

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672
5522 SSTA SB 214 - SB 247

1894

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SB 214

Publish Date: _____

REQUEST _____

Revision Date: _____

Title: An act relating to contributions from PFD's for rural television

Sponsor: Zharoff

Requestor: 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 (RATNET Account)	-	-	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: 4/2/87

Approved by Commissioner: [Signature]
Agency: Revenue

Date: 4/2/87

Distribution (by Agency preparing fiscal note):

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

page _____ of _____

Department of Revenue
Administrative Services Division
Fiscal Note Analysis
SB 214
4/2/87

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 fifteen bills which if signed into law, would result in some form of "check-off" on the 1938 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, 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) Costs of administering this law will be borne by the general fund in FY88. In FY89 and subsequent years administrative costs will be borne by the RATNET account.
- 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.

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 RATNET 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.

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

TOTAL Contractual \$11.0

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: None.

Attachments: Attachment A: "Summary of DP Needs"

Department of Revenue
Administrative Services Division
Fiscal Note Analysis
SB 214

Summary of Data Processing Requirements
4/2/87

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 RATNET 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

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Administration
 Title: Contributions from PFD for RATNET BRU: Division of Telecommunications Operations
 Sponsor: Senator Zharoff Components: _____
 Requestor: Senate State Affairs

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
OPERATING						
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE	0.0	0.0	0.0	0.0	0.0	0.0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
OTHER	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME	0.0	0.0	0.0	0.0	0.0	0.0
TEMPORARY	0.0	0.0	0.0	0.0	0.0	0.0

ANALYSIS: (Attach a separate page if necessary)

Source of general funds will change but not general fund total.

Prepared By: Mel Høversten, Director Phone: 465-2041
 Division: Telecommunications Services and Operations Date: January 12, 1988
 Approved by Commissioner: John M. Andrews Date: 1/19/88
 Agency: Department of Administration

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

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SB 214
Publish Date: _____

REQUEST _____

Revision Date: _____
Title: Contributions from PFD for RATNET

Agency Affected: Administration
BRU: Division of Telecommunications Services and Operations

Sponsor: Senator Zharoff
Requestor: Senate State Affairs

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	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE	0.0	0.0	0.0	0.0	0.0	0.0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
OTHER	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME	0.0	0.0	0.0	0.0	0.0	0.0
TEMPORARY	0.0	0.0	0.0	0.0	0.0	0.0

ANALYSIS: Attach a separate page if necessary

Source of general funds will change but not general fund total.

Prepared By: Mel Hoversten, Director *John Cameron* Phone: 465-2041
Division: Telecommunications Services and Operations Date: April 2, 1987

Approved by Commissioner: Garrev Peska *GP* Date: 4/2/87
Agency: Department of Administration

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

Original sponsor: Zharoff

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 214 (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 the Rural Alaska Television Network;
8 and providing for an 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 Rural Alaska Television Network for providing
15 television services to rural areas of the state.

16 (b) The amount of each contribution elected under (a) of this
17 section is \$5. Contributions shall be deposited in a special dividend
18 contribution trust account and allocated by the department in accor-
19 dance with the contribution elections made by applicants except that
20 the department shall use money in the account to pay administrative
21 costs incurred under this section.

22 * Sec. 2. This Act takes effect July 1, 1987.

SB

215

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An act relating to contributions
from permanent fund dividends for
public broadcasting

Agency Affected: Dept. of Administration
BRU: Alaska Public Broadcasting
Commission
Components: APEC

Sponsor: Senator Zharoff

Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	*	*	*	*	*	*
---------	---	---	---	---	---	---

*Totally dependent on the number of citizens who contributed a check-off to public broadcasting.

FUNDING: (Thousands of Dollars)	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Assumption: Neither the Department of Administration nor the APEC anticipates any additional expense as a result of this bill. Any administrative expenses would be born by the Department of Revenue, which is authorized to cover such expenses out of the proceeds of the check-off.

Prepared by: Charles M. Northrip
Division: Alaska Public Broadcasting Commission

Phone: 455-2946
Date: January 15, 1988

Approved by Commissioner: John Andrews
Agency: Department of Administration

Date: 1/19/88

Distribution (by preparer):

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

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SB 215

Publish Date: _____

REQUEST _____

Revision Date: _____

Title: An act relating to contributions from PFD's for public broadcasting.

Sponsor: Zharoff

Requestor: 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 (Pub.Brdcstg Account)	-	-	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: 4/2/87

Approved by Commissioner: [Signature]
Agency: Revenue

Date: 4/2/87

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 215
4/2/87

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 fifteen 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, 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) Costs of administering this law will be borne by the general fund in FY88. In FY89 and subsequent years administrative costs will be borne by the Public Broadcasting account.
- 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.

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 Public Broadcasting 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.

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

TOTAL Contractual \$11.0

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: None.

Attachments: Attachment A: "Summary of DP Needs"

Department of Revenue
Administrative Services Division
Fiscal Note Analysis
SB 215
Summary of Data Processing Requirements
4/2/87

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 public broadcasting 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

Original sponsor: Zharoff

1 THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 215 (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 to the Alaska Public Broadcasting Commis-
8 sion; and providing for an 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 Alaska Public Broadcasting Commission.

15 (b) The amount of each contribution elected under (a) of this
16 section is \$5. Contributions shall be deposited in a special dividend
17 contribution trust account and allocated by the department in accor-
18 dance with the contribution elections made by applicants except that
19 the department shall use money in the account to pay administrative
20 costs incurred under this section.

21 * Sec. 2. This Act takes effect July 1, 1987.

S B

222



Alaska State Legislature

Senate
SENATOR RICK UEHLING

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

Official Business
Senate Finance
Committee

TO: Senator Mitch Abood, Chairman
Senate State Affairs

FROM: Senator Rick Uehling

SUBJECT: SB 222, "An Act relating to registration of vehicles
owned by Pearl Harbor survivors"

DATE: April 11, 1987

I have asked staff to provide the following background and analysis of SB 222, "An Act relating to registration of vehicles owned by Pearl Harbor survivors."

The Background

SB 222 is a bill that would require the Department of Public Safety, Division of Motor Vehicles to design and issue special license plates to anyone who was on active duty in Pearl Harbor on December 7, 1941. The special plates would be issued upon written proof and without charge to all Pearl harbor survivors. Special plates are presently being issued to former prisoners of war.

A fiscal note has been attached to SB 222 and estimates the number of Pearl Harbor survivors to be 200. It is my understanding that the Pearl Harbor Survivors Association, North Star Chapter of Anchorage lists the number of Pearl Harbor survivors in Alaska to be 64. This number would significantly reduce the expenses in producing the special plates and also decrease the amount in revenue loss.

Pearl Harbor survivors honored with special auto license plates

By Dean Terrill
of The Lincoln Star

Some people would stand in line for hours to get a low car license plate number. Ralph Naslund of Beatrice got No. 001 Thursday just by shaking hands with the governor.

The special plate, presented by Gov. Bob Kerrey at a brief morning ceremony, was the first issued that honors survivors of Pearl Harbor. LB864, which authorized the motor vehicle license, became effective Thursday. The law was co-sponsored by Omaha Sens. Tim Hall and Bernice Labedz.

Naslund, a retired engineer with Norris Public Power District, was the first state chairman of Nebraska's Pearl Harbor Survivors Association. Organized in 1968, the group has 107 members.

"I WAS a little uneasy when we first talked about the bill," said Naslund, 67. "But then I realized that the main purpose isn't to recognize individuals. That unique event in history left Americans a lesson to be learned."

Naslund said the plates will help amplify the organization's motto: "Remem-

ber Pearl Harbor, keep America alert."

Current state chairman Burt Amgwert of Lincoln, state president Ed Chudy of Beatrice and Joe Baburek of Omaha also were on hand to receive some of the exclusive plates. The first eight recipients are the organization's charter members.

Naslund, a 72nd Bomb Squadron plane mechanic at Hickam Field, had been in the Army Air Corps 11 months at the time of the Dec. 7, 1941 attack. He said there was no warning prior to "the damndest commotion and boom you ever heard," followed by Japanese Zeros strafing the parade grounds.

"I strapped on my 45 and a bunch of us just stood there watching bombs fall on the harbor," he said. "Then we ran, scared to death. That probably saved us, since they bombed our barracks. Our first sergeant, supply sergeant and two or three other guys were killed right there."

THE KANSAS native also survived several strafing runs before his squadron managed to get a B-17 into the air — the first outfit to do so. He spent the next

four days manning a 50 caliber machine gun.

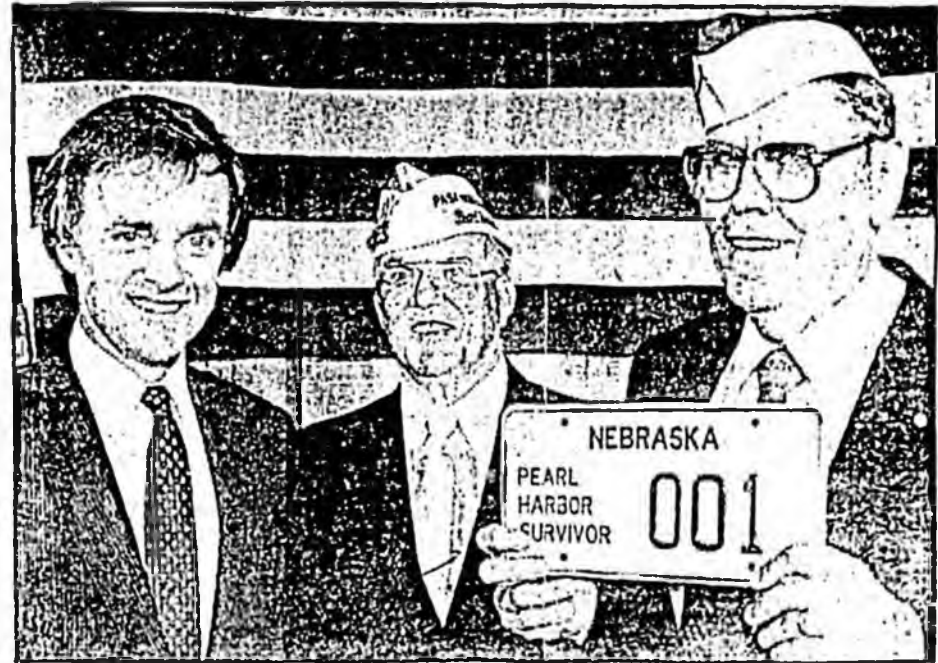
"There was so much confusion I think the Japs could have taken over if they had tried an invasion," he continued. "There had been talk they might hit the Philippines or somewhere else, but nobody thought they had the guts to try Hawaii."

