

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672
5725 HOUSE JUDICIARY

**STATE OF ALASKA 1989 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST:

Revision Date:
 Title: An act relating to motor
 vehicle forfeiture
 Sponsor: Koponen
 Requestor: House Transportation

Bill Version: HB 26
 Publish Date: 1/9/89

Agency Affected: Alaska Court System
 BRU: Trial Courts

Components:

EXPENDITURES/REVENUES (Thousands of Dollars)						
	FY 88	FY 90	FY 91	FY 92	FY 93	
OPERATING						
Personal Services		60.4	60.4	60.4	60.4	60.4
Travel						
Contractual						
Supplies						
Equipment		10.8				
Land & Structures						
Grants & Claims						
TOTAL OPERATING	0.0	71.2	60.4	60.4	60.4	60.4

CAPITAL

REVENUE

FUNDING (Thousands of Dollars)						
General Funds	0.0	71.2	60.4	60.4	60.4	60.4
Federal Funds						
Other						
TOTAL	0.0	71.2	60.4	60.4	60.4	60.4

POSITIONS						
Full-time						
Part-time		3.0	3.0	3.0	3.0	3.0
Temporary						

ANALYSIS: (Attach a separate page if necessary)

See attached analysis.

Prepared by: *Jan St. Frandberg*
 Jan St. Frandberg, General Counsel Phone: 264-8228
 Division: Alaska Court System Date: 01/30/89

Approved by: *Arthur H. Snowden, II*
 Arthur H. Snowden, II, Administrative Director Date: 01/30/89
 Agency: Alaska Court System

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

Alaska Court System

HB 26 - An act relating to Motor Vehicle Forfeiture

Fiscal Note Analysis

Personal Services:	Salary	Benefits	Total
Law Clerk I, Range 13D Anchorage, PPT - 6 months	\$14,670	\$5,865	\$20,535
Pro Tem District Court Judge, Anchorage, PPT - 6 months	8,352	8,277	16,629
Law Clerk I, Range 13D Fairbanks, PPT - 6 months	16,908	6,355	23,263 -----
Total Personal Services			60,427
Equipment (one-time funding)			10,782 -----
Total First Year Funding			\$71,209 =====

ALASKA COURT SYSTEM
HB 26 - ANALYSIS

This measure would require the court to order forfeiture of motor vehicles in every case specified under AS 28.35.030(c). Under current law, the state has discretion to file a forfeiture motion, and the court can act only if a motion is filed.

According to statistics provided by the Department of Law, forfeitures would be ordered in approximately 250-300 cases annually, primarily in Anchorage and Fairbanks. It is assumed that spouses or lienholders will assert an interest in approximately 90% of the cases. Approximately one-half of these cases are expected to be highly contested. Based on information previously provided by the Department of Law, in-court time for these motions is assumed to average two hours. This legislation will also impact case processing. Law clerks must review paperwork and prepare the files for disposition by the judges. Given the volume of anticipated cases, it is assumed that one additional permanent part-time law clerk and one part-time pro tem judge for the district court in Anchorage and one permanent part-time law clerk in Fairbanks would be required.

FISCAL NOTE

REQUEST: _____

Revision Date: _____ Agency Affected: Public Safety
 Title: "An Act relating to motor
vehible forfeiture." BRU: Alaska State Troopers
 Sponsor: Representative Koponen Component: Detachments
 Requestor: House Transportation

EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not included)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		139.9	139.9	139.9	139.9	139.9
TRAVEL		4.0	4.0	4.0	4.0	4.0
CONTRACTUAL		193.0	193.0	193.0	193.0	193.0
SUPPLIES		6.0	6.0	6.0	6.0	6.0
EQUIPMENT		46.4				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	389.3	342.9	342.9	342.9	342.9

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

GENERAL FUND		389.3	342.9	342.9	342.9	342.9
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	389.3	342.9	342.9	342.9	342.9

POSITIONS:

FULL-TIME	0	2	2	2	2	2
PART-TIME	0	1	1	1	1	1
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

See attached.

Prepared by: Francis C. Allan
 Division: Alaska State Troopers
 Approved by Commissioner: Arthur English
 Agency: Department of Public Safety

Phone: 269-5691
 Date: 1/27/89
 Date: 1-30-89

Department of Public Safety

Summary of Fiscal Impact - HB 26

Forfeiture of the motor vehicle of a repeat DWI offender is allowed under existing law (AS 28.35.030(c)). This bill makes forfeiture of the motor vehicle mandatory upon a third DWI conviction within 10 years. The Department of Law has developed guidelines for the preliminary investigation necessary to allow successful forfeiture of a motor vehicle. Among the additional tasks a law enforcement officer must perform:

- 1) a check of the criminal and driving record of each DWI arrestee, to determine if the present offense would be his or her third conviction; the written record must be attached to the police report and forwarded to the prosecutor's office;
- 2) Division of Motor Vehicles (DMV) title records must be checked to determine the owner of the subject vehicle, and a certified copy of the title record obtained;
- 3) if the vehicle is jointly owned, the officer must investigate the circumstances surrounding the offender's possession of vehicle at the time of the offense, as this information will be required at the "remission" hearing under AS 28.35.037; this information must be added to the police report;
- 4) if DMV records show a lien against a vehicle title the lien holder must be contacted, and the present extent of his financial interest determined; this information must be added to the police report.

The Department of Law estimates that 250 vehicles per year will be subject to forfeiture under the provisions of this bill. The Department of Public Safety estimates that enforcement of this new law will require a substantial amount of staff time. This additional time will fall into three general areas: (1) locating and impounding the vehicle in question, (2) investigating title history for lien holders and co-owners and, (3) processing the vehicle administratively.

Locating and Impounding Vehicles

Troopers will likely spend up to seven hours performing this task. This estimate includes having to travel to the location where the vehicle is most likely to be found, traveling from point to point tracking down the vehicle, and time spent waiting for tow trucks and completing the impound procedures. This does not include those instances where the convicted owner may be attempting to conceal the location of the vehicle from authorities or transfer the vehicle to someone else.

Department of Public Safety
Summary of Fiscal Impact - HB 26

Investigation of Title History

This bill would allow persons having a claim against the vehicle to have a hearing before the court. Establishing legitimate lien holders and co-owners will likely require personal contact with those claiming an interest in the vehicle, obtaining written statements, and research of existing records. This process could well take six or more hours per vehicle.

Administrative Processing

This time will include completing the necessary documents and other records that this bill will necessitate as a result of seizure and disposal of each vehicle. This procedure will most likely take two or more hours per vehicle.

Additional Costs

The bill provides a 90-day period during which persons who claim to have a financial interest in the vehicle may seek remission of forfeiture. An additional 30 days is anticipated before a hearing will likely be held. During this 120-day time period the Department of Public Safety would be responsible for daily storage charges of approximately five dollars per day. Over the course of one year this could total \$150,000. (120 X 250 X \$5.00)

An average charge for towing a vehicle in the Anchorage area is approximately \$75.00. 250 vehicles would result in towing fees estimated at \$18,750.

Estimated Additional Personnel

PERSONAL SERVICES COSTS:

		<u>Personal Services</u>	<u>Total Position Costs</u>
State Trooper	12 mos.	\$ 60.7	\$ 99.9
State Trooper	12 mos.	60.7	99.9
Admin. Asst. I	6 mos.	18.5	20.7
TOTAL		<u>\$139.9</u>	<u>\$220.5</u>

An average number of hours worked during a 12-month period equals approximately 1922. Estimated additional personnel resources required to manage this function were based upon these numbers.

Equipment

Equipment is needed in the first year only.

Department of Public Safety
 Division of Alaska State Troopers
 HB 26
 Fiscal Note Summary
 FY90

	<u>State Trooper 12 mos.</u>	<u>State Trooper 12 mos.</u>	<u>PPT Admin. Asst. 6 mos</u>	<u>Other Costs</u>	<u>Total</u>
Personal Services	60.7	60.7	18.5	-	139.9
Travel	2.0	2.0	-	-	4.0
Contractual	11.5	11.5	1.2	168.8*	193.0
Supplies	2.5	2.5	1.0	-	6.0
Equipment	<u>23.2</u>	<u>23.2</u>	<u>-</u>	<u>-</u>	<u>46.4</u>
Total	<u>99.9</u>	<u>99.9</u>	<u>20.7</u>	<u>168.8</u>	<u>389.3</u>

*\$18.8 for towing and \$150.0 for storage.

Position Title State Trooper		No. of Positions 1	Range/Step 76/A	Barg. Unit PSEA	
Time Status PFT	Staff Months 12	Location Statewide		Election District	
Type of Expenditure		Justification			
Amount		<p>The Department estimates that approximately thirteen hours of time will be needed on each of approximately 250 impounds. The current staff of AST is unable to absorb this increased workload without additional staffing. This new position is a commissioned State Trooper assigned to road patrol, which would include DWI enforcement. The location of this position is not yet determined, but its addition to AST will offset the workload increase throughout the state. The position would become active on July 1, 1989. Equipment, consisting primarily of a patrol vehicle, would be needed in FY 90 only.</p>			
1	2				3
Salary*	42,495				////////////////////////////////////
Benefits*	18,241				////////////////////////////////////
Premium Pay (Included in Above)	////////////////////////////////////				////////////////////////////////////
Other	////////////////////////////////////				////////////////////////////////////
Total Personal Services	////////////////////////////////////				60.7
Travel					2.0
Contractual					11.5
Commodities					2.5
Equipment					23.2
Other					
Total Cost		99.9			
Funding Source for Total Cost					
Federal Receipts	1002				
G.F. Match	1003				
General Fund	1004				
Program Receipts/GF	1005	99.9			
I-A Receipts	1007				
CIP Receipts	1061				
Other					

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
 BRU Alaska State Troopers
 COMPONENT Detachments

Page 5 of 7
 Revised Date

FY 90

Position Title State Trooper		No. of Positions 1	Range/Step 76/A	Barg. Unit PSEA	
Time Status PFT	Staff Months 12	Location Statewide		Election District	
Type of Expenditure		Justification			
Amount		<p>The Department estimates that approximately thirteen hours of time will be needed on each of approximately 250 impounds. The current staff of AST is unable to absorb this increased workload without additional staffing. This new position is a commissioned State Trooper assigned to road patrol, which would include DWI enforcement. The location of this position is not yet determined, but its addition to AST will offset the workload increase throughout the state. The position would become active on July 1, 1989. Equipment, consisting primarily of a patrol vehicle, would be needed in FY 90 only.</p>			
1	2				3
Salary*	42,495				////////////////////
Benefits*	18,241				////////////////////
Premium Pay (Included in Above)	////////////////////				////////////////////
Other	////////////////////				////////////////////
Total Personal Services	////////////////////				60.7
Travel					2.0
Contractual					11.5
Commodities					2.5
Equipment					23.2
Other					
Total Cost					99.9
Funding Source for Total Cost					
Federal Receipts	1002				
G.F. Match	1003				
General Fund	1004				
Program Receipts/GF	1005	99.9			
I-A Receipts	1007				
CIP Receipts	1061				
Other					

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
 BR// Alaska State Troopers
 COMPONENT Detachments

Page 6 of 7
Revised Date

FY 90

BILL NO: HB 26

DATE: January 27, 1989

TITLE: "An Act relating to motor
vehicle forfeiture."

