

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

HB 83 + HB 84
3 / 87

Revision Date: _____

REQUEST

Bill/Resolution No: _____
Title: "Computation and payment of
Permanent Fund Dividends"

Sponsor: House Rules
Requestor: Governor
Date of Request: 12/4/86

FISCAL DETAIL

Agency Affected: Department of Revenue
BRU: Permanent Fund Dividend

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

Prepared By: Ervin B. Jones
Division: Administrative Services

Phone: 465-2313
Date: 12/10/86

Approved by ^{For} Commissioner: Wilton B. Barber
Agency: Department of Revenue

Date: 12-10-86

Distribution (by Agency preparing fiscal note):

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

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

3

REQUEST _____

Bill Version: HB 84
Publish Date: _____

Revision Date: _____
Title: An act amending appropriations
pertaining to permanent fund dividends
Sponsor: Rules, Request of Governor
Requestor: State Affairs

Agency Affected: Revenue
BRU: Permanent Fund Dividend

Components: Administrative Services

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	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

No administrative impact.

Prepared By: Ervin B. Jones
Division: Administrative Services

Phone: 465-2313
Date: 2/19/87

Approved by Commissioner: [Signature]
Agency: Revenue

Date: 2/19/87

Distribution (by Agency preparing fiscal note):

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

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

3

REQUEST _____

Bill Version: HB 84

Publish Date: _____

Revision Date: _____

Agency Affected: Revenue

Title: An Act amending appropriations pertaining to permanent fund dividends

BRU: Permanent Fund Dividend

Sponsor: House Rules Committee

Components: Enforcement

Requestor: House State Affairs

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	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: This bill lapses approximately \$4,667.8 to the general fund and 20,787.3 to the dividend fund as explained in the attached analysis (section I, Estimated PFD Lapse Balances under HB 84 and section II, Required PFD Account Encumbrances under HB 83 and HB 84).

Thomas C. Williams

Prepared By: Thomas C. Williams

Phone: 465-2366

Division: Enforcement

Date: February 24, 1987

Approved by Commissioner: *H. Malone*

Date: 2/25/87

Agency: _____

Distribution (by Agency preparing fiscal note):

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

ALASKA DEPARTMENT OF REVENUE
FISCAL NOTE ANALYSIS OF HB 84
 February 24, 1987

I. ESTIMATED PFD LAPSE BALANCES UNDER HB 84

	Orig. Lapse Date	Total	Dividend	Rev Admin.	H&SS H. Harm
<u>1982 PFD (General Fund)</u>					
Sec. 17 and 18, ch 101, SLA 1982 (A)	None	\$ 440,560,100	\$ 439,730,100	\$ 630,000	\$ -0-
Fiscal Note		<u>2,500,000</u>	<u>-0-</u>	<u>2,500,000</u>	<u>-0-</u>
Total 1982 Appropriation		<u>\$ 443,060,100</u>	<u>439,730,100</u>	<u>\$ 3,330,000</u>	<u>\$ -0-</u>
Less: 1982 PFD ITD Expended Est. Encumbrance (B)			(435,052,316) <u>(-0-)</u>		
<u>Estimated Lapse under Sec. 1</u>			<u>\$ 4,677,784</u>		
<u>1982 PFD (Dividend Fund)</u>					
Sec 1, ch. 6, SLA 1983	None	\$ 41,000,000	\$ 41,000,000	\$ -0-	\$ -0-
Less: 1982 PFD ITD Expended Est. Encumbrance (B)			(34,423,433) <u>(586,000)</u>		
<u>Estimated Lapse under Sec. 2</u>			<u>\$ 5,990,567</u>		
<u>1983 PFD (Dividend Fund)</u>					
Sec. 32, ch. 107, SLA 1983 page 14, line 11	6/30/84	\$ 179,020,000	\$ 175,935,300	\$ 3,084,700	\$ -0-
Sec. 2, ch. 44, SLA 1984	6/30/85	11,584,500	11,584,500	-0-	-0-
Sec. 3, ch. 44, SLA 1984	6/30/85	<u>284,800</u>	<u>-0-</u>	<u>284,800</u>	<u>-0-</u>
Total 1983 PFD Authorizations		<u>\$ 190,899,300</u>	<u>187,519,800</u>	<u>\$ 3,369,500</u>	<u>\$ -0-</u>
Less: 1983 PFD ITD Expended Est. Encumbrance (B)			(176,632,020) <u>(689,628)</u>		
<u>Est. Lapse under Secs. 3 & 4</u>			<u>\$ 10,198,152</u>		

ALASKA DEPARTMENT OF REVENUE
 FISCAL NOTE ANALYSIS OF HB 84
 February 24, 1987

	Orig. Lapse Date	Total	Dividend	Rev Admin.	H&SS H. Harm
<u>1984 PFD (Dividend Fund)</u>					
Sec. 14, ch. 122, SLA 1984	6/30/85	\$ 155,129,971	\$ 152,114,471	\$ 3,015,500	\$ -0-
Sec. 15, ch. 122, SLA 1984	6/30/85	<u>7,985,700</u>	<u>7,985,700</u>	<u>-0-</u>	<u>-0-</u>
Total 1984 PFD Authorizations		<u>\$ 163,115,671</u>	160,100,171	<u>\$ 3,015,500</u>	<u>\$ -0-</u>
Less: 1984 PFD ITD Expended			(158,650,077)		
Est. Encumbrance (B)			<u>(194,457)</u>		
<u>Est. Lapse under Secs. 5 & 6</u>			<u>\$ 1,255,627</u>		
<u>1985 PFD (Dividend Fund)</u>					
Sec. 14, ch. 98, SLA 1985	6/30/86	\$ 210,733,842	\$ 210,733,842	\$ -0-	\$ -0-
Sec. 26, ch. 98, SLA 1985 page 26, line 5	6/30/86	2,895,900	-0-	2,895,900	-0-
Sec. 26, ch. 97, SLA 1985 page 35, line 7	6/30/86	<u>3,644,300</u>	<u>-0-</u>	<u>-0-</u>	<u>3,644,300</u>
Total 1985 PFD Authorization		<u>\$ 217,274,042</u>	210,733,842	<u>\$ 2,895,900</u>	<u>\$3,644,300</u>
Less: 1985 PFD ITD Expended			(208,258,532)		
Est. Encumbrance (B)			<u>(180,332)</u>		
<u>Estimated Lapse under Sec. 7</u>			<u>\$ 2,294,978</u>		
<u>1986 PFD (Dividend Fund)</u>					
Sec 13, ch. 129, SLA 1986	6/30/87	\$ 295,835,142	\$ 295,835,142	\$ -0-	\$ -0-
Sec 21, ch. 129, SLA 1986 page 21, line 8	6/30/87	3,378,000	-0-	3,378,000	-0-
Sec 21, ch. 129, SLA 1986 page 28, line 22	6/30/87	<u>4,211,700</u>	<u>-0-</u>	<u>-0-</u>	<u>4,211,700</u>
Total 1986 PFD Authorizations		<u>\$ 303,424,842</u>	295,835,142	<u>\$ 3,378,000</u>	<u>\$4,211,700</u>
Less: 1986 PFD ITD Expended			(293,171,545)		
Est. Encumbrance			<u>(2,663,597)</u>		
<u>Estimated 1986 PFD Lapse (C)</u>			<u>(-0-)</u>		

ALASKA DEPARTMENT OF REVENUE
FISCAL NOTE ANALYSIS OF HB 84
 February 24, 1987

<u>Orig. Lapse Date</u>	<u>Total</u>	<u>Dividend</u>	<u>Rev. Admin.</u>	<u>H&SS H. Harm</u>
<u>Actual and Estimated Lapse to Dividend Fund (D)</u>				
1982 PFD	\$ 5,990,567	\$ 5,990,567	\$ -0-	\$ -0-
1983 PFD	10,400,819	10,193,152	202,667	-0-
1984 PFD	1,558,596	1,255,627	202,969	-0-
1985 PFD	2,037,340	2,294,978	412,316	130,046
1986 PFD	NCA	-0-	NCA	NCA
<u>Estimated Additional Amount Available for 1987 PFD under AS 43.23.045(d)</u>				
	<u>\$ 20,787,322</u>	<u>\$ 19,729,324</u>	<u>\$ 917,952</u>	<u>\$ 130,046</u>

NOTES:

A. Included within the Sec. 19, ch. 101, SLA 1982 appropriation was an amount to be used for the PCC/CCC tax credit program. The actual appropriation was as follows:

Total Appropriation	\$ 442,192,100
Less: Tax credit allocation	(1,632,000)
Total PFD allocation	<u>\$ 440,560,100</u>

B. Per section II, Required PFD Account Encumbrances under HB 83 and HB 84.

C. This analysis indicates there will be a shortfall of funds for the 1985 PFD program

Required Funds per PFD Account Encumbrances under HB 83 and HB 84	\$4,531,294
Less: Estimated Encumbrance	<u>2,563,597</u>
Shortfall	<u>(\$1,967,697)</u>

However, because many of the outstanding applications will actually be denied, no actual shortfall is anticipated.

D. Estimated dividend payment lapses are based on this schedule. The amounts included for 1983, 1984, and 1985 PFD Revenue administrative costs and the 1984 and 1985 H&SS hold harmless costs are the amounts already actually lapsed to the dividend fund. The amount of the 1986 Revenue administrative and H&SS hold harmless appropriations that may lapse is not currently available (NCA) and has not been included.