Naslund eventually flew 25 combat missions as a gunner. He came home with a Distinguished Flying Cross and an Air Medal with Oak Leaf Cluster. He graduated from Kansas State College and put in 33 years with Norris before retiring 21 1/2 years ago.

He and his wife Betty, a surgical nurse at Beatrice Community Hospital, have four grown children and six grandchildren.

The Nebraska veterans, officially known as the Bo Wilson chapter, were the 37th of 157 chapters organized in the nation. Memberships now total more than 10,350 nationwide.

To be eligible for the Nebraska plates, an individual must be a member of the association.



Gov. Bob Kerrey, left, Burt Amgwert, and Ralph Naslund, show off the 001 license plate presented to Naslund Thursday.

BILL NO: SB 222

DATE: April 2, 1987

TITLE: An Act relating to registration of vehicles owned by Pearl Harbor survivors

CONTACT: Bill Brown 465-4335

APR 9 1987

DEPARTMENT OF PUBLIC SAFETY

POSTMOUNTAIN

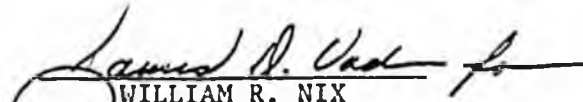
This bill requires the department to design and issue special license plates to anyone who was on active duty in Pearl Harbor on 12-7-41.

Issuing special registration plates to any select group of individuals requires more documentation, and more employee effort than a normal registration. With any one group, such as Pearl Harbor survivors, the effort may not be large, but with several groups the effort expended in proportion to the total number of registrations can be excessive.

Since there are so many groups deserving of recognition, the problem with this type of legislation is where to stop once it's started. The reasoning seems to be that since one group has the plates another group is just as deserving of special recognition, and so on.

If the legislature acts on this piece of legislation it should also set a fee in AS 28.10.421. A fee must be set before these type plates could be processed.

The department is opposed to this bill because it is felt that a time when we are cutting positions and functions is not the time to be adding additional duties.


WILLIAM R. NIX
Acting Commissioner

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

REQUEST: _____

Bill Version: SB 222
Publish Date: _____

Revision Date: _____
Title: An Act relating to registration of vehicles owned by Pearl Harbor survivors.
Sponsor: Uehling
Requestor: Senate State Affairs

Agency Affected: Public Safety
BRU: Motor Vehicles
Components: Field Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL		1.4	.1	.1	.1	.1
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		1.4	.1	.1	.1	.1
CAPITAL						
REVENUE		(7.0)	(7.0)	(7.0)	(7.0)	(7.0)

FUNDING: (Thousands of Dollars)

GENERAL FUND		1.4	.1	.1	.1	.1
FEDERAL FUNDS						
OTHER						
TOTAL		1.4	.1	.1	.1	.1

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See Page 2.

*JRC
4/7/87*

Prepared by: Charles R. Hosack *CRH* Phone: 269-5551
Division: Motor Vehicles *MSB* Date: 4-3-87
Approved by Commissioner: X [Signature] Date: 4/7/87
Agency: Public Safety

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

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SB 222

ASSUMPTIONS:

Since we have no idea how many Pearl Harbor survivors there are in Alaska, an estimate of 200 was used to prepare this fiscal note.

The bill does not mention what the fee for these special plates would be. For this fiscal note an assumption was made the plates would be issued for no fee.

EXPENDITURES:

Specialized plates @ \$5.00 x 200	1.0
Postage @ \$1.76 x 200	.4
TOTAL	<u>1.4</u>

After the first full year of issuance, it is assumed there would not be more than 20 new applications per year.

REVENUE:

Vehicles with specialized plates (200 x \$35)	(7.0)
--	-------

Revenue loss would remain fairly consistent.

INFORMATION:

As a result of the FY88 budget decrement the position in the Special Programs Unit of the Division of Motor Vehicles which now issues personalized license plates will be eliminated. Therefore, the division will discontinue issuing personalized license plates as of July 1, 1987. The division opposes being required to issue new special interest plates such as Pearl Harbor survivors at a time we are cutting positions.

STATE OF ALASKA

DEPARTMENT OF PUBLIC SAFETY

DIVISION OF MOTOR VEHICLES

STEVE COWPER, GOVERNOR

5700 EAST TUDOR ROAD
ANCHORAGE, ALASKA 99507-1225
PHONE: (907) 269-5551

April 3, 1987

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

Dear Senator Abood:

The following is the Division of Motor Vehicles' outlook on SB-222 and CSHB-74.

These bills are similar in that they both advocate the design and subsequent issuance, without charge, of "Pearl Harbor Survivor" license plates.

The bills differ in that SB-222 uses the wordage "...The department may issue..." whereas CSHB-74 uses the wordage "...The department shall issue...."

A separate section is contained in CSHB-74 requiring the department to issue personalized license plates for motorcycles.

In the past the division has often taken a neutral position relating to such legislation using the premise that the appointment of specialized license plates to be issued at little or no charge to authorized, deserving persons or entities was solely the purview of the Legislature. However in these times of substantial revenue shortfalls and accompanying budget cuts, the division deems it necessary to opt for a negative recommendation for both bills, particularly if SB-222 is amended to read the same as CSHB-74.

The Division of Motor Vehicles has never been considered "fat" in the area of its operating budget, particularly in the ratio of fees and taxes collected versus monies expended for the operating budget. When the budgetary cuts for FY-87 and FY-88 are tabulated DMV will be operating on 24.4% less than is in the 1987 authorized budget. The effect of such cuts in the operating budget have resulted in the termination or deletion of 24 full-time and 5 part-time positions, all directly dedicated to motor vehicle public service. To date, including proposed FY-88 reductions, a total of 7 DMV public service offices are, or will be, closed requiring motoring constituents in those areas to deal with DMV by mail or travel to other cities.

RECEIVED
APR 08 1987

Simpson/Abood
April 3, 1987

Page 2

Because of these facts DMV has acted in what we consider a responsible manner and have reviewed our statutory requirements in conjunction with our operating public service requirements. The result of our review was the decision that the issuance of new specialized license plates as set forth in AS 28.10.181 is statutorially permissive whereas the requirement of motoring constituents to register and title their vehicles or to test for and obtain a driver's license is mandatory, thus it is better to opt to maintain adequate service to the majority than to a minority.

It is the intent of DMV to cease the issuance of new specialized license plates on July 1, 1987. Personal services monies allocated to fund the one position that administers the specialized plate program will be eliminated in the FY-88 budget. The decision was made to eliminate a non-essential service rather than closing another field office.


The effect of CSHB-74 will require DMV to continue to issue new specialized license plates thus negating a desperately needed field service position in Eagle River. I mention Eagle River because it is the next office scheduled to be closed if the division receives more budget cuts.

DMV respectfully submits that if the Legislature truly believes that the continued issuance of new specialized license plates is mandatory and in the best interest of the state and not at the expense of direct public service, the position currently administering the program, but cut from the 1988 budget, should be appropriately and fully funded.

DMV respectfully submits its fiscal note in a sincere effort to meet legislative intent and public service demands without appearing to be adversative.

Thank you for your concern and consideration.

Sincerely,


Kenneth Y. Simpson
Registrar

cc: Charles Hosack, Acting Director
Bill Brown, Driver Services, Juneau

INTRODUCTION OF BILLS, (Senate, cont'd)

SB 221, (cont'd)

under the law-making-procedures provisions and the separation-of-powers doctrine. See State v. A.L.I.V.E. Voluntary, 606 P.2d 769 (Alaska 1980); and Immigration and Naturalization Service v. Chadha, 462 U.S. 919, 77 L.Ed.2d 317, 103 S.Ct. 2764 (1983). Nevertheless, I am submitting this Eklutna land exchange to the legislature for approval because I know of and wish to accommodate the legislature's strong interest in it and because I wish to avoid any possible challenge to the exchange on the grounds that the statutes were not fully satisfied.

It is imperative that you approve this legislation this session if the exchange is to proceed. Failure to do so will lose this opportunity to acquire the Eagle River Greenbelt from Eklutna, Inc. If the exchange fails, the Municipality of Anchorage will receive the state's interest in Block 112A in partial satisfaction of Anchorage's entitlement under AS 29.65. I urge your prompt and favorable action on this measure.

License Plates
for Veterans
(Pearl Harbor
survivors)

SENATE BILL NO. 222, by Senators Uehling, Halford and Kelly. Would allow the Department of Public Safety, upon receipt of written proof, to issue without charge special registration plates for one noncommercial motor vehicle to a person who was on active military duty in Pearl Harbor on December 7, 1941 (currently a person who has been a prisoner of war during a declared war or other conflict is entitled to the free license plate). Note: also see CSHB 74 (Trsp)(am), which was amended on March 25 by adding this provision - it requires the Department to issue the plates, rather than allows it to (changes "may" to "shall"). Does not provide for an effective date (bill becomes law 90 days after being signed by the governor).

Introduced March 31 and referred to State Affairs; Finance.

Zoos & Zoo
Operators
(civil liability of)

SENATE BILL NO. 223, by Senator Faiks. Would prohibit a person from recovering damages for injury to persons or property from a zoo or a zoo operator if the damages occurred as a result of an inherent risk of attendance at a zoo, if notice of the risk was posted, and the zoo operator exercised reasonable care to prevent the injury.