CONTACT: Gayle A. Horetski
Deputy Commissioner
465-4322

DEPARTMENT OF
PUBLIC SAFETY

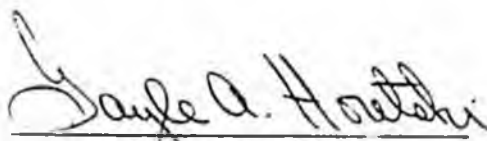
House Bill 26 makes forfeiture of the motor vehicle mandatory upon the driver's third DWI conviction within 10 years.

Drunk drivers are a serious problem in Alaska. In over 50% of all traffic related fatalities occurring on Alaska's highways, one or more of the persons involved in the accident has been drinking. Statistics show that a substantial number of persons arrested for DWI have previously been convicted for the same offense.

Although the Department of Public Safety is in favor of any reasonable measures which might act as a deterrent to repeat DWI offenders, the mandatory nature of the sanction in this bill presents practical problems, and would be very costly to enforce; these costs are outlined in the Department's fiscal note on the bill.

One practical problem is that a substantial number of vehicles are owned and registered to more than one person in the household, i.e., husband and wife. If forfeiture is ordered following conviction of one of the owners (e.g.: the husband), it is expected that the other owner (the wife) will usually be able to meet the requirements of proposed AS 28.35.037(b), thereby retaining the vehicle. The convicted owner would quite likely continue to have access to the vehicle upon demand, although his name would no longer be on the title.

Although the Department of Public Safety supports the imposition of significant sanctions against those who endanger lives and property through drunk driving, we believe that the practical problems in enforcing the mandatory forfeiture provision and the significant additional cost involved outweigh the possible deterrent benefits of the bill.


for Arthur English
Commissioner

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act relating to motor vehicle forfeiture."
Sponsor: Repr. Koponen
Requestor: House Transportation

Agency Affected: Department of Law
BRU: Prosecution
Components: Third Judicial District

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		107.5	110.7	114.0	117.4	122.0
TRAVEL		3.6	3.7	3.8	3.9	4.0
CONTRACTUAL		37.6	38.7	39.9	41.1	42.4
SUPPLIES		11.7	7.4	7.6	7.8	8.0
EQUIPMENT		11.0	-0-	-0-	-0-	-0-
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		171.4	160.5	165.3	170.2	176.4

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND		171.4	160.5	165.3	170.2	176.4
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		2	2	2	2	2
PART-TIME		1	1	1	1	1
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Please see the attached analysis.

Richard I. Pegues

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

Phone: 465-3672
Date: January 27, 1989

Approved by Commissioner: Richard I. Pegues / FOR /
Grace Berg Schaible, Atty. Gen.
Agency: Department of Law

Date: January 27, 1989

Distribution (by preparer):

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

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. HB 26

This bill amends AS 28.35 to provide that the court shall order the forfeiture of the motor vehicle involved when a person is convicted for a third, or subsequent time, for driving while intoxicated or refusal to submit to a chemical test. Under existing law, the state has the option of seeking forfeiture, but it is not currently mandated to do so.

The bill also provides that the state shall provide written notice to each person with an ascertainable ownership or security interest in the motor vehicle, other than the person convicted of the offense resulting in the forfeiture, advising of the forfeiture and advising of the person's right to intervene to protect an interest in the motor vehicle. The state must, in the same written notice, also advise that failure to seek remission of forfeiture within 90 days will extinguish the rights of the person to the vehicle. The bill further provides that the court shall schedule a hearing to determine if remission of forfeiture shall be ordered, if a person with an ownership or security interest in the forfeiture vehicle, other than the person convicted, makes a request for a hearing within the 90-day notification period.

During 1988, 528 drivers had their drivers' licenses revoked for 10 years, indicating that nearly this number of persons had been convicted of driving while intoxicated three or more times. The number of 10 year license revocations increased by nearly 10% in 1988. About 60% of all DWI prosecutions are handled by the state, and the remainder are handled by municipal prosecutors in Anchorage, Fairbanks, Juneau, and Ketchikan. Moreover, the Department of Law prosecutes 96% of all state DWI arrests, and the department's DWI conviction rate is over 80%. Consequently, the department believes that it will be involved in about 250 to 300 motor vehicle forfeitures, if this bill is enacted.

In the event of a forfeiture, the state must give actual written notice to person with an ascertainable interest in the motor vehicle. Basic due process considerations will also require publication of legal notices, because many persons hold security interests in motor vehicles that are not readily ascertainable from title documents. As a consequence, the department will be substantially involved with the division of motor vehicles and persons with ownership or security interests, in determining the extent ownership and security interests, notifying those with such interests, and preparing for and attending remission hearings. This high volume of work cannot be absorbed with our present staff. The department believes that the addition of one part-time attorney, one full-time paralegal assistant, and one full-time clerk typist will be necessary to carry-out the bill's forfeiture provisions.

Motor vehicle forfeiture will undoubtedly result in some revenue to the state. However, it should be pointed out that forfeited vehicles with the highest value are those that are most likely to involve a third-party ownership or security interest. Conversely, vehicles having the least value are those that are most likely not to have a third-party interest. In this latter event, the actual cost of forfeiture, storage, and disposal may be substantially less than the value of the forfeited vehicle.

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. HB 26

HB 26 Fiscal Analysis

Funding Summary

	<u>Atty III</u>	<u>P/A II</u>	<u>Clerk Typist III</u>	<u>Total</u>
71000	32.7	44.9	29.9	107.5
72000	1.8	1.8	-0-	3.6
73000	28.6	4.8	4.2	37.6
74000	3.9	4.5	3.3	11.7
75000	5	1.5	8.0	11.0
	<hr/>	<hr/>	<hr/>	<hr/>
Total	68.5	57.5	45.4	171.4

Costs beyond FY 90 include a 3 per cent annual inflation factor.

Position Title Attorney III		No. of Positions 1	Range/Step 22A	Barg. Unit PX
Time Status PPT	Staff Months 12	Location Anchorage		Election District 8
Type of Expenditure		Justification		
1	2	This position is needed in Anchorage, and other southcentral locations, to handle the 250 to 300 forfeiture and remission actions mandated by HB 26. Court hearings involve third party ownership or security interests. This bill will generate a large volume of new legal transactions requiring the part-time services of at least one attorney. Although these transactions are often complicated, they rarely involve complex legal issues. Allocation of the position to the sub-journey level of Attorney III is therefore recommended. Position support costs include 25.0 to publish forfeiture legal notices.		
Salary	24,570			
Benefits	8,099			
Premium Pay				
Other				
Total Personal Services		32,669		
Travel		1,800		
Contractual		28,600		
Commodities		3,900		
Equipment		1,500		
Other				
Total Cost		68,469		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	68,469		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

Request For
New Position

Agency Department of Law
BRU Prosecution
Component Third Judicial District

Page 1 of 3
Revised Date

FY 90

Position Title Paralegal Assistant II		No. of Positions 1	Range/Step 16A	Barg. Unit GGU
Time Status PFT	Staff Months 12	Location EBA - Anchorage		Election District 8
Type of Expenditure		Justification		
1	2	This position is needed in Anchorage, and other southcentral locations, to assist with the 250 to 300 vehicle forfeiture actions mandated by HB 26. Title and records searches to verify any ownership or security interest, legal notification, and preparation of all necessary documentation will be required. This level of work is most appropriately allocated to the Paralegal Assistant II class.		
		Amount		
Salary	32,424			
Benefits	12,493			
Premium Pay				
Other				
Total Personal Services		44,917		
Travel		1,800		
Contractual		4,800		
Commodities		4,500		
Equipment		1,500		
Other				
Total Cost		57,517		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	57,517		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

Request For
New Position

Agency Department of Law
 BRU Prosecution
 Component Third Judicial District

Page 2 of 3
 Revised Date

FY 90

Position Title Clerk Typist III		No. of Positions 1	Range/Step 8B	Barg. Unit GGU
Time Status PFT	Staff Months 12	Location EBA - Anchorage		Election District 8
Justification				
<p>This clerical position is needed to assist the attorney and the paralegal handle the 250 to 300 vehicle forfeiture actions mandated by HB 26. A very large volume of routine documents will be generated by this work, including motions, notices to persons with ownership or security interest, or correspondence between the parties. Because this work will not usually involve higher level legal instruments, such as briefs, allocation to the Clerk Typist III level is recommended.</p>				
Type of Expenditure		Amount		
1	2	3		
Salary	20,136			
Benefits	9,768			
Premium Pay				
Other				
Total Personal Services		29,904		
Travel		-0-		
Contractual		4,200		
Commodities		3,300		
Equipment		8,000		
Other				
Total Cost		45,404		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	45,404		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

**Request For
New Position**

Agency Department of Law
 BRU Prosecution
 Component Third Judicial District

Page 3 of 3
 Revised Date

FY 90

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act relating to motor vehicle forfeiture."
Sponsor: Rep. Koponen
Requestor: _____

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
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						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

This legislation will have no fiscal impact upon the Department of Corrections.

