

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672

5518 SSTA SB 148 - SB 156

1090

1 PFT Publications Specialist I,
R13, @ \$2,915/Mo including salary
and benefits for 12 months = 34,980

1 PFT Supply Officer II, R16,
@ \$3,515/Mo including salary and
benefits for 12 months = 42,180

These positions will augment the existing general administration support staff for the additional programs and related 100+ new employees.

- * Personnel:
 - classification of positions and respond to reclassification requests
 - maintain payroll and leave records
 - process registers, and arrange interviews
 - handle grievances, information requests, typing tests, etc.
- * Fiscal:
 - increase in travel requests
 - general distributions
 - handling increase in cancelled warrants
- * Supply and purchasing:
 - increase in supply orders for paper intensive organization
 - Purchases increase:
 - * general equipment
 - * computer terminals, printers
 - * maintenance contracts
 - * general office supplies
 - Property Control (terminals, furniture, calculators, etc. will increase.
- * Forms management:
 - preparation of Individual Income Tax booklet each year (considerably more complex than PFD booklet)
 - preparation of employment withholding forms
 - miscellaneous support forms:
 - * missing information letter
 - * denial forms
 - * check stock (refunds)
- * General:
 - general supervision and management of major additional line program in division, in addition to:
 - * permanent fund dividend program
 - * shared taxes
 - * administrative services to the department

TOTAL PERSONAL SERVICES

\$1,160.7

2. Other Expenditures:

a) Travel:

training, increased EEO travel, data processing coordination \$8.0

b) Contractual:

1. 11 Wang 4250 workstations	\$65,792
2. 11 Wang emulator boards	8,855
3. 9 Wang 4230 workstations	48,600
4. 1 Wang DWS 55 printer	3,636
5. Printing - tax booklets, "L" letters, W/H forms, check stock, envelopes, etc.	202,000
6. Postage - booklets, letters, W/H forms, etc.	95,475
7. 2 Kodak Microfilmers with maintenance	30,336
8. 2 Kodak Reader/Printers	13,704
9. IBM Copier with maintenance	10,308
10. 20 phones, centrex costs, local and long distance	26,960
11. Risk management	<u>600</u>

TOTAL CONTRACTUAL \$507.3

c) Supplies:

Computer, microfilm, duplicating, general consumption \$16.0

d) Equipment: None.

TOTAL EXPENDITURES \$1,692.0

3. Funding -- General funds

4. Section Cost Analysis - N/A

Computations - N/A

Economic Impact - N/A

Impact on Local Government - N/A

FY90 - FY92

1. Positions:

A. Data Processing:

1 PFT Analyst/Programmer V, R21,
@ \$4,856/Mo including salary and
benefits for 12 months = \$58,272

2 PFT Analyst/Programmer IV, R19,
@ \$4,281/Mo each including salary
and benefits for 12 months = 102,744

2 PFT Analyst/Programmer III, R17,
@ \$3,730/Mo each including salary
and benefits for 12 months = 89,520

The above analyst programmer team will design, program, and maintain the two major systems mentioned above, including all subsystems and interfaces with the existing Revenue systems and the Alaska State Accounting System.

These systems will provide for a minimum of the following:

Alaska Individual Income Tax Withholding System:

- * Online system comparable to the federal system with monthly deposits, quarterly returns, and an annual reconciliation.
- * Direct deposit system at a "lock-box" bank by employers.
- * Automatic generation of:
 - quarterly packets of:
 - * monthly deposit coupons
 - * quarterly tax returns
 - notices of tax deficiencies, penalty and interest
 - standard correspondence
 - management reporting data.
- * Interface with accounts receivable system and Alaska Individual Income Tax Return Processing System.

Alaska Individual Income Tax Return Processing System

- * document locator number system
- * return data capture
- * online systems
 - access/inquiry
 - address changes
 - status change system
 - generation of out cards
 - use of microfilm vs hard copy for review
 - automated calculation checks
 - generation of reduced refund notices with appeal rights
 - generation of automated billings for deficiencies, penalty and interest with appeal rights

- * interface with accounts receivable system (A/R)
- * interface with AIITWHS to verify claimed withholding
- * history file
- * possibility of multi-year file for easy access to information on prior year activity, etc.
- * check writing for refunds
- * management reporting data

B. Document Processing:

1. Mailroom

1 PFT Clerk IV, R9, @ \$2,343/Mo
including salary and benefits for
12 months = \$28,116

1 PFT Clerk II, R7, @ \$2,118/Mo
including salary and benefits
for 12 months = 25,416

These positions will augment the existing mailroom staff to perform the task of handling, opening, sorting, and distributing an additional:

- * approximately 455,000 Individual Income tax returns filed per year.
- * approximately 70,000 pieces of mail due to the Individual Income Tax Withholding System.
- * posting, handling and sorting of additional outgoing mail as follows:
 - approximately 7,000 missing information letters, billing notices, etc.

2. Manual Review

1 PFT Tax Examiner III, R14, @
\$3,124/Mo including salary and
benefits for 12 months = \$37,488

6 PFT Document Processor I, R7, @
\$2,118/Mo each including salary and
benefits for 12 months = 152,496

25 TEMP Document Processor I, R7, @
\$1,569/Mo each including salary and
benefits for 6 months = 235,350

These positions will manually review all Withholding and Individual Income Tax returns filed based on a predetermined criterion.

- * identify incomplete returns
- * send out automatically generated missing information letters
- * identify returns for desk examination

3. Microfilming

1 PFT Document Processor I, R7 @
\$2,118/Mo including salary and
benefits for 12 months = \$25,416

This position will augment the existing microfilm staff to microfilm, assign document locator numbers, and date stamp 100% of Withholding and Individual Income Tax returns filed.

4. Data Capture

1 PFT Data Processing Clerk III, R11
@ \$2,513/Mo including salary and
benefits for 12 months = \$21,356

3 PFT Data Processing Clerk I, R8,
@ \$2,222/Mo each including salary
and benefits for 12 months = 79,992

10 TEMP Data Processing Clerk I,
R8 @ \$1,657/Mo each including
salary and benefits for 6 months = 99,420

These positions will augment the existing Data Capturing staff to data capture and verify captured data of 100% of Withholding and Individual Income Tax returns filed.

C. General Departmental Support Services

1 PFT Chief, Income Tax Operations,
R23, @ \$5,558/Mo including salary
and benefits for 12 months = \$66,696

1 PFT Personnel Assistant II, R14,
@ \$3,115/Mo including salary and
benefits for 12 months = 37,380

1 PFT Personnel Assistant I, R12,
@ \$2,773/Mo including salary and
benefits for 12 months = 33,270

2 PFT Accounting Clerk III, R10,
@ \$2,468/Mo each including salary
and benefits for 12 months = 59,232

1 PFT Clerk Typist III, R8, @
\$2,222/Mo including salary and
benefits for 12 months = 26,664

1 PFT Publications Specialist I,
R13, @ \$2,915/Mo including salary
and benefits for 12 months = 34,980

1 PFT Supply Officer II, R16,
@ \$3,515/Mo including salary and
benefits for 12 months = 42,180

These positions will augment the existing general administration support staff for the additional programs and related 100+ new employees.

- * Personnel:
 - classification of positions and respond to reclassification requests
 - maintain payroll and leave records
 - process registers, and arrange interviews
 - handle grievances, information requests, typing tests, etc.
- * Fiscal:
 - increase in travel requests
 - general distributions
 - handling increase in cancelled warrants
- * Supply and purchasing:
 - increase in supply orders for paper intensive organization
 - Purchases increase:
 - * general equipment
 - * computer terminals, printers
 - * maintenance contracts
 - * general office supplies
 - Property Control (terminals, furniture, calculators, etc. will increase.
- * Forms management:
 - preparation of Individual Income Tax booklet each year (considerably more complex than PFD booklet)
 - preparation of employment withholding forms
 - miscellaneous support forms:
 - * missing information letter
 - * denial forms
 - * check stock (refunds)
- * General:
 - general supervision and management of major additional line program in division, in addition to:
 - * permanent fund dividend program
 - * shared taxes
 - * administrative services to the department

TOTAL PERSONAL SERVICES \$1,266.0

2. Other Expenditures:

a) Travel:

training, increased EEO travel, data processing coordination \$8.0

b) Contractual:

1.	11 Wang 4250 workstations	\$66,792
2.	11 Wang emulator boards	8,855
3.	9 Wang 4230 workstations	48,600
4.	1 Wang DWS 55 printer	3,636

5. Printing - tax booklets, "L" letters, W/H forms, check stock, envelopes, etc.	186,000
6. Postage - booklets, letters, W/H forms, etc.	80,475
7. 2 Kodak Microfilmers with maintenance	30,336
8. 2 Kodak Reader/Printers	13,704
9. IBM Copier with maintenance	10,308
10. 20 phones, centrex costs, local and long distance	26,960
11. Risk management	<u>600</u>

TOTAL CONTRACTUAL \$476.3

c) Supplies:

Computer, microfilm, duplicating, general consumption \$16.0

d) Equipment: None.

TOTAL EXPENDITURES \$1,766.3

3. Funding - General funds

4. Section Cost Analysis - N/A

Computations - N/A

Economic Impact - N/A

Impact on Local Government - N/A

No. 70

Prepared by Audit Division
Page 1 of 6

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Senate

REQUEST SB14V

Bill Version: SB14V
Publish Date: 2-25-87

Revision Date: _____
Title: State Individual Income Tax

Agency Affected: Revenue
BRU: Audit

Sponsor: _____
Requestor: _____

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	171.2	560.7	560.7	560.7	560.7
TRAVEL	-	6.5	14.0	14.0	14.0	14.0
CONTRACTUAL	-	54.0	113.6	113.6	113.6	113.6
SUPPLIES	-	4.5	11.0	11.0	11.0	11.0
EQUIPMENT	-	17.2	52.0	52.0	52.0	52.0
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	253.4	751.3	751.3	751.3	751.3
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	253.4	751.3	751.3	751.3	751.3
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	196.3	751.3	751.3	751.3	751.3

POSITIONS:

FULL-TIME	-	7	16	16	16	16
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: See attached

Prepared By: [Signature]
Division: Audit

Phone: 465-2320
Date: 2/26/87

Approved by Commissioner: Mark Malone
Agency: REVENUE

Date: 2/26/87

Distribution (by Agency preparing fiscal note):

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

INDIVIDUAL INCOME TAX
FISCAL NOTE ANALYSIS

Assumptions

The Audit Division will administer the individual income tax laws to insure compliance with Alaska Statutes. Although calendar year tax returns will not be due until 1989, a withholding tax system must be in place and operative by January 1, 1988. Additional staff must be hired and fully trained to accomplish the following:

1. Compliance. This function will be accomplished by utilizing both tax examiner and auditor staff. Tax examiners, more typically, will handle desk review and less complex issues. Auditors will complete field audits and deal with more sophisticated and complex tax issues.
2. Appeals Coordination. These positions will be staffed by both tax examiners and auditors depending on the complexity and issues involved.
3. Payroll Withholding. This function will be accomplished by staffing of tax examiners to reconcile employers quarterly withholding, returns, monthly deposits and annual statements. They will maintain and reconcile the employees W-2's to the employers returns.
4. Return Examination and Processing. This function will be completed by clerks and tax examiners. The filed returns will be checked for accuracy and completeness. Payments will be posted to the appropriate returns, and desk reviews will be completed to process the returns. Selected returns will be forwarded to an auditor for examination.
5. Public Education and Staff Training. This function will be performed by audit level staff members. Public education of the individual income tax laws and filing requirements will be accomplished through seminars conducted in various locations throughout the state and by training staff members dealing with the public. Staff training is necessary to maintain a competent level of employee and educate staff to the new and changing tax laws.

A schedule of estimated costs to operate the Audit Division programs are as follows. These costs are based on 1987 dollars and do not attempt to factor in inflation. These estimates are preliminary and presented solely to present to the reader a basic idea of the areas within this division which will be impacted by passage of this legislation.

	<u>FY 88</u>	<u>FY 89</u>
<u>Personal Services</u>		
1 Revenue Auditor IV	41.4	55.2
1 Tax Examiner III	27.3	36.4
1 Tax Examiner II	24.1	32.2
1 Tax Examiner I	21.3	28.4
1 Clerk IV	20.1	26.8
1 Clerk Typist III	19.1	25.4
1 Clerk Typist II	17.9	23.9
2 Revenue Auditor III		96.4
2 Tax Examiner II		64.1
2 Clerk Typist III		50.9
2 Revenue Auditor I		72.8
1 Appeals Officer III		48.2
	<u>\$171.2</u>	<u>\$560.7</u>
<u>Travel and Per Diem</u>		
	<u>\$ 6.5</u>	<u>\$ 14.0</u>
	<u>\$ 6.5*</u>	<u>\$ 14.0</u>
<u>Contractual</u>		
Training	4.0	14.5
Wang Terminals & Software	50.0	99.1
	<u>\$ 54.0</u>	<u>\$113.6</u>

*This figure reflects a one time travel cost for employer training to be conducted in various locations throughout the State in conjunction with the Public Services Division.