Would require a zoo operator to post signs at prominent places within a zoo and at each zoo entrance. The signs would have to include a statement warning that the zoo is not liable for injuries to person or property occurring as a result of dangers of conditions inherent in attending the zoo.

Does not provide an effective date (bill becomes law 90 days after being signed by the governor).

Introduced March 31 and referred to Judiciary.

Insurers'
Premium Tax
(raising)

SENATE BILL NO. 224, by Senator Duncan. Would raise the premium tax for domestic and foreign insurers (except hospital and medical service corporations) from 2.7 to three percent of the total direct premium income (after deductions). Exempts domestic companies organized before July 1, 1987 from taxation for a period of five years from the date of its organization (currently domestic companies are exempt for a period of five years from the

S B

227

A M E N D M E N T

Offered in the SENATE

By Uehling

TO: SB 227

Page 2, line 7, after "(c)":

Insert "If a hearing is requested by an individual under (b)(3) of this section, the department shall notify the agency making the claim, and that agency is responsible for affording the individual a hearing on the claim."

Page 2, line 7:

Delete "a"

Insert "the"

Page 2, lines 7 and 8:

Delete "requested by an individual under (b)(3) of this section"

Amendment to SB227

There has been some concern raised by the Department of Revenue that SB227 is not clear in who handles the hearing if a Permanent Fund Dividend attachment is appealed. This amendment makes it clear that the agency making the claim is responsible for the hearing regarding the appeal.

Original sponsors: Uehling and .siks

1 IN THE SENATE

2 CS FOR SENATE BILL NO. 227 ()

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 claims of state agencies to
7 permanent fund dividends."

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

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

10 Sec. 43.23.067. CLAIMS OF STATE AGENCIES. (a) AS 09.38 does
11 not apply to permanent fund dividends taken to satisfy debts under
12 AS 43.23.065(b)(4). Notwithstanding AS 09.35, execution on a claim
13 under AS 43.23.065(b)(4) is accomplished by delivering a certified
14 claim to the department containing the following information:

15 (1) the name and social security number of the individual
16 whose dividend is being claimed;

17 (2) the amount the individual owes to the agency; and

18 (3) a statement that

19 (A) the debt has not been contested, or, if contested,
20 that the issue has been resolved in favor of the agency; and

21 (B) if the debt has been contested and resolved in
22 favor of the agency, no appeal is pending, the time limit for
23 filing an appeal has expired, or the appeal has been resolved in
24 favor of the agency.

25 (b) Upon receipt of a claim under (a) of this section the de-
26 partment shall notify the individual of the claim. The notice shall
27 be sent to the address provided in the individual's permanent fund
28 dividend application and must provide the following information:

29 (1) the identity of the agency that has made the claim;

1 (2) the amount of the claim;

2 (3) notice that the amount of the permanent fund dividend
3 that does not exceed the amount of the claim shall be paid to the
4 agency unless the agency releases the claim or the individual requests
5 a hearing from the agency making the claim within 10 days after the
6 date the notice is sent by the department.

7 (c) If a hearing is requested by an individual under (b)(3) of
8 this section, the agency making the claim shall notify the department.
9 The agency making the claim is responsible for affording the individ-
10 ual a hearing on the claim. AS 44.62.330 - 44.62.630 apply to the
11 hearing. If no notice of a request for a hearing or release of the
12 claim is received by the department from the agency, the department
13 shall pay the amount of the permanent fund dividend that does not
14 exceed the amount of the claim to th agency making the claim.
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SB 227 / HB 223
Publish Date: 4/1/87

REQUEST: _____

Revision Date: 4/13/87

Agency Affected: Commerce & Economic Dev.

Title: An Act relating to claims of state agencies to permanent fund dividends.

BRU: Occupational Licensing

Sponsor: Senators Uehling and Faiks

Components: _____

Requestor: Senator Uehling

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

(See Attached)

Prepared by: Jennifer Strickler, Management Analyst
Division: Occupational Licensing

Phone: 465-2144

Date: 4/13/87

Approved by Commissioner: J. Anthony Smith
Agency: Commerce and Economic Development

Date: _____

Distribution (by preparer):

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

SB 227 /HB 223

The Division of Occupational Licensing has experienced approximately 3% of NSF checks submitted annually for licensing fees in FY 86 and FY 87. At that rate, 3% of the projected FY 88 revenue will total \$36,600.00.

SB 227 will allow the division to recover funds for NSF checks through filing a claim against an individual's permanent fund dividend check, after all other attempts to recover the funds are unsuccessful. The impact of the bill should discourage future non-compliance with attempts to recover funds.

Changes To SB227

The following changes were made to SB227 in the work draft of CS SB227 dated 4/14/87:

At the request of the Department of Revenue, language was added on page 2 in section (b)(3) and in section (c) to clarify the appeals process. The changes make it clear that the agency making the claim shall notify the Department of Revenue of any pending hearings. Also, the agency making the claim, not the Department of Revenue, is responsible for affording the individual that hearing.



Alaska State Legislature

Senate

SENATOR RICK UEHLING

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

Official Business

Senate Finance Committee

TO: Senator Mitch Abood, Chairman
Senate State Affairs Committee

From: Senator Rick Uehling

DATE: April 11, 1987

RE: SB227, "An Act Relating To Claims Of State Agencies
To Permanent Fund Dividends"

I have asked staff to provide the following information and analysis of SB227, "An Act Relating To Claims Of State Agencies To Permanent Fund Dividends." Attached is a brief summary, a copy of the bill, a sectional analysis, copies of the affected statutes, and the fiscal notes.

Summary

SB227 would allow state agencies to garnish an individual's Permanent Fund Dividend to satisfy the nonpayment of a debt to that agency. This bill allows the procedure to occur outside of the courts, yet still provides due process to the individual through an appeals process under the Administrative Procedures Act. The burden on the court system and the excessive time and expense on the part of the agency is eliminated.

An example, and one of the reasons for the introduction of this bill, is the Postsecondary Education Commission. Currently, \$41,000,000 in student loans are in default! These are not delinquent loans, but those in default which are turned over to collection agencies who immediately file suit in court. Last year 2,000 individuals who applied for the dividend were also in default on the student loans. As noted in the Postsecondary Education Commission's fiscal note, if this bill passes it could mean an additional \$400,000 to \$800,000 in revenue each year for the student loan program. Other Departments such as Commerce & Economic Development, Health & Social Services and the Court system have indicated that this bill could result in additional revenue for them as well.

It does not seem equitable for individuals to receive the Permanent Fund Dividend when they are in default on a debt to a state agency. This bill takes steps to remedy that inequity.

STATE OF ALASKA
THE LEGISLATURE

POUCHET STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 8, 1987

SUBJECT: Sectional analysis of SB 227
TO: Senator Rick Uehling
FROM: Tamara Brandt Cook *TBC*
Director
Division of Legal Services

Here is the sectional analysis that you requested of SB 227 dealing with claims of state agencies to permanent fund dividends.

Sec. 1. A new section is added providing that AS 09.38 (Alaska Exemptions Act) does not apply to a dividend taken to satisfy a debt of a state agency. Execution on such a claim is accomplished by delivering a certified claim to the Department of Revenue containing certain information. Upon receipt of the claim the department is required to notify the individual and provide certain information, including notice that the individual may request a hearing within 10 days after the date the notice is sent by the department. AS 44.62.330 - 44.62.630 (Administrative Procedure Act) apply to a hearing requested by an individual. If no request for a hearing is received, the department is required to pay the amount of the permanent fund dividend that does not exceed the amount of the claim to the agency making the claim.

You have also asked whether the bill presents due process problems. I believe the bill would survive a due process challenge because the individual whose dividend is being claimed is given notice of that fact and accorded a hearing on the claim at his request. The hearing is subject to provisions of the Administrative Procedure Act that relate to administrative hearings, which set out procedures to be followed in the hearing and includes the opportunity to appeal a final administrative order to the superior court (AS 44.62.560). It is only when no request for a hearing is received that the department may proceed to pay money from the dividend to the agency making the claim.

TBC:mkr
m10/121

provision, see § 22, ch. 99, SLA 1985 in amendment substituted "October" for the Temporary and Special Acts. "December" in paragraph (2).

Effect of amendments. — The 1984

Sec. 43.23.065. Exemption of permanent fund dividends. (a) Except as provided in (b) of this section, 50 percent of the annual permanent fund dividend payable to an individual is exempt from levy, execution, garnishment, attachment, or any other remedy for the collection of debt. This exemption applies to an eligible individual's permanent fund dividend both before and after payment is made to the individual.

(b) An exemption is not available under this section for permanent fund dividends taken to satisfy

(1) child support obligations required by court order or decision of the child support enforcement agency under AS 47.23.140 — 47.23.220;

(2) court ordered restitution under AS 12.55.045 — 12.55.051 or 12.55.100;

(3) a court ordered probation fee under AS 12.55.105; or

(4) a debt owed by an eligible individual to an agency of the state, unless the debt is contested and an appeal is pending, or the time limit for filing an appeal has not expired.

(c) Claims listed in (b) of this section have priority in the order listed over other claims on a permanent fund dividend. (§ 1 ch 102 SLA 1982; am § 1 ch 157 SLA 1984; am § 57 SLA 1985; am § 67 ch 138 SLA 1986)

Revisor's notes. — Sections 12 and 13, ch. 99, SLA 1985, amend this section and add new (b) and (c). The amendments are effective if § 1, ch. 99, SLA 1985 is repealed (see § 25, ch. 99, SLA 1985). If the amendments become law, the section will read: "(a) Fifty percent of a cash permanent fund dividend payment is exempt from levy, execution, garnishment, attachment, or any other remedy for the collection of debt. This exemption applies to an eligible individual's permanent fund dividend both before and after payment is made to the individual. An exemption is not available under this section for cash permanent fund dividend payments taken to satisfy (1) child support obligations required by court order or decision of the child support enforcement agency under AS 47.23.140 — 47.23.220; (2) a debt owed by an eligible individual to an agency of the state, unless the debt is contested and an appeal is pending, or the time limit for filing an appeal has not expired; or (3) court ordered restitution under AS

12.55.045 — 12.55.051 or 12.55.100. A child support obligation under (1) of this section has priority over a debt owed to an agency of the state, and a permanent fund dividend may not be taken to satisfy a debt under (2) of this section until any portion of the dividend necessary to satisfy a child support obligation has been taken.