Susan E. Knighton

Prepared by: Susan E. Knighton, Director
Division: Administrative Services

Phone: 465-3376
Date: 1-23-89

Approved by Commission: *Henry Barnett*
Agency: Department of Corrections

Date: 1-23-89

Distribution (by preparer):

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

**STATE OF ALASKA 1989 LEGISLATIVE SESSION
FISCAL NOTE**

ce

No. 1

REQUEST:

Bill Version: CSHB 26 (TRSP)
Publish Date: HOUSE 2/8/89

Revision Date:
Title: An act relating to motor
vehicle forfeiture
Sponsor: Koponan
Requestor: House Transportation

Agency Affected: Alaska Court System
BRU: Trial Courts

Components:

EXPENDITURES/REVENUES:	(Thousands of Dollars)					
	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
OPERATING						
Personal Services		60.4	60.4	60.4	60.4	60.4
Travel						
Contractual						
Supplies						
Equipment		10.8				
Land & Structures						
Grants & Claims						
TOTAL OPERATING	0.0	71.2	60.4	60.4	60.4	60.4

CAPITAL

REVENUE

FUNDING:	(Thousands of Dollars)					
General Funds	0.0	71.2	60.4	60.4	60.4	60.4
Federal Funds						
Other						
TOTAL	0.0	71.2	60.4	60.4	60.4	60.4

POSITIONS:						
Full-time						
Part-time		3.0	3.0	3.0	3.0	3.0
Temporary						

ANALYSIS: (Attach a separate page if necessary)

See attached analysis.

Prepared by: *Jan Strandberg*
Jan Strandberg, General Counsel
Division: Alaska Court System

Phone: 264-8228
Date: 02/01/89

Approved by: *Arthur H. Snowden, II*
Arthur H. Snowden, II, Administrative Director
Agency: Alaska Court System

Date: 02/01/89

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

Alaska Court SystemCSHB 26 (TRSP)
HOUSE 2/8/89An act relating to Motor Vehicle ForfeitureFiscal Note Analysis

Personal Services:	Salary	Benefits	Total
Law Clerk I, Range 13D Anchorage, PPT - 6 months	\$14,670	\$5,865	\$20,535
Pro Tem District Court Judge, Anchorage, PPT - 6 months	8,352	8,277	16,629
Law Clerk I, Range 13D Fairbanks, PPT - 6 months	16,908	6,355	23,263

Total Personal Services			60,427
Equipment (one-time funding)			10,782

Total First Year Funding			\$71,209
			=====

ALASKA COURT SYSTEM
ANALYSIS

This measure would require the court to order forfeiture of motor vehicles in every case specified under AS 28.35.030(c). Under current law, the state has discretion to file a forfeiture motion, and the court can act only if a motion is filed.

According to statistics provided by the Department of Law, forfeitures would be ordered in approximately 250-300 cases annually, primarily in Anchorage and Fairbanks. It is assumed that spouses or lienholders will assert an interest in approximately 90% of the cases. Approximately one-half of these cases are expected to be highly contested. Based on information previously provided by the Department of Law, in-court time for these motions is assumed to average two hours. This legislation will also impact case processing. Law clerks must review paperwork and prepare the files for disposition by the judges. Given the volume of anticipated cases, it is assumed that one additional permanent part-time law clerk and one part-time pro tem judge for the district court in Anchorage and one permanent part-time law clerk in Fairbanks would be required.

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: CSHB 26 (TRSP)
PUBLISH DATE: HOUSE 2/8/89

FISCAL NOTE

REQUEST:

Revision Date: 2/6/89
Title: "An Act relating to motor vehicle forfeiture."
Sponsor: Representative Koponen
Requestor: House Transportation

Agency Affected: Public Safety
BRU: Alaska State Troopers
Component: Detachments

EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not Included)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		139.9	139.9	139.9	139.9	139.9
TRAVEL		4.0	4.0	4.0	4.0	4.0
CONTRACTUAL		192.0	193.0	193.0	193.0	193.0
SUPPLIES		6.0	6.0	6.0	6.0	6.0
EQUIPMENT		46.4				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	389.3	342.9	342.9	342.9	342.9

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND		389.3	342.9	342.9	342.9	342.9
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	389.3	342.9	342.9	342.9	342.9

POSITIONS:

FULL-TIME	0	2	2	2	2	2
PART-TIME	0	1	1	1	1	1
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

See attached.

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

Phone: 269-5691
Date: 2/6/89

Approved by Commissioner: S.A.H. Arthur English
Agency: Department of Public Safety

Date: 2/6/89

Department of Public Safety

Summary of Fiscal Impact

Forfeiture of the motor vehicle of a repeat DWI offender is allowed under existing law (AS 28.35.030(c)). This bill makes forfeiture of the motor vehicle mandatory upon a third DWI conviction within 10 years. The Department of Law has developed guidelines for the preliminary investigation necessary to allow successful forfeiture of a motor vehicle. Among the additional tasks a law enforcement officer must perform:

- 1) a check of the criminal and driving record of each DWI arrestee, to determine if the present offense would be his or her third conviction; the written record must be attached to the police report and forwarded to the prosecutor's office;
- 2) Division of Motor Vehicles (DMV) title records must be checked to determine the owner of the subject vehicle, and a certified copy of the title record obtained; and
- 3) If the vehicle is jointly owned, the officer must investigate the circumstances surrounding the offender's possession of the vehicle at the time of the offense, as this information will be required at the "remission" hearing under AS 28.35.037; this information must be added to the police report.

The Department of Law estimates that 250-300 vehicles per year will be subject to forfeiture under the provisions of this bill. This fiscal note is based upon the conservative estimate of 250 vehicles. The Department of Public Safety estimates that enforcement of this new law will require a substantial amount of staff time. This additional time will fall into three general areas: (1) locating and impounding the vehicle in question, (2) investigating the extent to which co-owners were aware of or involved in the offense and, (3) processing the vehicle administratively.

Locating and Impounding Vehicles

Troopers will likely spend up to seven hours performing this task. This estimate includes having to travel to the location where the vehicle is most likely to be found, traveling from point to point tracking down the vehicle, and time spent waiting for tow trucks and completing the impound procedures. This does not include those instances where the convicted owner may be attempting to conceal the location of the vehicle from authorities or transfer the vehicle to someone else.

Investigation of Co-Owners' Knowledge

This bill allows co-owners of a forfeited vehicle to have a hearing before the court. At this "remission" hearing the forfeited vehicle can be awarded to a person claiming an interest in it, if the interest was acquired in good faith and the person did not know or have reasonable

Department of Public Safety
Summary of Fiscal Impact

cause to believe that the offender would use the vehicle to commit the offense (AS 28.35.037(b)). The investigating officers thus must go to the offender's home and interview the spouse/parent/roommate whose name also appears on the vehicle title to determine the circumstances surrounding the offender's use of the vehicle at the time of the offense. To guard against attempts to fraudulently transfer ownership of the vehicle after the offense, the title status at the time of the offense must also be investigated. This process could well take six or more hours per vehicle.

Administrative Processing

This time will include completing the necessary documents and other records needed to keep track of the seizure and disposal of each vehicle. This procedure will most likely take two or more hours per vehicle.

As under existing law, forfeited vehicles are to be disposed of at the discretion of the Department of Public Safety. After discussion with the Department of Administration it has been decided that (except for a very small number of vehicles that could be used in undercover investigations) these vehicles will be turned over to the Department of Administration for disposal under AS 44.71.010. Thus, the costs associated with ultimate disposal of the vehicles (auction, salvage, etc.) are not addressed in this fiscal note.

Additional Costs

The bill provides a 90-day period during which persons who claim to have a financial interest in the vehicle may seek remission of forfeiture. An additional 30 days is anticipated before a hearing will likely be held. During this 120-day time period the Department of Public Safety would be responsible for daily storage charges of approximately five dollars per day. Over the course of one year this could total \$150,000. (120 X 250 X \$5.00)

An average charge for towing a vehicle in the Anchorage area is approximately \$75.00. 250 vehicles would result in towing fees estimated at \$18,750.

Estimated Additional Personnel

PERSONAL SERVICES COSTS:

		<u>Personal Services</u>	<u>Total Position Costs</u>
State Trooper	12 mos.	\$ 60.7	\$ 99.9
State Trooper	12 mos.	60.7	99.9
Admin. Asst. I	6 mos.	18.5	20.7
TOTAL		<u>\$139.9</u>	<u>\$220.5</u>

Department of Public Safety
Summary of Fiscal Impact

An average number of hours worked during a 12-month period equals approximately 1922. Estimated additional personnel resources required to manage this function were based upon these numbers.

Equipment

Equipment is needed in the first year only.

Department of Public Safety
Division of Alaska State TroopersFiscal Note Summary
FY90

	State Trooper <u>12 mos.</u>	State Trooper <u>12 mos.</u>	PPT Admin. Asst. <u>6 mos.</u>	Other Costs	<u>Total</u>
Personal Services	60.	60.7	18.5	-	139.9
Travel	2.0	2.0	-	-	4.0
Contractual	11.5	11.5	1.2	168.8*	193.0
Supplies	2.5	2.5	1.0	-	6.0
Equipment	<u>23.2</u>	<u>23.2</u>	<u>-</u>	<u>-</u>	<u>46.4</u>
Total	<u>99.9</u>	<u>99.9</u>	<u>20.7</u>	<u>168.8</u>	<u>389.3</u>

*\$18.8 for towing and \$150.0 for storage.

Position Title State Trooper		No. of Positions 1	Range/Step 76/A	Barg. Unit PSEA
Time Status PFT	Staff Months 12	Location Statewide		Election District
Type of Expenditure		Amount		
1	2	3		
Salary*	42,495	////////////////////		
Benefits*	18,241	////////////////////		
Premium Pay (Included in Above)	////////////////////	////////////////////		
Other	////////////////////	////////////////////		
Total Personal Services	////////////////////	60.7		
Travel		2.0		
Contractual		11.5		
Commodities		2.5		
Equipment		23.2		
Other				
Total Cost		99.9		
Funding Source for Total Cost				
Federal Receipts	1002			
G.F. Hatch	1003			
General Fund	1004			
Program Receipts/GF	1005	99.9		
I-A Receipts	1007			
CIP Receipts	1061			
Other				
Justification				
<p>The Department estimates that approximately thirteen hours of time will be needed on each of approximately 250 impounds. The current staff of AST is unable to absorb this increased workload without additional staffing. This new position is a commissioned State Trooper assigned to road patrol, which would include DWI enforcement. The location of this position is not yet determined, but its addition to AST will offset the workload increase throughout the state. The position would become active on July 1, 1989. Equipment, consisting primarily of a patrol vehicle, would be needed in FY 90 only.</p>				

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OF
8

REQUEST FOR
NEW POSITION

Department of Public Safety
 UOU Alaska State Troopers
 COMPONENT Detachments

Page 6 of 8
 Revised Date

FY 90

No. 2
 CSHB 26 (TRSP)
 HOUSE 2/8/89

Position Title State Trooper			No. of Positions 1	Range/Step 76/A	Barg. Unit PSEA
Time Status PFT	Staff Months 12		Location Statewide		Election District
			Justification		
Type of Expenditure			Amount		
1	2	3			
Salary*	42,495	////////////////////			
Benefits*	18,241	////////////////////			
Premium Pay (Included in Above)	////////////////////	////////////////////			
Other	////////////////////	////////////////////			
Total Personal Services	////////////////////	60.7			
Travel		2.0			
Contractual		11.5			
Commodities		2.5			
Equipment		23.2			
Other					
Total Cost		99.9			
Funding Source for Total Cost					
Federal Receipts	1002				
G.F. Match	1003				
General Fund	1004				
Program Receipts/GF	1005	99.9			
I-A Receipts	1007				
CIP Receipts	1061				
Other					
			The Department estimates that approximately thirteen hours of time will be needed on each of approximately 250 impounds. The current staff of ASf is unable to absorb this increased workload without additional staffing. This new position is a commissioned State Trooper assigned to road patrol, which would include DWI enforcement. The location of this position is not yet determined, but its addition to AST will offset the workload increase throughout the state. The position would become active on July 1, 1989. Equipment, consisting primarily of a patrol vehicle, would be needed in FY 90 only.		