Individual Income Tax
Fiscal Impact

A. System Requirements

- | | |
|--|--|
| 1. Technical Analysis | No expenditures |
| 2. Generate Forms | No expenditures |
| 3. Educate and Assist Public | Expenditures covered by regular audit functions |
| 4. Receive Returns | No expenditures |
| 5. Process Cash for Deposit | No expenditures |
| 6. Microfilm Returns | No expenditures |
| 7. Establish Edit Selection Criteria | Expenditures covered by regular audit functions |
| 8. Perform Visual Edit | No expenditures |
| 9. Data Capture Return Information | No expenditures |
| 10. Perform Computer Edit | No expenditures |
| 11. Ensure Compliance with Filing Requirements | No expenditures |
| 12. Establish Refund/Credit to Next Program | No expenditures; Expenditures covered by regular audit functions |
| 13. Document Filing or Destruction | No expenditures |
| 14. Perform Office Audit | 7 positions |

a) Personal Service Costs

<u>POSITIONS</u>	<u>RANGE</u>	<u>MONTHLY SALARY</u>	<u>ANNUAL SALARY WITH BENEFITS</u>
Revenue Auditor IV	20	3,564	55,170
Tax Examiner III	14	2,353	36,424
Tax Examiner II	12	2,072	32,075
Tax Examiner I	10	1,835	28,405
Clerk IV	9	1,731	26,796
Clerk Typist III	8	1,631	25,448
Clerk Typist II	7	1,545	<u>23,917</u>
TOTAL PERSONAL SERVICE EXPENDITURES			<u>\$229,235</u>

b) Contractual: 6 terminals, IOP, Memory upgrade, Communications	\$ 50,000
c) Supplies: miscellaneous	4,500
d) Training	4,000
e) Equipment: microfilm r/p, printer, desks, chairs, etc.	<u>23,000</u>

TOTAL EXPENDITURES \$309,735

15. Perform Field Audit

a) Personal Service Costs

JUNEAU - 3 POSITIONS

<u>POSITIONS</u>	<u>RANGE</u>	<u>MONTHLY SALARY</u>	<u>ANNUAL SALARY WITH BENEFITS</u>
Revenue Auditor III	18	3,113	\$ 48,189
Tax Examiner II	12	2,072	32,075
Clerk Typist III	8	1,631	<u>25,448</u>
TOTAL PERSONAL SERVICE EXPENDITURES			<u>\$105,712</u>

b) Contractual: 3 terminals, Communications	\$ 18,000
c) Supplies: miscellaneous	2,000
d) Training	3,000
e) Equipment: desks, chairs, etc.	11,000
f) Travel	<u>5,000</u>

TOTAL EXPENDITURES \$144,712

ANCHORAGE - 4 POSITIONS

a) Personal Service Costs

<u>POSITIONS</u>	<u>RANGE</u>	<u>MONTHLY SALARY</u>	<u>ANNUAL SALARY WITH BENEFITS</u>
Revenue Auditor I	14	2,353	\$ 36,424
Revenue Auditor I	14	2,353	36,424
Revenue Auditor III	18	3,113	48,139
Clerk Typist III	8	1,631	<u>25,448</u>

TOTAL PERSONAL SERVICE EXPENDITURES \$146,425

b) Contractual: 4 terminals, Communications	\$ 20,500
c) Supplies: miscellaneous	3,500
d) Training	5,000
e) Equipment: desks, chairs, etc.	13,000
f) Travel	<u>6,000</u>
TOTAL EXPENDITURES	<u>\$194,485</u>

APPEALS - 2 POSITIONS

a) Personal Service Costs

<u>POSITIONS</u>	<u>RANGE</u>	<u>MONTHLY SALARY</u>	<u>ANNUAL SALARY WITH BENEFITS</u>
Appeals Officer III	18	3,113	\$ 48,189
Tax Examiner II	12	2,072	32,075
TOTAL PERSONAL SERVICE EXPENDITURES			<u>\$80,264</u>

b) Contractual: 2 terminals, Communications	\$ 10,625
c) Supplies: miscellaneous	1,000
d) Training	2,500
e) Equipment: desks, chairs, etc.	5,000
f) Travel	<u>3,000</u>
TOTAL EXPENDITURES	<u>\$102,389</u>

GRAND TOTAL EXPENDITURES \$751,321

116-71

4

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Senate

Bill Version: ~~SB1480~~ SB1480
Publish Date: 2-27-87

REQUEST SB144
Revision Date: _____
Title: "...taxation of income derived by individuals, partnerships, & fiduciaries..."
Sponsor: Rules Committee by the Governor
Requestor: _____

Agency Affected: Revenue
BRU: Public Service - Operating
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	0	39.5	250.3	270.6	281.4	292.7
TRAVEL	0	16.5	22.0	8.4	0.7	9.1
CONTRACTUAL	0	98.0	136.5	102.0	107.1	111.0
SUPPLIES	0	.5	6.0	6.5	7.0	7.5
EQUIPMENT	0	5.0	31.2	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	159.5	446.0	387.5	404.2	420.3

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	159.5	446.0	387.5	404.2	420.3
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	159.5	446.0	387.5	404.2	420.3

POSITIONS:

FULL-TIME	0	1	9	9	9	9
PART-TIME	0	0	3	3	3	3
TEMPORARY	0	0	0	0	0	0

ANALYSIS: Attach a separate page if necessary

See attached

Prepared by: Sally Smith Phone: 465-2392
Division: Public Services Date: February 26, 1987

Approved by: Hugh Malone Date: 2/26/87
Commissioner: _____
Agency: Revenue

Distribution (by Agency preparing fiscal note):

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

Assumptions

1. Regulations will be promulgated requiring monthly or quarterly reporting of taxes withheld on wages.
2. Approximately 17,500 withholding reports and 275,000 annual individual income tax returns will need processing.
3. Public Services Division will provide individual income tax assistance to both businesses and individuals.
4. Public Services Division, in close association with the Audit Division, will develop employee training for the division and employer training for the public.

Public Services Operating BRU

Expenditures

<u>100 Personal Services</u>		<u>FY 88</u>	<u>FY 89</u>	
1-	Revenue Office Manager	3,293 @ 12 mos.	39.5	39.5
2-	Document Processing Clerk III	2,468 @ 10 mos.		49.4
3-	Document Processing Clerk II	2,221 @ 10 mos.		66.6
1-	Document Processing Clerk I	2,468 @ 10 mos.		24.7
2-	Clerk Typist II	2,118 @ 10 mos.		42.4
2-	Document Processor II	2,221 @ 4 mos.		17.8
1	Document Processor II	2,468 @ 4 mos.		<u>9.9</u>
Total Annual Wages and Benefits			39.5	250.3

The Revenue Office Manager's position will be activated in July of 1987 to develop employee training for the division and employer training for the public on the withholding requirements which will begin in the first quarter of 1988. The remaining positions will be activated in September 1988 to allow for training of individual income tax issues. Filing of individual income taxes will start January 1, 1989 and be required on April 15, 1989.

200 Travel

Employer Training

One Employee to Anchorage, Fairbanks, Nome, Kotzebue, Barrow, Kodiak, Kenai Peninsula, Sitka, Ketchikan Bethel, Petersburg, and Wrangell	6.5	-0-
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Administrative Travel

Anchorage and Fairbanks	10.0	12.0
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Employee Training

	<u>10.0</u>
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Total Travel	16.5	22.0
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Employees hired to assist the general public in the completion of their individual income tax returns will be required to participate in a training course. Funds are designated above to facilitate course presentation in Anchorage and Juneau.

<u>300 Contractual</u>	<u>FY88</u>	<u>FY89</u>
Advertising campaign		
Withholding requirements	45.0	
Income Tax Filing		80.0
Postage	30.0	8.5
Printing	5.0	5.0
Telephone Charges	15.0	30.0
Messenger Service	2.0	5.0
Computer Terminal Maintenance (7)	.5	3.5
Publications	.5	2.0
Reconfiguration of Office Space	<u>-0-</u>	<u>2.5</u>
Total Contractual	98.0	136.5

Enactment of the individual income tax with the requirement for employer withholding from wages will be brought to the attention of the public. Funds are requested for production of a television and radio advertising campaign plus two mailouts to all businesses informing them of the requirement to withhold an employee's wages. Funds are also requested in FY 89 for a general newspaper, radio and television campaign to notify the general public to file, where to file, and where to get help in completing their returns.

400 Supplies

Office Supplies	.5	6.0
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Office supplies are estimated at \$.5 per employee.

500 Equipment

Office Equipment	5.0	31.2
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Office equipment and furniture includes desks, chairs, calculators, file cabinets, and computer terminals.

No. 72

5

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE *Senate*

REQUEST SB 148 E

Bill Version: SB 148 E
Publish Date: 2-27-87

Revision Date: _____
Title: Individual Income Tax

Agency Affected: Revenue
BRU: Commissioner's Office (Research)

Sponsor: _____
Requestor: _____

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	54.6	54.6	54.6	54.6	54.6
TRAVEL	-	1.5	1.5	1.5	1.5	1.5
CONTRACTUAL	-	39.9	28.6	28.6	28.6	28.6
SUPPLIES	-	.9	.9	.9	.9	.9
EQUIPMENT	-	6.8	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	103.7	85.6	85.6	85.6	85.6
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	103.7	85.6	85.6	85.6	85.6
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

See Attached.

Prepared By: David Tenkovich ^{DRT}
Division: Revenue/Research

Phone: 465-2173
Date: 2/20/87

Approved by Commissioner: Hugh Malone
Agency: Department of Revenue

Date: 2/24/87

Distribution (by Agency preparing fiscal note):

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

Continuation of Fiscal Note/Bill Analysis

Individual Income Tax

Assumptions:

1. The Research Section will be responsible for economic and statistical reports on the Individual Income Tax.
2. The Research Section will forecast tax revenues and respond to requests from the Governor's Office, the Legislature and the Public for current and historical statistical information.
3. The Research Section will prepare fiscal notes on revenue impacts of any proposed changes to income tax law.
4. Assumes that duties begin at the start of FY88. Items with a asterisk (*) are costs for the first year only.

1. Positions

Research

1 PFT Economist II, R 20 at \$4,550/mo.
including salary and benefits for
12 months

Total Personal Services

\$54.6

The above position will do all analysis, program development and coordination of research on the individual income tax. These duties include forecasting economic conditions and tax revenues. Other duties will include development and maintenance of data bases to support the research and forecasting efforts, the preparation of fiscal notes, policy analyses, and coordination of research needs with those of tax administrators.

This work will provide the following information:

1. Income and tax information by income class.
2. The ability to estimate revenue impacts of any significant change in tax structure - rates, income classes, exemptions and deductions.
3. If zip code information is available it should be possible to present such data on a geographic basis.

2. Other Expenditures

a. Travel

Assume 3 trips in-state per year for
coordination, public information, testimony \$1.5

b. Contractual

1. Economic Consulting during model development
15 days at \$750/day 11.3*

2. Phone, centrex, local and long
distance charges .6

3. Chargeback for computer time from DOA 28.0

c. Supplies

Duplication, general consumption, mailing .7

Books, technical journals .2

d. Equipment

1. Wang APC, VS Communication Board and
30mb Hard Disk 6.5*

2. Desk Calculator .3*

Total Expenditure First Year \$103.7

Total Expenditure Subsequent Years \$85.6

3. Funding - General Funds

No. 73

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Senate
Bill Version: SB 144 R
Publish Date: 2-27-87

REQUEST: SB 144

Revision Date: _____
Title: State Income Tax

Agency Affected: Department of Revenue
BRU: Treasury

Sponsor: _____
Requestor: _____

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	32.8	46.4	46.4	46.4	46.4
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	44.6	89.1	89.1	89.1	89.1
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	77.4	135.5	135.5	135.5	135.5
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	77.4	135.5	135.5	135.5	135.5
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	77.4	135.5	135.5	135.5	135.5

POSITIONS:

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

ANALYSIS: see attached analysis.

Prepared By: Milt Barker *MB* Phone: 465-2350
Division: Treasury Date: February 25, 1987

Approved by Commissioner: Hub Maline *RM* for Date: 2/26/87
Agency: Department of Revenue

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

DEPARTMENT OF REVENUE
TREASURY DIVISION

FISCAL NOTE ANALYSIS

ASSUMPTIONS:

1. Cash Management Section will develop the RFP and the contract to lockbox the monthly employers' withholding tax deposits. 17,500 payments per month.
2. Cash Management Section will perform the depository functions of the remittances attached to individual tax returns. 100,000 per year.
3. Cash Management Section will process all returned items (NSF checks, etc.). 1,500 per year.
4. Processing and deposit of penalty and interest payments.
5. Cash Management Section will provide the accounting to AKSAS and reconciliation between the bank, AKSAS, and the Department of Revenue's system for the tax payments on a consolidated basis.

COSTS:

<u>Personal Services</u>	<u>FY 1988</u>	<u>FY 1989</u>
Accounting Technician I \$2,718 X 12 mo	19.0*	32.6
Accounting Clerk II \$2,310 X 6 mo	13.8	13.8
Lockbox contract	<u>44.6</u>	<u>89.1</u>
 TOTAL	 <u>\$77.4</u>	 <u>\$135.5</u>

* 7 months in FY 1988

DEVELOPMENT TIME:

		<u>Completion Date</u>
Technical Analysis of the required system	4 months	10/87
Lockbox Contract	3 months	12/87
In-house training of depository procedures	2 weeks	12/87
In-house training of accounting procedures	2 weeks	12/87

No. 74

7

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Senate

REQUEST SB 148

Bill Version: SB 148 g
Publish Date: 2-27-87

Revision Date: _____
Title: _____

Agency Affected: Revenue
BRU: Enforcement

Sponsor: House Rules Committee
Requestor: _____

Components: Enforcement--Operating

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	65.0	315.1	666.4	666.4	666.4
TRAVEL	-	11.9	39.6	50.4	50.4	50.4
CONTRACTUAL	-	6.0	35.7	165.8	165.8	165.8
SUPPLIES	-	.3	2.0	4.3	4.3	4.3
EQUIPMENT	-	25.8	101.7	6.6	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	109.0	494.1	897.4	890.8	890.8
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	109.0	494.1	897.4	890.8	890.8
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	109.0	494.1	897.4	890.8	890.8

POSITIONS:

FULL-TIME	-	5	16	17	17	17
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Please see attached analysis.