"(b) The department shall require an individual to take 100 percent of the permanent fund dividend in cash if the department receives a levy, execution, garnishment, attachment or other legal remedy for the collection of a past due debt described in (a)(1) or (2) of this section.

"(c) The courts of this state may, as a condition of any civil judgment or restitution order under AS 12.55.045 — 12.55.051 or 12.55.100, require the defendant to take the defendant's permanent fund dividend in cash."

Section 22, ch. 99, SLA 1985 provides for an advisory vote to be held at the general election in 1986. For the text of that

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

REQUEST: _____

Bill Version: SB 227
Publish Date: 4-1-87

Revision Date: _____

Agency Affected: Education
BRU: Postsecondary Commission

Title: Re: Claims to Permanent
Fund Dividends

Sponsor: Uehling, Faiks

Components: Student Loan Admin.
Student Loan Fund

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	N.A.	-0-	-0-	-0-	-0-	-0-

CAPITAL	N.A.	-----	see attached	-----		
----------------	------	-------	--------------	-------	--	--

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

FUNDING: (Thousands of Dollars)

GENERAL FUND	N.A.	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	N.A.					

POSITIONS:

FULL-TIME	N.A.	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

(see attached page)

Prepared by: Kerry D. Romesburg, Executive Director Phone: 465-2854
Division: Postsecondary Education Commission Date: 4-8-87

Approved by Commissioner: _____ Date: _____
Agency: _____

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

SB 227
FISCAL IMPACT ANALYSIS

1. Operating budget: The Commission currently runs a tape match of defaulted borrowers against the permanent fund dividend file, so there would be no additional administrative expense associated with this bill.

2. Loan fund (Capital): SB 227 will produce a positive revenue source for the student loan revolving fund. Since the amount of the dividend varies, and since the number of defaulters applying will also vary, it is not possible to predict the fiscal impact with any accuracy. However, if the terms of SB 227 had been in place in FY87, the impact would have been:

<u>Default Match</u>	<u>Claims Filed</u>	<u>Dividends "missed"</u>	<u>Funds Not Received</u>
2,000	800	1,200	\$673,200

Hence, this bill could produce \$400,000 to \$800,000 annually if the application and default rate remains relatively constant.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SB 227

Publish Date: _____

REQUEST _____

Revision Date: _____

Title: An act relating to claims of state agencies to PFD's

Sponsor: Uehling and Faiks

Requestor: State Affairs, Judiciary

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	-	4.2	4.2	4.2	4.2	4.2
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	2.2	2.2	2.2	2.2	2.2
SUPPLIES	-	0.1	0.1	0.1	0.1	0.1
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	6.5	6.5	6.5	6.5	6.5
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	6.5	6.5	6.5	6.5	6.5
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	6.5	6.5	6.5	6.5	6.5

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

(See attached)

Prepared By: Ervin B. Jones
Division: Administrative Services

Phone: 465-2313

Date: 4/13/87

Approved by Commissioner: J. Malone
Agency: Revenue

Date: 4/13/87

Distribution (by Agency preparing fiscal note):

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

page _____ of _____

Department of Revenue
Administrative Services Division
Fiscal Note Analysis
SB 227
4/6/87

Assumptions:

- 1) It is assumed that the term "state agency" does not include the court system.
- 2) It is assumed that all state agencies which now execute judgments , serving the Department of Revenue with writs will instead use the procedure prescribed in this bill. In 1986, the department received approximately 5,000 writs from state agencies under AS 43.23.065(b)(4).
- 3) Given the ease by which the debtor agency is allowed to attach the PFD, an estimated increase of 3,000 claims is expected.
- 4) It is assumed that certified claims filed before April 1 of each calendar year will be returned to the agency as the department will not be holding revenue for the individual until he files a PFD application. Claims filed between April 1 and December 31 will be held and matched against the current year dividend file and will be honored in the order provided in AS 43.23.065.
- 5) Competing claims from different agencies will be honored in the order received.
- 6) Since Section 1 of the bill requires the Department of Revenue to send a notice to the address on the PFD file, the department will hold the claim until the PFD application is on file before sending the notice.

Program Summary:

The Department of Revenue will print a form for state agencies to use in claiming the permanent fund dividend of eligible individuals. This will ensure a uniform presentation of information required by the bill and will facilitate processing of the claim. Claims received will be matched against the PFD file. Except for claims filed between April 1 and July 31 of each year, if a payable application is not on file, the claim will be returned to the agency, marked "no funds available." If, on the other hand, a payable application is on file, the Department of Revenue will send the applicant a notice as described in Section 1.

During the period of April 1 - July 31 of each year, the current year's PFD file is being compiled. Agency claims filed during this period will be held until the current year PFD file is completed and will then be matched, resulting in either a notice of no funds available to the agency or a notice to the dividend applicant.

The provision of subparagraph (c) in the new Sec. AS 43.23.067 implies that the Department of Revenue will hold hearings under AS 44.62.330 - 44.62.630 if requested by the dividend applicant within 10 days of the date of the aforementioned notice. It would seem much more appropriate and practical for the agency making the claim to defend against any challenge, and we would therefore recommend that the bill be amended to provide that any challenge to the execution should be made to the agency making the claim. Unless the claim is released, it will be honored at the time of payment. Without access to the factual record supporting the claim and without the specialized program knowledge of the agency filing the claim, it would be impossible for Revenue to provide such a hearing.

At the time of payment of the dividend, a notice of payment and/or garnishment will be sent to the applicant, notifying him of the attachment(s) and/or assignment(s) and/or dividend contributions which reduced his dividend.

1. Positions

1 PPT Document Processor, R7,
@ \$2,117.76/Mo including salary
and benefits for 2 months = \$4.2

This position will assist in the processing of agency claims and the issuance of the related notices to PFD applicants.

Other Costs:

Travel: None

Contractual:

Printing of 10,000 agency claim forms and 10,000 notices to applicants = \$0.4

Postage for 8,000 notices to applicants = 1.8

TOTAL Contractual \$2.2

Supplies: \$0.1

Equipment: None

TOTAL Costs \$6.5

Suggested Amendments:

1. Section 1, P. 1, line 25-26 should be amended to read as follows:

"(b) Upon delivering [RECEIPT OF] a claim under (a) of this section the claiming agency [DEPARTMENT] shall notify the individual of the claim."

2. Section 1, P. 2, line 2-6 should be amended to read as follows:

"(3) notice that the amount of the permanent fund dividend that does not exceed the amount of the claim shall be subject to attachment [PAID TO THE AGENCY] unless the agency releases the claim or the individual requests a hearing within 10 days after the date the notice is sent by the claiming agency [DEPARTMENT].

3. Section 1, P. 2, line 7-12 should be amended to read:

"(c) AS 44.62.330 - 44.62.630 apply to a hearing requested by an individual under (b)(3) of this section. If no [REQUEST FOR A HEARING] release of the claim, or notice of hearing request is received by the department within the required time limit, the department shall pay the amount of the permanent fund dividend that does not exceed the amount of the claim to the agency making the claim."

Attachments:

See attached copy of memo from Mr. Jeffrey W. Bush, Assistant Attorney General, to the Honorable CE. Swackhammer, Alaska State House, dated April 2, 1987. Certain portions of Mr. Bush's analysis would seem applicable to this bill. Those sections have been highlighted.

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

April 2, 1987

The Hon. C. E. Swackhammer
Alaska State House
P.O. Box V
Juneau, AK 99811

Re: House Bill 223, relating to
permanent fund dividends
Our File No.: 663-87-0446

Dear Representative Swackhammer:

By memorandum dated March 19, 1987, you asked us to review a proposed bill to permit agencies to apply for and receive the permanent fund dividends of individuals who owe debts to the agencies. Specifically, you asked us to comment on the tax consequences of the proposal and to make any other general comments regarding the draft. A later version of this proposed bill was recently introduced as House Bill 223, and we will direct our comments to the version currently under consideration.

Federal Tax Implications

House Bill 223 would permit an "agency," defined as any state agency, state court, or municipality, to apply for and receive the permanent fund dividend of an individual who owes a debt to the agency. Assuming the procedure proposed to implement this process is workable (see discussion below), you have asked whether the agency's action will have federal income tax consequences to the individual. Although an absolute answer is impossible without either an Internal Revenue Service official ruling or a court decision, we believe a court would characterize this transaction as a discharge of a taxpayer's debt, thereby constituting income to the taxpayer under 26 U.S.C. § 61.

We understand that you asked the same question of the Legislative Affairs Agency. By memorandum dated March 20, 1987, Theresa L. Bannister stated that she could not, with any certainty, provide an answer to your question. On the one hand, the discharge of a taxpayer's debts is generally included in a taxpayer's gross income under 26 U.S.C. § 61. On the other hand, because the agency would claim the dividend on behalf of the taxpayer, who would never claim the dividend himself, the transaction could be viewed as simply a ~~DISBURSEMENT OF REVENUE~~

ADMINISTRATIVE SERVICES

APR 03 1987

DISBURSEMENT

STEVE COWPER, GOVERNOR

REPLY TO:

1031 W 4th AVENUE
SUITE 200
ANCHORAGE, ALASKA 99501
PHONE: (907) 276-3550

1st NATIONAL CENTER
100 CUSHMAN ST.
SUITE 400
FAIRBANKS, ALASKA 99701
PHONE: (907) 452-1568

P.O. BOX K-STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

The Hon. C. E. Swackhammer
Alaska State House
File No.: 663-87-0446

April 2, 1987
Page 2

taxpayer's debt by the agency. Thus the transaction might be excluded from income as a gift under 26 U.S.C. § 102.