7 OF 8

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
 BRU Alaska State Troopers
 COMPONENT Detachments

Page 7 of 8
 Revised Date

FY 90

No. 2
 CSRB 26 (TRSP)
 HOUSE 2/8/89

Position title Administrative Assistant I		No. of Positions 1	Range/Step 12/A	Barg. Unit ASEA
Time Status PPT	Staff Months 6	Location Anchorage		Election District 6-16
Justification				
Type of Expenditure			Amount	
1	2	3		
Salary*	12,432	////////////////////		
Benefits*	6,046	////////////////////		
Premium Pay (Included in Above)	////////////////////	////////////////////		
Other	////////////////////	////////////////////		
Total Personal Services	////////////////////	18.5		
Travel		—		
Contractual		1.2		
Commodities		1.0		
Equipment				
Other				
Total Cost		20.7		
Funding Source for Total Cost				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004	20.7		
Program Receipts/GF	1005			
I-A Receipts	1007			
CIP Receipts	1061			
Other				

This position will prepare records involving seized vehicles and their later disposition. The Department is estimating that it will take approximately two hours of administrative effort per seizure. Because the legal responsibilities may require a working knowledge above that found in a typical clerical employee, an Administrative Assistant I is requested. Because the workload is insufficient in this program alone to warrant a fully-funded position only six months funding is requested.

8 OF 8

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
 BRU Alaska State Troopers
 COMPONENT Detachment

Page 8 of 8
 Revised Date

FY 90

CSHB 26 (TRSP)
 HOUSE 2/8/89
 No. 2

FISCAL NOTE

REQUEST:

Revision Date: January 30, 1989
Title: "An Act relating to motor vehicle forfeiture."
Sponsor: Repr. Koponen
Requestor: House Transportation

Agency Affected: Department of Law
BRU: Prosecution
Components: Third Judicial District

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		107.5	110.7	114.0	117.4	122.0
TRAVEL		3.6	3.7	3.8	3.9	4.0
CONTRACTUAL		37.6	38.7	39.9	41.1	42.4
SUPPLIES		11.7	7.4	7.6	7.8	8.0
EQUIPMENT		11.0	-0-	-0-	-0-	-0-
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		171.4	160.5	165.3	170.2	176.4

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

FUNDING: (Thousands of Dollars)

GENERAL FUND		171.4	160.5	165.3	170.2	176.4
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		2	2	2	2	2
PART-TIME		1	1	1	1	1
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

This revision corrects a typographical in the narrative section of the analysis.

Prepared by: Richard I. Pegues, Director Phone: 465-3672
Division: Administrative Services Date: January 30, 1989
Approved by Commissioner: Grace Berg Schaible, Atty. Gen. Date: January 30, 1989
Agency: Department of Law

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

CONTINUATION of FISCAL NOTE ANALYSIS

CSHB, 26 (TRSP)
HOUSE 2/8/89

For Bill/Resolution No. _____

This bill amends AS 28.35 to provide that the court shall order the forfeiture of the motor vehicle involved when a person is convicted for a third, or subsequent time, for driving while intoxicated or refusal to submit to a chemical test. Under existing law, the state has the option of seeking forfeiture, but it is not currently mandated to do so.

The bill also provides that the state shall provide written notice to each person with an ascertainable ownership or security interest in the motor vehicle, other than the person convicted of the offense resulting in the forfeiture, advising of the forfeiture and advising of the person's right to intervene to protect an interest in the motor vehicle. The state must, in the same written notice, also advise that failure to seek remission of forfeiture within 90 days will extinguish the rights of the person to the vehicle. The bill further provides that the court shall schedule a hearing to determine if remission of forfeiture shall be ordered, if a person with an ownership or security interest in the forfeiture vehicle, other than the person convicted, makes a request for a hearing within the 90-day notification period.

During 1988, 528 drivers had their drivers' licenses revoked for 10 years, indicating that nearly this number of persons had been convicted of driving while intoxicated three or more times. The number of 10 year license revocations increased by nearly 10% in 1988. About 60% of all DWI prosecutions are handled by the state, and the remainder are handled by municipal prosecutors in Anchorage, Fairbanks, Juneau, and Ketchikan. Moreover, the Department of Law prosecutes 96% of all state DWI arrests, and the department's DWI conviction rate is over 80%. Consequently, the department believes that it will be involved in about 250 to 300 motor vehicle forfeitures, if this bill is enacted.

In the event of a forfeiture, the state must give actual written notice to person with an ascertainable interest in the motor vehicle. Basic due process considerations will also require publication of legal notices, because many persons hold security interests in motor vehicles that are not readily ascertainable from title documents. As a consequence, the department will be substantially involved with the division of motor vehicles and persons with ownership or security interests, in determining the extent ownership and security interests, notifying those with such interests, and preparing for and attending remission hearings. This high volume of work cannot be absorbed with our present staff. The department believes that the addition of one part-time attorney, one full-time paralegal assistant, and one full-time clerk typist will be necessary to carry-out the bill's forfeiture provisions.

Motor vehicle forfeiture will undoubtedly result in some revenue to the state. However, it should be pointed out that forfeited vehicles with the highest value are those that are most likely to involve a third-party ownership or security interest. Conversely, vehicles having the least value are those that are most likely not to have a third-party interest. In this latter event, the actual cost of forfeiture, storage, and disposal may be substantially greater than the value of the forfeited vehicle.

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: "An Act relating to motor vehicle forfeiture"
 Sponsor: Representative Koponen
 Requestor: House

Agency Affected: Dept. of Administration
 BRU: Public Defender Agency
 Components: Third Judicial District

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

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

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

As vehicle forfeiture is a mandatory sanction under the provisions of this bill, it appears clients of the Public Defender Agency will not be entitled to litigate the issue. Subsequent litigation following forfeiture will
 (Continued over)

Prepared by: John B. Salemi Acting Public Defender Phone: 279-7541
 Division: Public Defender Agency Date: 1/26/89

Approved by Commissioner: John Andrews Date: 1/29/89
 Agency: Department of Administration

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

CONTINUATION of FISCAL NOTE ANALYSISCSHB 26 (TRSP)
HOUSE 2/8/89

For Bill/Resolution No. _____

likely occur between the Department of Law and any person or entity other than the defendant who claims an ownership interest in the vehicle. Therefore, we anticipate no fiscal impact with respect to our agency.

ce

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act relating to motor vehicle forfeiture."
Sponsor: Rep. Koponen
Requestor: House Judiciary

Agency Affected: Administration
BRU: Office of Public Advocacy
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

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

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: *Brant McGee*
Division: Office of Public Advocacy

Phone: 274-1684
Date: 1/26/89

Approved by Commissioner: *John Andrews*
Agency: Department of Administration

Date: 1/27/89

Distribution (by preparer):

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

cl

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act relating to motor vehicle forfeiture."
Sponsor: Rep. Koponen
Requestor: _____

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

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

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

This legislation will have no fiscal impact upon the Department of Corrections.

Susan E. Knighton

Prepared by: Susan E. Knighton, Director
Division: Administrative Services

Phone: 465-3376
Date: 1-23-89

Approved by Commission: *Theresa M. Sarnett*
Agency: Department of Corrections

Date: 1-23-89

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impact: 1 Agency(ies)

STEVE COWPER, GOVERNOR

STATE OF ALASKA
DEPARTMENT OF PUBLIC SAFETY

OFFICE OF THE COMMISSIONER

P.O. BOX N
JUNEAU, ALASKA 99811-1200
PHONE: 465-4322

March 11, 1987

The Honorable Niilo Koponen
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Koponen:

At the request of your staff, 24 convictions for driving while intoxicated (DWI) were randomly selected for analysis.

The results are as follows:

Four of the 24 vehicles involved, or 16.6 percent, were driven by the owners. There were no lien holders or other registered owners.

Eleven of the 24, or 45.8 percent, were not driven by the registered owners; however, two of the drivers had the same last name as the registered owner.

Of the 11 apparently loaned vehicles, eight, or 72.7 percent, had no lien holder.

Five of the 24, or 20.8 percent, were driven by the owner; no others were listed on the registration, but there was a lien holder.

One of the 24, or four percent, was driven by the registered owner; others were listed as registered owners, but there was no lien holder.

Three of the 24, or 12.5 percent, were driven by the registered owner; other persons were listed as registered owners, and there was a lien holder listed.

Thirteen of the 24, or 54 percent, had no lien holder.

One vehicle, or 4 percent, was a model year between 1960 and 1969.

Twelve vehicles, or 50 percent, were model years between 1970 and 1979.

The Honorable Niilo Koponen

-2-

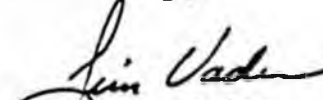
March 11, 1987

Eleven vehicles, or 46 percent, were model years between 1980 and 1986.

Of the 11 loaned vehicles, eight, or 72.7 percent, were model years between 1970 and 1979.

I trust this information will be of service to you.