Thomas C. Williams

Prepared By: Thomas C. Williams
Division: Enforcement Division

Phone: 465-2366
Date: February 26, 1987

Approved by Commissioner: Hugh Malone FOR
Agency: REVENUE

Date: 2/26/87

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
ENFORCEMENT DIVISION
STATE INCOME TAX POSITION IMPLEMENTATION SCHEDULE
As of February 26, 1987

	<u>Total</u>	<u>JNU</u>	<u>ANC</u>	<u>FBK</u>
<u>Staffing as of July 1, 1987</u>	2 REO IV 1 REO III 2 REO II 4 TCS II 1 AC III 2 CT III	1 REO IV 1 REO III	1 REO IV 2 REO II 1 TCS II 1 CT III	
<u>Total Positions 07/01/87</u>	<u>12</u>	<u>7</u>	<u>5</u>	<u>-0-</u>
<u>FY '88</u>				
Hire positions by 03/01/88 and have employees fully functional by 06/01/88	1 REO III 1 REO II 2 TCS II 1 AC III	1 REO II	1 REO III 2 TCS II 1 AC III	
<u>Positions Added in FY '88</u>	<u>5</u>	<u>1</u>	<u>4</u>	<u>-0-</u>
<u>FY '89</u>				
Hire positions by 01/01/89 and have employee fully functional by 04/01/89	1 REO IV			1 REO IV
Hire positions by 04/01/89 and have employees fully functional by 07/01/89	1 REO III 2 REO II 4 TCS II 1 AC III 2 CT III		1 REO II 1 TCS II 1 CT III	1 REO III 1 REO II 3 TCS II 1 AC III 1 CT III
<u>Positions Added in FY '89</u>	<u>11</u>	<u>-0-</u>	<u>3</u>	<u>8</u>
<u>FY '90 (if workload warrants)</u>				
Hire position by 07/01/89 and have employee fully functional by 10/01/89	1 REO III		1 REO III	
<u>Positions Added in FY '90</u>	<u>1</u>	<u>-0-</u>	<u>1</u>	<u>-0-</u>
<u>FY '91</u>				
Evaluate potential needs during the Fall of 1989 while preparing the FY '91 budget.				
<u>Total Positions Added</u>	<u>17</u>	<u>1</u>	<u>8</u>	<u>8</u>
<u>TOTAL POSITIONS REQUIRED</u>	<u>29</u>	<u>8</u>	<u>13</u>	<u>8</u>

ALASKA DEPARTMENT OF REVENUE
 ENFORCEMENT DIVISION
FISCAL NOTE ANALYSIS FOR INCOME TAX BILL
 February 26, 1987

ASSUMPTIONS

1. There are approximately 15,000 employers and 100,000 families which will be required to file under an income tax bill.
2. Withholding will begin January 1, 1988. A significant number of delinquencies on first quarter returns will not appear until June 1, 1988.
3. Individual returns will begin January 15, 1989. A significant number of delinquencies will not appear until July 1, 1989.
4. The noncompliance rate in northern Alaska (including Fairbanks) and the Kenia Peninsula will be relatively high.
5. The number of positions is based on an anticipated high noncompliance rate. If the noncompliance rate is lower, only those positions which are needed will be filled.
6. The Anchorage Collections Office will be able to work the Fairbanks withholding cases until the Fairbanks Collections Office opens in FY '89.
7. When the Fairbanks Collections Office opens, all northern Alaska (including Fairbanks) area cases will be transferred from the Anchorage Collections Office.
8. There are no changes to the current salary schedule or the merit increase system. The average position will be hired at a "B" step. All employees are granted timely merit increases.
9. The necessary travel by each field Revenue Enforcement Officers will be one week long trip per quarter.
10. Current Revenue Enforcement Officers travel will each increase by one week long trip per quarter.
11. Workstations are currently available for new personnel in Juneau and for two personnel in Anchorage. Additional workstations are required for personnel in Anchorage and Fairbanks.
12. Criminal investigations will be conducted by the Audit Division.

COMPUTATIONS--FY '88

Personal Services

Juneau

1	Revenue Enforcement Officer III (range 18, @ 49.0/year)	16.9
1	Revenue Enforcement Officer II (range 16, @ 42.8/year)	14.8
2	Tax Collection Specialist II (range 12, @ 33.6/year)	23.0
1	Accounting Clerk III (range 10, @ 30.0/year)	<u>10.3</u>

Total FY '88 Personal Services

65.0

ALASKA DEPARTMENT OF REVENUE
ENFORCEMENT DIVISION
FISCAL NOTE ANALYSIS FOR INCOME TAX BILL
February 26, 1987

Travel

2	Revenue Enforcement Officers to IRS Phase I training		
	Transportation	(2 trips @ \$500)	1.0
	Per Diem	(2 trips x 42 days @ \$80/day)	6.7
3	Revenue Enforcement Officers	x 1 trip @ quarter	
	Transportation	(5 trips @ \$1,000)	3.0
	Per Diem	(3 trips x 5 days @ \$80/day)	1.2

Total FY '88 Travel 11.9

Contractual Services

	Increased toll costs	(5 employees @ \$250/mo)	2.5
	Printing for forms, letterhead, etc.		3.0
	Increased postage costs	(estimated @ \$100/mo)	.5

Total FY '88 Contractual Services 6.0

Commodities

	Paper, pens, etc.	(5 employees x 1/4 year @ \$250/year)	.3
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Total FY '88 Commodities .3

Equipment

2	Workstations for Support Personnel	@ \$5,273.73	10.6
2	Swivel-Tilt Chairs with arms	@ \$640.81	1.3
1	File cabinets (5 drawer legal w/lock)	@ \$341.35	.3
2	12 digit Desk Calculators (printing)	@ \$135.03	.3
3	Wang Computer Terminals	@ \$4,200.00	12.6
2	Telephones	@ \$343.00	.7

Total FY '88 Equipment Costs 25.8

Total FY '88 Costs 109.0

Computations--FY '89

Personal Services

2	Revenue Enforcement Officer IV	(range 20, @ 58.8/year)	29.4
1	Revenue Enforcement Officer III	(range 18, @ 50.4/year)	12.6
2	Revenue Enforcement Officer II	(range 16, @ 44.4/year)	22.2
4	Tax Collection Specialist II	(range 12, @ 34.4/year)	34.4
1	Accounting Clerk III	(range 10, @ 30.8/year)	7.7
2	Clerk Typist III	(range 8, @ 27.6/year)	13.8
	Positions hired during FY '88		195.0

Total FY '89 Personal Services 315.1

ALASKA DEPARTMENT OF REVENUE
 ENFORCEMENT DIVISION
FISCAL NOTE ANALYSIS FOR INCOME TAX BILL
 February 26, 1987

Travel

3	Revenue Enforcement Officers to IRS Phase I training	
	Transportation (3 trips @ \$500)	1.5
	Per Diem (3 trips x 42 days @ \$80/day)	10.1
8	Revenue Enforcement Officers x 1 trip @ quarter	
	Transportation (20 trips @ \$1,000)	20.0
	Per Diem (20 trips x 5 days @ \$80/day)	8.0

Total FY '89 Travel 39.6

Contractual Services

	Increased toll costs (16 employees @ \$250.00/month)	24.0
	Printing for forms, letterhead, etc.	7.5
	Increased postage costs (estimated @ \$350.00/month)	4.2

Total FY '89 Contractual Services 35.7

Commodities

	Paper, pens, etc. (16 employees @ \$250/year)	2.0
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Total FY '89 Commodities 2.0

Equipment

11	Workstations for Support Personnel @ \$5,273.73	58.0
11	Swivel-Tilt Chairs with arms @ \$640.81	7.0
6	File cabinets (5 drawer legal w/lock) @ \$341.35	2.0
11	12 digit Desk Calculators (printing) @ \$135.03	1.5
7	Wang Computer Terminals @ \$4,200.00	29.4
11	Telephones @ \$343.00	3.8

Total FY '89 Equipment Costs 101.7

Total FY '89 Costs \$ 494.1

Computations--FY '90

Personal Services

1	Revenue Enforcement Officer III (range 18, @ 50.4/year)	50.4
	Positions hired during FY '88 and FY '89	616.0

Total FY '90 Personal Services 666.4

ALASKA DEPARTMENT OF REVENUE
ENFORCEMENT DIVISION
FISCAL NOTE ANALYSIS FOR INCOME TAX BILL
February 26, 1987

Travel

1	Revenue Enforcement Officers to IRS Phase I training		
	Transportation (1 trips @ \$500)		.5
	Per Diem (1 trips x 42 days @ \$80/day)		3.4
9	Revenue Enforcement Officers x 1 trip @ quarter		
	Transportation (36 trips @ \$1,000)		36.0
	Per Diem (36 trips x 5 days @ \$80/day)		14.4

Total FY '90 Travel 54.3

Contractual Services

	Out-of-state collection agency contract		100.0
	Increased toll costs (17 employees @ \$250.00/month)		51.0
	Printing for forms, letterhead, etc.		10.0
	Increased postage costs (estimated @ \$400.00/month)		4.8

Total FY '90 Contractual Services 65.8

Commodities

	Paper, pens, etc.	(17 employees @ \$250/year)	<u>4.3</u>
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Total FY '90 Commodities 4.3

Equipment

1	Workstations for Support Personnel	@ \$5,273.73	5.3
1	Swivel-Tilt Chairs with arms	@ \$640.81	.6
1	File cabinets (5 drawer legal w/lock)	@ \$341.35	.3
1	12 digit Desk Calculators (printing)	@ \$135.03	.1
1	Telephones	@ \$343.00	.3

Total FY '90 Equipment Costs 6.6

Total FY '90 \$ 897.4

SB

152

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 3/25/87 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: FINANCE

**FISCAL NOTE(S) ATTACHED / **
IN ACCORDANCE WITH AS 24.08.035
(see below)

DATE TURNED INTO OFFICE 3/31/87

Mr. President:

STATE AFFAIRS Committee considered SB 152

relating to the state's risk management; and creating a state insurance catastrophe reserve account; efd.

and recommended:

- replace with CS _____ same title
- attached amendment(s) and new title

~~do~~ do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted and attached

** Committee attached or adopted fiscal note(s)
 zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Signature]

Car. Fee No Rec

Food Inspection No Rec

[Signature]

Chairman signature and recommendation

Committee Backup Attached

THE FOLLOWING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

STATE OF ALASKA
SELF INSURANCE PROGRAM
CATASTROPHE FUND FINANCING

CURRENT
FY87 PROGRAM

PROPOSED
FY88 PROGRAM

EXCESS INSURANCE
LAYERS

INTERMEDIATE LEVEL
COST FY87
APPROX
\$2.8 MILLION

SELF INSURED

INSURED
EXCESS OF
\$5 MILLION

INTERMEDIATE LAYER
UP TO
\$5 MILLION
EXCESS OF
\$1 MILLION

PRIMARY LAYER
UP TO
\$1 MILLION

EXCESS INSURANCE
(purchased)

CATASTROPHE
INSURANCE FUND
SENATE BILL 152

SELF INSURED

DIVISION OF RISK MANAGEMENT



State of Alaska
Department of Administration

Department of Administration
Division of Risk Management

Introduction

The Division of Risk Management administers the State insurance programs, adjusts claims, retains and analyzes insured loss data base information for all State agencies and audits State contracts for insurance requirements. The State property/casualty program consists of a high level of self insurance combined with purchase of excess insurance for funding catastrophe loss. The Division also acts as an insurance consulting resource for all State agencies including the Alaska Power Authority, Alaska Railroad and University of Alaska when called upon.

During FY 86 standard insurance requirements for State contracts were reviewed and revised in response to cost availability problems caused by the recent insurance market crisis.

The Division objectives include cost effective insurance protection, the handling of all claims in a fair and timely manner, development of effective agency loss exhibits and thorough contract review.

Risk Management claims caseload during FY 86 was 2214 new cases plus 1186 active claims from previous years. At the end of FY 86 there were 916 active and continuing cases primarily involving third party liability and statutory workers' compensation; the remainder of FY 86 claims were properly settled through adjustment or adjudication.

Risk Management has a staff of seven full-time positions and is funded totally through interagency assessments. No general funds were appropriated for FY 87.

The Division's insurance program consists of a combination of Self-Insured Retentions (SIR's) and excess insurance policies. We actually act in the capacity of an insurance company for all the State Agencies. The level of self-insurance is dependent upon the availability and affordability of markets for each type of insurance required, i.e., Property, Marine, Aviation, Liability, etc. The recent insurance crisis has dictated a number of changes in our programs during the last two years. Insurance markets are only recently beginning to stabilize as respects predictability and availability, however, the market remains very restrictive for certain types of insurance such as malpractice, errors and omissions, police liability, etc. Insurance for discrimination, pollution, asbestosis, etc. is virtually unavailable, however, the State risk management program will provide limited response to certain of these exposures depending on self-insured limitations.

STATE OF ALASKA

FY87 PROPERTY/CASUALTY PROGRAM
(Includes retention levels (deductibles) and limits)

This list is not detailed and does not include a few small policies for special exposures -- there are policy extensions and limitations not included in this statement -- additional information concerning specific areas of coverage are available from Risk Management by request.

The State's policies extend to cover all State Agencies and Entities except those specifically excluded such as the Alaska Railroad who administer their own insurance program.

The coverages are, of course, subject to change. There are approximately seventy insurance companies and various Lloyd's syndicates presently represented in the State program.