We believe the better argument is that the discharge of a debt under these circumstances would constitute gross income. The bill permits agencies other than the state to apply for and receive an individual's dividend. In those cases where a municipality received an individual's dividend, an actual transfer of funds would take place from the dividend fund (within the state general fund) to the municipality. This would clearly be a discharge of debt, rather than a write-off of debt. Although the question is arguably closer where the state is the debtor, the language of the bill implies an actual discharge of a debt by the state, rather than a gift. Finally, as noted by Tamara Brandt Cook, Director of the Legal Services Division, Legislative Affairs Agency, in a memorandum dated March 23, 1987, were this to be interpreted as a gift, the transaction could violate article IX, section 6, of the Alaska Constitution. Given the generally aggressive posture of the Internal Revenue Service, which views any exemption claim with skepticism, we believe the IRS would treat any agency claim for a permanent fund dividend as taxable income to the individual.

Other Legal Issues

In addition to the tax issues, this bill raises other legal issues which deserve discussion. First, as outlined by Ms. Cook, this legislation would be subject to challenge under the due process requirements of the state and federal constitutions, because by exempting these transactions from the normal execution procedures in AS 09.25, the bill does not provide for notice and prior hearing before the seizure of the individual's property. Balancing the interest of the individual in a prior hearing against the interest of the agency in efficient government operations, and taking into account the relatively slight chance of a permanent deprivation in the event of an agency mistake, we believe the legislation might withstand a due process challenge. However, the only thing we can say with any certainty is that a challenge would likely occur.

Second, although providing an exemption from AS 09.35, the bill fails to mention applicable court rules. The Alaska Supreme Court has provided specific procedures for execution on judgments in Civil Rule 69. Because this rule specifically provides that enforcement of a judgment be by a writ of execution unless otherwise directed by the court, this rule would supercede the new legislation unless the bill is amended to specifically amend Civil Rule 69. Of course, the bill will then need to be

adopted by a two-thirds vote in each house of the legislature. Alaska Constitution art. IV, § 15.

Third, this legislation raises some questions concerning how a particular agency is going to determine whether or not a particular individual "is eligible to receive the dividend." AS 43.23.005(a) provides as part of the eligibility requirements for a permanent fund dividend that the individual be a state resident. "Residency" is established when an individual is physically present in the state "with the intent to remain in the state indefinitely and to make a home in the state." AS 01.10.055(a). Since residency depends on the state of mind of the individual, it is difficult to see how an agency could defend its "belief" that the individual is a resident, should the belief be challenged by the individual himself. Although it is unlikely that many will make such a challenge, since the only negative consequence of the agency's actions will be an increased tax liability and the individual will gain an even larger debt write-off, such a challenge is certainly plausible, and if made, the agency's position would likely be indefensible.

We also note a few other practical questions raised by the bill. The bill fails to mention what procedures to use if the agency's claim is for less than the full amount of the dividend. In that case, is the entire check sent to the agency, or should the Department of Revenue issue separate checks to both the individual and the agency? Also, the bill provides that the Commissioner of the Department of Revenue must notify the individual that the execution has occurred. In addition to increasing the Department of Revenue's administrative costs, this procedure may cause an individual who wishes to challenge the action to believe that his challenge should be made through the administrative processes at the Department of Revenue. We believe it would be more appropriate for the agency making the claim to defend against any challenge, and we would therefore recommend that the bill be amended to add an additional section specifying that any challenge to the execution should be made to the agency making the claim.

Finally, we believe sec. 5 of the bill should be clarified. The reference to AS 09.38.085 should also include a reference to AS 09.38.075(b) and AS 09.38.080(c). Further, it appears that the final two sentences being added to AS 43.23.-065(a) refer only to situations where the court is the creditor.

The Hon. C. E. Swackhammer
Alaska State House
File No.: 663-87-0446

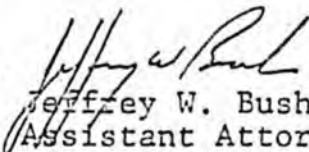
April 2, 1987
Page 4

If this is the drafter's intent, we would recommend that these two sentences be moved to a separate subsection.

We hope this answers your questions.

Sincerely,

GRACE BERG SCHAIBLE
ACTING ATTORNEY GENERAL

By: 
Jeffrey W. Bush
Assistant Attorney General

JWB:lb

cc: ✓ Ervin Jones, Director
Administrative Services
Department of Revenue

Arthur H. Peterson, AAG
Department of Law

INTRODUCTION OF BILLS, (Senate, cont'd)

SB 225, (cont'd)

Sections 7 and 8 of the bill decrease the long-run cost of the loan program by providing for increased revenue to the scholarship revolving loan fund (AS 14.43.090). Section 7 amends AS 14.43.120(1)(1) to eliminate the state payment of interest during the period after a student ends full-time enrollment and before the student begins repayment of the loan. As is the case under existing AS 14.43.120(1), the state will pay interest as long as a student is enrolled full-time. Section 8 repeals AS 14.43.120(j), which provides for "forgiveness" of up to 50 percent of a loan.

I urge your prompt and favorable action on this measure.

Optometry
(practice of)

SENATE BILL NO. 226, by the Health, Education & Social Services. Relates to the practice of optometry:

--Would allow the Board of Examiners in Optometry to issue a license endorsement authorizing a licensee who completes an examination and other requirements established by regulation to administer drugs, except those prohibited by law. The endorsement would expire at the same time as the license to which it attaches, and it could be renewed upon satisfactory completion of continuing education requirements established by the board by regulation.

--Would allow the board to impose disciplinary sanctions when it finds after a hearing that a licensee has failed to refer a patient to a physician after ascertaining the presence of ocular or systemic conditions requiring management by a physician (current law allows sanctions when a licensee has failed to refer a patient to "the appropriate health care practitioner after ascertaining the possible presence of ocular disease.")

--Adds a new section to optometry law (AS 08.72) prohibiting licensed optometrists from using drugs in the practice of optometry unless (1) the drug is a (A) nonprescription drug; (B) a drug, used for examination purposes only, within the categories of topically applied ocular anesthetics, but not including cocaine; cycloplegics or mydriatics, but not including atropine, homatropine, scopolamine, epinephrine, and 10 percent phenylephrine; (C) or a drug, within the category of miotics used, after consultation with an ophthalmologist, for the treatment of an inadvertently induced angle closure; and (2) the person holds a license endorsement issued by the board authorizing the use of drugs.

--Rewrites definition section under optometry law.

Does not provide an effective date (bill becomes law 90 days after being signed by the governor).

Introduced April 1 and referred to Health, Education & Social Services; Labor & Commerce.

State Claims
to FFD's

SENATE BILL NO. 227, by Senators Uehling and Faiks. Under this bill, the Alaska Exemptions Act (AS 09.38) would not apply to Permanent Fund dividends taken to satisfy debts owed by an individual to a state agency. Notwithstanding the law relating to a writ of execution (AS 09.35), execution on a claim for money owed to a state agency would be accomplished by delivering a certified

SB

241

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

April 7, 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 amending Alaska's campaign disclosure statutes in AS 15.13. This bill makes two changes to present law.

First, this bill prohibits groups, including corporations, unions, and political action committees, and "persons" other than individuals, from contributing to candidates for public office. Individuals will continue to be able to contribute up to \$1,000, and political parties will continue to be able to make unlimited contributions. These amendments are aimed at reducing the overall cost of campaigns, without weakening the party system in Alaska.

Second, this bill prohibits registered lobbyists from acting as campaign treasurers or deputy campaign treasurers for candidates for governor, lieutenant governor, or the legislature. It also prohibits them from soliciting, receiving, collecting, handling, disbursing, or accounting for contributions for candidates for those offices. This latter prohibition tracks language in the federal regulations (see 5 C.F.R. 733.121(b)(3)) adopted under a provision in the Hatch Act, 5 U.S.C. 7324, which was upheld by the United States Supreme Court in United States Civil Service Commission v. National Association of Letter Carriers, AFL-CIO, 413 U.S. 548, 93 S. Ct. 2880 (1973).

The tremendous increase in the cost of campaigns in Alaska has proportionately increased the influence of those individuals who are able to raise large amounts of money. In many cases, those who raise money and those who lobby elected officials are one and the same. It has been said in other states that the influence of lobbyists is so great that they constitute a "third house" of the legislature. Fritz v. Gorton, 517 P.2d 911 (Wash. 1974) (en banc). This must not happen in Alaska. The lure of lobbyist money is too much for some elected officials to resist, and the

24241

resulting opportunities for corruption of the political process are too great to be ignored. If "money is the mother's milk of politics," the people of Alaska will not tolerate lobbyists owning the dairy. The State of Alaska must be governed by the people through their elected representatives, not by a shadow government of well-heeled lobbyists and the special interests that generally employ them.

Moreover, when lobbyists raise or handle large campaign contributions to those officials whom they will likely lobby after the election, there exists at least the appearance of corruption -- the appearance of buying influence and selling votes. This undermines public confidence in the political process, and breeds cynicism and apathy among the voters. The confidence of the people in the integrity of our government must be maintained.

I fully realize that lobbyists have First Amendment rights under the federal constitution as well as rights under the corresponding language of our state constitution. These rights may be infringed only upon a showing of a compelling public interest, and only by legislation narrowly drawn to accomplish that public interest. State, APOC v. Marshall, 633 P. 2d 227 (Alaska 1981). It is my view that the compelling public interest in preventing actual and apparent corruption demands that lobbyists be prevented from raising or handling campaign contributions to candidates for elected state office. This bill restricts lobbyists' activities only to the extent reasonably necessary. Lobbyists' right to express their personal political views and to make personal campaign contributions to candidates will not be infringed.