Sincerely,


James D. Vaden
Deputy Commissioner

Attachment

<u>Year</u>	<u>Make</u>	<u>Driven by Registered Owner?</u>	<u>Others Listed on Registration? (more than 1)</u>	<u>Lien Holder</u>
1978	Chevrolet P.U.	Yes	No	No
1981	Subaru	Yes	No	No
1969	Chevrolet	Yes	No	No
1976	Buick	Yes	No	No
1972	Volkswagen	No	Yes	No
1971	Toyota	No	No	No
1974	Pontiac	No	No	No
1975	Buick	No	No	No
1970	Chevrolet	No	No	No
1973	Chevrolet	No	No	No
1974	Mercury	No	No	No
1976	Datsun	No	No	No
1985	Subaru	No (SLN) ¹	No	Yes
1984	Ford	No (SLN) ¹	Yes	Yes
1984	Chevrolet	No	Yes	Yes
1985	Dodge P.U.	Yes	No	Yes
1984	Chevrolet	Yes	No	Yes
1986	Chevrolet	Yes	No	Yes
1984	Chevrolet	Yes	No	Yes
1978	Chevrolet	Yes	No	Yes
1977	Plymouth	Yes	Yes ²	No
1984	Dodge	Yes	Yes ²	Yes
1982	Ford P.U.	Yes	Yes ²	Yes
1986	Toyota	Yes	Yes	Yes

1 - (SLN) Driver's registered owner had same last name
2 - Appeared to be spouses

STATE OF ALASKA
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 26, 1989

SUBJECT: Sectional analysis - HB 26
TO: Representative Niilo Koponen
FROM: Michael F. Ford
Legislative Counsel

The following is a section by section analysis of HB 26:

Section 1 - Requires forfeiture of a vehicle used in the commission of the offense of driving while intoxicated, if the person has been convicted more than once for the offense within the preceding ten years. Provides that the forfeiture is subject to remission under AS 28.35.037.

Section 2 - Requires forfeiture of a vehicle used by a person who refused to submit to a chemical test of blood under AS 28.35.032, if the person has been convicted more than once within the preceding ten years of driving while intoxicated or refusal to take the chemical test of blood.

Section 3 - Establishes procedures for forfeiture and provides for extinguishment of third party rights to the motor vehicle. Allows the department to dispose of a forfeited vehicle.

Section 4 - Requires that notice of forfeiture be given to third parties.

Section 5 - Allows a third party to request a court hearing on remission of forfeiture.

Section 6 - Repealer.

MF:kb
wkk1/082

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811
907 465 1800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

December 8, 1988

SUBJECT: Motor Vehicle Forfeiture
(W.O. No. 16-0324A)

TO: Representative Niilo Koponen

FROM: Michael F. Ford *M.F.*
Legislative Counsel

The attached work draft is, with one exception, identical to CSHB 52(Jud) that was approved by the House Judiciary committee during the last session.

The version of CSHB 52(Jud) approved by the Judiciary committee contained an amendment to section 3, adding a new subsection (d) to AS 28.35.036. This subsection was, I believe, intended to ensure that convictions for driving while drunk and for refusing the breath test would be considered a single conviction, if both occurred during the same incident. Similar language occurs in AS 28.35.030(f) and AS 28.35.032(j). The manner in which AS 28.35.036 was repealed and reenacted made the addition of subsection (d) meaningless. There is no longer any required consideration of multiple convictions in that section. As every statute is presumed to have a meaning, I have deleted that subsection in order to avoid raising an implication that the court may reexamine the issue of multiple convictions at the hearing on remission of forfeiture.

Enclosure

MFF:gc
WKG4/098

HOUSE COMMITTEE REPORT

2/8

(5)

Date Referred: January 9, 1989

FURTHER REFERRALS: JUDICIARY

Date of Committee Action: 1/31/89

*added → Finance
2/8/89*

The TRANSPORTATION Committee recommends that:

HOUSE BILL NO. 26 [FORFEITURE OF VEHICLE]
"An Act relating to motor vehicle forfeiture."

HB 26

[] be replaced with c/s HB 26 (Transportation) [] the same title
[] have attached amender^{'s} [] a new title

[] have attached amender^{'s}

- [] do pass
- [] do not pass
- [] no recommendation
- [] individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

APPROVES PREVIOUS:

- 3 [] fiscal impact *Court - Public Safety - and Law*
- 2 [] zero fiscal note *Admin - corrections*
- 1 [] zero with analysis *Admin*

- [] fiscal note(s) published: _____
- [] zero fiscal notes(s) published: _____

SIGNING DO PASS:

SIGNING OTHER THAN DO PASS:
(Do Not Pass, No Recommendation, Amend)

Alvin L. Erman (PS fiscal note should be revised downward)

Bill Hudson - No Rec.

Richard Storer (FOSTER)
RESERVATIONS: does not address multi-owned comm. vessels or pay-BX143

Bette Cato

Bette Cato
Chairman's signature

H B

3 2

TANANA CHIEFS CONFERENCE, INC.
Board of Directors
Resolution No. 89-1

HB 32

HB 88

SB 46

SUPPORTING NATIVE ELDER'S IN THEIR FIGHT AGAINST ALCOHOL AND DRUGS

- WHEREAS, there are many problems which threaten our survival as a people, but none have such a devastating impact on our villages and families as does the problem of alcohol and drug abuse;
- WHEREAS, the use of alcohol and drugs offers nothing to our villages but broken spirits, broken families, pain, suffering and death; and
- WHEREAS, the use of alcohol and drugs never has been and never will be of any value to our Native culture and Native people; and
- WHEREAS, since its introduction from other cultures, Native elders have warned their villages that alcohol and drugs are the greatest threat to health, life and cultural values; and
- WHEREAS, as the keepers and teachers of Native culture, the elders of today speak stronger than ever against alcohol and drugs and have committed themselves to bring their message against alcohol and drugs to their villages; and

NOW THEREFORE BE IT RESOLVED that the Tanana Chiefs Conference Board of Directors request that Governor Steve Cowper and every Alaska State legislature and member of Alaska's delegation in Congress support the efforts of the Interior villages in their fight against alcohol and drug abuse; and

BE IT FURTHER RESOLVED that the Tanana Chiefs Conference Board of Directors direct TCC to pursue state, federal, local, and private sector funding to institute comprehensive region wide alcohol and drug prevention programs utilizing elders, concerned village volunteers, village councils and youth in each village and that these concerned village teams be afforded training and ongoing support; and

BE IT FURTHER RESOLVED that the Village Councils and village courts pass ordinances against alcohol and drugs and strictly enforce these ordinances through their village courts; and

BE IT FURTHER RESOLVED to protect our children and families, Village Councils and courts strongly consider the use of traditional Native justice mechanisms and banish bootleggers and drug pushers from our village; and

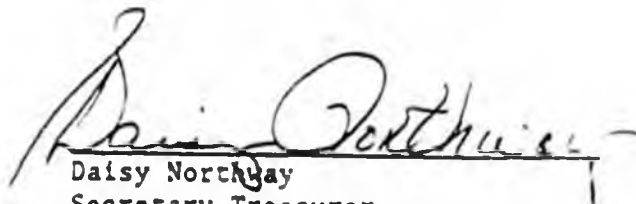
BE IT FURTHER RESOLVED each school in each village includes a comprehensive drug prevention to their curriculum and actively implements preventive education at every grade level; and

BE IT FURTHER RESOLVED as an example to our children and to each other that alcohol to be served at any TCC function from this day forward; and

- BE IT FURTHER RESOLVED any TCC employee determined to have a drug problem be given the option to receive treatment or be immediately terminated from employment; and
- BE IT FURTHER RESOLVED each Native person of strong body and mind lend hand to help their elders and village leaders in this most serious task; and
- BE IT FURTHER RESOLVED for the spiritual well being of our children, families and for the survival and strengthening of our village from this day forward, let it be known that the elders of the Athabascan Nation have declared war on all those who are associated with alcohol and drug abuse.

CERTIFICATION

I hereby certify that this resolution was duly passed by the Tanana Chiefs Conference, Inc. Board of Directors on March 16, 1989 at Fairbanks, Alaska and a quorum was duly established.



Daisy Northway
Secretary-Treasurer
Tanana Chiefs Conference, Inc.

Submitted by: Executive Board

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: "An Act imposing a tax on certain controlled substances; and providing for an effective date."
 Sponsor: Repr. Martin
 Requestor: House Judiciary

Agency Affected: Department of Law
 BRU: Prosecution, Legal Services
 Components: All, Operations

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	32.4	144.4	148.7	153.2	157.8	162.5
TRAVEL	1.2	4.8	4.9	5.0	5.2	5.4
CONTRACTUAL	4.6	16.5	17.0	17.5	18.0	18.5
SUPPLIES	1.2	7.2	7.4	7.6	7.8	8.0
EQUIPMENT	6.5	14.0	-0-	-0-	-0-	-0-
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	45.9	186.9	178.0	183.3	188.8	194.4

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND	45.9	186.9	178.0	183.3	188.8	194.4
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	1.0	3.0	3.0	3.0	3.0	3.0
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Please see the attached analysis.

Richard I. Pegues

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

Phone: 465-3672
 Date: January 11, 1990

Approved by Commissioner: *Richard B. Baily* Douglas B. Baily, Attorney General
 Agency: Department of Law

Date: January 11, 1990

Distribution (by preparer):

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

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SSHB 32

This bill adds a new chapter to Title 43 that imposes an excise tax on certain controlled substances. Currently, 17 states tax illegal drugs through some form of "Al Capone Law." The Department of Law has several concerns about the legality of certain provisions in this version of the bill. However, those concerns are not the subject of this fiscal note, and the committee is encouraged to contact the department's criminal division to resolve these issues.

If an excise tax can be properly enacted, the department believes that collection of unpaid taxes and civil penalties, which would be levied under proposed AS 43.52.070, will have a fiscal impact on the Department of Law and the Department of Revenue. Experience in other states has shown that violators rarely voluntarily pay civil penalties. Consequently, civil legal action to collect penalties is required in nearly every case. Assuming that one-half or more of the reported felony drug offenders had assets susceptible to a civil collection, the department expects that more than 400 collection actions would be required annually. There were 800+ felony drug offender/offenses reported in FY89. Data is not readily available that would indicate the revenues which might accrue as a result of an excise tax and civil penalties. This would depend upon the amount of illegal drugs that are seized and the value of available assets. Nevertheless, effective civil enforcement will require the addition of an Attorney III during the first year, and the addition of an Associate Attorney I and a Legal Secretary I as the caseload expands during the second year.

The current bill shows an effective date of January 1, 1990. Assuming that the effective date is changed to January 1, 1991, fiscal note costs have been based on the cost of the attorney for six months during FY91, and the cost of all three positions on a full-year basis beginning in FY92.