Coverage	Self Insured Retention	Liability & Property Limits
PROPERTY	\$500,000	\$100,000,000
Data Processing	(included)	
Equipment		
Museum Fine Arts	\$100,000	Specified Value
Floater		
(EARTHQUAKE & FLOOD)	5% - minimum \$750,000	\$40,000,000
BOILER & MACHINERY	\$10,000	\$10,000,000
CASUALTY (Liability)	\$5,000,000	\$100,000,000 (claims made form, excludes discrim., pollution, asbestos, punitive, etc.)
FOREIGN LIABILITY	-	\$1,000,000
WORKERS' COMPENSATION	\$5,000,000	Statutory
MARINE LIABILITY	\$100,000	\$200,000,000
MARINE HULL	\$50,000	Stated values approx \$250,000,000 limit
FERRY DOCKS	\$250,000	Stated values \$5,000,000 Limit
AVIATION LIABILITY		
airports	\$250,000	\$200,000,000
aircraft	\$250,000	\$200,000,000
National Guard	\$100,000	\$200,000,000
MULTI-LINE AGGREGATE (Property & Marine) (Aviation)	\$3,500,000 SIR \$1,000,000	\$5,000,000
EMPLOYEE FIDELITY BOND (We also maintain other statutory and Public Official Bonds)	\$250,000	\$10,000,000
FOUR DAM POOL PROPERTY	\$1,000,000 except quake & flood 5% - values at locations	\$75,000,000
APA BOILER & MACHINERY	\$25,000	\$15,000,000

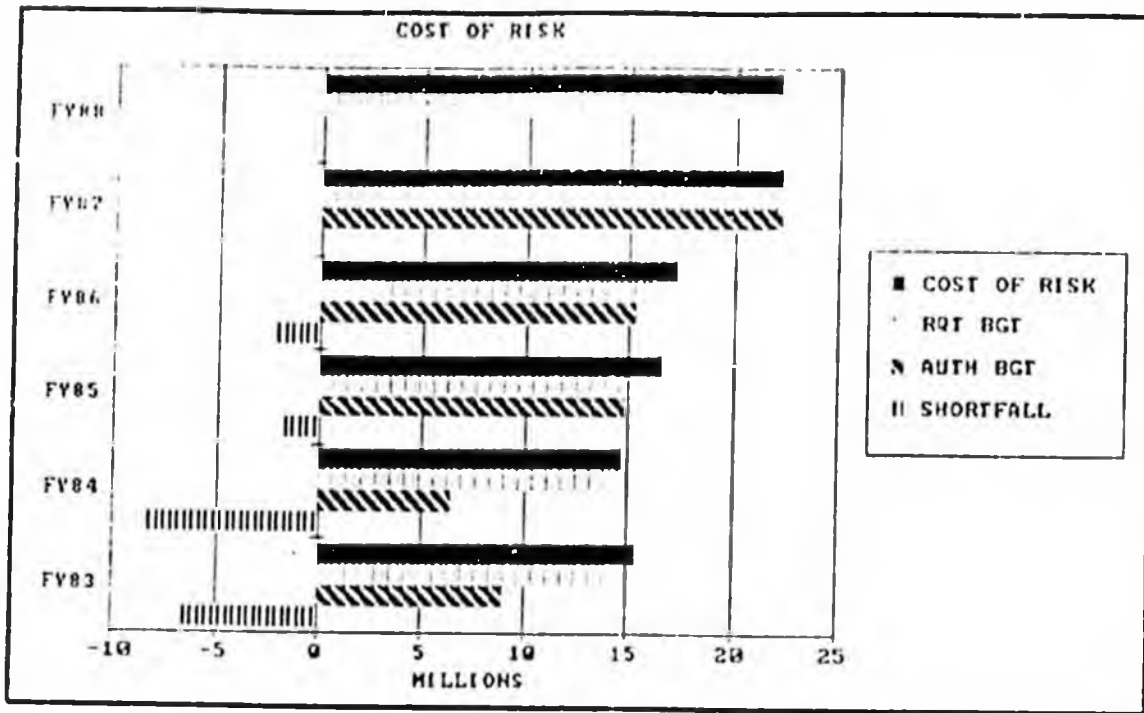


Chart I

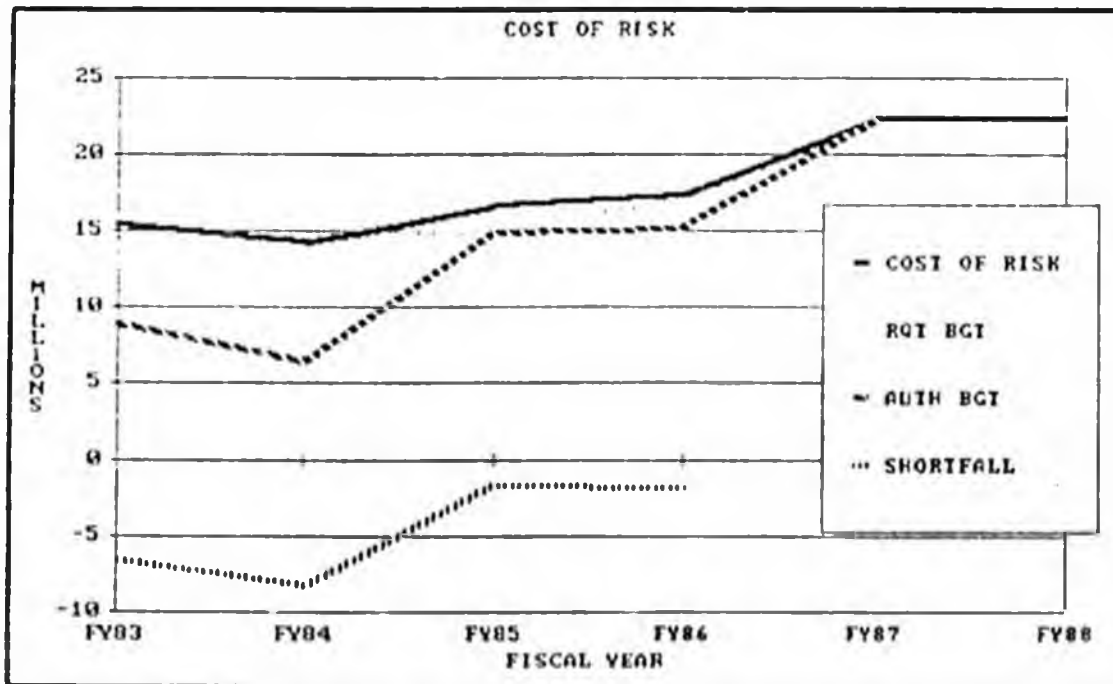
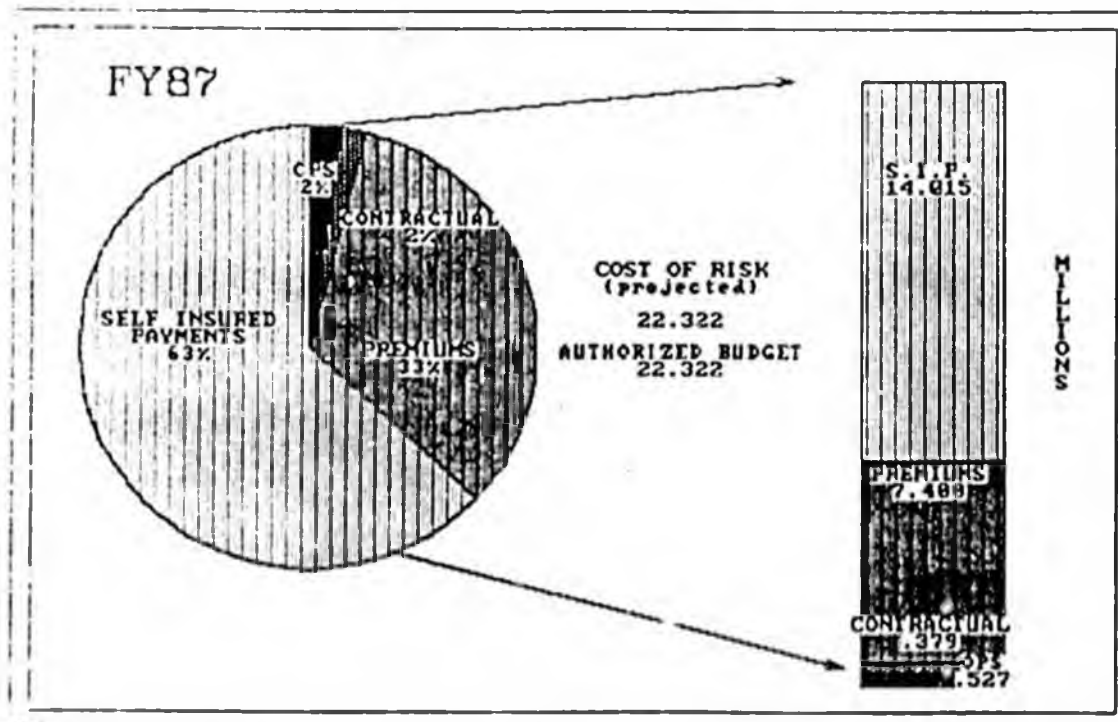
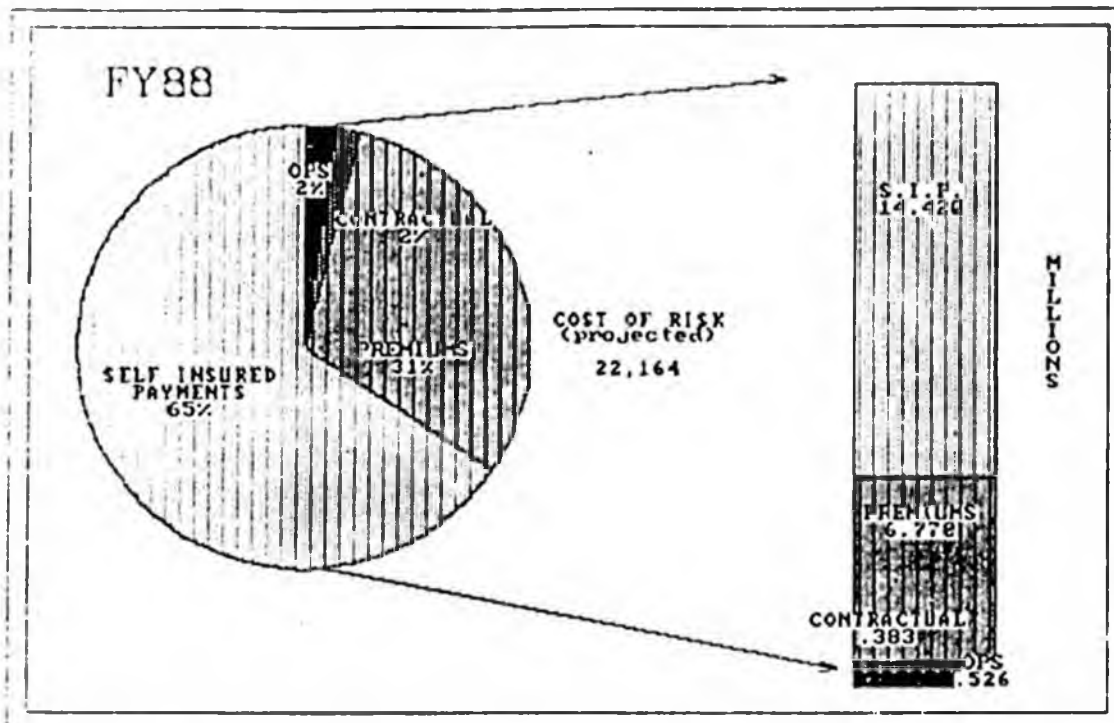