ALASKA DEPARTMENT OF REVENUE
FISCAL NOTE ANALYSIS OF HB 84

February 24, 1987

II. REQUIRED PFD ACCOUNT ENCUMBRANCES UNDER HB 83 AND HB 84

	1986	1985	1984	1983	1982
<u>Unresolved Applications</u>					
Not on File	-0-	-0-	-0-	-0-	-0-
Unpaid					
Incomplete	195	40	18	8	7
Potential Duplicate	165	20	19	1	-0-
Acceptable	544	52	2	-0-	2
No Sponsor on File	-0-	-0-	-0-	-0-	-0-
Review	881	80	34	19	25
Invalid Code	-0-	-0-	-0-	-0-	1
Garnished					
Acceptable	-0-	33	12	72	313
Questioned	-0-	-0-	-0-	2	1
Review	1	-0-	-0-	-0-	-0-
To Be Reissued					
Acceptable	31	6	-0-	-0-	-0-
Questioned	3	1	-0-	-0-	1
Stop Payment					
Acceptable	-0-	-0-	-0-	-0-	3
Cancelled					
Acceptable	3,367	21	13	6	4
No Sponsor on File	-0-	2	4	-0-	5
Questioned	12	8	2	51	12
Review	2	-0-	-0-	-0-	-0-
<u>Total Unresolved Applications</u>	<u>5,201</u>	<u>263</u>	<u>104</u>	<u>159</u>	<u>374</u>
<u>Denial Appealed</u>					
Request to Apply Late	154	21	5	5	3
Informal	2,071	1,353	423	281	190
Formal	-0-	17	42	19	10
Court	-0-	-0-	-0-	-0-	-0-
Invalid Status	-0-	-0-	-0-	-0-	-0-
<u>Total Denial Appealed</u>	<u>2,225</u>	<u>1,391</u>	<u>470</u>	<u>305</u>	<u>211</u>
<u>Appeal Period Not Yet Expired</u>					
Denials	720	-0-	-0-	2	-0-
Informal Upholds	-0-	53	13	1	
Formal Upholds	-0-	-0-	-0-	-0-	-0-
<u>Total Appeal Period Not Expired</u>	<u>720</u>	<u>53</u>	<u>13</u>	<u>3</u>	
<u>Total Potential Payments</u>	<u>8,146</u>	<u>1,707</u>	<u>597</u>	<u>467</u>	<u>586</u>
<u>Dividend Amount</u>	x 556.26	x 404.00	x 331.29	x 386.15	x 1,000.00
<u>Required Funds as of 02/05/87</u>	<u>\$ 4,531,293.96</u>	<u>\$ 689,628.00</u>	<u>\$ 194,467.23</u>	<u>\$ 180,332.05</u>	<u>\$ 586,000.00</u>

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

HB 83 + 1M 4
Revision Date: 11/30/87

REQUEST

Bill/Resolution No. : 773-87-0050
 Title : An Act amending appropriations
pertaining to permanent fund dividends;
and providing for an effective date.
 Sponsor : _____
 Requestor : _____
 Date of Request : _____

FISCAL DETAIL

Agency Affected: Health & Social Services
 BRU : _____
 Components : _____

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						
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-
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FUNDING : (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
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

N/A

Prepared by : Michael L. Price *Michael L. Price* Phone : 465-3170
 Division : Family and Youth Services Date : 11/20/86

Approved by Commissioner : John R. Pugh *J.R. Pugh* Date : 11/27/86
 Agency : Department of Health and Social Services

Distribution (by Agency preparing fiscal note) :

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

5

ALASKA DEPARTMENT OF REVENUE
ESTIMATED PFD LAPSE BALANCES UNDER HB 84
 February 19, 1987

Orig. Lapse Date	Total	Dividend	Rev Admin.	H&SS H. Harm
<u>1982 PFD (General Fund)</u>				
Sec. 17 and 18, ch 101, SLA 1982 (A)	None	\$ 440,560,100	\$ 439,730,100	\$ 830,000
Fiscal Note		2,500,000	-0-	2,500,000
		-	-	-
Total 1982 Appropriation		\$ 443,060,100	439,730,100	\$ 3,330,000
Less: 1982 PFD ITD Expended			(435,052,316)	
Est. Encumbrance (B)			-0-	
<u>Estimated Lapse under Sec. 1</u>			\$ 4,677,784	
 <u>1982 PFD (Dividend Fund)</u>				
Sec 1, ch. 6, SLA 1983	None	\$ 41,000,000	\$ 41,000,000	\$ -0-
Less: 1982 PFD ITD Expended			(34,423,433)	\$ -0-
Est. Encumbrance (B)			(5,552,000)	
<u>Estimated Lapse under Sec. 2</u>			\$ 1,024,567	
 <u>1983 PFD (Dividend Fund)</u>				
Sec. 32, ch. 107, SLA 1983 page 14, line 11	6/30/84	\$ 179,020,000	\$ 175,935,300	\$ 3,084,700
Sec. 2, ch. 44, SLA 1984	6/30/85	11,584,500	11,584,500	-0-
Sec. 3, ch. 44, SLA 1984	6/30/85	284,800	-0-	284,800
		-	-	-
Total 1983 PFD Authorizations		\$ 190,889,300	187,519,800	\$ 3,369,500
Less: 1983 PFD ITD Expended			(176,632,020)	
Est. Encumbrance (B)			(1,980,950)	
<u>Est. Lapse under Secs. 3 & 4</u>			\$ 8,906,830	

ALASKA DEPARTMENT OF REVENUE
ESTIMATED PFD LAPSE BALANCES UNDER HB 84
February 19, 1987

	Orig. Lapse Date	<u>Total</u>	<u>Dividend</u>	<u>Rev Admin.</u>	<u>H&SS H. Harm</u>
<u>1984 PFD (Dividend Fund)</u>					
Sec. 14, ch. 122, SLA 1984	6/30/85	\$ 155,129,971	\$ 152,114,471	\$ 3,015,500	\$ -0-
Sec. 15, ch. 122, SLA 1984	6/30/85	<u>7,985,700</u>	<u>7,985,700</u>	<u>-0-</u>	<u>-0-</u>
Total 1984 PFD Authorizations		<u>\$ 163,115,671</u>	160,100,171	<u>\$ 3,015,500</u>	<u>\$ -0-</u>
Less: 1984 PFD ITD Expended			(158,650,077)		
Est. Encumbrance (B)			<u>(744,740)</u>		
<u>Est. Lapse under Secs. 5 & 6</u>			<u>\$ 705,354</u>		
<u>1985 PFD (Dividend Fund)</u>					
Sec. 14, ch. 98, SLA 1985	6/30/86	\$ 210,733,842	\$ 210,733,842	\$ -0-	\$ -0-
Sec. 26, ch. 98, SLA 1985 page 26, line 5	6/30/86	2,895,900	-0-	2,895,900	-0-
Sec. 26, ch. 97, SLA 1985 page 35, line 7	6/30/86	<u>3,644,300</u>	<u>-0-</u>	<u>-0-</u>	<u>3,644,300</u>
Total 1985 PFD Authorization		<u>\$ 217,274,042</u>	210,733,842	<u>\$ 2,895,900</u>	<u>\$3,644,300</u>
Less: 1985 PFD ITD Expended			(208,258,532)		
Est. Encumbrance (B)			<u>(1,657,208)</u>		
<u>Estimated Lapse under Sec. 7</u>			<u>\$ 818,102</u>		
<u>1986 PFD (Dividend Fund)</u>					
Sec 13, ch. 129, SLA 1986	6/30/87	\$ 295,835,142	\$ 295,835,142	\$ -0-	\$ -0-
Sec 21, ch. 129, SLA 1986 page 21, line 8	6/30/87	3,378,000	-0-	3,378,000	-0-
Sec 21, ch. 129, SLA 1986 page 28, line 22	6/30/87	<u>4,211,700</u>	<u>-0-</u>	<u>-0-</u>	<u>4,211,700</u>
Total 1986 PFD Authorizations		<u>\$ 303,424,842</u>	295,835,142	<u>\$ 3,378,000</u>	<u>\$4,211,700</u>
Less: 1986 PFD ITD Expended			(293,171,540)		
Est. Encumbrance			<u>(2,663,597)</u>		
<u>Estimated 1986 PFD Lapse (C)</u>			<u>(-0-)</u>		

ALASKA DEPARTMENT OF REVENUE
ESTIMATED PFD LAPSE BALANCES UNDER HB 84
 February 19, 1987

<u>Orig. Lapse Date</u>	<u>Total</u>	<u>Dividend</u>	<u>Rev Admin.</u>	<u>H&SS H. Harm</u>
<u>Actual and Estimated Lapse to Dividend Fund (D)</u>				
1982 PFD	\$ 1,024,567	\$ 1,024,567	\$ -0-	\$ -0-
1983 PFD	9,109,497	8,906,830	202,667	-0-
1984 PFD	1,008,323	705,354	302,969	-0-
1985 PFD	1,360,464	818,102	412,316	130,046
1986 PFD	NCA	-0-	NCA	NCA
<u>Estimated Additional Amount Available for 1987 PFD under AS 43.23.045(d)</u>				
	<u>\$ 12,502,851</u>	<u>\$ 11,454,853</u>	<u>\$ 917,952</u>	<u>\$ 130,046</u>

NOTES:

A. Included within the Sec. 19, ch. 101, SIA 1982 appropriation was an amount to be used for the PCC/CCC tax credit program. The actual appropriation was as follows:

Total Appropriation	\$ 442,192,100
Less: Tax credit allocation	(1,632,000)
Total PFD allocation	<u>\$ 440,560,100</u>

B. Per attached Analysis of PFD Account Balances schedule dated February 5, 1987.

C. The February 5, 1987 Analysis of PFD Account Balances indicates there will be a shortfall of \$3,266,134 for the 1986 PFD program. However, because many of the outstanding applications will actually be denied, no actual shortfall is anticipated.