The bill also deletes language from AS 15.13.070(a) (amended in other respects in sec. 2 of this bill) that unconstitutionally restricts campaign expenditures, as distinct from campaign contributions. Restrictions on campaign expenditures contained in federal legislation have been struck down by the Supreme Court of the United States. Buckley v. Valleo, 424 U.S. 1 (1976). Alaska's similar restrictions have therefore not been enforced for many years, and sec. 45, ch. 85, SLA 1986 repealed a related unconstitutional provision.

This bill is a great step toward a clean, open government free from improper influences, and worthy of the people's respect. I urge your prompt and favorable action on this measure.

sh-241

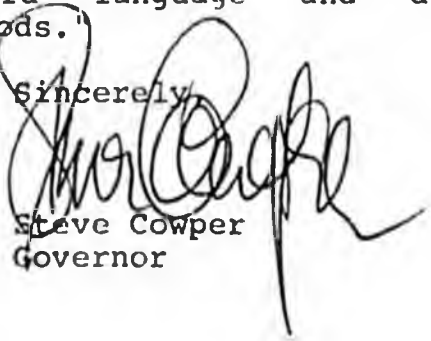
A section-by-section description of the bill follows:

Section 1: AS 15.13.050 is amended to reflect sec. 2's change that the only "groups" that may contribute to candidates are political parties. Such contributions by other kinds of groups would be prohibited by sec. 2 of the bill. This does not affect expenditures by groups. Section 1 also includes amendments simply to make the statute easier to read.

Section 2: AS 15.13.070(a) is amended to prohibit persons other than individuals, and groups other than political parties, from contributing to candidates. The existing \$1,000 limitation on contributions by individuals, and the existing provision permitting political parties to make unlimited contributions to candidates, are retained.

Section 3: Proposed AS 15.13.075 would prohibit registered lobbyists from handling campaign contributions for candidates for governor, lieutenant governor, or the legislature. The proposed new section also prohibits them from serving as a campaign treasurer or deputy campaign treasurer for such candidates.

Section 4: AS 15.13.080 is amended to be consistent with the amendment of AS 15.13.070(a) (in sec. 2 of the bill), by deleting language suggesting that groups other than political parties may contribute to candidates. Other amendments rephrase awkward language and delete an unnecessary reference to "goods."

Sincerely,

Steve Cowper
Governor

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

Law Log # 773-87-0051
 Bill Version: SB241
 Publish Date: 4-8-87

REQUEST: _____
 Revision Date: 5/24/87
 Title: An act relating to election
campaign financing...
 Sponsor: Governor
 Requestor: _____

Agency Affected: Administration
 BRU: Alaska Public Offices
Commission
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	-0-	25.0	25.0	25.0	-0-	-0-
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	25.0	25.0	25.0	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
----------------	-----	-----	-----	-----	-----	-----

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

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	25.0	25.0	25.0	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	25.0	25.0	25.0	-0-	-0-

POSITIONS:

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

ANALYSIS :

73000, Contractual Services: Information preparation and dissemination on new contribution limits and new rules on allowable contributors.

Prepared by: Theda Pittman
 Division: Alaska Public Offices Commission

Phone: 276-4176
 Date: _____

Approved by Commissioner: Jed R. ...
 Agency: Alaska Public Offices Commission

Date: 3/5/87

Distribution (by preparer):

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

FISCAL NOTE

REQUEST:

Revision Date: 12/11/87
Title: An Act Relating to Election Campaign Financing
Sponsor: Rules Committee
Requestor: Governor

Agency Affected: Alaska Public Offices Commission
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Please see attached.

Prepared by: Karla L. Forsythe
Division: Executive Director, ARDC

Phone: 276-4176
Date: 2/11/87

Approved by Commissioner: Daniel Patrick O'Tierney
Agency: Chairman, Alaska Public Offices Commission

Date: 12/11/87

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

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

P.O. BOX K—STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

April 22, 1987

Honorable Mitchell Abood
Alaska State Senate
Room 423, Capitol Building
Juneau, Alaska 99811

RE: SB 241 -- election campaign
financing

Dear Senator Abood:

Senate Bill 241, relating to election campaign financing, currently resides in your committee. AS 15.13.080 is amended by sec. 4 of the bill; an additional amendment should be made in the first sentence of that statute to make it accurate.

The first two words of that sentence, "A person," should be replaced with "An individual," to reflect the amendments made to AS 15.13.070(a) by sec. 2 of the bill. And it would probably be clearer if "each" were substituted for "an" or "a."

With this amendment, the first sentence of AS 15.13.080, as amended by sec. 4 of the bill, should appear in the bill as follows:

Each individual or political party [A PERSON OR GROUP contributing [TO A CANDIDATE] over \$250 in money, [OR CONTRIBUTING] goods, or services to a candidate [WITH A VALUE OF MORE THAN \$250 TO INFLUENCE THE ELECTION OF A CANDIDATE] shall furnish the commission a signed statement, on a form made available by the commission.

If your committee prepares a committee substitute for SB 241, please incorporate this additional amendment in it. If SB 241 passes out of your committee unchanged, please forward this letter with the bill to the next committee of referral.

Very truly yours,

GRACE BERG SCHAIBLE
ATTORNEY GENERAL

By: 
Arthur H. Peterson
Assistant Attorney General

RECEIVED

APR 22 1987

GBS:AHP:md

Hon. Mitchell Abood
Re: SB 241

April 22, 1987
Page 2

cc: Hon. Garrey Peska, Commissioner
Dept. of Administration

Theda Pittman, Executive Director
Alaska Public Offices Commission

Kay Gouwens
Assistant Attorney General
Anchorage

Richard Monkman
Assistant Attorney General
Juneau

A M E N D M E N T

Offered in the SENATE

By Josephson

TO: SB 241

Page 1, lines 20 through page 2, line 9:

Delete all material.

Insert a new bill section to read:

"* Sec. 2. AS 15.13 is amended by adding a new section to read:

Sec. 15.13.065. LIMITATIONS ON ACCEPTING CONTRIBUTIONS. (a) A candidate may accept a contribution only during an election campaign.

(b) During the election campaign, a candidate for the office of governor or lieutenant governor may not accept

(1) more than \$1,250 in contributions from a person, a corporation, a labor union, or a group other than a political party and its subdivisions;

(2) a cumulative total of more than \$50,000 in contributions from corporations, labor unions, and groups other than political parties and their subdivisions;

(3) a cumulative total of more than \$50,000 in contributions from political parties and their subdivisions.

(c) During the election campaign, a candidate for the state senate may not accept

(1) more than \$1,000 in contributions from a person, a corporation, a labor union, or a group other than a political party and its subdivisions;

(2) a cumulative total of more than \$25,000 in contributions from corporations, labor unions, and groups other than political parties and their subdivisions;

(3) a cumulative total of more than \$25,000 in contributions from political parties and their subdivisions.

(d) During the election campaign, a candidate for the state house of representatives may not accept

(1) more than \$1,000 in contributions from a person, a corporation, a labor union, or a group other than a political party and its subdivisions;

(2) a cumulative total of more than \$12,500 in contributions from corporations, labor unions, and groups other than political parties and their subdivisions;

(3) a cumulative total of more than \$12,500 in contributions from political parties and their subdivisions.

(e) Except for a candidate for mayor, during an election campaign a candidate for municipal office and a candidate for office not described in (b) - (d) of this section may not accept

(1) more than \$1,000 in contributions from a person, a corporation, a labor union, or a group other than a political party and its subdivisions;

(2) a cumulative total of more than \$10,000 in contributions from corporations, labor unions, and groups other than political parties and their subdivisions;

(3) a cumulative total of more than \$10,000 in contributions from political parties and their subdivisions.

(f) Except as provided under (g) of this section, during an election campaign a candidate for mayor may not accept

(1) more than \$1,000 in contributions from a person, a corporation, a labor union, or a group other than a political party and its subdivisions;

(2) a cumulative total of more than \$12,500 in contributions from corporations, labor unions, and groups other than political parties and their subdivisions;

(3) a cumulative total of more than \$12,500 in contributions from political parties and their subdivisions.

(g) Notwithstanding (f) of this section, a candidate for mayor in a municipality that contains more than one house election district within its boundaries may accept contributions during an election campaign with a cumulative total under (f)(2) and (3) of this section multiplied by the number of house election districts that are located within the municipality except that a candidate for mayor may not in any case accept

(1) a cumulative total of more than \$40,000 in contributions from corporations, labor unions, and groups other than political parties, and their subdivisions;

(2) a cumulative total of more than \$40,000 in contributions from political parties and their subdivisions.

(h) A candidate is subject to the limitations established in this section only for the office for which the candidate most recently filed a declaration of candidacy or nominating petition. A candidate who withdraws as a candidate for an office and refiles for an office

with a lower limitation on the acceptance of campaign contributions shall return the amount of each contribution that exceeds the limitations established for the current candidacy.

(i) In this section, "election campaign" means

(1) for a candidate for a nonstatewide state office, the period between September 1 of the year before the year in which the election will be held through January 15 or the first day of the regular legislative session, whichever comes first, of the year after the election;

(2) for a candidate for a statewide office, the period between September 1 of the year that is two years before the year in which the election will be held through January 15 or the first day of the regular legislative session, whichever comes first, of the year after the election;

(3) for a candidate for municipal office, the period 90 days before the date of the municipal election through a date 60 days after the date of the municipal election;

(4) for a candidate for municipal office at a run-off election, the period from the day after the date of the municipal election through a date that is 60 days after the date of the run-off election."

Page 3, after line 7:

Insert the following new bill sections to read:

"* Sec. 5. AS 15.25.040 is amended by adding a new subsection to read:

(e) A statewide candidate may not file a declaration before

September 1 of the year that is two years before the year in which the election will be held. Except for a statewide candidate, a declaration may not be filed before September 1 of the year before the year in which the election will be held.