Chart II

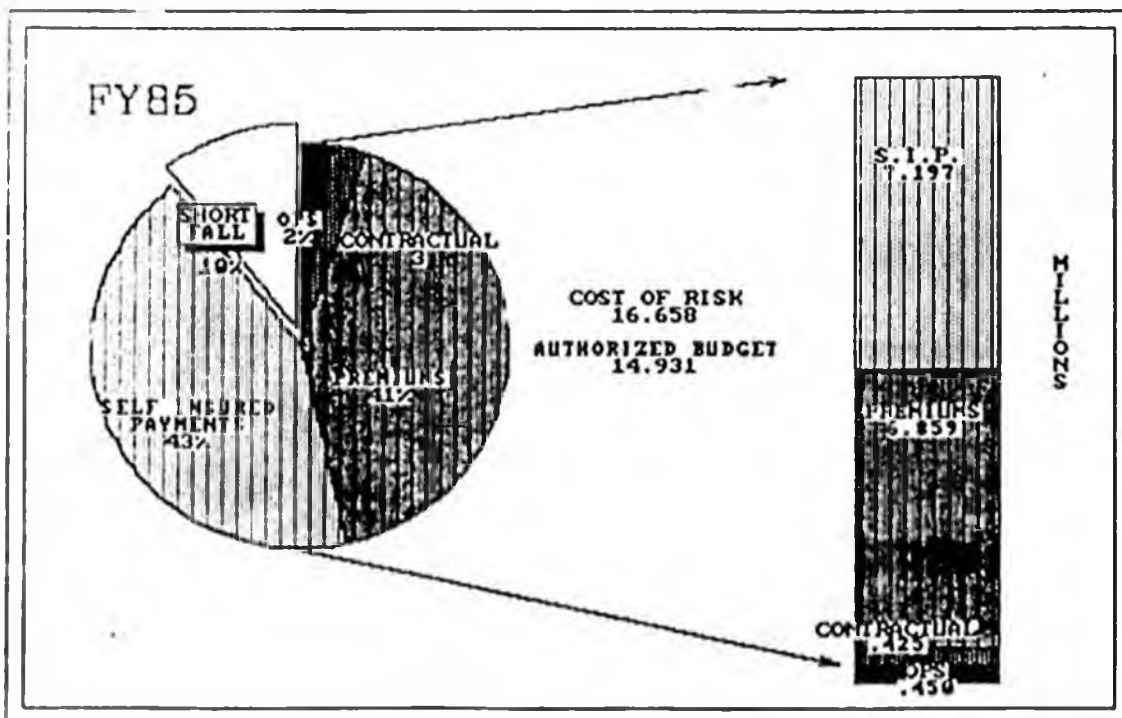
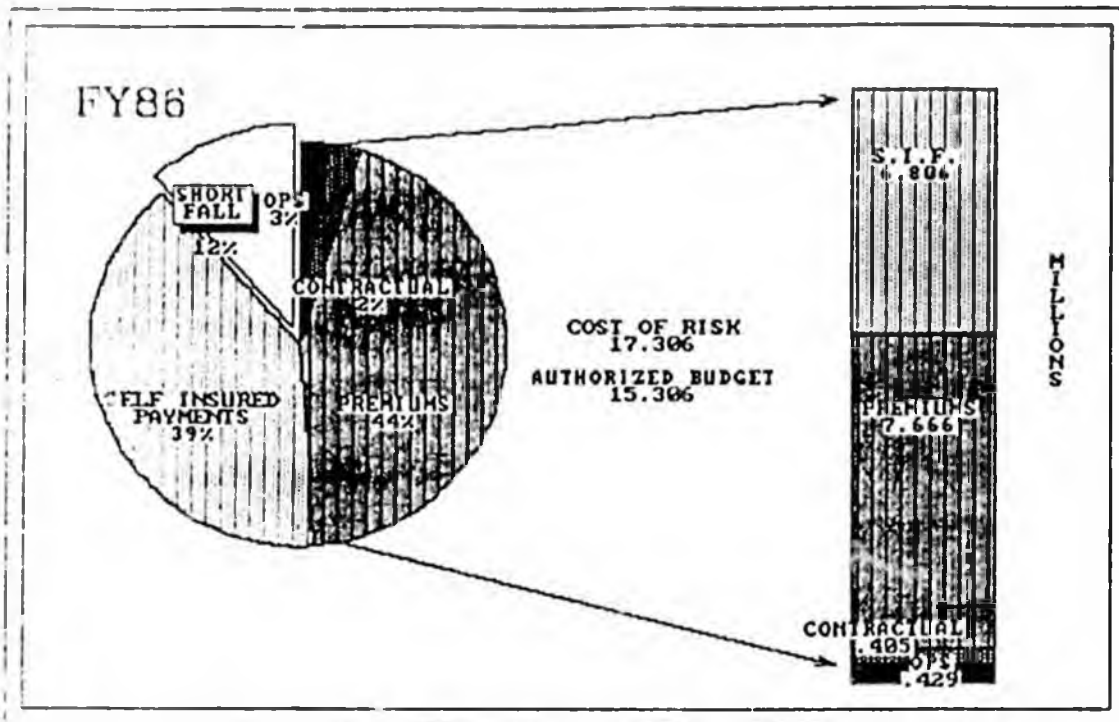
Charts I and II show actual cost of risk vs. requested and authorized budgets -- and graphically illustrates the shortfall each year due to underfunding. All available reserve funds are now exhausted and therefore the "cost of risk" must be funded by current year appropriations in order to keep claims payments current. Both liability awards and workers' compensation payments carry significant penalties if not paid timely or within state statutes.

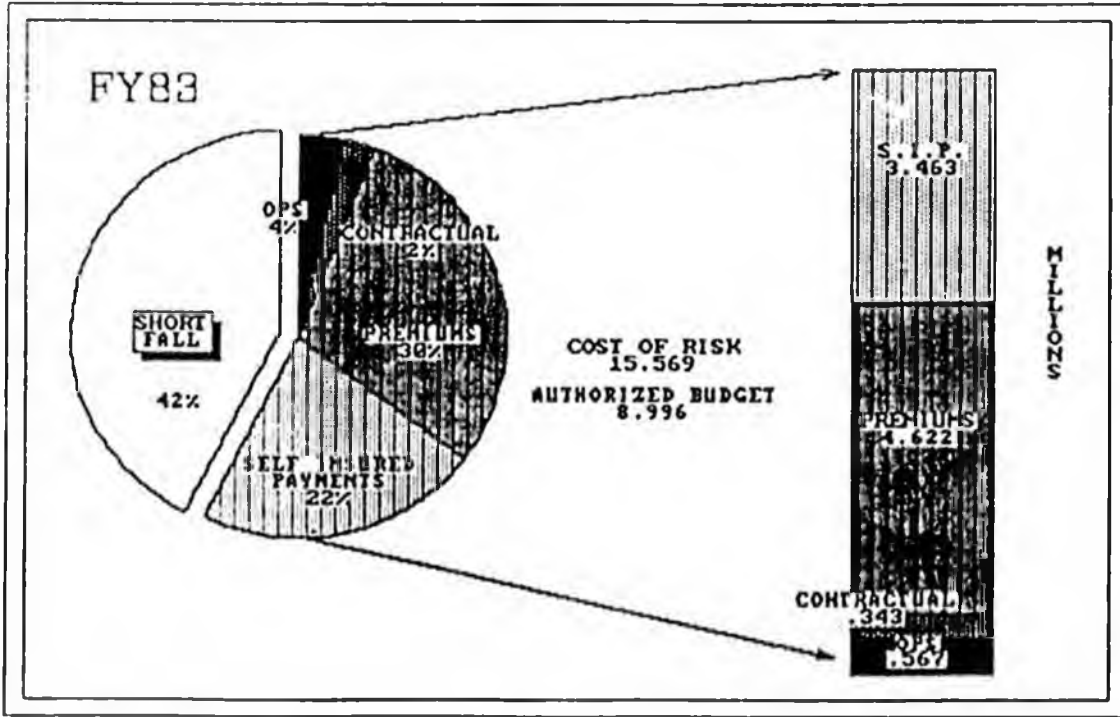
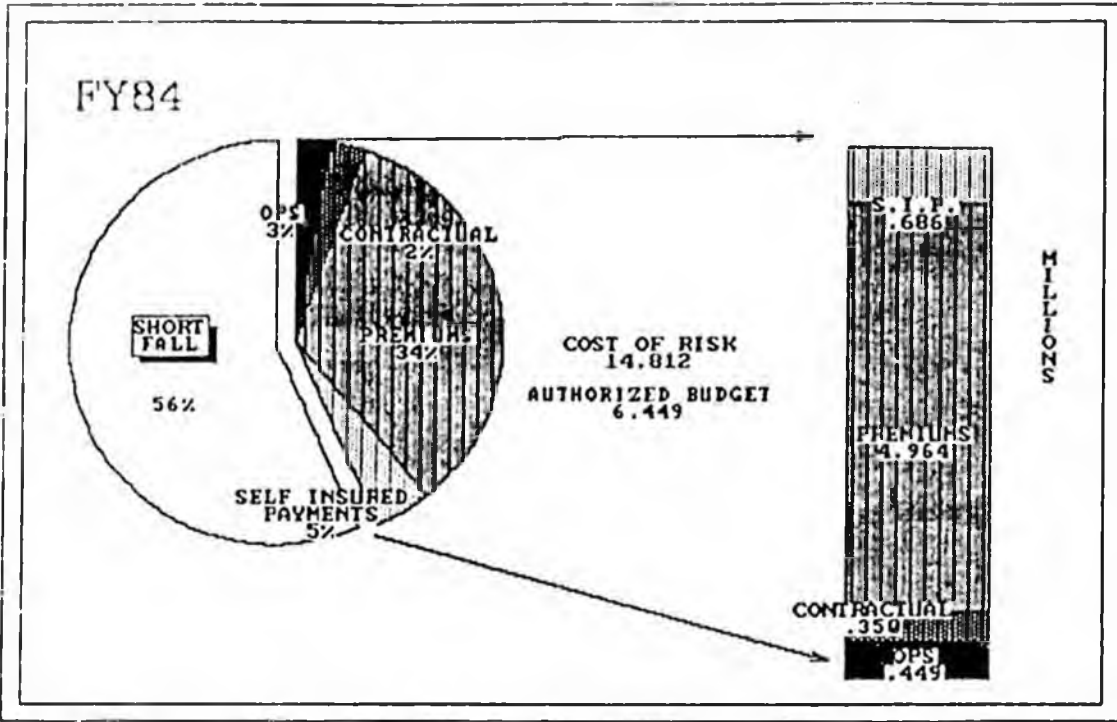


The pie charts shown for each fiscal year provide percentage of funds expended for each major category of expense. The bar chart for the same year identifies actual amounts spent within the appropriation for that year.

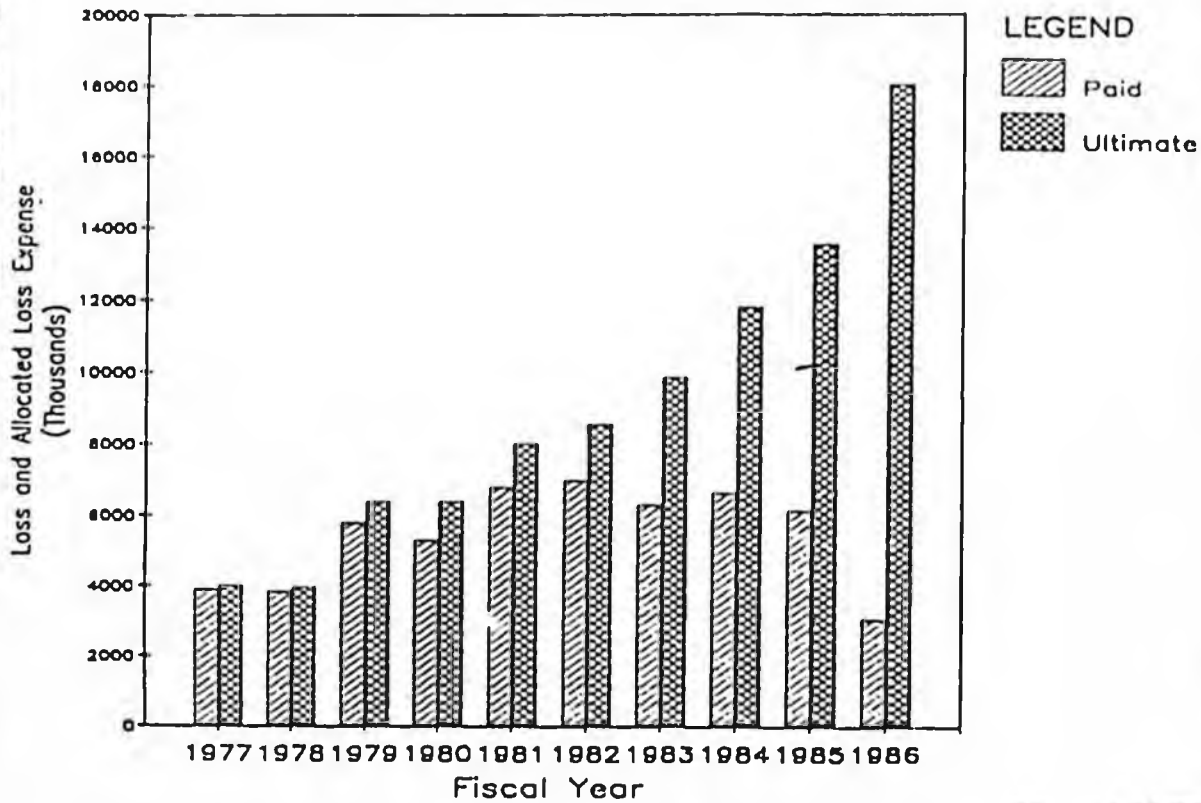
The shortfall identified in the pie illustrates the extent of under funding for that year in comparison to total appropriation.

You will note that the administrative (OPS) and contractual costs remain stable. The premium and loss costs are much more volatile.





State of Alaska Combined Lines



The Combined Lines chart illustrates the delayed effect of workers' compensation and liability losses on our cash flow budget estimates. Note the graph indicates very little paid out in FY86 losses in relation to ultimate losses --- but there are also outstanding claims occurring in prior years that must be budgeted and paid during the current fiscal year. Most of these are workers' compensation benefits involving disabled workers, widows, or other dependents and are paid out over a period of many years or serious liability cases not yet settled or in litigation.

This delay in final claims settlement or (in the case of statutory workers' compensation) payout over a long period of time --- or delay in loss discovery is referred to in the insurance business as the "claims tail". Most insurance companies use statutory reserving methods to protect their ultimate estimated liabilities and include them in their financial statements.

Since the chart graphically illustrates ultimate payout under our self insured retentions it also illustrates the need for long term planning to fund these continuing liabilities and as our self insured retentions are increased the need for such funding becomes even more critical.

Examples of Risk Management Services

Revised Appendix B insurance requirements for Professional Services Contracts to minimum levels to ease qualifications primarily for Alaska based contractors.

Changed Risk Management operational style to establish better communications with all agencies. We are here to serve the agencies in answer to their insurance needs -- this approach has been very effective and our rapport with most agencies is excellent.

Converted the primary State insurance program to one of primary and increasing "self-insurance" in order to stabilize and control escalating insurance costs.

Claims services to employees and claimants continue paramount and on a timely basis.

Claims reporting procedures have been revised and distributed to agencies.

Assisted St. Paul Island to retain federal funds for a docking facility by timely guarantee of a loan for repair of their new breakwater. The loan has now been completely repaid through insurance funds and adjudication is in progress with construction contractors for reimbursement of our self-insured retention (\$600,000).