D. Estimated dividend payment lapses are based on this schedule. The amounts included for 1983, 1984, and 1985 PFD Revenue administrative costs and the 1984 and 1985 H&SS hold harmless costs are the amounts already actually lapsed to the dividend fund. The amount of the 1986 Revenue administrative and H&SS hold harmless appropriations that may lapse is not currently available (NCA) and has not been included.

ALASKA DEPARTMENT OF REVENUE
PERMANENT FUND DIVIDEND PROGRAM
ANALYSIS OF PFD ACCOUNT BALANCES
As of February 5, 1987

	1986	1985	1984	1983	1982
<u>Unresolved Applications</u>					
Not on File	-0-	-0-	-0-	-0-	-0-
Unpaid					
Incomplete	195	40	18	8	7
Potential Duplicate	165	20	19	1	-0-
Acceptable	544	52	2	-0-	2
No Sponsor on File	-0-	-0-	-0-	-0-	-0-
Review	881	80	34	19	25
Invalid Code	-0-	-0-	-0-	-0-	1
Garnished					
Acceptable	-0-	33	12	72	313
Questioned	-0-	-0-	-0-	2	1
Review	1	-0-	-0-	-0-	-0-
To Be Reissued					
Acceptable	31	6	-0-	-0-	-0-
Questioned	3	1	-0-	-0-	1
Stop Payment					
Acceptable	-0-	-0-	-0-	-0-	3
Cancelled					
Acceptable	3,367	21	13	6	4
No Sponsor on File	-0-	2	4	-0-	5
Questioned	12	8	2	51	12
Review	2	-0-	-0-	-0-	-0-
<u>Total Unresolved Applications</u>	<u>5,201</u>	<u>263</u>	<u>104</u>	<u>159</u>	<u>374</u>
<u>Denial Appealed</u>					
Request to Apply Late	154	21	5	5	3
Informal	2,071	1,353	423	281	190
Formal	-0-	17	42	19	18
Court	-0-	-0-	-0-	-0-	-0-
Invalid Status	-0-	-0-	-0-	-0-	-0-
<u>Total Denial Appealed</u>	<u>2,225</u>	<u>1,391</u>	<u>470</u>	<u>305</u>	<u>211</u>
<u>Appeal Period Not Yet Expired</u>					
Denials	720	-0-	-0-	2	-0-
Informal Upholds	-0-	53	13	1	1
Formal Upholds	-0-	-0-	-0-	-0-	-0-
<u>Total Appeal Period Not Expired</u>	<u>720</u>	<u>53</u>	<u>13</u>	<u>3</u>	<u>1</u>
<u>18 Year-Old First-time Filers</u>					
Original Estimated	2,529	2,438	1,683	4,683	5,000
Not on file	(1)	(3)	(-0-)	(-0-)	(1)
On file--In Review	(11)	(38)	(22)	(18)	(30)
Paid	(3)	(2)	(-0-)	(2)	(3)
Denied--Appeal or APNYE*	(NCA)	(NCA)	(NCA)	(NCA)	(NCA)
<u>Total Potential 18 Year-Olds</u>	<u>2,514</u>	<u>2,393</u>	<u>1,661</u>	<u>4,663</u>	<u>4,966</u>
<u>Total Potential Payments</u>	<u>10,660</u>	<u>4,102</u>	<u>2,248</u>	<u>5,130</u>	<u>5,552</u>
<u>Dividend Amount</u>	<u>x 556.26</u>	<u>x 404.00</u>	<u>x 331.29</u>	<u>x 386.15</u>	<u>x 1,000.00</u>
<u>Required Funds at 6/7/05/87</u>	<u>\$ 5,929,731.60</u>	<u>\$ 1,657,208.00</u>	<u>\$ 744,739.95</u>	<u>\$ 1,980,949.50</u>	<u>\$ 5,552,000.00</u>
<u>Less: Funds Available (A)</u>					
Original Appropriation	(2,663,597.19)	(2,475,310.19)	(1,450,104.79)	(1,657,809.14)	(4,677,783.51)
Supplement Appropriation	(-0-)	(-0-)	(-0-)	(9,229,969.97)	(6,577,567.20)
<u>Total Funds Available at 2/5/87</u>	<u>(2,663,597.19)</u>	<u>(2,475,310.19)</u>	<u>(1,450,104.79)</u>	<u>(10,887,779.11)</u>	<u>(11,255,350.71)</u>
<u>(Excess) Shortage</u>	<u>\$ 3,266,134.41</u>	<u>(\$ 818,102.19)</u>	<u>(\$ 705,364.87)</u>	<u>(\$ 8,906,829.61)</u>	<u>(\$ 5,702,350.71)</u>

HB

86



Official Business

Alaska State Legislature

House

Pouch V
State Capitol
Juneau, Alaska 99811

CONTENTS

HOUSE BILL 86

FISCAL NOTE

LETTER FROM GOVERNOR STEVE COWPER TO SPEAKER BEN GRUSSENDORF

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 29, 1987

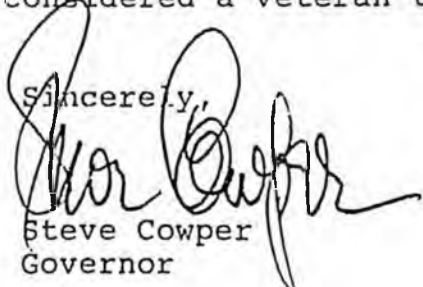
The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

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

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

REQUEST: _____
 Revision Date: 02/09/87
 Title: Definition of "Veteran" for purposes of employment preference
 Sponsor: Rules Committee
 Requestor: Governor

Bill Version : HB 86
 Publish Date : _____

Agency Affected : Administration
 BRU: Personnel
 Components : _____

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-
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-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

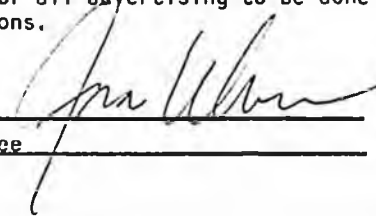
GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

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

H086

REQUEST

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

FISCAL DETAIL

Agency Affected: Administration
BRU: Personnel

Revision Date: _____

Sponsor: _____
Requestor: _____
Date of Request: _____

Components: Personnel

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0.0 <i>1.1</i>	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 <i>1.1</i>	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 <i>1.1</i>	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0.0 <i>1.1</i>	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
Division: Personnel

Phone: 465-4430
Date: _____

Approved by Commissioner: Eleanor Andrews
Agency: Department of Administration

Date: _____

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

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTEBill version: HB 86
Publish Date: HOUSE 1/30/87

REQUEST Bill/Resolution No.: _____ Title: <u>Definition of veteran for</u> <u>purposes of employment preference</u> _____ Sponsor: _____ Requestor: _____ Date of Request: _____	FISCAL DETAIL Agency Affected: <u>Administration</u> BRU: <u>Personnel</u> _____ Components: <u>Personnel</u> _____
--	---

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	1.7	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	1.7	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	1.7	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	1.7	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: 2/27/86
 Agency: Department of Administration

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:

SIGNING OTHER RECOMMENDATIONS:

Cliff Davidson (do pass w/ original fiscal note)

John Ulmer
 Chairman's signature

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill version: HB 86
Publish Date: HOUSE 1/30/87

<p>REQUEST</p> <p>Bill/Resolution No.: _____</p> <p>Title: <u>Definition of veteran for purposes of employment preference</u></p> <p>Sponsor: _____</p> <p>Requestor: _____</p> <p>Date of Request: _____</p>	<p>FISCAL DETAIL</p> <p>Agency Affected: <u>Administration</u></p> <p>BRU: <u>Personnel</u></p> <p>Components: <u>Personnel</u></p>
---	---

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	1.7	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	1.7	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	1.7	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	1.7	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: 12/2/86
 Agency: Department of Administration

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

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

Bill version: HB 86
Publish Date: HOUSE 1/30/87

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-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

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 Phone: 465-4600
 Division: Administrative & Support Services Date: 10/13/86
 Approved by Commissioner: Richard L. Rountree
 MG Edward G. Pagano Date: 10/13/86
 Agency: Dept. of Military & Veterans Affairs

Distribution (by Agency preparing fiscal note):

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

HB

95

FISCAL NOTE

REQUEST

Revision Date: _____ Agency Affected: Public Safety
 Title: "An Act authorizing limited historical
gambling enterprises..." BRU: Alaska State Troopers
 Sponsor: Rep. Taylor Components: Criminal Investigation
 Requestor: House State Affairs Bureau

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY88	FY89	FY90	FY91	FY92	FY93
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 FUNDS						
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)

No fiscal impact is anticipated.

JNR KCS
2/9/88

Prepared by: Francis C. Allan *G.C.A.*
 Division: Alaska State Troopers

Phone: 269-5691
 Date: 1/29/88

Approved by Commissioner: Arthur English *A.H.*
 Agency: Public Safety

Date: 1/29/88

Distribution: (by preparer):

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

P.O. Box 1683
Sitka, AK 99835
Feb. 19, 1988

Fran Ulmer
Alaska State Legislature
P.O. Box V (MS 3100)
Juneau, Ak 99811

Dear Mrs Ulmer,
I am an eighth grade student
at Blatchley Middle School! I am
very interested in how our Government
works.

I would like you to support
HB 95. I think people coming to Alaska
would like to gamble if this bill is passed
it would bring more money to our
economy!

I would like to thank you for
your time! I hope this has influenced
you! Thank you again!