* Sec. 6. AS 15.25.150 is amended by adding a new subsection to read:

(b) A statewide candidate may not file a petition before September 1 of the year that is two years before the year in which the election will be held. Except for a statewide candidate, a petition may not be filed before September 1 of the year before the year in which the election will be held.

* Sec. 7. AS 29.26.020 is amended by adding a new subsection to read:

(c) A nominating petition or declaration of candidacy may not be filed more than 90 days before the date of the election.

* Sec. 8. AS 15.13.070(a) is repealed.

* Sec. 9. The prohibition in AS 15.13.065, as added in sec. 2 of this Act, against the acceptance of campaign contributions by a candidate for elective office outside of an election campaign does not apply to the acceptance by a candidate for

(1) state elective office of campaign contributions to retire debt in existence on November 8, 1988, and the candidate may accept campaign contributions at any time to retire that debt;

(2) municipal office of campaign contributions to retire debt in existence on the day after the first municipal election occurring after July 1, 1988, and the candidate may accept campaign contributions at any time to retire that debt.

* Sec. 10. APPLICABILITY. The provisions of secs. 2 and 6 - 8 of this

Act are applicable to election campaigns started after November 8, 1988."

STATE OF ALASKA

ALASKA PUBLIC OFFICES COMMISSION

STEVE COWPER, GOVERNOR

REPLY TO:

- 2221 E. Northern Lights, Room 128
Anchorage, AK 99508
(907) 276-4176
- Juneau Branch Office
Box CO
Juneau, AK 99811-0222
(907) 465-4864

March 7, 1988

Sen. Mitchell Abood
Chairman, Senate State Affairs Committee
PO Box V
Juneau, AK

Dear Sen. Abood:

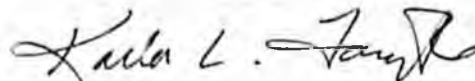
Carol Horos requested that I ask the Department of Law to prepare any suggested wording changes to SS SB 241. Because of time constraints, I have not had an opportunity to ask Mr. Monkman to undertake the necessary drafting. However, Mr. Monkman and I discussed drafting changes several weeks ago, and these proposed changes subsequently were approved by the commission at a regular meeting held January 28, 1988.

A copy of the proposed changes are attached.

Thank you for the opportunity to submit these changes.

Sincerely,

ALASKA PUBLIC OFFICES COMMISSION



Karla L. Forsythe
Executive Director

cc: APOC Members
Dick Monkman, Department of Law

PROPOSED AMENDMENT TO SS SB 241

1. Change section 3 to read:

Sec. 15.13.041. USE OF CONTRIBUTIONS. An individual who accepts campaign contributions as a candidate for public office may not use, take, or spend campaign funds as personal income at any time.

2. Change section 4 to read:

Sec. 15.13.045 (e). An investigation by the commission is confidential. A complaint filed with the commission is a public record. A written response to a complaint is available for public inspection if authorized by the respondent. All other documentary material, written or verbal information, and testimony of witnesses which is produced, obtained, recorded or compiled during an investigation by the commission may not be disclosed to anyone other than a commission member, an employee of the commission for use in the investigation, the attorney general, or the person or group who produced the material or gave the testimony until such times as

(1) an accusation is filed under AS 44.62;

(2) the commission, by majority vote, closes an investigation without filing an accusation under AS 44.62; or

(3) the superior court, for good cause shown, orders the information disclosed.

Violation of this section constitutes an abuse of public office under AS 11.56.

3. Change section 5 to include the first sentence only. Title the second and third sentences "section 6", and renumber the remainder of the sections accordingly.

4. Change existing section 8 by replacing the word "person" with the word "individual" in line 24, page 3 and line 1, page 4.

5. Amend existing section 12 to provide for an effective date of January 1, 1990 for sections 3, 5, 6, 7, 8, 9, 10, 11 and 12, and an immediate effective date for sections 1,2, and 4.



G. Eve Reckley, Legislative Liaison
789-9392
P. O. Box 210242
Auke Bay, AK 99821

1988 LEGISLATIVE PRIORITIES

OPEN MEETINGS:

The League supports enactment of a constitutional amendment to mandate Legislative compliance with the Open Meetings Act and to give the courts authority to enforce it.

Resolutions proposing this amendment are: HJR 44 by Rep. Kay Brown in the House, and SJR 50 by Senator Arliss Sturgulewski in the Senate. Enactment of this legislation this session will place the issue on the ballot for voters to decide in November.

CAMPAIGN FINANCE REFORM:

The League is concerned about the escalating cost of political campaigns. While the high cost of running for office may discourage political competition, it allows well-heeled special interest groups to exercise undue influence.

Therefore, the League supports legislation to limit the length of campaigns; establish the day before the election as the cut-off date for candidates to recoup expenses of that campaign; and maintain existing contribution limits. The League opposes any effort to raise the existing limit of \$100 for public disclosure of campaign contributions.

Bills introduced -- CS SS HB 137 by Rep. Kay Brown in the House and SS SB 241 in the Senate by request of the Governor-- address the campaign finance issue.

The League believes elections should be decided on the candidates' qualifications and stands on the issues, not on the size of their purse or the depth of their warchests.

BALLOT READABILITY:

The League supports legislation to ensure that ballot propositions and election pamphlet information is written in clear, concise and easily readable language. CS HB 247 by Reps. Davis, Koponen and Boucher establishes this as policy within the election law.

The bill also requires a "yes" vote for approval of a proposed law. Early enactment of the bill with an immediate effective date will put it into effect for this November's election.

EDUCATION:

The League supports a formula for school funding that is equitable and not subject to manipulation.

DAY CARE:

The League supports funding at adequate levels for day care programs.

DOMESTIC VIOLENCE:

The League supports adequate funding levels for programs dealing with domestic violence.

NATURAL RESOURCE PROTECTION:

The League opposes efforts to lower air and water quality standards. The League supports adequate funding levels for the Department of Environmental Conservation to fulfill its mandate to protect Alaska's natural resources.

NUCLEAR PROLIFERATION:

The League supports efforts to make the Arctic and Sub-Arctic nuclear-free zones.

to a candidate with a value of more than \$250 to influence the election of a candidate shall furnish the commission a signed statement, on a form made available by the commission. The statement shall itemize the contributions and goods and state that the contributor is not a person or group prohibited by law from contributing and that the contribution consists of funds or property belonging to the contributor and has not been given or furnished by another person or group. The contributor's statement shall be filed with the commission by the contributor no later than 10 days after the contribution is made. A copy of the statement shall be furnished the candidate, campaign treasurer, or deputy campaign treasurer at the time the contribution is made. (§ 1 ch 76 SLA 1974; am § 29 ch 189 SLA 1975)

Sec. 15.13.090. Identification of communication. All advertisements, billboards, handbills, paid-for television and radio announcements and other communications intended to influence the election of a candidate or outcome of a ballot proposition or question shall be clearly identified by the words "paid for by" followed by the name and address of the candidate, group or individual paying for the advertising. In addition, candidates and groups must identify the name of their campaign chairman. (§ 1 ch 76 SLA 1974; am § 22 ch 189 SLA 1975; am § 36 ch 100 SLA 1980)

Effect of amendments. — The 1980 amendment substituted "chairman" for "treasurer" at the end of the section.

construction of state statute prohibiting anonymous political advertising. 4 ALR4th 741.

Collateral references. — Validity and

Sec. 15.13.100. Expenditures before filing. No political campaign expenditure may be made or incurred by a person in an election or by a person or group with his knowledge and on his behalf before the date upon which he or she files for nomination for the office which the person seeks, except for personal travel expenses or for opinion surveys or polls. These expenditures shall be charged against the spending limitation that applies to the office for which he subsequently files, and shall be included in the first report required under this chapter after filing for office. (§ 1 ch 76 SLA 1974; am § 23 ch 189 SLA 1975)

Editor's notes. — For discussion relating to the enforcement of the expenditure limits of this chapter, see the editor's

notes and notes from the opinion of the attorney general dated May 13, 1976 following AS 15.13.070.

Sec. 15.13.110. Filing of reports. (a) Each candidate and group shall make a full report in accordance with AS 15.13.040 during the period ending three days before the due date of the report and beginning on the last day covered by the most recent previous report, or, if a first report, all contributions received and expenditures made before three days before the due date of the report. The report shall be filed at the following times:

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 14, 1988

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 submitting a sponsor substitute for SB 241, relating to election campaign financing and the Alaska Public Offices Commission (APOC).

As you know, last session I introduced SB 241. Please see my April 7, 1987 transmittal letter at 1987 Senate Journal, pages 865 -- 867. This bill includes everything in SB 241, and adds several provisions strongly supported by the bipartisan Alaska Public Offices Commission. Sections 1, 2, 3, 4, 9, 10, 11, and 12 are new.

The new provisions include a confidentiality section (sec. 4), which would keep APOC investigations confidential until the commission decides either to file formal charges or to close a complaint file. The commission believes that this provision would strengthen its ability to fairly investigate complaints. This provision would also protect the privacy interests of those individuals who are being investigated. At the point that the commission believes that formal charges are justified (or not justified), the entire investigative file would be available for public review. In my judgment, and in the unanimous opinion of the commission, this provision strikes a fair balance between the needs of the commission to conduct its investigations and the public's right to know.

The bill also includes a provision to prevent candidates from using surplus campaign contributions as personal income (sec. 3), and provisions remedying possible constitutional defects in the APOC appointment procedures (secs. 1 and 2).

Lastly, the bill now includes a provision (sec. 9) that requires candidates to close their campaigns, and file a final report with the APOC, by July 1 of the year following

the election. The present situation, which allows candidates to keep their campaigns alive for years after the election, has led to serious administrative problems. Public confidence in the campaign laws is undermined when an individual can receive maximum contributions for several campaigns from a single source, thus making a mockery of the contribution limitations. (The new secs. 10 and 11 conform other statutes to the new one in sec. 9.)