Partial completion of Tye wrap-up contract and return of approximately \$600,000 to Alaska Power Authority.

Bradley Lake Hydro Project insurance requirements completed and agreement reached with contractors.

Red Dog Project insurance agreement with contractors for both construction and operational phase.

Spring Creek Correctional Facility Project Insurance Program established with contractors.

Equitable distribution to agencies of State property/casualty insurance costs based on agency exposures and loss experience.

Provide improved accident experience exhibits to agencies along with safety consulting services.

Assisted in revision of Anchorage International Airport use agreements with airlines and other tenants.

Assisted the Department of Transportation and Public Facilities in revision of their contractual insurance requirements.

Increased Risk Management visibility as an insurance consulting resource to all agencies.

Assisted APA in revision of operator contract insurance requirements to reduce the effect of increased insurance costs in electrical rates.

Helped negotiate a simplified insurance program for protection of State loans involving fishing and other vessels used as collateral.

THE PRECEDING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 27, 1987

The Honorable Jan Faiks
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Senator Faiks:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that provides a statutory foundation for the state's risk management functions and the insurance program that the Department of Administration administers.

The Department of Administration has provided for the state's internal insurance needs through a division of risk management for many years. This bill does not change that. The bill formalizes the department's responsibilities in this regard, and, more importantly, provides statutory standards for the state insurance program. While the form of insurance is committed to the expertise of the department, the standard established by this bill for the state insurance program is to assure adequate coverage to meet, on a cash-flow basis, all insurable and reasonably foreseeable claims or judgments that are due and payable within a fiscal year. The bill provides for an annual independent actuarial assessment of the program, and for an annual report to the legislature.

The bill also establishes a state insurance catastrophe reserve account within the general fund which consists of direct appropriations and of amounts allocated to the account from the appropriations to the various state agencies. These allocations would come both from appropriations for risk management or insurance-related purposes (e.g., see sec. 6 of this session's HB 75) and from appropriations that would otherwise lapse. Again, this funding mechanism has been used for several years. Once funded to a reasonable level, not to exceed \$5,000,000, the catastrophe reserve account will enable the state to realize substantial saving in the cost of obtaining insurance coverage.

One of the most important functions of the division of risk management is to provide a cost-effective property/casualty insurance program for the protection of state assets, state employees, and other operating aspects of state government.

This bill is designed to allow the state a flexible program of self-insured retentions (somewhat similar to the deductible amounts provided for in personal insurance policies) and catastrophe insurance coverage that can be adjusted to insurance market conditions and remain cost-effective. Costs and availability of insurance coverage may vary widely from year to year. Therefore, flexibility is necessary to take advantage of variances and effectually control costs and coverage.

The reason for having an insurance catastrophe reserve account above a normal cash flow loss payment budget is not complicated, but deserves explanation. Increasing the state's self-insured retentions also automatically increases the state's exposure to considerable uninsured direct loss. It is this increase in exposure to direct and immediate unforeseen financial demands that is provided for by the account established in this bill.

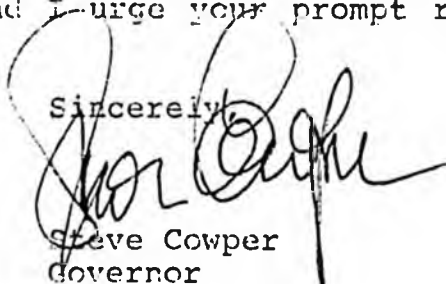
State self-insured retentions presently vary widely by type of coverage (i.e., property \$500,000; aviation \$250,000; liability \$5,000,000; marine \$100,000), depending on costs and experience. The state has experienced very few losses in excess of \$1,000,000, losses under the \$1,000,000 level are much more routine and, therefore, more predictable from an actuarial standpoint. Given the state's experience in frequency and severity of losses over the \$1,000,000 level per occurrence versus the costs of insurance at the \$1,000,000 to \$5,000,000 level, it makes fiscal sense to establish a \$5,000,000 retention per occurrence for all types of loss. If risk management could base a cash-flow budget on a limit of \$5,000,000 of loss per occurrence, a premium savings of almost \$3,000,000 could be realized in the present insurance market. The establishment of a reasonable catastrophe reserve would provide a method of funding and paying self-insured losses in excess of the \$1,000,000 actuarially predictable figure. State claims history would indicate that a \$5,000,000 catastrophe reserve would be adequate. Exhaustion of the \$5,000,000 catastrophe account during any fiscal year would necessitate legislative attention for additional funding.

Hon. Ben Grussendorf

Page 3

This bill provides a solid statutory foundation for the state insurance program, and I urge your prompt review and passage of this measure.

Sincerely,



Steve Cowper
Governor

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Law Log: 773-87-0019
Publish Date: _____

REQUEST

Revision Date: 5/15/87
Title: An act relating to State's risk management, et al.
Sponsor: By the Rules Committee
Requestor: Governor

Agency Affected: Administration
BRU: Risk Management
Components: _____

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-	-0-	-0-	(2,400.0)	(2,700.0)
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-	(2,400.0)	(2,700.0)
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-	(2,400.0)	(2,700.0)
TOTAL	-0-	-0-	-0-	-0-	(2,400.0)	(2,700.0)

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: :

State insurance catastrophe fund established (\$5,000,000 maximum) to fund self-insured losses in excess of \$1,000,000. Funding to come from insurance premium savings due to increased self-insurance. It will take approximately three year's accumulation of savings to build the fund. Budget reductions should begin in FY 91 assuming no losses.

Prepared By: Don Hitchcock
Division: Risk Management

Phone: 465-2180
Date: February 20, 1987

Approved by Commissioner: Garrey Peska
Agency: Department of Administration

Date: 1. 1. 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

Bill Version: SB 152
Publish Date: _____

REQUEST: _____

Revision Date: _____
Title: Risk Management and Insurance
Catastrophe Reserve Account
Sponsor: Rules by Request of Governor
Requestor: Senate State Affairs

Agency Affected: Department of Revenue
BRU: Treasury
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: Attach a separate page for analysis.

Prepared By: Milt Barker *MB*
Division: Treasury

Phone: 465-2350
Date: March 26, 1987

Approved by Commissioner: *[Signature]*
Agency: Department of Revenue

Date: 3/26/87

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

SB

153

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 4/22/87 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: JUDICIARY
Finance

**FISCAL NOTE(S) ATTACHED _____ **
IN ACCORDANCE WITH AS 24.08.035
(see below)

3/2/87

DATE TURNED INTO OFFICE 4-28-87

Mr. President:

STATE AFFAIRS

Committee considered SB 153

penalty imposed for certain traffic offenses.

and recommended:

- replace with CS _____ same title
- attached amendment(s) and new title

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted and attached

** Committee attached/or adopted fiscal note(s)
 zero (2) fiscal impact (1)

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Rich Lehling DO PASS

Rep. Josephson

Jim [unclear]

Sen. [unclear]

Chairman signature and recommendation

Committee Backup Attached

BILL NO: SB 153

DATE: 3/9/87

TITLE: "An Act relating to the penalty imposed for certain traffic offenses."

CONTACT: Major Walter J. Gilmour
Acting Director
Alaska State Troopers

DEPARTMENT OF PUBLIC SAFETY
P#S#T#R#O#O#P#E#R#S#

Provides an incentive for seatbelt use by motorists.

This bill may be an incentive for persons to wear seatbelts. Violators are given reduced fines provided they and their passengers are wearing seat belts when contacted by the citing officer.

The citing officer would have to be very alert to know if the occupants were actually utilizing seat belts or simply put them on when they realized they were being stopped for the violation.

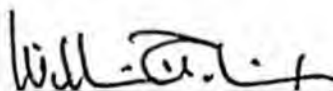
This may confuse some people who mail in bail. They may not discount the 10% when deserved while others may discount the 10% when they in fact were not wearing belts. (The issue may be in dispute).

The bill may encourage more people to wear belts.

The bill will reduce the amount of funds generated by fines.

The bill may put additional burden on the court and the Troopers. The Court may have to issue a warrant for an individual if there is a dispute as a result of the 10% discount. The Alaska State Troopers would be required to serve these warrants.

The Department of Public Safety is neutral on this legislation.



William R. Mix
Acting Commissioner

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SB 153

Publish Date: _____

REQUEST _____

Revision Date: _____

Agency Affected: Public Safety

Title: "An Act relating to the penalty imposed for certain traffic offenses."

BRU: Alaska State Troopers

Sponsor: Sen. Fahrenkamp

Components: Detachments & CI8

Requestor: Senate State Affairs

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING:: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact is anticipated.

JNR
3/9/87

Prepared by: Francis C. Allan

Phone: 269-5691

Division: Alaska State Troopers

Date: 3/6/87

Approved by Commissioner: William R. Nix

Date: 3/9/87

Agency: Public Safety

Distribution (by preparer):

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

SB 153 An Act Relating to the penalty imposed for certain traffic offenses by Senator Fahrenkamp.

Sectional Analysis by Senator Fahrenkamp's office 4/27/87

Section 1. AS 28.05.151(b) Form and Issuance of Citation

Amended to include reference to proposed Section 2 of the bill.

Section 2. AS 28.40.050 Penalty for violations of law, regulations, and municipal ordinances.

Adds a new subsection (f) which would give a 10% reduction in the amount of a bail or fine if the driver and any passengers were wearing seatbelts at the time of a commission of a moving traffic violation for which the Supreme Court has established a scheduled amount of bail.

Examples of such infractions are speeding, running a stop sign or red light, or equipment violations, i.e. infractions that do not carry jail time. It does not apply to infractions requiring court appearances, misdemeanors, or felonies, such as driving while intoxicated, reckless driving, or negligent homicide.

This bill would apply only to those municipalities for which the Supreme Court has established bail for violations of municipal ordinances.



Alaska Court System
State of Alaska

OFFICE OF ADMINISTRATIVE DIRECTOR

KARLA L. FORSYTHE
STAFF COUNSEL

303 K Street
Anchorage, Alaska 99501

(907) 264-8228

March 18, 1987

Senator Bettye Fahrenkamp
Alaska State Legislature
P. O. Box V
Juneau, Alaska 99811

Dear Senator Fahrenkamp:

I am writing to bring to your attention some court system concerns relating to Senate Bill 153, an act relating to the penalty imposed for certain traffic offenses. This bill would require the supreme court to issue a revised bail schedule incorporating a ten percent reduction in the amount of bail if a person and passengers in a car were wearing seatbelts at the time the infraction was committed.

The bill appears on its face to apply only to infractions. However, vehicle and traffic offenses which the supreme court has listed on the bail schedule include some misdemeanors as well. These provisions could be covered by the statute by amending lines 20 and 25 to change the word "infraction" to the word "offense."

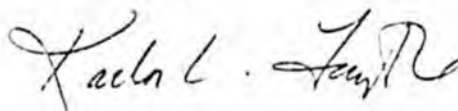
It would also be helpful if the legislation could clarify whether this legislation applies only to offenses under state law, or whether it applies to offenses under municipal ordinances as well.

With regard to the overall impact of this legislation, it appears that the greatest impact would be on enforcement officers, who would be required to determine whether the driver and passengers are wearing seatbelts, to write down the correct bail amount, and to appear in court to testify at a hearing if a person requested a court appearance to question the amount of bail. Any impact on court procedures could be absorbed with existing resources. The court system's fiscal notes is based solely on the anticipated revenue reduction.

Senator Bettye Fahrenkamp
March 18, 1987
Page Two

I hope this information is helpful. Please let me know if you have additional questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Karla L. Forsythe".

Karla L. Forsythe
Staff Counsel

KLF:bs

cc: Senator Mitchell Abood, Chair, State Affairs
Senator Jay Kerttula, Chair, Senate Judiciary Committee
Arthur H. Snowden, II, Administrative Director
Robert G. Fisher, Fiscal Officer

3/11/87-1

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

Bill Version: SB 153
Publish Date:

REQUEST: _____

Revision Date:
Title: An act relating to the penalty
imposed for certain traffic offenses
Sponsor: Fahrenkamp
Requestor:

Agency Affected: Alaska Court System
BRU: Trial Courts
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
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL
REVENUE	(19.2)	(19.2)	(19.2)	(19.2)	(19.2)	(19.2)

FUNDING:		(Thousands of Dollars)				
General Funds	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .
Other	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:						
Full-time	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .
Part-time	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .
Temporary	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .

ANALYSIS: (Attach a separate page if necessary)

See attached analysis.

Prepared by: Robert G. Fisher, Fiscal Officer
Division: Alaska Court System

Phone: 264-8215
Date: 3-19-87

Approved by: *Stephanie J. Cole*
Stephanie J. Cole, Deputy Director
Agency: Alaska Court System

Date: 3-19-87

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

ALASKA COURT SYSTEM

FISCAL NOTE

SB 153

This legislation allows a 10 percent reduction in traffic bail or fine amounts for moving violations, if all persons in the vehicle are wearing seatbelts at the time of committing the infraction. This legislation will reduce fine and forfeiture revenues to the state.

To estimate fiscal impact, the Court obtained information from the Alaska Seatbelt Use Coalition on seatbelt utilization. The Coalition's studies indicate that approximately 35% of Anchorage drivers and 39% of Fairbanks drivers wear seatbelts or a simple average of 37% for both areas. Information is not available for other areas of the state or for passenger seatbelt usage. For estimating the impact of this legislation on revenues, it is assumed that driver and passenger seatbelt utilization will average 37% for the entire state.

The fiscal impact is estimated as follows.