Sincerely,
Jason Shaffer

FISCAL NOTE

REQUEST _____

Revision Date: _____
Title: "An Act authorizing limited historical gambling enterprises..."
Sponsor: Rep. Taylor
Requestor: House State Affairs

Agency Affected: Public Safety
BRU: Alaska State Troopers
Components: Criminal Investigation Bureau

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY88	FY89	FY90	FY91	FY92	FY93
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 FUNDS						
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)

No fiscal impact is anticipated.

JMR
2/9/88
KCS

Prepared by: Francis C. Allan
Division: Alaska State Troopers

Phone: 269-5691

Date: 1/29/88

Approved by Commissioner: Arthur English
Agency: Public Safety

Date: 1/29/88

Distribution: (by preparer):

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

2

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

Bill Version : HB 95
Publish Date : _____

REQUEST: _____
Revision Date: _____
Title: An Act authorizing limited
historic gambling enterprises
Sponsor: Taylor
Requestor: _____

Agency Affected: _____
BRU: Local Government Assistance
Components: Training & Development

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

ANALYSIS : (Attach a separate page if necessary)

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

Phone: 465-4750
Date: 2/17/87

Approved by Commissioner: David G. Hoffmann
Agency: Community & Regional Affairs

Date: 2-17-87

Distribution (by preparer):

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

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

3

Bill Version: HB95

Publish Date: _____

REQUEST

Revision Date: _____
Title: An act authorizing certain municipalities to conduct limited historic gambling enterprises & providing effective date
Sponsor: Taylor
Requestor: State Affairs, Comm. & Reg. Aff

Agency Affected: Revenue
BRU: Public Services
Components: Public Services Operating

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	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

Prepared by: Sally Smith
Division: Public Services

Phone: 465-2392

Date: February 17, 1987

Approved by Commissioner: H. Milne
Agency: Revenue

Date: 2/17/87

Distribution (by Agency preparing fiscal note):

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



ALASKA VISITORS ASSOCIATION

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1983-84 EXECUTIVE OFFICERS

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Alaska West Associates
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Government Relations**
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Alyeska Resort
Girdwood, Alaska

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Westours, Inc.
Seattle, Washington

Executive Director
DALE FOX

A RESOLUTION IN SUPPORT OF LIMITED HISTORIC GAMBLING IN ALASKA

Whereas, Alaska's Gold Rush History is an attractive and integral part of our tourism appeal; and,

Whereas, the colorful gambling halls and characters of the gold rush era continue to provide a spirited reminder of Alaska's history; and,

Whereas, the recreation of historic gambling in Alaska would enhance Alaska's tourism industry;

Be it therefore resolved that the Alaska Visitors Association supports legislation that would allow local option for municipally-controlled limited historic gambling in communities with a substantial history of gambling during Alaska's gold rush.

Passed by AVA Membership, October 6, 1983, Valdez, Alaska

PAST PRESIDENTS

GEORGE SUNDBORG
1950

ROBERT E. ELLIS
1951-1952

EDWARD D. COFFEY
1952-1955

MARSHALL CRUTCHER
1955-1956

BEN CRAWFORD
1956-1957

EVERETT PATTON
1957-1959

ROBERT A. BAKER
1959-1960

ROBERT E. ELLIS
1960-1962

ROBERT GIERSDORF
1962-1963

E. E. SWOFFORD
1963-1964

H. JACK MUSIEL
1964-1966

JAMES JOHNSON
1966-1967

FRANK DOWNEY
1967-1968

BILL SHEFFIELD
1968-1969

JOHN MONROE
1969-1970

RONALD LATIMORE
1970-1971

JOHN STEVENS
1971-1972

LEN LAURANCE
1972-1973

E. AL PARRISH
1973-1974

A. E. "BUD" HAGBERG
1974-1975

CHUCK WEST
1975-1977

CHARLES CONWAY
1977-1978

JIM BINKLEY
1973-1979

MARTHA EDWARDS
1979-1980

ROLF KLUG
1980-1981

DAVE PALMER
1981-1982

CHRIS VON IMHOF
1982-1983

DAWSON HAS A DIAMOND TOOTH GERTIE'S
WHY CAN'T WE?

Questions and Answers about HB 659 / SB 476

5

WHY HISTORIC GAMBLING?

The colorful gold rush saloons and dance halls are an appealing aspect of our gold rush history. It is our history as well as our scenery that attracts visitors to Alaska. Diamond Tooth Gertie's, a restored dance hall which offers limited historic gambling in Dawson City, Yukon Territory, has greatly enhanced Dawson's visitor appeal as an exciting historic attraction.

WHAT WOULD HB 659 AND SB 476 DO?

This legislation would allow qualifying communities local option to implement limited, historic gambling enterprises.

WHO WOULD QUALIFY?

Communities with a "substantial" history of gambling during the Gold Rush era of 1890 to 1910, whose economies are substantially dependent on tourism and whose historic character would be enhanced by the gambling enterprise would qualify for the local option. The communities of Skagway, Fairbanks and Nome would qualify.

WHAT IS A SUBSTANTIAL HISTORY OF GAMBLING?

A substantial history of gambling is a popularly accepted history of casino or bar-room gambling during the period of 1890 to 1910. This does not include communities of admitted histories of back room gambling such as Juneau. Anchorage was founded after the Gold Rush era.

WOULD QUALIFYING MUNICIPALITIES AUTOMATICALLY GET GAMBLING UPON PASSAGE OF HB 659 / SB 476?

This legislation would provide local option to qualifying municipalities. Upon passage of the legislation, any municipality would have to adopt an ordinance outlining specifics in regard to location, hours of operation, limits on the amount of bets and the question of alcoholic beverages on the premises. This ordinance would then have to be ratified by the voters. Consequently, any gambling proposal would have to accommodate the concerns of the public.

It should be noted that since 1977, the City of Ketchikan has had the option to conduct a rain pool classic, similar to the Nenana Ice Classic. If a community had strong reservations about limited historic gambling, it would not need to exercise its option to conduct this activity.

WHO WOULD OPERATE AND CONTROL THE GAMBLING ENTERPRISE?

The essence of this legislation lies in local participation and involvement. Gambling enterprises would be administered by the local governing authority with the city operating the dance hall or casino and with all proceeds going to the city.

WHAT DOES LIMITED HISTORIC GAMBLING MEAN?

The people of the community shall vote on a gambling ordinance that will establish limits on the:

- 1) location of the gambling enterprise
- 2) types of games allowed
- 3) hours of operation
- 4) limits on the amounts of bets
- 5) question of alcoholic beverage on the premises.

HOW WILL THE ECONOMIES OF QUALIFYING COMMUNITIES BENEFIT FROM LIMITED HISTORIC GAMBLING?

Limited historic gambling will attract more visitors, particularly during the "off" seasons of fall, winter and spring. The extra attraction will encourage visitors to stay in town longer. This will have immediate benefits for hotels, food services, gift shops and other related industries.

HOW WILL GAMBLING AFFECT EMPLOYMENT IN QUALIFYING COMMUNITIES?

The gambling enterprise in itself will create jobs. Diamond Tooth Gertie's employs 84 people. In addition, increased visitation from the added attraction creates employment opportunities in all visitor service industries.

HOW MUCH CAN LOCAL GOVERNMENTS EXPECT TO RECEIVE FROM AN HISTORIC GAMBLING ENTERPRISE?

Limited historic gambling should not be viewed as a way to inflate local coffers but as a means to enhance local economies. However, research indicates that a black jack table will generate \$70 per seat per 8-hour shift at a \$5 bet limit. Overhead costs for black jack operation amount to approximately 55% of earnings. Therefore, a black jack table with seven seats would generate \$490 per shift and would cost \$270 to operate, leaving \$220 per shift for the city. A dance hall with 12 tables operating 8 hours per day would generate \$2,640 per day for the city.

WHAT COULD LIMITED HISTORIC GAMBLING LOOK LIKE?

The legislation stipulates that the gambling enterprise be situated within an established historic district or park created to preserve or recreate the historic fabric of the community. For example, in Fairbanks, gambling would only be allowed at Alaskaland. The following is the proposal currently being discussed in Skagway.

Location: Arctic Brotherhood Hall, built in 1899 and owned
by the municipality
Types of Games: Black Jack, roulette
Alcohol Served: No
Entertainment: Small floor show due to lack of space
Bet limit: \$5

WOULD LIMITED HISTORIC GAMBLING RESULT IN INCREASED RATES OF CRIME IN THE QUALIFYING COMMUNITIES?

Dawson City takes great pride in the lack of crime in their community and attributes this to the active involvement of the people of Dawson in the operation and control of Diamond Tooth Gertie's. With the types of limits imposed by Skagway on their proposed gambling program, there is little likelihood that undesirable elements would be attracted to the community.



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

6

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

February 16, 1987

MEMORANDUM

TO: Representative Robin Taylor

ATTN: Elsa Demeksa

FROM: Penelope Weyhrauch
Legislative Analyst

RE: Historical Gambling in Alaska
Research Request 87.135

You requested information on the type of gambling that historically occurred in Alaska communities. For a general overview of historical gambling in Alaska, I contacted Bob DeArmond, a leading Alaska historian. Mr. DeArmond is not aware of any research that exists on the types of gambling that occurred in the different communities in Alaska. He believes that most of the communities in Alaska had unregulated gambling at one time. Mr. DeArmond said that native Alaskans have long enjoyed their own form of traditional gambling and, even before the gold rush days, soldiers garrisoned in Sitka, Kodiak, Kenai and Wrangell were gambling. He said that virtually all types of gambling occurred in Alaska, but specifically mentioned: dice, card games (of all kinds), horse and dog racing, and ice classics.