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SSHB 32

<u>FY91</u>	<u>Atty III</u>	<u>Assoc. Atty I</u>	<u>Leg. Sec. I</u>	<u>Total</u>
Personal Services	32.4	-0-	-0-	32.4
Travel	1.2	-0-	-0-	1.2
Contractual	4.6	-0-	-0-	4.6
Supplies	1.2	-0-	-0-	1.2
Equipment	6.5	-0-	-0-	6.5
	---	---	---	---
Total	45.9	-0-	-0-	45.9

FY92

Personal Services	64.6	47.4	32.4	144.4
Travel	2.4	2.4	-0-	4.8
Contractual	6.2	5.4	4.9	16.5
Supplies	2.4	2.4	2.4	7.2
Equipment	-0-	5.5	6.5	14.0
	---	---	---	---
Total	75.6	63.1	48.2	186.9

Costs beyond FY92 include a 3% annual inflation factor, less one-time costs.

1.	POSITION TITLE Attorney III				RANGE/STEP 22A	BARC. UNIT PX	PAGE/LINE	GOV.	APPROV.	DISAPP
2.	TYPE OF POSITION PFT	STAFF MONTHS 6	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION EBA-Anchorage	ELECTION DISTRICT 8	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION:					
4.	TYPE OF EXPENDITURE				This position is required to handle civil, judicial collection of "Al Capone Law" excise taxes and penalties for possession of controlled substances. It is anticipated that a minimum of 400 such collection actions will be required annually, and this number is expected to grow substantially as time passes. In addition to formal collection actions, the position will also be required to process attachments of assets at the time that defendants are arrested. Legal work of the nature is usually handled at the sub-journey level of Attorney III.					
	1	2	3							
	PERSONAL SERVICES									
5.	Salary		24,570							
6.	Benefits		3,889							
7.	Supplemental Benefits		1,590							
8.	Fixed Benefits		2,322							
9.	TOTAL PERSONAL SERVICES	01		32,371						
10.	Travel	02		1,200						
11.	Contractual	03		4,600						
12.	Commodities	04		1,200						
13.	Equipment	05		6,500						
14.	Other									
15.	TOTAL COST			45,871						
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.		General Funds 1004		45,871						
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
FOR B&M USE ONLY										
KEY NUMBER										

REQUEST FOR
NEW POSITION

AGENCY Department of Law
BRU Legal Services
COMPONENT Operations

FY 91

Page 1 of 1
Revised Date

1.	POSITION TITLE Associate Attorney I				RANGL/STEP 17A	BARG. UNIT PX	PAGE/LINE	GOV.	APPROV.	DISAPP
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION EBA-Anchorage	ELECTION DISTRICT 8	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION:					
4.	TYPE OF EXPENDITURE				This position is needed to assist the attorney who will handle judicial collections of excise taxes and penalties under the proposed "Al Capone Law." In addition to assisting with formal collection actions, the position will be responsible for locating assets so that they may be attached at the time illegal drug defendants are arrested. Otherwise, there is a strong likelihood that such assets will either disappear or be disposed of. As much of the work of the position will be done independently, allocation to the paraprofessional level of Associate Attorney I is appropriate.					
	1	2	3							
	PERSONAL SERVICES									
5.	Salary		34,920							
6.	Benefits		5,528							
7.	Supplemental Benefits		2,259							
8.	Fixed Benefits		4,644							
9.	TOTAL PERSONAL SERVICES	01		47,351						
10.	Travel	02		2,400						
11.	Contractual	03		5,400						
12.	Commodities	04		2,400						
13.	Equipment	05		5,500						
14.	Other									
15.	TOTAL COST			63,051						
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.		General Funds 1004		63,051						
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
FOR B&M USE ONLY										
KEY NUMBER										

REQUEST FOR NEW POSITION

AGENCY Department of Law

BRU Legal Services

COMPONENT Operations

FY 91

Page 1 of 1
Revised Date

1.	POSITION TITLE Legal Secretary I				RANGE/STEP 10B	UARG. UNIT GCU	PAGE/LINE	GOV.	APPROV.	DISAPP
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION EBA-Anchorage	ELECTION DISTRICT 8	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION:					
4.	TYPE OF EXPENDITURE			AMOUNT	<p>This position is required to provide clinical support for the attorney and the paraprofessional who will handle civil collections under the proposed "Al Capone Law". Collections work is particularly paper-intensive requiring substantial documentation, public notice, and court filings. Allocation to the Legal Secretary I level is appropriate.</p>					
	1	2	3							
	PERSONAL SERVICES									
5.	Salary		22,716							
6.	Benefits		3,596							
7.	Supplemental Benefits		1,470							
8.	Fixed Benefits		4,644							
9.	TOTAL PERSONAL SERVICES	01		32,426						
10.	Travel	02		-0-						
11.	Contractual	03		4,900						
12.	Commodities	04		2,400						
13.	Equipment	05		8,500						
14.	Other									
15.	TOTAL COST			48,226						
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.		General Funds 1004		48,226						
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
FOR B&M USE ONLY KEY NUMBER - - - - -										

REQUEST FOR
NEW POSITION

AGENCY Department of Law
BRU Legal Services
COMPONENT Operations

FY 91

Page 1 of 1
Revised Date _____

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Tax on certain controlled substances
providing for an effective date
Sponsor: Martin, Zawacki & Swackhammer
Requestor: Judiciary & Finance

Agency Affected: Revenue
BRU: Income & Excise Audit
Components: Operating

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
OPERATING						
PERSONAL SERVICES	50.3	50.3	50.3	50.3	50.3	50.3
TRAVEL	10.0	10.0	10.0	10.0	10.0	10.0
CONTRACTUAL	10.0	10.0	10.0	10.0	10.0	10.0
SUPPLIES	2.0	2.0	2.0	2.0	2.0	2.0
EQUIPMENT	5.0	0	0	0	0	0
LANDS & 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	77.3	72.3	72.3	72.3	72.3	72.3
REVENUE	45.0	50.0	50.0	60.0	60.0	70.0

FUNDING: (Thousands of Dollars)

GENERAL FUND	77.3	72.3	72.3	72.3	72.3	72.3
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	77.3	72.3	72.3	72.3	72.3	72.3

POSITIONS:

FULL-TIME	1	1	1	1	1	1
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: See attached.

Prepared By: Steven E. Kettel
Division: Income and Excise Audit

Phone: (907) 465-2320

Date: December 5, 1989

Approved by Commissioner: Hugh Malone
Agency: Department of Revenue

Date: December 5, 1989

Distribution (by preparer):

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

House Bill 32
Analysis
Prepared by:
Steven E. Kettel
Income and Excise Audit Division

December 5, 1989

HB32, if enacted would impose a tax on certain controlled substances to be collected by the Department of Revenue. The Department will sell stamps which must be affixed to the drug before importation into the state.

Although the bill envisions that that drug dealers and/or users will prepay the tax, this legislation would typically be enforced upon seizure of the drug by a law enforcement officer.

A failure to pay provision at 100% of the tax amount is also provided.

Fiscal Impact:

1. Revenues - As an example, a recent Public Safety report revealed that 10,000 ounces of marijuana were confiscated in drug busts in FY87. Assuming collection of tax and penalty on the entire amount, over \$3 million would be collected. Other states having an illegal drug tax report that only a small amount of tax assessed is ever collected under the tax statutes. We estimate as little as 5% of the tax may ever be collected.

2. Expenditures - We request a single auditor to work in conjunction with law enforcement agencies throughout the state. Travel may be necessary to confiscate cash and other assets which may be converted to cover the tax assessment.

Revenue Auditor III (18A)	50.3
Travel	10.0
Contractual	10.0
Supplies	2.0
Equipment	5.0
Total	<u>77.3</u>

FISCAL NOTE

REQUEST:

Revision Date: 1-8-90 Agency Affected: Public Safety
Title: Tax on marijuana BRU: Alaska State Troopers
Sponsor: Representative Martin, etc. Component: Detachments
Requestor: House Judiciary

EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not included)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
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	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER/PROG RCPT						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact anticipated.

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

Phone: 269-5691
Date: 12/19/89

Approved by Commissioner: G.A.H. English
Agency: Department of Public Safety

Date: 1-8-90
Page 1 of 1

12/22/89

H B

3 4

Amendment ~~4~~ by Donley

2/20/89

Replies
0.5 # 6

3-01010
Cook

A M E N D M E N T

OFFERED IN THE HOUSE

BY DONLEY

TO: CSHB 34 (State Affairs)

Page 3, after line 2:

Insert new bill sections to read:

"* Sec. 4. Notwithstanding the amendments to AS 43.23 made by secs. 1 and 2 of this Act, an individual who qualified to receive a permanent fund dividend for 1990 qualifies to receive a dividend for 1991 under the law as it existed before those amendments.

* Sec. 5. Notwithstanding the amendment to AS 47.45 made by sec. 3 of this Act, an individual who qualified to receive a longevity bonus payment for any month during 1990 qualifies to receive bonus payments during 1991 under the law as it existed before that amendment."

Renumber the following bill section accordingly.

2

b/hb34-4

AMENDMENT

OFFERED IN THE HOUSE

TO: CSHB 34 (State Affairs)

Page 1, after line 9:

Insert the following new bill section to read:

* Section 1. FINDINGS. The legislature finds, in relationship to the Alaska Longevity Bonus Program, that

(1) Alaska has one of the highest percentages of transients compared to permanent residents in the nation;

(2) because of the large number of transients it is very difficult for the state to determine whether a person is actually a resident with the intent to remain in the state;

(3) seniors, because they are generally retired, have a greater opportunity to travel and are more likely to be transient than people with permanent employment;

(4) because seniors are less likely to be employed, their residency status is more difficult to determine;

(5) the program is unique to the state and provides generous benefits;

(6) the generous nature of the benefit creates an inducement for people to claim residency inaccurately;

(7) a two-year residency requirement is the most reasonable way to determine bone fide residency for the purposes of eligibility for this benefit program;

(9) the two-year residency requirement will not discourage migration to the state or otherwise interfere with interstate travel;

(10) this program does not involve a basic right under the Constitution or a basic necessity of life

(11) a two year residency requirement would more appropriately document actual domicillary and the intent to remain a resident

(12) the interest of the state in determining bone fide residency for this program is at least equal to the interests of the state recognized by the federal district court in the case of Andress v Baxter et al.