Estimated statewide traffic violation revenues from moving violations	\$520,000
Estimated percentage of seatbelt usage	37%
Estimated statewide revenues for traffic violations involving drivers and passengers using seatbelts	192,400
Bail or fine reduction percentage for seatbelt use	10%
Estimated reduction in statewide traffic violation revenues	\$19,240

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

REQUEST: _____

Bill Version: HB 158 / SB 153
Publish Date: 3/2/87

Revision Date: _____
Title: An act relating to the penalty imposed for certain traffic offenses
Sponsor: Davis, Pearce, Shultz, & Donley
Requestor: _____

Agency Affected: Health
State Health Services
BRU: _____
Components: Public Health Administration
Services - EMS

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

ANALYSIS : (Attach a separate page if necessary)

Enactment of HB 158 would have no direct fiscal impact on the Department of Health and Social Services.

Prepared by: Elizabeth Ward, MN, Director
Division: Public Health

Phone: 465-3090
Date: March 18, 1987

Approved by Commissioner: Maria M. Munson
Agency: Dept. of Health & Social Services

Date: 3/23/87

Distribution (by preparer):

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

Position Paper

House Bill No. 158/SB 153

For an Act entitled: "An Act relating to the penalty imposed for certain traffic offenses."

This Act would amend AS 28.05.151(b) to allow a ten percent (10%) reduction in the fine or bail that would otherwise be applicable for a moving traffic violation if the driver and passengers are wearing their seatbelts at the time of the offense.

Motor vehicle crashes are a leading cause of death, injury and long-term disability. They are the leading cause of death to persons between 1 and 35 years of age. For teenagers, car crash fatalities outnumber the next five causes of death combined. Numerous studies have shown that seat belts and other vehicle safety restraints substantially reduce the likelihood of death or injury to motor vehicle occupants involved in crashes. Efforts to educate the public about the benefits of seatbelts have failed to convince the majority of vehicle occupants to use their safety belts.

This act would provide an incentive for some individuals to wear their seat belts by reducing the fine or bail imposed for a traffic violation. The Department does not believe that such a law would have as much of a measurable impact on motor vehicle deaths and injuries, as would legislation requiring mandatory safety belt use.

Position

The Department believes that the use of seatbelts can greatly reduce the number of deaths and injuries from motor vehicle crashes. The intent of this act is to encourage such use, but will probably have a minimal impact. The Department's position is neutral on this legislation.

Recommended by: Elizabeth Ward
Elizabeth Ward, M.N.
Director
Division of Public Health

Date: March 19, 1987

Approved by: Myra M. Munson
Myra M. Munson, Commissioner
Department of Health and
Social Services

Date: March 23, 1987

SB

154

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

MEMORANDUM

March 6, 1987

SUBJECT: Issuance of liquor licenses - SB 154
TO: Senator Mitch Abood
FROM: Michael F. Ford *m.f.*
Legislative Counsel

The following is a sectional analysis of SB 154:

Section 1 - Adds subsection (k) enacted in section 2 of the bill as an exception to the population restrictions on issuing and relocation of a liquor license contained in AS 04.11.400(a).

Section 2 - Gives the Alcoholic Beverage Control Board the authority to issue a restaurant or eating place license if the restaurant or eating place will encourage tourism, will seat at least 200 persons, and will operate less than six months in a calendar year. Prohibits the board from approving transfer of ownership or location of the license.

MFF:mkr
m9/104

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SB 154

Publish Date: _____

REQUEST _____

Revision Date: _____

Title: Act relating to issuance of
Licuor Licenses

Sponsor: Senator Mitch Ahood

Requestor: Senate State Affairs

Agency Affected: Revenue

DRU: ABC Board

Components: 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	-	-	-	-	-	-
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: Royce Weller
Division: Office of the Commissioner

Phone: 465-2300

Date: March 9, 1987

Approved by Commissioner: Hugh Malone
Agency: Department of Revenue

Date: 3/9/87

Distribution (by Agency preparing fiscal note):

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

AMENDMENT TO AS 04.11.100
RESTAURANT/EATING PLACE LICENSE

D
My New Deal
Barney
EW

Approximately three years ago, the number of allowable beer and wine licenses in Anchorage was exhausted. Similar to the beverage dispensary licenses, they immediately began to take on an inflated value. Today they sell for between \$20,000 and \$25,000.

I agree with the concept of limiting beverage dispensary licenses. Partly because they have been traded for so long that many would be terribly hurt financially if the licensing procedure were altered.

In the case of beer & wine, the limit has just been reached in Anchorage and no one would be financially damaged should the limit be altered.

As you may know, I own and operate the Old Anchorage Salmon Bake. In just three short years we have become one of the most popular visitor attractions in downtown Anchorage. Being a tourism business, we ONLY operate 3 1/2 months each year. Our limited operation makes the cost of a current license nearly four times more expensive than other year round restaurants.

Every legitimate restaurant should be able to serve a glass of beer or wine with lunch or dinner. I for one have no problem with a restriction that would limit beer and wine sales to a percentage of gross or that food must be purchased with beer and wine. We were allowed by the ABC Board for the past three summers to use a caterers permit while we were applying for a license. During those three years, our bar sales, including soft drinks, never exceeded 10% of our gross. Now that all the beer and wine licenses are gone, the ABC Board will not and cannot allow us to cater.

We have visitors from all over the United States and the World and they do not understand why they cannot have a beer or a glass of wine with dinner.

In talking with leaders of the liquor industry, I find no opposition to this concept as long as beer and wine sales are a minor part of a restaurant's business. The industry would only be opposed if the change allowed for creation of beer and wine taverns.

I hope you'll give strong consideration to this proposal. I personally need a solution before this coming tourist season.

Thank you very much.

CORRECTION

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

AMENDMENT TO AS 04.11.100
RESTAURANT/EATING PLACE LICENSE

D
My New Sell
Backup
CV

Approximately three years ago, the number of allowable beer and wine licenses in Anchorage was exhausted. Similar to the beverage dispensary licenses, they immediately began to take on an inflated value. Today they sell for between \$20,000 and \$25,000.

I agree with the concept of limiting beverage dispensary licenses Partly because they have been traded for so long that many would be terribly hurt financially if the licensing procedure were altered.

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We have visitors from all over the United States and the World and they do not understand why they cannot have a beer or a glass of wine with dinner.

In talking with leaders of the liquor industry, I find no opposition to this concept as long as beer and wine sales are a minor part of a restaurants business. The industry would only be opposed if the change allowed for creation of beer and wine taverns.

I hope you'll give strong consideration to this proposal. I personally need a solution before this coming tourist season.

Thank you very much.

STATE OF ALASKA

DEPARTMENT OF REVENUE

ALCOHOLIC BEVERAGE CONTROL BOARD

STEVE COWPER, GOVERNOR

550 W. 7TH AVE
ANCHORAGE, ALASKA 99501-6698

March 9, 1987

The Honorable Mitchell Abood
Alaska State Senate
P.O. Box V
Juneau, AK 99811

Dear Senator Abood:

You asked that I provide some comment about your SB 154 concerning restaurant or eating place liquor licenses.

At its meeting of February 4-5 the Alcoholic Beverage Control Board reviewed a similar proposal. The board understands and appreciates the dilemma at hand. However, under present statutes as AS 04.11.400(j) and related board regulation 15 AAC 104.335 a restaurant or eating place license may be granted without regard to population limitations. Because of this provision in law, the board believes that additional exceptions to population limitations are unnecessary. I have enclosed copies of current statutes and regulations for your convenience.

If I can provide you any further information or clarification, please do not hesitate to let me know.

Sincerely,



Patrick L. Sharrock
Director
(907) 277-8638

PLS:cr
Enclosure

87-47

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MAR 10 1987

STATE OF ALASKA

DEPARTMENT OF REVENUE

ALCOHOLIC BEVERAGE CONTROL BOARD

March 12, 1987

STEVE COWPER, GOVERNOR

550 W. 7TH AVE
ANCHORAGE, ALASKA 99501-6698

POSITION PAPER

The Honorable Mitchell Abood
Alaska State Senate
P.O. Box V
Juneau, AK 99811

Dear Senator Abood:


This is a follow-up letter to my letter of March 9 for purposes of identifying this letter as a "position paper."

You asked that I provide some comment about your SB 154 concerning restaurant or eating place liquor licenses.

At its meeting of February 4-5 the Alcoholic Beverage Control Board reviewed a similar proposal. The board understands and appreciates the dilemma at hand. However, under present statutes as AS 04.11.400(j) and related board regulation 15 AAC 104.335 a restaurant or eating place license may be granted without regard to population limitations. Because of this provision in law, the board believes that additional exceptions to population limitations are unnecessary. I have enclosed copies of current statutes and regulations for your convenience.

If I can provide you any further information or clarification, please do not hesitate to let me know.

Sincerely,



Patrick L. Sharrock
Director
(907) 277-8638

PLS:cr

87-50

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MAR 17 1987

Chapter 93

and

(3) the board finds that the public convenience will be served by the issuance or transfer.

* Sec. 15. AS 04.11.400(i) is amended to read:

(1) An application requesting a transfer of location of licensed premises limited under (a) or (b) of this section shall be granted without regard to [NOTWITHSTANDING] (a) of this section if the new location is less than one mile from the original location and

(1) no ground for denial exists under AS 04.11.340(1) or (3); and

(2) relocation of the licensed premises is necessary due to

(A) termination of a lease or rental agreement;

(B) condemnation of the premises;

(C) the substantial destruction of the premises by any cause.

* Sec. 16. AS 04.11.400(j) is amended to read:

(j) The board may approve the issuance or transfer of ownership of [ISSUE] a restaurant or eating place [NEW] license in a municipality without regard to [NOTWITHSTANDING THE PROVISIONS OF] (a) of this section if the board finds that issuance or transfer of the license is necessary for the public convenience.

✓ * Sec. 17. AS 04.11.430(a) is amended to read:

(a) Each license shall be issued to a specific individual or individuals, to a partnership, including a limited partnership, or to a corporation. If the license is issued to a corporation, the registered agent of the corporation must be an individual resident of the state.

* Sec. 18. AS 04.11.504(a) is amended to read:

(a) If a prohibition imposed on the issuance, renewal, [OR]

15 AAC 104.335. LICENSING: ISSUED FOR PUBLIC CONVENIENCE. (a) The board will, in its discretion, issue a new license under AS 04.11.400(j) upon a showing that

- (1) present facilities are unable to adequately serve the public;
- (2) there is community support, which must be shown by a petition signed by a majority of the residents 21 years of age or over who reside within one mile of the proposed premises; and
- (3) the governing body of the municipality in which the licensed premises are to be located approves the application.

(b) A license issued under AS 04.11.400(j) may be suspended or revoked if it ceases to be necessary to the public convenience. (Eff. 11/29/81, Reg. 80; am 3/31/85, Reg. 93)

Authority: AS 04.06.100
AS 04.11.400

ARTICLE 4.
GENERAL PROVISIONS REGARDING
LICENSEES AND LICENSED PREMISES

Section

- 405. Adulteration, misbranding and false advertising
- 415. Storing, warehousing and transporting
- 425. Determining age of patron
- 435. Presence of minors on licensed premises
- 445. Employment of minors
- 455. Recordkeeping requirements

15 AAC 104.405. ADULTERATION, MISBRANDING AND FALSE ADVERTISING. Adulteration, misbranding and false advertising of alcoholic beverages are prohibited. (Eff. 11/29/81, Reg. 80)

Authority: AS 04.06.090
AS 04.06.100

15 AAC 104.415. STORING, WAREHOUSING AND TRANSPORTING. (a) A licensee may not stock, warehouse, or otherwise store alcoholic beverages in a place other than

upon the licensed premises except as provide in AS 04.21.060.

(b) Alcoholic beverages may not be sold or consumed at an approved storage facility, nor may they be removed from the facility except at the direction of the licensee.

(c) Vehicles used to transport alcoholic beverages must at all times be physically secure or must be under observation by the licensee or the agent or employee of the licensee to assure the vehicle is secure against public access. (Eff. 11/29/81, Reg. 80)

Authority: AS 04.06.100
AS 04.21.060

15 AAC 104.425. DETERMINING AGE OF PATRON. It is the responsibility of the licensee to obtain proof-of-age forms required under AS 04.21.050. Licensees must retain complete forms for 90 days and make them available upon request for inspection by the board and peace officers. (Eff. 11/29/81, Reg. 80)

Authority: AS 04.06.100
AS 04.21.050

15 AAC 104.435. PRESENCE OF MINORS ON LICENSED PREMISES. A minor may enter and remain on premises designated by the board as a bona fide restaurant when accompanied by a person over the age of 21 years, for dining only, upon presentation to the licensee of written consent of a parent or legal guardian on a form prescribed by the board. The consent must (1) identify the premises to which access is permitted; (2) specify the date of access; (3) identify the accompanying person over the age of 21 years; (4) be dated; and (5) be signed by the parent or guardian and witnessed by the accompanying person. The consent must be surrendered to the licensee upon access to the licensed premises. No consent is valid if signed more than 30 days before the date access is permitted. No consent is valid for more than one day of access. (Eff. 11/29/81, Reg. 80; am 3/31/85, Reg. 93)

Authority: AS 04.06.100
AS 04.16.04

15 AAC 104.445. EMPLOYMENT OF MINORS. (a) A beverage dispensary licensee whose licensed premises are located within a hotel or restaurant and a restaurant or other place licensee may permit minors to come into

SUGGESTED AMENDMENT TO SB 154, "An Act relating to issuance of liquor licenses."

PAGE 2, LINE 21 - Delete [200] and add 135.

POSITION PAPER
ON
SENATE BILL 154

"An Act relating to issuance of liquor licenses."