Fairbanks

In the Fairbanks area, I contacted Alaska Linck, who has lived in Alaska since 1918, Pam McLoughlin, proprietor of the Old F.E. Chataneka Lodge, and the City of Fairbanks. Ms. Linck said that gambling in Fairbanks primarily occurred in the backrooms of bathhouses and ice cream parlors. She recalls that card games were played and that slot machines were popular in some clubs. Ms. Linck does not recall any roulette wheels being used in Fairbanks. Ms. McLoughlin, who has done some research on historical gambling in Fairbanks, said that most gambling occurred in the prostitution area of town. Gambling that occurred in Fairbanks, according to Ms. McLoughlin,

included: roulette wheels, dice, poker, pangini ("pan" - a card game), billiard tables and penny pitching. Helen Green, Deputy City Clerk with the City of Fairbanks, said that pinball, slot machines, and pinboards were used until the 1940s.

Juneau

I contacted retired Judge Tom Stewart, who has lived in Alaska for many years and is a noted historian. He recollected that gambling in Juneau historically occurred in poolhalls, and in clubs such as the Moose and the Elks. He believes that gambling in Juneau was unregulated for a short time before it became a licensed activity. He recalled that gambling that occurred in Juneau included: pangini, punch cards and poker.

Nome

According to Leo Rasmussen, former Mayor of Nome, Nome was at one time a "wide open" gambling town. Gambling in the city was unregulated until permits began to be required in an effort to control thievery that was occurring by gambling facility proprietors. Forms of gambling that were enjoyed in Nome include: roulette wheels, faro (a card game), blackjack and other card games. During Nome's gambling heyday, a number of infamous characters could be seen around town, including Wyatt Earp.

Skagway

According to Bob Ward, Director of Tourism for the city of Skagway and Glenda Chuate, a local historian, 1896-99 appeared to be the peak of Skagway's gambling activity. Mr. Ward said that the gambling that occurred in Skagway included: roulette, craps, and card games such as three-card monte, blackjack, poker and faro. Ms. Choate said that machines (such as slot machines) were not a part of Skagway's gambling history. Skagway is well known for the shenanigans of Soapy Smith, who ran Jeff's Place, a saloon and gambling house.

Representative Taylor
February 16, 1987
Page 3

Other Alaska Communities

Several other communities were cited as having gambling activities as a part of their history. Ms. Linck, of Fairbanks, recalls that Anchorage and Wasilla both had gambling tents where poker was played. Circle City was also cited by one writer as having gambling activities.

* * * *

I hope this information is useful to you. In addition to the contacts mentioned in this memorandum, I also contacted the State Library, the Historical library, the Alaska State Museum, and the Juneau-Douglas library. None of these sources was able to provide me with any information on communities in Alaska which historically had gambling. I also attempted, unsuccessfully, to contact a local historian in Wrangell. I have attached a copy of a 1913 Alaska territorial law which makes gambling a misdemeanor. If you have any questions or would like additional information, please contact our agency.

Attachment

seven, and two thousand and twenty-eight general reputation shall be received in evidence to establish the character of any building as an opium den, and proof that any person frequents such den shall be prima facie evidence that such person frequents such den for the purpose of smoking opium.

Carter Code, sec. 150; Charlton Code, sec. 150.

SEC. 2031. That all idle or dissolute persons who have no visible means of living, or lawful occupation or employment by which to earn a living; all able-bodied persons who shall be found begging the means of support in public places, or from house to house, or who shall procure a child or children so to do; all persons who live in houses of ill repute shall be deemed vagrants, and upon conviction thereof shall be fined not less than twenty dollars nor more than two hundred and fifty dollars, or by imprisonment in the county jail not less than ten nor more than twenty-five days, or both, in the discretion of the court.

Definition and punishment of vagrancy.

Carter Code, sec. 151; Charlton Code, sec. 151.

SEC. 2032. That each and every person who shall deal, play, or carry on, open or cause to be opened, or who shall conduct, either as owner, proprietor or employee, whether for hire or not, any game of faro, monte, roulette, rouge-et-noir, lansquenet, rondo, vingt-un, twenty-one, poker, draw poker, brag, bluff, thaw, craps, or any banking or other game played with cards, dice, or any other device, whether the same shall be played for money, checks, credit, or any other representative of value, shall be guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not more than five hundred dollars, and shall be imprisoned in the county jail until such fine and costs are paid: *Provided*, That such person so convicted shall be imprisoned one day for every two dollars of such fine and costs: *And provided further*, That such imprisonment shall not exceed one year.

Gambling.

Prorisor. Imprisonment one day for every two dollars fine. Limit of imprisonment.

Carter Code, sec. 152; Charlton Code, sec. 152.

McGinley v. Cleary (2 Alaska Rep., 209). In this case the plaintiff was the proprietor of a saloon. He gambled with defendant therein with dice, and lost \$1,500. To pay his loss he conveyed the premises in dispute. Upon a suit in equity to recover, the court held that equity will not assist a gambler to recover losses at his own game."

Hornstein v. U. S. (155 Fed. Rep., 48; 83 C. C. A., 614; 3 Alaska Rep., 731). State v. Gitt Lee (6 Or. Rep., 426). State v. Mau (2 Or. Rep., 233). State v. Light (21 Pac. Rep., 132). State v. McDaniel (26 Pac. Rep., 837). State v. Adams (26 Pac. Rep. 837).

CHAPTER NINE.

OFFENSES AGAINST PUBLIC CONVENIENCE.

Sec. 2033. Throwing ballast into navigable stream.

Sec. 2034. Injuring buoys or beacons. Sec. 2035. Tearing down posted notices.

SEC. 2033. That if any person, whether he be an officer of a vessel or not, shall discharge the ballast of any vessel into the navigable portions or channels of any of the bays, harbors, or rivers of said District, or within the jurisdiction of said District, so as to injuriously affect such portions or channels of such bays, harbors, or rivers, or to obstruct the navigation thereof, such person, upon conviction thereof,

Mar. 3, 1899. 30 Stat. L., 1275-1276. Throwing ballast into navigable stream.

ROBERTSON, MONAGLE, EASTAUG:

W. C. ROBERTSON
F. O. EASTAUG
J. B. BRADLEY
WILLIAM G. RUSSEY
JAMES F. CLARR
PAUL M. WOFFMAN
J. P. TANDER
HAROLD E. SNOW JR.
D. ELIZABETH QUADRA
PAMELA L. FINLEY
STEVEN W. SILVER
JAMES H. SHINE

A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
POST OFFICE BOX 1211
JUNEAU, ALASKA 99802

April 5, 1983

JUNEAU OFFICE
210 FERRY WAY, 2ND FLOOR
POST OFFICE BOX 1211
JUNEAU, ALASKA 99802
PHONE (907) 586-2340
CABLE: ROMEA
TELEX: 255-43-075

*I also
noticed someone
is trying to -
alter changing
the statutes on
games of chance.
See SB 265
& HB 360.
Wonder what
it means(?)
4/20 E. Quade*

Mr. Skip Elliott
City Manager
City of Skagway
P. O. Box 415
Skagway, Alaska 99840

Re: The Casino Question.

Dear Skip:

This will give you written confirmation of the advice I gave you orally (March 17) in response to your question on what type of State legislation would be required (and would be permissible under the Alaska Constitution) to allow the City of Skagway to own and operate a gaming casino patterned on types of gambling that took place in Skagway during gold rush days. In particular, you were concerned about how to structure any amendments of Alaska Statutes so as to avoid the problem of "local or special" legislation.

The pertinent resources for answering this question are as follows: Article II, Section 19 of the Alaska Constitution (and cases thereunder); Alaska Statutes at AS 05.15. (Games of Chance and Contests of Skill) together with regulations and any case law thereunder; and any opinions of the Alaska Attorney General under either of the foregoing constitutional and statutory provisions.

Article II, Section 19 of the Alaska Constitution provides as follows:

Section 19. Local or Special Acts. The legislature shall pass no local or special act if a general act can be made applicable. Whether a general act can be made applicable shall be subject to judicial determination. Local acts necessitating appropriations by a political subdivision may not become effective unless approved by a majority of the qualified voters voting thereon in the subdivision.

copy

Alaska Supreme Court cases under this constitutional provision tell us that it is permissible for a State statute to have local effect, provided the statute is of statewide interest. The legislation need not operate evenly in all parts of the state to avoid being classified as local or special. For example, a three-way exchange of land between the State of Alaska, the United States Government, and the Cook Inlet Region, Inc. (and the authorizing Alaska statute) was upheld as not violative of State constitutional prohibitions against enactment of local and special legislation. State v. Lewis, 559 P.2d 630 (Alaska 1977). I would surmise, therefore, that such statutes as that which established the Chilkat Eagle Preserve near Haines, although it certainly has local effect, would be lawful because of having statewide interest. On the other hand, a statute especially authorizing formation of the Eagle River-Chugiak Borough was struck down by the Alaska Supreme Court as being local or special legislation, primarily because there was already general legislation which could be made applicable to the formation of the Borough. Abrams v. State, 534 P.2d 91 (Alaska 1975).

Under AS 05.15, the Alaska Department of Revenue issues permits for the operation of games of chance to certain types of organizations, and provided the funds will be used for certain purposes. Since the 1982 amendments, municipalities are among the organizations which can obtain such permits. AS 05.15.140. The problem arises, however, from the statutory prohibition of the very types of historic gambling Shagway would wish to operate. This prohibition appears in AS 05.15.180(a):

This chapter does not authorize the use of playing cards, dice, roulette wheels, coin-operated instruments or machines, or other objects or instruments used, designed, or intended primarily for gaming or gambling or any other method or implement not expressly authorized by the commissioner.