The legislature finds, in relationship to the Alaska Fermanent Fund Dividend, that

(1) Alaska has one of the highest percentages of transients compared to permanent residents in the nation;

(2) a significant portion of Alaska's population comes to the state to work in temporary jobs or on short-term projects;

(3) because of the large number of transients it is very difficult for the state to determine whether a person is actually a resident with the intent to remain in the state

(4) the program is unique to the state and provides genercus benefits;

(5) the genercus nature of the benefit creates an inducement for people to claim residency inaccurately;

(6) a two-year resdiency requirement is the most reasonable way to determine bone fide residency for the purposes of eligiblity for this benefit program;

(7) the two-year residency requirement will not discourage migration to the state or otherwise interfere with interstate travel;

(8) this program does not involve a basic right under the Constitution or a basic necessity of life

(9) a two year residency requirement would more appropriately document actual domiciliary and the intent to remain a resident

(10) the interest of the state in determining bone fide residency for this program is at least equal to the interests of the state recognized by the federal district court in the case of Andress v Baxter et al.

Page 1, line 10

Delete "Section"

Insert "Sec."

Renumber the following bill sections accordingly.

STEVE COWPER
GOVERNOR



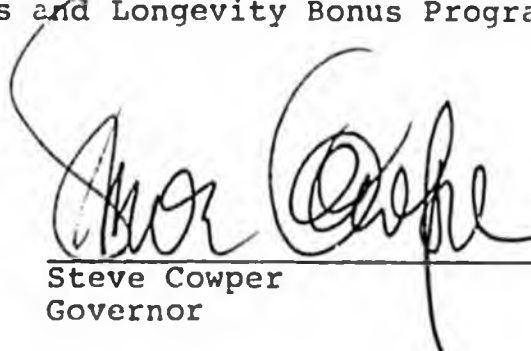
STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

POSITION PAPER

HOUSE BILL NO. 34

An Act relating to durational residency requirements for certain state benefit programs.

I support the concept of a two-year residency requirement for Permanent Fund Dividends and Longevity Bonus Program eligibility.



Steve Cowper
Governor

FILE COPY

REPRESENTATIVE DAVE DONLEY

ALASKA STATE LEGISLATURE
DISTRICT ELEVEN • SPENARD
SEAT A

3111 "C" STREET, SUITE 450
ANCHORAGE, ALASKA 99503
(907) 561-7629

HEATHER MEADOWS • NORTHWOOD • SPENARD • THOMPSON • TURNAGANS • UPPER MEADOWS • WINDMERE



CHAIRMAN

LABOR AND COMMERCE COMMITTEE

MEMBER

STATE AFFAIRS COMMITTEE

HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

HOUSING AND BANKING SUBCOMMITTEE

FINANCE BUDGET SUBCOMMITTEE
DEPT. OF COMMERCE AND
ECONOMIC DEVELOPMENT

February 6, 1989

MEMORANDUM

To: Members, House Judiciary Committee
From: Representative Dave Donley *DB*
Re: HB 34 - Durational residency requirements for
Longevity Bonus and Permanent Fund Dividends

HB 34, a measure establishing a two year residency requirement to be eligible for a Permanent Fund dividend and the Alaska Longevity bonus, is before the House Judiciary Committee.

The current durational residency requirement for the Longevity Bonus is one year and for the Permanent Fund Dividend, six months of continuous residency prior to April 1 of the current dividend year. HB 34 retains that April 1 determination date and increases the residency period to 24 months. A January 1, 1991 effective date is included so that the new residency requirement would coincide with the calendar year to facilitate the administration of the permanent fund dividend program.

There are four proposed amendments to HB 34 in your files for your consideration. The first establishes legislative findings; the reasoning behind adopting the two year residency requirement. The second amendment, modeled after current law, governs the way children's applications for Permanent Fund Dividends are handled under the new residency requirement. The third amendment provides that if the courts overturn the two year residency requirement established under HB 34, then the residency requirement becomes the longest permitted by law. The final amendment "grandfathers" in any person who has already received either benefit under the previous residency requirement until they meet the two year requirement established under HB 34.

The residency requirement under the original Longevity Bonus program required continuous residency since statehood. The Alaska Supreme Court struck down the program in the Vest decision, in part because of the lengthy residency requirement, although they did not elaborate on what length of residency they would find acceptable. The state subsequently adopted the one year requirement.

Originally, the Permanent Fund dividends were disbursed according to the number of years a particular Alaskan had maintained residency in the state. The U.S. Supreme Court struck down the program in the Zobel decision, because the

residency requirement was arbitrary and unfair and violated both the privileges and immunities and equal protection clause of the Constitution. Again, they did not elaborate on what residency requirement would meet a constitutional challenge.

Traditionally the courts have applied two "tests" when considering residency requirements. The first, "strict scrutiny", is applied when a particular program provides the basic necessities of life (medical care, welfare benefits etc.) or when an important constitutional right is at stake, such as the right to vote. In these cases, even a one year residency requirement would not be upheld.

The second standard, applied when dealing with laws that do not affect a basic necessity or a fundamental right, is called "rational basis". Under the "rational basis" standard, the courts weigh the nature and extent of the residency required against the state's purpose in enacting the statute and the fairness and substantially of the relationship between the purpose and the requirement. In other words, what are the reasons for requiring two years of residency and does the requirement satisfy the purposes for which it was adopted?

In addition, the courts recognize that for the purpose of determining residency the state can require both actual residency and intent to become or remain a resident. However, the state must be careful to not impose standards that result in bone fide residents being treated differently under the law, such as under the original permanent fund dividend program.

It is clear that neither of the programs affected by HB 34 involve a fundamental right or a basic necessity of life. Therefore, the "rational basis" standard would apply. Both the Longevity Bonus and the Permanent Fund Dividend are unique programs uniquely created to benefit Alaska's residents. The Longevity Bonus is designed to enable life-long Alaskans to spend their retirement years in the state they helped build. The Permanent Fund Dividend is designed to create a direct link between the residents of Alaska and the Fund they created through a constitutional amendment.

Therefore, the state has clear and compelling reasons to assure that benefits from these programs accrue to bone fide residents of the state. The pertinent question is whether the state has compelling reasons to require two years of residency in these cases and whether the requirement is reasonable to establish that a person is a bone fide resident of the state. I believe we do and I believe it can be successfully defended in court.

In a federal District Court decision that upheld the two year residency requirement for the Alaska Student Loan Program, the judge took into consideration certain unique circumstances about the program that justified a longer durational residency requirement. Among them were: the student loan program was the most generous in the nation, students as a class are a mobile population, and there was evidence of "loan-shopping" by students which may encourage applicants to fraudulently claim residency status. Therefore, the court reasoned, the state had cause to apply a strict standard to assure that applicants were, in fact, bone fide residents.

Both the Longevity Bonus and the Permanent Fund dividend program are generous benefits that are unique to Alaska. There is certainly evidence that "benefit shopping" occurs in that citizens move to Alaska to take advantage of the Longevity Bonus as well as the dividend and may be encouraged to fraudulently claim residency because of the generous nature of the benefits. Finally, the population group affected by HB 34 is, by definition, transient.

In addition, our state has one of the highest rates of transients in the nation. A large percentage of our population comes to work in Alaska or is assigned to work here on a temporary basis. Therefore, Alaska has a unique problem in determining residency for the purposes of eligibility for these state programs.

Because of this, I believe the state has sufficient grounds to adopt a two year residency requirement. Significant constitutional questions remain, and you should be aware that we are venturing into many legal unknowns. However, as long as we proceed in good faith, with an understanding of the unique set of circumstances we are attempting to deal with, I believe we have a chance of arguing our case successfully in court under the "rational basis" standard.

A M E N D M E N T

OFFERED IN THE HOUSE

BY DONLEY

TO: CSHB 34 (State Affairs)

Page 3, after line 2:

Insert new bill sections to read:

"* Sec. 4. Sections 1 and 2 of this Act apply only to permanent fund dividends for years beginning after December 31, 1992. Notwithstanding the amendments to AS 43.23 made by secs. 1 and 2 of this Act, permanent fund dividends for 1991 and 1992 shall be made under law as it existed before the effective date of this Act.

* Sec. 5. Section 3 of this Act applies only to longevity bonus payments for months beginning after December 31, 1991. Notwithstanding the amendment to AS 47.45 made by sec. 3 of this Act, longevity bonus payments for months before January 1, 1992, shall be made under law as it existed before the effective date of this Act."

Renumber the following bill section accordingly.

"LONG ARM"

6-0107Ec
Cook

A M E N D M E N T

OFFERED IN THE HOUSE

BY DONLEY

TO: CSHB 34 (State Affairs)

Page 1, after line 21:

Insert a new bill section to read:

"* Sec. 2. AS 43.23.005 is amended by adding a new subsection to read:

(e) If a court finds the durational residency requirement under (a)(2) of this section is invalid, the residency requirement is the longest duration permitted by law. The department shall change the statement of eligibility under AS 43.23.015(b) as necessary to conform to this subsection."

Renumber the following bill sections accordingly.

Page 3, line 2:

Insert a new bill section to read:

"* Sec. 5. AS 47.45.010 is amended by adding a new subsection to read:

(d) If a court finds the durational residency requirement under (a) of this section is invalid, the residency requirement is the longest duration permitted by law."

Renumber the following bill section accordingly.

A M E N D M E N T

OFFERED IN THE HOUSE

BY DONLEY

TO: CSHB 34 (State Affairs)

Page 1, after line 21:

Insert the following new bill section to read:

"* Sec. 2. AS 43.23.005(c) is amended to read:

(c) A parent, guardian, or other authorized representative may claim a permanent fund dividend on behalf of an unemancipated minor or on behalf of an incompetent individual who is eligible to receive a payment under this section. A parent, guardian, or other authorized representative may claim a permanent fund dividend on behalf of a minor under 24 months of age who is eligible to receive a payment under (a)(1) and (3) of this section."

Renumber the following bill sections accordingly.