Last year, I made campaign finance reform a top priority. As I mentioned above, this bill has the strong support of the bipartisan Alaska Public Offices Commission. I am convinced that this bill, if enacted into law, would be a major improvement in the present situation, both for the public and for candidates. I urge that this bill be passed without delay.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cowper", written over the typed name and title.

Steve Cowper
Governor



March 7, 1988
Senate State Affairs Committee
The Alaska Legislature
Testimony on: SS SB 241 relating to
election campaign financing.

Mister Chairman, Members of the Committee:

My name is Eve Reckley. I represent the League of Women Voters of Alaska. The League is concerned about the escalating cost of political campaigns in Alaska. The high cost of running for office might well shut out potential contenders while allowing well-heeled special interest groups to gain undue influence through campaign contributions. We feel the time is ripe for campaign finance reform.

The League supports legislation that would:

- *Limit the length of campaigns;
- *Establish an early cut-off date for recouping campaign costs;
- *Maintain existing limits of \$1,000 for individual contributions and continued public disclosure of campaign contributions of \$100 or more.

The League supports efforts to restrict filing for office to the calendar year in which an election is held and to end post-election fundraising. We believe that shortening the duration of campaigns to the election year, and establishing the day before the election as the cut-off date to recoup campaign expenses would bring down the costs of campaigns. This cut-off date for recouping campaign expenses would prevent special interests from making contributions to obvious winners in an attempt to buy influence. It also should help to limit the accumulation of personal debt by candidates. Preventing early filing will keep candidates from circumventing the cut-off date for recouping campaign expenses by opening a new campaign.

The League believes that actual reform of the way in which campaigns are financed and conducted is vital to ensure the public's trust in the electoral process. We feel it is important that elections be decided on the basis of the candidates' qualifications and stands on the issues, not on the size of their purse or campaign warchests.

Page 2 Testimony on campaign finance legislation SSSB 241/ Senate State Affairs

Reform of campaign financing is a high priority on the League's agenda for this session of the Legislature. The bill before you, the Sponsor Substitute for Senate Bill 241 introduced by request of the governor, provides a vehicle for fair and imaginative action. Together with the Committee Substitute for House Bill 137 making its way through House committees, the bills address ways in which campaign finance reform can be accomplished. We realize it is not an easy task to address the problems that candidates might encounter in widely disparate election districts. But then, that is the challenge that often faces Alaskans in trying to find an equitable way of legislating in the broad public interest.

The League's position on campaign finance reflects our continuing concern for open and honest elections and for maximum citizen participation in the political process. We believe the goals of a campaign finance system should be to ensure the public's right to know; to combat corruption and undue influence and to enable candidates to compete more equitably for public office.

We endorse legislation to provide for appointment of all five members of the Alaska Public Offices Commission with confirmation by the Legislature. We support legislation to prohibit use of contributions as personal income and impose civil penalties for accepting illegal campaign contributions. And we support adequate funding for the Alaska Public Offices Commission to oversee and enforce provisions of the elections law.

The League of Women Voters of Alaska urges your careful consideration and action on this legislation. We know reform of campaign financing will require careful balancing, judicious handling and a real commitment to meaningful reform. We believe you are equal to the task. The stakes are high--building the public's confidence in the political process.

Thank you for this opportunity to express our views.

SB

246

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

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

FURTHER: JUDICIARY

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

4/9/87

DATE TURNED INTO OFFICE _____

Mr. President:

STATE AFFAIRS Committee considered SB 246

employment protection for jurors.

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 fiscal impact

MEMBERS SIGNING DO/PASS

OTHER RECOMMENDATIONS

[Handwritten signatures]

[Handwritten signature]

Chairman signature and recommendation

Committee Backup Attached

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

REQUEST: _____

Bill Version : SB 246
Publish Date : 4/9/87

Revision Date: _____
Title: Relating to employment
protection for jurors
Sponsor: Senate Judiciary
Requestor: Senate State Affairs

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Karla Forsythe
Division: Staff Counsel

Phone: 264-8228
Date: 4/29/87

Approved by Commissioner: [Signature]
Agency: Alaska Court System

Date: 4/29/87

Distribution (by preparer):

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

SB

247

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 4.15.87 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: TRANSPORTATION
JUDICIARY

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

4/9/87

DATE TURNED INTO OFFICE 4.22.87

Mr. President:

STATE AFFAIRS Committee considered SB 247

citations for vehicle and 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 fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Signature] (DO PASS)

[Signature] *no rec*

[Signature]
Chairman signature and recommendation

Committee Backup Attached



Alaska Court System
State of Alaska

OFFICE OF ADMINISTRATIVE DIRECTOR

KARLA L. FORBYTHE
STAFF COUNSEL

303 K Street
Anchorage, Alaska 99501

MAR 9 1987

(907) 264-8220

March 9, 1987

Senator Jay Kerttula
Alaska State Legislature
P. O. Box V
Juneau, Alaska 99811

Dear Senator Kerttula:

The Alaska Court System requests that the Senate Judiciary Committee consider legislation requiring municipalities to process uncontested minor offense citations issued by their enforcement officers. A copy of a proposed draft and sectional analysis is attached.

In most court locations, citations issued by both state enforcement officials and also by municipal enforcement officials are filed with courts. Many of these citations are resolved by a bail forfeiture and plea of no contest. Processing consists of accepting payment from a defendant, either in person or by mail. If a defendant wishes to plead not guilty, a court trial is scheduled. If a defendant does not respond to the citation, a bench warrant or an order to show cause must be issued. However, the vast majority of these matters are resolved by the forfeited payment, without a court appearance.

If an offense is cited under provisions of state law, the resulting fine or forfeiture is paid to the general fund of the State of Alaska. However, under AS 22.15.270, forfeitures resulting from violations of ordinances of municipalities are returned to the political subdivision.

As a practical consequence, this means that court staff, who are funded by the state, perform what is essentially an accounting function for municipalities. The court system proposes that municipalities take over the responsibility for processing these uncontested citation payments. This procedure is currently in place in Juneau, based on a voluntary agreement between the Juneau court and Juneau enforcement officials, and works quite effectively.

Senator Jay Kerttula
March 9, 1987
Page Two

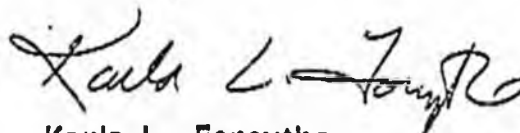
This procedure would benefit the courts, because resources now devoted to processing these payments could be focused on other functions which would benefit both the state and localities, such pre-trial screening to determine which defendants are able to bear the costs of counsel appointed at public expense. Stepped-up efforts by the court to screen these defendants would result in decreased costs to municipalities because of the decreased burden of paying for costs of defense.

Municipalities would also benefit by assuming direct control over this process. The court system's proposal would authorize municipalities to enact mail-in fine schedules, which would give municipalities the ability to determine appropriate fine payments in conjunction with specific enforcement goals, instead of relying on the supreme court to adopt bail forfeiture schedules.

Some smaller political subdivisions may not have the capability to process these citations. If a municipality can demonstrate that the system as a whole will benefit from retaining this function within the court system, the court system would continue to process these citations for that municipality. It is anticipated that this exemption would apply primarily to outlying communities which issue very few minor offense citations.

I hope this information is helpful to the committee. Please let me know if I can provide additional background.

Sincerely,



Karla L. Forsythe
Staff Counsel

KLF:bs

Att.

cc: Arthur H. Snowden, II, Administrative Director
Stephanie J. Cole, Deputy Administrative Director
Robert G. Fisher, Fiscal Officer
Sandy Ganong, Traffic Division
Area Court Administrators

3/9/87-7

BILL NO: SB 247

DATE: 4/21/87

TITLE: "An Act relating to citations for vehicle and traffic offenses."

CONTACT: James D. Vaden
Deputy Commissioner

DEPARTMENT OF PUBLIC SAFETY
ALASKA

Provides uniformity of procedures involving disposition of vehicle or traffic offenses issued under municipal ordinances.

This proposed legislation will not affect the Division of Alaska State Troopers since municipal ordinances are not enforced by A.S.T.

The Division of Alaska State Troopers is neutral on this legislation.


Arthur English
Commissioner

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SB 247

Publish Date: _____

REQUEST _____

Revision Date: _____

Agency Affected: Public Safety

Title: "An Act relating to citations for vehicle and traffic offenses."

BRU: Alaska State Troopers

Sponsor: Judiciary Committee

Components: Detachments & CIR

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
CAPITAL						
REVENUE						

FUNDING:: (Thousands of Dollars)

GENERAL FUNDS		0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact is anticipated.

JAC
4/14/87

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

Phone: 269-5691

Date: 4/15/87

Approved by Commissioner: [Signature]
Agency: Public Safety

Date: 4/16/87

Distribution (by preparer):

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

Alaska State Legislature

INTERIM OFFICE
1024 WEST SIXTH AVENUE
ANCHORAGE, ALASKA 99501
(907) 274-2843

IN SESSION
POUCH V
JUNEAU, ALASKA 99811
(907) 465-4714



Senator Mitch Abood
CHAIRMAN

Senate Committee on State Affairs

Sectional Analysis for SB 247. "An Act relating to citations for vehicle and traffic offenses."

Section 1. This section provides that citations for offenses under municipal ordinances for which a fine schedule has been established shall be deposited with the municipality for processing rather than with the court. However, if the supreme court by rule exempts a municipality from this provision, citations may still be filed with the court. It is anticipated that outlying communities which do not have the resources to process these citations would still be permitted to deposit citations with the court.

Section 2. This section sets forth the procedure for responding to a citation under a municipal ordinance for which a fine schedule has been established. The person to whom the citation is issued will have five days to either pay the fine to the municipality or to plead not guilty.

Section 3. Current law requires the court to notify the Department of Public Safety of convictions. This section inserts new language requiring a municipality to similarly notify the department if a fine payment has been accepted for a violation of a municipal ordinance relating to driving vehicles.