My recommendation is that the City of Shagway seek statutory amendments that would specifically authorize municipalities to establish and operate casinos offering gambling games that were historically operated during the period of history being reproduced, and that this authorization be limited to areas of the municipality which have been established as historic districts under the Alaska Historic Preservation Act, AS 41.25. If I understand your facts correctly, Shagway already has such a historic

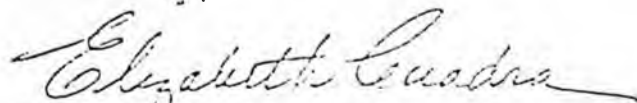
Mr. Skip Elliott
April 5, 1983
Page Three

district established, and a statutory limitation of this type would not inhibit your plans.

I believe statutory amendments of the type recommended above would survive challenge under the "local or special" legislation provision in the Alaska Constitution, Article II, Section 19. On the other hand, a statutory amendment which specifically named Skagway, to the exclusion of all other municipalities, probably would not. If you have a ready sponsor in Senator Kerttula, and his preference is a statutory amendment that names Skagway specifically, then I suggest that you ask Senator Kerttula to have the Division of Legal Services in the Legislative Affairs Agency research the same question that you have put to me, before they assist the Senator by structuring the proposed legislation. The only type of legislation specifically naming Skagway which I can believe might pass muster under the "local or special" legislation provision would be the establishment of some type of State historic park in Skagway (analogous to the Chilkat Eagle Preserve), which specifically provides for a Skagway-owned casino in that State historic park. Such a structure might survive on the basis of being a State historic park of statewide interest and thus not being "local or special" legislation.

Please let me know if you wish to see a copy of any of the Alaska Supreme Court opinions I have cited.

Sincerely,



D. Elizabeth Cuadra

DFC/rh
Enclosure

CITY OF SKAGWAY

GATEWAY TO THE GOLD RUSH OF '98"

P. O. BOX 412 SKAGWAY, ALASKA 99840

J

A PROPOSAL
FOR
A LIMITED FORM OF GAMBLING
IN
SKAGWAY, ALASKA
(REVISED)

BY THE SKAGWAY CONVENTION AND VISITORS BUREAU

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PROBLEMS ASSOCIATED WITH GAMBLING?.....PAGE 5

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THE DAYS OF '98

"Life itself was a gamble. Settlers crossing the plains faced death from indians, starvation, thirst, and cholera, as well as each other. Everyday chores - prospecting, mining,...hunting - were likely to injure or accidentally kill a person. Violent changes of fortune, for better or for worse, were part of the...experience."

Richard Erdoes - Saloons of
the Old West

SUBSTITUTE THE PASSES FOR THE PLAINS, AVALANCHES FOR INDIANS, FREEZING BLIZZARDS FOR THIRST, SPINAL MENINGITIS FOR CHOLERA, AND YOU HAVE SKAGWAY AND THE KLONDIKE IN 1898.

THE THRILL OF FORTUNES WON AND LOST WAS JUST AS GREAT ON BROADWAY, IN SKAGWAY, AS IT WAS ON ELDORADO CREEK IN THE YUKON. THIS DISCOVERY OF A NEW, ROUGH AND READY FRONTIER, LONG AFTER THE WESTERN FRONTIER HAD FADED INTO SETTLED TRANQUILITY, LURED THOUSANDS OF PEOPLE NORTHWARD IN THE "LAST GREAT ADVENTURE".

THE EVER-PRESENT SHELL GAME, FARO, POKER, DICE, AND THREE CARD MONTE WERE DIVERSIONS FROM THE GREATER GAMBLE OF LIVES AND FORTUNES IN THE BLOWING SNOWS OF THE PASSES AND THE FROZEN MUCK OF THE GOLD FIELDS. THE SALOONS AND GAMING PARLORS OF SKAGWAY WERE AN EQUAL PART OF AN IMAGE THAT WAS BEING REKINDLED THROUGHOUT THE WORLD. IT WAS THE IMAGE OF A FALSE FRONTED TOWN ON THE EDGE OF THE WILDERNESS WHERE MEN LIVED BY THEIR WITS. IT WAS AN IMAGE ROMANTICIZED BY ROBERT SERVICE AND JACK LONDON, WHERE ONLY THE FIT SURVIVED. IT WAS A CHANCE FOR MEN TO PIT THEMSELVES AGAINST THE WORST AND TOUGHEST THAT MANKIND AND NATURE COULD MUSTER, AND SEE WHO WON. IT WAS THE IMAGE THAT HAD DRAWN CIVILIZATIONS ACROSS UNCHARTED OCEANS, THROUGH HOSTILE

FORESTS, OVER SCORCHED DESERTS, AND FINALLY, IN THIS LAST GREAT
GOLD RUSH, TO THE FROZEN NORTH. IT WAS THE KLONDIKE.

WHAT ABOUT DAWSON'S GAMBLING?

WITH THE DISCOVERY OF GOLD ON THE BEACHES OF NOME IN 1899, DAWSON SOON BECAME A VIRTUAL GHOST TOWN. OVER THE YEARS THE ABANDONED BUILDINGS FELL INTO DISREPAIR. DAWSON, AT THE SAME TIME BEGAN TO REALIZE IT'S HISTORICAL POTENTIAL AS A TOURIST ATTRACTION. DAWSON ALSO DISCOVERED THAT THE DETERIORATION OF THE BUILDINGS AND THEIR REMOTE LOCATION WERE MAJOR HANDICAPS TO THE DEVELOPMENT OF A VIABLE TOURISM INDUSTRY.

IN ORDER TO AID IN THE RESOLUTION OF BOTH OF THESE CONCERNS, IN 1971 THE CANADIAN FEDERAL GOVERNMENT PASSED A WAIVER TO EXISTING LEGISLATION THAT ALLOWED THE KLONDIKE VISITORS ASSOCIATION TO RUN A GAMBLING OPERATION IN A CENTRAL LOCATION - DIAMOND TOOTH GERTIE'S. THE PROCEEDS FROM THIS OPERATION WERE TO GO TO THE ENHANCEMENT OF DAWSON'S TOURISM INDUSTRY.

DIAMOND TOOTH GERTIE'S IS THE ONLY ESTABLISHMENT IN CANADA THAT HAS GAMBLING, LIQUOR, AND ENTERTAINMENT UNDER ONE ROOF, AND HAS BECOME THE MAINSTAY OF THE DAWSON ECONOMY. HOWEVER, GERTIE'S WAS NOT WITHOUT PROBLEMS IN HER FIRST YEAR. INEXPERIENCE IN RUNNING A GAMING OPERATION, ON THE PART OF THE K.V.A., AND A LOSS OF BUSINESS TO LOCAL BARS AS PATRONS FLOCKED TO THE CASINO RESULTED IN A NET LOSS FOR SEVERAL BUSINESSES, INCLUDING THE K.V.A..

AFTER THE FIRST YEAR, THE R.C.M.P. SELECTED A PROFESSIONAL PIT BOSS TO MANAGE THE OPERATION AND THE K.V.A. ESTABLISHED A VOLUNTEER GAMBLING SQUAD TO OVERSEE GAMING AND TO REPORT ON ITS PROBLEMS AND BENEFITS. THE RESULT WAS A SMOOTHER, PROFITABLE OPERATION FOR ALL OF DAWSON.

GAMES PLAYED AT GERTIE'S ARE BLACK JACK, CROWN AND ANCHOR, ROULETTE, AND POKER. THE MAXIMUM BET IS \$5. THE K.V.A. EMPLOYS 45 PEOPLE TO RUN THE OPERATION WITH EMPHASIS PLACED ON MAINTAINING AN ATMOSPHERE OF FUN AS WELL AS PROFESSIONALISM. IN 1982 THE NET PROFITS TO THE K.V.A. WERE \$25,000.

FUTURE PLANS ARE TO EXPAND GERTIE'S TO ACCOMMODATE MORE VISITORS, AND TO RAISE THE BET LIMIT TO COVER INCREASED COSTS.

SOUNDS GOOD - BUT AREN'T THERE PROBLEMS ASSOCIATED WITH GAMBLING?

WHENEVER ONE MENTIONS GAMBLING, SEVERAL POTENTIAL SOCIAL PROBLEMS COME TO MIND. GIOVANNI CASTELLARIN OF DAWSON'S K.V.A. WAS QUESTIONED ABOUT THESE PROBLEMS. HIS RESPONSES ARE AS FOLLOWS:

GIOVANNI CASTELLARIN, PRESIDENT OF THE KLONDIKE VISITORS ASSOCIATION SAID THAT THERE HAVE BEEN A FEW PEOPLE WHO HAVE BECOME ADDICTED TO GAMBLING BUT THAT WELFARE PROVIDES A FACILITY FOR TREATMENT. CASTELLARIN FELT IT WAS A SMALL PROBLEM AND THAT IN A SMALL COMMUNITY THE SIZE OF DAWSON (400-500 PEOPLE), IT CAN BE PREVENTED BECAUSE PEOPLE KNOW EACH OTHER AND KNOW WHO IS HAVING A PROBLEM. REFUSING TO ACCEPT CHECKS OR GIVE PEOPLE CREDIT IS ONE OF THE WAYS OF KEEPING PEOPLE WITH A PROBLEM FROM SPENDING ALL OF THEIR MONEY. OVERALL, ONLY A VERY SMALL NUMBER OF LOCALS GAMBLE AT ALL; EVERYONE IS SO BUSY DURING THE BRIEF SUMMER SEASON. (GERTIE'S IS ONLY OPEN DURING THE SUMMER) CASTELLARIN SAID THAT MOST EVERYONE FEELS THAT THE POSITIVE EFFECT ON THE COMMUNITY IS 100 TIMES GREATER THAN THE NEGATIVE EFFECT. EVEN THE LOCAL PRIEST APPROVES OF GAMBLING, "IF IT IS CONTROLLED AND DONE RIGHT."