From a public health and public safety perspective the Department of Health and Social Services is opposed to Senate Bill 154 for the following reasons:

1. Its passage would exempt this class of license from public review since neither a citizen petition nor local government assembly approval would be a requirement of issuance;
2. Its passage would run counter to recent Legislative action taken two years ago to limit, rather than increase, the overall availability of liquor licenses in Alaska. In that action the population requirement for beverage dispensary and package store licenses was increased from one per 1500 population to one per 3000 population;
3. Within Title 04 adequate provision for tourism related licenses appears to already exist. Within the existing legal framework an applicant should be able, with adequate local citizen review, to obtain a tourism related restaurant or eating place license under A.S. 04.11.400(H)(3) "A restaurant or eating place license may be issued.....if the board finds that the public convenience will be served by the issuance....."

This Department has convincing evidence that increased availability of alcohol contribute to increased alcohol related problems, with the attendant human and financial costs.

Research has shown availability along with cost influence per capita consumption of beverage alcohol. The consumption rate of any given population is a major mitigating factor of a wide range of health and social ills. Alaska serves as a sad example of this relationship between consumption and problems. Alaska's per capita consumption is one of the highest in the United States with a rate of 3.5-3.8 gallons of absolute (pure) alcohol for everyone over the age of 14 years. We also have the highest rate of divorce, suicide, alcohol related felonies, etc.

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MAR 31 1987

Presently, Alaska issues many classes of liquor licenses. Another "type" of license could only add to the serious problems of alcohol abuse and undermine the intent of recent legislation. The present intent of Title 04 is to give more local control. Local government review authority would be seriously compromised with this legislation.

Recommended by: *Matthew Felix*
.....
Matthew C. Felix
Coordinator
Office of Alcoholism
and Drug Abuse

Date: *3/26/87*
.....

Approved by: *Myra M. Munson*
Myra M. Munson
Commissioner
Department of Health
and Social Services

Date: *March 26, 1987*
.....

SB

156

Original sponsors: Hensley, Coghill,
Duncan, et al.

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 156 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to contributions from permanent fund
7 dividends for political parties; and providing for an
8 effective date."

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

10 * Section 1. AS 43.23 is amended by adding a new section to read:

11 Sec. 43.23.016. CONTRIBUTIONS FROM DIVIDENDS. (a) The depart-
12 ment shall prepare the permanent fund dividend application to allow an
13 applicant to elect to have money subtracted from the dividend check
14 and contributed to the treasurer or central committee of the political
15 party designated by the applicant. In this subsection, "political
16 party" means an organized group of voters that represents a political
17 program and that nominated a candidate for governor who received at
18 least three percent of the total votes cast at the preceding general
19 election for governor.

20 (b) The amount of each contribution elected under (a) of this
21 section is \$5. Contributions shall be deposited in a special dividend
22 contribution account in the general fund and allocated by the depart-
23 ment in accordance with the contribution elections made by applicants
24 except that the department shall use money in the account to pay
25 administrative costs incurred under this section.

26 * Sec. 2. This Act takes effect July 1, 1987.
27
28
29



Democratic Party of Alaska

MAR 23 1987

Jack Roderick
State Chair

March 20, 1987

Virgie King
1st Vice Chair

State Affairs Committee
Pouch V
Juneau, AK 99811

Hilda Woods
Treasurer

Dear Committee Members;

Carolyn Covington
Secretary

This letter is in support of SB #156, which would allow individuals to donate to political parties by a "check off" system from one's Permanent Fund Dividend application.

Pegge Begich
Finance Director

Bob Goldberg
Legal Counsel

There seems to be public concern with the way political campaigns are financed. The common thread that runs through legislation pending before the 15th Session of the Alaska Legislature is that too much "special interest" money is bankrolling campaigns in Alaska. I see much of the campaign related legislation as intending to strengthen the political parties as a way of negating the affects of the "special interest" contributions. Senate Bill #156 works toward the goal of strengthening political parties in Alaska. This is a step in the right direction towards lessening the influence of "special interest" contributions, thereby helping to reform campaign practices in Alaska.

Doris Volske
National Committeewoman

Vander Pearson
National Committeeman

Chancy Croft
Policy Commission

Peg Tileston
Alaska Democrat

The Alaska Democratic Party is solidly behind this legislation. Thank you.

Sincerely,

Jack Roderick
Jack Roderick, WDB
Party Chair

Bill Bobrick
Exec. Director

Susie Barnett
Office Manager

(907) 562-3050

P.O. Box 10-4199 • Anchorage, AK 99510

The Republican Party of Alaska



Jim Crawford
Chairman

Marilyn Paine
National Committeewoman

Eldon Ulmer
National Committeeman

Jack Wilbur
Vice Chairman

Gall Phillips
Secretary

Tim McKeever
Treasurer

Charlot Thickstun
Asst. Secretary

Lloyd Hames
Asst. Treasurer

Dave Harbour
Finance Chairman

Cliff Groh
Legal Counsel

750 E. Fireweed Lane, Suite 102
Anchorage, Alaska 99503
(907) 276-4467

March 25, 1987

Senator Willie Hensley
P.O. Box V
Juneau, AK 99811

Dear Senator Hensley:

Thank you for your request for comments from the Republican Party of Alaska in regard to SB 156. This bill would provide a check off on Permanent Fund applications that would allow Alaskans to direct a portion of their dividend to support political parties.

We appreciate your recognition that political parties deserve financial support from the citizenry because of their role in charting the future of our state. We want to thank you and your fellow sponsors for their intentions.

The most important part of the bill as we read it is that it protects the Permanent Fund from administrative charges that would be incurred by the establishment of this new program. Our party has spoken strongly about defending the Permanent Fund. We believe that, even if our party benefits from a program, the program should not impair the ability of the Fund to provide for future needs of our state's citizens.

Current Alaska law forbids the contribution of money to a political party in the name of another. We strongly urge you to continue to honor that principle by slightly revising the current bill. Political parties should be given the names of those who direct a portion of their dividend to the party of their choice. That way we could thank each donor and report their contribution according to the APOC regulations.

Thank you for your efforts, and thank you for offering us the opportunity to comment on your bill.

With best regards,


Jim Crawford
Chairman, Republican Party of Alaska

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST _____

Bill Version: SB 156
Publish Date: _____

Revision Date: _____
Title: Contributions from PFD's to political parties
Sponsor: Hensley, et al
Requestor: Senate State Affairs

Agency Affected: Revenue
BRU: Administrative Services
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	21.9	10.7	10.7	10.7	10.7
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	11.0	11.0	11.0	11.0	11.0
SUPPLIES	-	0.2	0.2	0.2	0.2	0.2
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	33.1	21.9	21.9	21.9	21.9
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	33.1	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (political party acct)	-	-	21.9	21.9	21.9	21.9
TOTAL	-	33.1	21.9	21.9	21.9	21.9

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	3	2	2	2	2
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page if necessary

(See attached)

Prepared By: Ervin B. Jones
Division: Administrative Services

Phone: 465-2313
Date: 3/19/87

Approved by Commissioner: [Signature]
Agency: Revenue

Date: 3/20/87

Distribution (by Agency preparing fiscal note):

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

Department of Revenue
Administrative Services Division
Fiscal Note Analysis
SB 156
3/19/87

Assumptions:

- 1) The bill will take effect for the 1988 permanent fund dividend year and application. The 1987 dividend application has already been printed.
- 2) There are nine other bills which if signed into law, would result in some form of "check-off" on the 1988 dividend application. The Department of Revenue has no insight as to which, and how many, of these bills will become law. This fiscal note, and all related fiscal notes, is prepared on the assumption that the subject bill is the only bill of this nature which will become law. The passage of multiple bills with varying formulas (\$5, \$25, half of dividend, all or part of dividend, etc.) will inevitably have a compounding effect. Whereas there may be savings in some areas, there will be increased costs in others.
- 3) All FY88 costs of administering this law will be borne by the general fund, since no funds will be available to the political party account until October 1, 1988. Funding for administrative costs in FY89 and thereafter will be taken from the political party account as appropriated by the legislature.
- 4) The incremental cost of computer resources will result in a chargeback by the Department of Administration.
- 5) Whereas the cost of programming changes will be a one-time cost, the cost of document review, data capture, data processing chargeback, and the extra page in the dividend application will be continuing.
- 6) Contributions will only be honored to the extent of available funds. Garnishments and assignments will take precedence in the order established by statute. Contributions will then be honored in the order listed on the form schedule, which will be in the order they become law.
- 7) The Department of Revenue will determine qualifying political parties in cooperation with the Division of Elections and will list the parties by name on the PFD application.
- 8) It is assumed that each applicant will contribute to only one political party.

Program Summary:

The provision of a new contribution decision on the dividend application will cause additional administrative cost in several areas:

- a) An additional page added to each application, a schedule of contribution decisions.
- b) The computer system will need to be changed to account for the change in the program, to establish new accounting controls and to provide for the transfer of funds to the trust account (see Attachment A).

- c) Each of approximately 540,000 PFD applications will need to be visually reviewed and coded as to decision on the contribution decision. Each application will be data captured with additional attention and keystrokes expended on each positive decision.
- d) The accounting for the political party account will be performed by existing staff in the Fiscal Section of Administrative Services.

1. Positions

1 PPT Analyst/Programmer V, R21
 @ \$5,638.47/Mo including salary
 and benefits for 2 months = \$11.2

PCN 04-1125 would be funded for an additional two months, in accordance with Attachment A. Ongoing maintenance of new programs would be accomplished by existing staff.

1 PPT Document Processor I, R7
 @ \$2,117.76/Mo, including salary and
 benefits for 3 months = \$6.3

This position would assist in the manual review and coding of 540,000 applications for the new contribution decision. This position represents the equivalent of the additional time and effort.

1 PPT Data Processing Clerk I, R8,
 @ \$2,221.64/Mo, including salary and
 benefits for 2 months = \$4.4

This position would assist in the data capture of the additional contribution decisions. The position represents the equivalent value of the additional time and effort.

TOTAL Personal Services \$21.9

2. Other Expenditures:

a) Travel: None.

b) Contractual:

Data Processing Chargeback \$5.0
 Add additional page to PFD
 booklet \$6.0

c) Supplies: \$0.2

d) Equipment: Use existing equipment 0.0

TOTAL COST \$33.1

3. Funding: General Fund.
4. Section Cost Analysis: N/A.

Computations: N/A.

Economic Impact: N/A.

Impact on Local Government: N/A.

Suggested Amendments: The following amendment #1 should be considered.

1. Sec. 1, line 12-16 is amended to read:

" . . . The Department of Revenue shall prepare the permanent fund dividend application to allow [AN APPLICANT] individuals who are 18 years of age or older to direct that \$25 of their dividend be subtracted from the check and contributed to the political party designated by the applicant."

Current state law (AS15.13.120(a)(4)) prohibits an individual from making a political contribution in the name of another person. Since the child's permanent fund dividend application is filed on behalf of the child by the parent or other sponsor, it is arguable that an election on the PFD Child's application, executed by the parent, may be contrary to the above referenced statute.

2. Sec. 1, line 18-20 is amended to read:

" . . . The Department of Revenue [MAY] shall use money in the account to pay administrative costs incurred under this section [.] as appropriated by the legislature. . . ."

Attachments: Attachment A: "Summary of DP Needs"

Department of Revenue
Administrative Services Division
Fiscal Note Analysis
SB 156
Summary of Data Processing Requirements
3/19/87

Wang data entry processing	75.0 hours
Includes:	Data entry Batch lists Corrections Wang to IBM transfer
IBM Update jobs	30.0 hours
Includes:	Edits Batch listings Log sheets
DMS Online programs for lookup and changes	37.5 hours
Nightly Update of Changes	22.5 hours
Warrant Jobs	90.0 hours
Includes:	Printing warrants with different amounts. Include check stub messages. Modify warrant registers as needed for balancing. Create new program(s) for transferring accumulated contributions to the Political Party Account, and to account for the reserve necessary due to returned and cancelled PFD warrants.
Miscellaneous	45.0 hours
Includes:	Setting up test files on IBM Systems testing Administrative functions, i.e. paper work required by Admin. DP to add files and programs to tables.
TOTAL HOURS	300.0 hours

POSITION PAPER
SB 156

SB 156 creates an option on the Permanent Fund Dividend Application so applicants can direct that \$25 of their dividend be donated to the political party they indicate. The Department of Revenue may use a portion of the funds to pay administrative costs.

The Department of Administration must hold the funds in trust for distribution to the political parties.

The bill has no direct impact on the Alaska Public Offices Commission. The political parties would not receive a list of the individuals who donated through this method but that would not be particularly troublesome. Under the Commission's regulations, an organization may hold a fund-raiser at which the names of contributors are not recorded so long as there are 25 or more paying participants and no one contributes more than \$50. Since SB 156 would limit the maximum donation per individual to \$25, the proposal could be considered consistent with the regulation which was designed to alleviate some of the recordkeeping burdens associated with low cost fund-raisers where large numbers of people attended.

The Commission's position on SB 156 is neutral.

Sheda Pittman 3/20/87
Exec. Director, Alaska Public Offices Commission Date

Jan Rogers /bm 3-23-87
Chairman, Alaska Public Offices Commission Date

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

REQUEST: _____

Bill Version: SB 156

Publish Date: _____

Revision Date: _____
Title: An act relating to contributions from permanent fund...

Agency Affected: Administration
BRU: Alaska Public Offices Commission

Sponsor: Hensley, Coghill, et. al.

Components: _____

Requestor: Senate State Affairs

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: 0 0 0 0 0 0

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Theda Pittman *Theda Pittman*
Division: Alaska Public Offices Commission

Phone: 276-4176
Date: 3/20/87

Approved by Commissioner: Jean Rogers *Jean Rogers*
Agency: Chairman, Alaska Public Offices Commission

Date: 3-23-87

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