CASTELLARIN ALSO SAID, "WE DO NOT KNOW WHAT CRIME MEANS IN DAWSON."

SKAGWAY TODAY

ON THE AFTERNOON OF JANUARY 14, 1983, ECONOMIC DISASTER STRUCK SKAGWAY. ON THAT DATE THE WHITE PASS CORPORATION ANNOUNCED THAT THE WP&YR NARROW GAUGE "SCENIC RAILWAY OF THE WORLD" WOULD CEASE TO OPERATE UNTIL THE MINES IN THE YUKON REOPENED. THE EARLIEST THAT WHITE PASS COULD SPECULATE ON THE REOPENING OF THE RAILROAD WOULD BE THE SECOND QUARTER OF 1984. THE LOSS OF THE RAILROAD MEANT THE DEMISE OF SKAGWAY'S PRIMARY INDUSTRY. THIS LEFT THE TOWN TOTALLY DEPENDENT UPON ITS SECOND INDUSTRY, TOURISM, FOR AT LEAST THE NEAR FUTURE. THE SITUATION IS NOT DISSIMILAR TO THAT OF DAWSON.

WHAT IS DIFFERENT IS THE ADVANTAGE THAT SKAGWAY ALREADY HAS AS A WELL KNOWN POPULAR TOURIST DESTINATION. THE KLONDIKE GOLD RUSH NATIONAL HISTORICAL PARK, THE CHILKOOT TRAIL, BROADWAY, SOAPY SMITH, A.B. HALL, THE GOLDEN NORTH HOTEL, THE PACK TRAIN, THE RED ONION SALOON, AND ALL THE OTHER AUTHENTIC ATTRACTIONS THAT SKAGWAY OFFERS CONJURE UP THAT GOLD RUSH IMAGE OF THE ADVENTURE OF 1898. SKAGWAY OFFERS A GOLD RUSH EXPERIENCE UNEQUALLED ANYWHERE IN THE KLONDIKE REGION

TO ENHANCE THAT WELL KNOWN IMAGE, WHILE AT THE SAME TIME REAPING THE BENEFITS OF INCREASED VISITATION, INCREASED EMPLOYMENT, AND INCREASED REVENUES EXPERIENCED IN DAWSON, SKAGWAY NEEDS TO CONSIDER A LEGALIZED LIMITED FORM OF GAMBLING SCENARIO THAT WOULD INCORPORATE THE BEST ASPECTS OF THE DAWSON PROGRAM AND ACCOMODATE LOCAL CONCERNS. WITH

STRICT HISTORIC GUIDELINES AND CITY OF SKAGWAY CONTROL, THE TOURISM INDUSTRY IN SKAGWAY CAN BE MAINTAINED AND EXPANDED TO GUARANTEE A STABLE SECOND INDUSTRY TO SEE THE CITY THROUGH CURRENT AND FUTURE ECONOMIC DIFFICULTY. A LIMITED FORM OF LEGALIZED GAMBLING WOULD ADD TO SKAGWAY'S PRE-EMINENCE AS THE KLONDIKE GOLD RUSH ATTRACTION OF ALASKA.

WHAT COULD LIMITED GAMBLING LOOK LIKE IN SKAGWAY?

OF THE UPMOST CONCERN TO THE CITY OF SKAGWAY IS THAT ANY GAMBLING IN SKAGWAY BE CONTROLLED BY THE CITY GOVERNMENT. THE CITY COUNCIL WOULD ESTABLISH REQUIREMENTS FOR THE OPERATION OF GAMING TABLES, THE TYPES OF GAMES ALLOWED, THE LIMITS PLACED UPON BETS, AND THE HISTORIC CRITERIA. PROCEEDS FROM GAMBLING WOULD GO TO THE CITY, WITH 50% OF THOSE PROCEEDS TO BE USED FOR HISTORIC PRESERVATION.

ANOTHER MAJOR CONCERN IS THAT ANY GAMBLING OPERATION MAINTAIN AN HISTORIC CHARACTER. THE INTENT IS TO RECREATE THE ADVENTURESOME ATMOSPHERE OF 1898, NOT TO CREATE THE GLITTER AND STYLE OF A MODERN DAY LAS VEGAS. MAINTAINING THE HISTORIC FLAVOR OF SKAGWAY, AND THE APPEAL OF HAVING FUN, IS IMPERATIVE FOR THE COMMUNITY AS WELL AS THE TOURISM INDUSTRY.

A FINAL CONCERN IS THAT GAMBLING IN SKAGWAY NOT BECOME THE MAJOR ATTRACTION FOR THE COMMUNITY, BUT SIMPLY ANOTHER ASPECT OF OUR HISTORIC ATMOSPHERE. WE DO NOT WANT TO BE VIEWED AS THE TOWN IN ALASKA WITH GAMBLING BUT AS THE GOLD RUSH ATTRACTION OF ALASKA THAT INCLUDES GAMBLING. THIS IS THE DIRECTION OF OUR TOURISM DEVELOPMENT AND BETTER MEETS THE CONCERNS OF THE COMMUNITY OF SKAGWAY.

WITH THESE CONCERNS IN MIND, THE CITY OF SKAGWAY WOULD OPERATE A SINGLE CASINO IN THE ARCTIC BROTHERHOOD HALL. THERE WOULD BE A LIMITED FLOOR SHOW TO ENHANCE THE HISTORIC FLAVOR, BUT NO LIQUOR LICENSE WOULD BE SOUGHT. THE AMOUNT OF BETS WOULD INITIALLY BE LIMITED TO \$5.00 TO MAINTAIN THE SOCIAL, ENTERTAINMENT GAMBLING ATMOSPHERE.

THE AB HALL WOULD ACCOMMODATE ABOUT 64 PEOPLE AT ANY GIVEN TIME. THIS IS A VERY SMALL PORTION OF THE VISITOR POPULATION ON MOST DAYS DURING THE SUMMER SEASON. THE REMAINING VISITORS WOULD BE ENJOYING THE OTHER HISTORIC ATTRACTIONS OF THE COMMUNITY.

INFORMATION PROVIDED BY THE PUBLIC GAMING RESEARCH INSTITUTE INDICATES THAT SUCH AN OPERATION WOULD EMPLOY 34 PERSONS PER 8 HOUR SHIFT WITH POTENTIAL GROSS REVENUES OF \$5,880 PER SHIFT. POTENTIAL NET REVENUE TO THE CITY COULD BE IN THE AREA OF \$200,000 FOR THE SEASON.

THIS LIMITED FORM OF GAMBLING WOULD ENHANCE OUR HISTORIC IMAGE WHILE MAINTAINING A STABLE SUPPORT INDUSTRY. IT WOULD PROVIDE VISITORS WITH THE OPPORTUNITY TO ENJOY A FUN AND EXCITING GLIMPSE OF LIFE IN THE "DAYS OF '98". WITH THESE LIMITATIONS AND CRITERIA, GAMBLING IN SKAGWAY COULD BE CONDUCTED WITH THE LEAST SOCIAL COST AND THE GREATEST ECONOMIC BENEFIT.

SPECIFIC RECOMMENDATIONS

- . RECOMMENDATION - THAT THE CITY OF SKAGWAY CONTRACT WITH THE PUBLIC GAMING RESEARCH INSTITUTE TO ANALYZE OUR PROPOSAL IN TERMS OF SOCIAL IMPACTS, OPERATIONAL PROBLEMS, AND POTENTIAL REVENUES.
- . RECOMMENDATION - ANY OR ALL GAMBLING ESTABLISHMENTS BE LICENSED AND OPERATED BY THE CITY.
 - CRITERIA FOR THE NUMBER AND LOCATION OF GAMES, TYPES OF GAMES, HOURS, LIMITS OF BETS AND PROMOTION SHOULD BE SET BY THE CITY COUNCIL.
 - PROCEEDS FROM THE GAMBLING GO DIRECTLY AND EXCLUSIVELY TO THE CITY OF SKAGWAY, WITH 50% OF THOSE FUNDS GOING TO HISTORIC PRESERVATION.
 - THAT A LOCAL GAMING COMMISSION BE ESTABLISHED TO MONITOR THE THE GAMING OPERATION.
- . RECOMMENDATION - THAT A LIMITED NUMBER OF HISTORIC GAMES BE ALLOWED.
- . RECOMMENDATION - THAT THE ALASKA STATE DEPARTMENT OF REVENUE REVIEW SKAGWAY'S OPERATION ON AN ANNUAL BASIS AND REPORT THOSE FINDINGS TO THE STATE LEGISLATURE.
- . RECOMMENDATION - THAT GAMBLING ONLY BE CONDUCTED DURING THE SUMMER, WITH POSSIBLE LIMITED WINTER OPERATION.
- . RECOMMENDATION - THAT THE CITY COUNCIL HOLD A PUBLIC HEARING ON THIS PROPOSAL.
- . RECOMMENDATION - THAT THE PROPOSED LEGISLATION NOT EFFECT THE

LAW OFFICES

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April 20, 1983

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Mr. Robert W. Ward, Jr., Director
Skagway Convention & Visitors Bureau
City of Skagway
7th & Spring Streets
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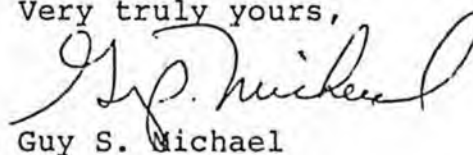
Re: Casino Gambling

Dear Mr. Ward:

Enclosed please find an analysis of the casino proposal prepared by the Skagway Convention and Visitors Bureau, with particular emphasis on the seven questions you posed. This analysis was performed by this firm in conjunction with Duane Burke and the Public Gaming Research Institute.

We and Mr. Burke stand ready to provide any further assistance you may need in this connection or respond to any further inquiries you may have. Thank you.

Very truly yours,



Guy S. Michael

GSM/cp

Enclosures

cc: Mr. Duane Burke

1. What would our personnel requirements be to accommodate 300 gamblers, dispersed among the six sites, at the hours listed on the fact sheet?

It is assumed that the purpose of this inquiry is to determine necessary staffing levels for casino games as they might be necessary in a casino proposal for Skagway. In particular, in connection with staffing levels, it is assumed issues of cost and recruitment are critical. In this connection, there is an assumption implicit in the phrasing of the question which might be misleading and might not best be the way to approach the matter. This assumption is that staffing levels should be geared to any specifically anticipated number of gamblers. Although patron size is a factor, staffing levels are best developed by ratio to the number of games offered. It is the determination of the number of games to offer which is contingent on the estimate of anticipated patron demand.

Given this method of personnel calculation, the following is offered as a sound beginning point from which to estimate potential staffing needs.

Any blackjack table would require, at all times while in operation, one dealer. In addition, at the first level of supervision, there must be one floor person for, at least, every four blackjack tables. That first level supervisor should be required to oversee no more than that number. The

second level supervisor, or pit boss, may be assigned the handling of no more than 12 blackjack tables.

These ratios are based on staffing levels utilized in casino operations of some size. Given the dimensions of the operations proposed on your Fact Sheet, those ratios can be slightly modified. In particular, the tables proposed for the Red Onion Saloon, Moe's Frontier Bar, and the Golden North Hotel could be efficiently staffed with one dealer per table and one supervisor overseeing those two dealers. This assumes, in addition, that there would be overall management, such as a casino manager, to whom the blackjack supervisor would report. In the case of the Golden North Hotel, the single supervisor could handle all four tables.

With respect to the Klondike Hotel, its six tables would probably require, in the ideal, a single dealer at each table, two first level supervisors for each set of three tables and one overall supervisor. Application of similar ratios to the Eagle Hall would require a dealer at each table, three first level supervisors, and one second level supervisor. Finally, at A.B. Hall, there would need to be employed one dealer for each table, three first level supervisors and one second level supervisor.

To reiterate, the levels of supervision and the staffing noted here are required to be in place during all operational periods. Obviously, no single dealer can man a table for the entire proposed gaming day. Dealers typically are on the floor for forty minutes out of each hour. Accordingly, the facilities with two tables would require staffing for thirty-six man/hours of dealer time, or, approximately five dealers working 8-hour shifts per day, or, 252 man-hours per seven day week. A similar formula can be applied to the proposed table configurations at the other facilities. This means 504 man-hours per 7 day week at the Golden North Hotel; 756 man-hours at the Klondike Hotel; 1,260 man-hours at the Eagle's Hall; and, with 12 tables for 8-hour days at the A.B. Hall, 1,008 man-hours.

These calculations and estimates have been done on the basis of utilization of the game of blackjack. Obviously, as different games are utilized, the personnel requirements would change. Blackjack has been used here since that is the game you have proposed on your fact sheet. As different games are proposed, we will be happy to supply you with personnel estimates for each.

In addition, for your review and analysis, we attach a typical staffing chart outline for dealers and supervision in the games of Craps, Roulette, Baccarat and Big Six Wheel as well as Blackjack.

RELIEF FACTORS

PIT BOSSES RELIEF FACTOR

BJ	1 PIT BOSS/12 TABLES	1.25
CRAPS	1 PIT BOSS/8 TABLES	1.25
RO	1 PIT BOSS/12 TABLES	1.25
BAC	1 PIT BOSS/12 TABLES	1.25
BIG SIX	1 PIT BOSS/12 TABLES	1.25

FLOORPERSONS

BJ	1 FLOOR/4 TABLES	1.25
*CRAPS	1 FLOOR/2 TABLES	1.25
RO	1 FLOOR/4 TABLES	1.25
BAC	1 FLOOR/1 TABLE	1.25
BIG SIX	1 FLOOR/4 TABLES	1.25

BOXPERSONS

*CRAPS	1 BOX/1 TABLE	1.25
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DEALERS

BJ	1.33
CRAPS	4.00
BAC	4.00
RO	2.67
BIG SIX	2.67

* 2 supervisors required per 1 craps table (box or floor)

Craps - Box - 1 per table

Floor - 1 per every 2 tables

Plus

(usually) half the number of craps tables

ex: 12 craps tables=
6 box stations plus
3 floor stations + 3 supers. = 6

2. What should an organizational chart of these personnel look like to insure the greatest degree of control and audit capability?

As stated in the response to Question 1, and also, in part, in the response to Question 3, levels of supervision and organization of casino operations are essential components in the control of the casino games. Organizational charts in large casinos look very similar to the kinds of tables of organization one might see in any large corporation. They include, for example, critical elements of function segregation to insure that incompatible duties are not performed by individuals within the same or similar departments. This eliminates, as far as practicable, the possibility that an employee is in a position to both perpetrate and conceal errors or irregularities in the normal course of his duties.

Departments typically found within a large scale casino operation would include:

1. A Surveillance Department, whose responsibility it would be to conduct clandestine surveillance of the operation and conduct of the casino. This department would report directly to the Board of Directors.
2. An Internal Audit Department, whose responsibility it would be to review and appraise the adequacy of internal controls. This department would also report directly to a Board of Directors.

3. A Casino Department who would be responsible to a Director of Casino Operations and, in turn, to a Chief Executive Officer. This department would be responsible for the operation and the conduct of the games.
4. A Slot Department, supervised by a Slot Department Manager, who would report to the Director of Casino Operations and, in turn, to the Chief Executive Officer. This department would be responsible for the operation of the slot machines.
5. A Credit Department, supervised by a Credit Manager, responsible to the Director of Casino Operations. This department would handle the credit function including verification of credit references and the establishment of patron credit limits.
6. A Security Department, supervised by a Director of Security, and responsible to the Chief Executive Officer. This department would perform physical safety functions.
7. A Casino Accounting Department, supervised by a Casino Controller and responsible, in turn, to the Chief Financial Officer. This department would handle all recordation of casino transactions.

Clearly, casino operations of the size contemplated in Skagway would not require the elaborate kinds of casino organization outlined above. Some variation of that organization would be necessary in order to insure that the

games in question are properly run. The level and extent of that organization would depend, in large measure, on not only the size of the operation but also the types of games offered and the method of play. For example, no credit department and a more limited accounting department and function would be required if credit were forbidden. In addition, elaborate systems of surveillance, such as closed circuit television cameras and the like, would appear superfluous in a situation in which but two table games are allowed in a given facility.

Therefore, although it cannot be determined at present with specificity what particular levels of organization would be necessary in casino operations in Skagway, it can generally be said that the organizational structure should insure sufficient levels of supervision to permit of adequate control by segregation of function and sufficient diversity of organization to similarly segregate duties and responsibilities which arise from the operation of casino games.

3. What is the best means of hiring personnel, especially supervisory personnel, to assure professionalism and integrity?

Before any discussion of the methods for recruitment and hiring of personnel in a casino is undertaken, it is necessary to understand the critical importance of the identity of those personnel in the overall context of the security of the casino itself. In a casino, unlike the situation prevalent in virtually every other business of any kind, sales transactions are unrecorded. Although elaborate internal and accounting controls can be applied to exchanges of cash for chips and other representatives of value used in the course of casino games, there is no written account kept of the actual wagers themselves. As a result, the real business transaction of the casino is not reflected in any book or record.

For these reasons, the basic control that is used to make sure that casino business is run properly must rest with the integrity of the people involved. In ways which can be described in more detail as necessary, systems of supervision are utilized which insure that a variety of people must concur with the conduct of each individual casino transaction. Misconduct in the course of these transactions, therefore, requires collusion of a variety of employees. The more people involved in those transactions whose integrity can be reasonably insured, the more

confidence there can be that the transactions themselves are conducted in an honest fashion.

Choices in the hiring of personnel must be the result of a diligent screening process. That process must be undertaken in both the public and private sector. On the public side, a government agency should be provided the authority to issue licenses to casino personnel. All persons involved in any way in the conduct of the games or the supporting accounting functions involved in casino operations should be required to be licensed. In a casino business as small as that proposed in Skagway, the creation of a new agency to perform this function would seem unnecessary. An existing law enforcement agency could be given that authority. It is essential, however, that whatever agency is delegated the authority to conduct the licensing process, that agency be an authorized and credible law enforcement body. It will be expected that persons will attempt to become employed in Skagway casino operations from a variety of jurisdictions. In order to develop the most thorough and efficient summary of those persons' backgrounds, the investigating agency must be able to obtain information from law enforcement authorities literally throughout the world. The receipt of that information is greatly facilitated if the requesting agents have some established relationship with the bodies from whom the information is sought.

Statutory criteria should be established within which the licensing agency can evaluate the qualifications of each applicant for an employee license. Those criteria should be broad enough to permit the consideration of all relevant information, but they should also be specific enough to both survive any constitutional challenge and, of equal importance, establish certain specific qualifications about which the licensing agency has no discretion. For example, general standards of good character, honesty, financial responsibility and casino experience should be included. Information received in the course of the investigation of each applicant can be evaluated in accordance with these standards. In addition, the statutory criteria may provide that persons with a specific type of criminal history not be permitted licensure in any case.

No person should be permitted to work unless and until he has received an appropriate license.

On the private side, casino employers should exercise caution and responsibility in both the hiring and the retention of sensitive casino employees. The license screening process administered by the government serves one purpose, but maintenance of the integrity of the casino games must also come from a coupling of that process with private sector responsibility. Even a suspicion of cheating should be