Page 2, line 6, after "application,":

Insert "and is under 24 months of age or"

REPRESENTATIVE DAVE DONLEY

ALASKA STATE LEGISLATURE
DISTRICT ELEVEN • SPENARD
SEAT A

HEATHER MEADOWS • NORTHWOOD • SPENARD • THOMPSON • TURNAGAIN • UPPER MDTOWN • WINDEMERE

3111 "C" STREET, SUITE 450
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CHAIRMAN

LABOR AND COMMERCE COMMITTEE

MEMBER

STATE AFFAIRS COMMITTEE

HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

HUNTING AND BASKING SUBCOMMITTEE

FINANCE BUDGET SUBCOMMITTEE
DEPT. OF COMMERCE AND
ECONOMIC DEVELOPMENT

March 3, 1987

MEMORANDUM

To: Members, House Judiciary Committee
From: Representative Dave Donley
Re: Proposed Judiciary CS to HB 34

DOCUMENTATION IN SUPPORT OF THE LEGISLATIVE "FINDINGS" SECTION

HB 34 - DURATIONAL RESIDENCY REQUIREMENTS FOR CERTAIN STATE BENEFIT PROGRAMS

As requested by Representative Gruenberg, attached is documentation, provided by the Alaska Department of Labor, Division of Research and Analysis, in support of the Legislative "Findings" section of HB 34, specifically as they relate to the rate of transient population in Alaska and the number of workers who come to the state for short term or temporary projects.

The second paragraph on page three speaks specifically to the number of workers in Alaska who work on a short-term or temporary basis, as do the attached excerpts from the Department of Labor publication, Non-residents Working in Alaska 1987.

The current "findings" state that "Alaska has one of the highest rates of transients.....in the nation". As illustrated in this document, we have, in fact, the highest rate in the nation.

To better state the "finding" that "a significant portion of Alaska's population comes to the state to work in temporary jobs and on short-term projects", I suggest the addition of the phrase "seasonal" so that the sentence reads "a significant portion of Alaska's population comes to the state to work in temporary or seasonal jobs and on short-term projects".

Source: Alaska Population Overview: 1986 and Provisional 1987 Estimates, Alaska Department of Labor (Forthcoming, March 1989).

Greg Williams, State Demographer, Alaska Department of Labor

March 3, 1989

ALASKA'S POPULATION CHANGE

COMPONENTS OF CHANGE

Population change is composed of natural increase (births minus deaths), and migration as shown in Table 2.1 and Figures 2.2. In general, natural increase is the fairly stable component of population change. Death rates change very slowly, and while current fertility fluctuations depend on a variety of factors, the general trend in births does not change pace or direction too quickly. Migration is the most unstable component in Alaska's population change, often changing dramatically from one year to the next.

Between July 1, 1986 and July 1, 1987, 11,923 persons were born in Alaska and 2,086 persons died, resulting in a net natural increase of 9,837 persons. This translates into a growth of 1.8% per year as a result of natural increase. The Alaskan births each year are equivalent to about 2.2% of the population at the beginning of each year. Approximately 0.4% of Alaska's population dies each year.

Migration to Alaska has historically varied widely from year to year. As a result, it is difficult to talk of typical patterns of migration to the state. The highest post-World War II proportional growth due to migration occurred during the build up for the Korean War in 1950-51 (14.7%), 1951-52 (13.6%). Rapid growth also occurred during World War II represented here by the statistics for 1945-46 (12.3%). In part, these high percentages were a result of a small population base in these years. In contrast while the net migration for 1981-82 and 1982-83 was numerically larger than that for 1950-51 and 1951-52, proportionally, it was much smaller. In the peak growth period of 1981-83, the net influx of over 20,000 migrants each year was equivalent to a gain about equal to 5% of the population.

The largest single numerical increase due to migration (30,222 or 8.7%), occurred during pipeline construction in 1974-75. The largest numerical loss (-19,637 or -3.6%), occurred in 1986-87. This loss was larger than the -13,414 or -3.2% loss which occurred at the end of the pipeline construction in 1977-78.

MIGRATION TO/FROM ALASKA

Migration statistics are derived from change of address on IRS Tax returns. The latest statistics available are the migration flows for 1985-86. While these statistics are prior to the down-turn in Alaska's economy, they serve to illustrate the magnitude and pattern of migration to and from the State.

Estimates of In, Out, Gross and Net migration for all states is shown in Table 3. The states at the top of the list have the least stable populations, those at the bottom have the most stable populations. In 1985-86, Alaska had the highest level of In, Out and Gross migration of any state in the union. During this period, 10.2% of Alaska's residents left the state and a number equivalent to 10.6% of Alaska's residents entered the state. Since 1985-86 was at the point of "stall" in the boom of the early 1980's, the net gain was only .4%. These turnover rates include rotation of military personnel in and out of the state. The military probably account for about 20% of the In, Out and Gross migration flow of the state.

The highest turnover is for persons in their 20's and children under 5. Statistically the average length of stay for a 21 year old in Alaska is 9.9 years for males and 13.6 years for females. This means that of a group of Alaska men currently age 21, one can expect 50% to have left the state by about the age of 31.

In general, people tend to more frequently move short distances as opposed to long distances. Table 4. shows the distribution of migration to and from Alaska by state. The Pacific Coast, Mountain States, Texas and overseas accounts for a substantial share of our total gross migration. Almost a third of the Alaska's migration is with Washington (14.0%) , California (11.4%), and Oregon (6.8%). This is followed by movement to/from Texas (6.4%) and movement to/from overseas (3.5%). The movement overseas is heavily military in character. The next largest movement is to a cluster of Mountain states which together account for another 13.6% of the total movement: Colorado (3.3%), Arizona (3.0%), Wyoming (2.7%), Idaho (2.4%), and Montana (2.2%). The sum of the movement to/from the places discussed above accounts for 55.8% of the Gross migration to/from Alaska. The remaining migration comes from the rest of the nation. Some of the remaining states with larger shares also reflect military movement, ie. Georgia, Virginia, North Carolina.

Given the regional distribution of migrants to Alaska, it is not surprising that while migration to and from the state is in part dependent upon federal military and program policies, it is also strongly dependent upon Alaska's economic opportunities relative to those in the other states, and in particular the Pacific and Mountain states. This has its strongest impact on the number in-migrants coming into Alaska.

More recent figures, when they become available, will show a rise in out-migrants and a decline in in-migrants. Somewhat surprisingly, changes in migration in Alaska are more a result of the decline in in-migrants to Alaska than an increase in the out-migrants from Alaska. A net loss can result from either an increase in the out-migrants or an decrease in the in-migrants, since the balance of migration depends in the balance of the two. When Gross migration or turnover is high, major changes in either in or out-migration can cause rapid changes in the population which appear to the observer to be out-migration. What appears as massive out-migration may be a normal 10% out-migration with only partial replacement.

A QUESTION OF RESIDENCE

The time frame for the estimates of resident population produced in this publication is July first of any given year. The July first estimate, however, reflects an average annual resident population. The midyear date serves as the midpoint in the population change in any given year for persons living in their usual place of residence. Our estimates are not intended to be a "de facto" population; that is, a count of all persons in a location on the day July first. The population on this date would be substantially above the annual average because of the seasonality of Alaska's population.

By U.S. Census Bureau definition, to be counted as a resident, a person must reside in a place for at least six months of the year and have no other usual place of residence. Residents of remote work sites are given the opportunity to list their place of residence as being somewhere other than the remote site. In 1980, for example, most North Slope oil workers listed their place of residence as being either some other part of Alaska or out of state. One of the systematic errors in statistics for Alaska involves residency. Employment in the state is highly seasonal in construction, fishing and seafood processing, logging, mining, and tourism. While the exact amount of seasonal population is currently unknown, in 1987, nearly 15.5% of the persons working at some time during the year in jobs covered by unemployment insurance or state employment were nonresidents. This means that there were at least 45,100 nonresident workers in Alaska for some period of time during the year.¹ This number, however, overstates the number of nonresidents in the state at any given time because these workers are present for varying periods of time. The best current estimate of the annual average number of nonresidents present in Alaska at any given time in 1987 would be about 14,300. This is down substantially from 1985. The seasonal high quarter usually occurs during the summer months, would add another 2,300 nonresidents over the annual average. Thus a statewide census taken in July 1, 1987 might have found some 17,600 nonresidents living in Alaska.

Since our resident population estimate for 1987 is 537,800 persons, the annual average number of persons (residents and nonresidents) present in the state may have been at least 555,200 and the midsummer non-tourist "de facto" population may be on the order of 557,500.

¹ Nonresidents Working in Alaska in 1987, Alaska Department of Labor, January 1989.

GLOSSARY

Migration - The movement of people across a specified boundary for the purpose of establishing a new permanent residence. Movement between countries, states or nations is considered migration, movement with a county is considered as "local movement".

In-migrant - a person who enters an area from some point outside the area for the purpose of establishing a permanent residence. The person may come from another nation, state or county.

Out-migrant - a person who leaves an area for some point outside the area for the purpose of establishing a permanent residence. The person may go to another nation, state or country.

Gross Migration - The sum of the in-migration and out-migration for a geographic area over a period of time. Gross migration is a measure of the total movement or turnover of population. Gross migration is of most interest to persons needing information on population turnover rather than overall gain or loss. For example, real estate and transportation industries.

Net-migration - the difference between in-migration and out-migration. It may be characterized as net in-migration if there are more persons moving into the area than out; or as net out-migration if there are more persons leaving the area than coming in.

De facto and de jure counts - In a census the enumeration is affected by the type of population count to be obtained. The census may be designed to count persons where they are found on census day (a de facto count) or according to their usual place of residence (a de jure count). The U.S. Census is a de jure count. Only transients who have no usual place of residence are counted on a de facto basis.

TABLE 2.1 ANNUAL COMPONENTS OF POPULATION CHANGE FOR ALASKA, 1945-1987.

June 30 TO July 1	End Of Period Population	Population Change	Average Annual Rate of Change	Components Of Change			
				Births	Deaths	Natural Increase	Net Migrants
1945-46	103,000			2,050	1,220	830	
1946-47	117,000	14,000	12.73	2,490	1,200	1,290	12,710
1947-48	126,000	9,000	7.41	2,890	1,180	1,710	7,290
1948-49	132,600	6,600	5.10	3,300	1,190	2,110	4,490
1949-50	137,100	4,500	3.34	3,620	1,220	2,400	2,100
1950-51	160,000	22,900	15.42	4,110	1,310	2,800	20,100
1951-52	185,500	25,500	14.76	5,130	1,310	3,820	21,680
1952-53	193,800	8,300	4.38	6,270	1,280	4,990	3,310
1953-54	200,100	6,300	3.20	6,910	1,240	5,670	630
1954-55	206,500	6,400	3.15	7,190	1,200	5,990	410
1955-56	212,400	5,900	2.82	7,480	1,220	6,260	-360
1956-57	218,600	6,200	2.88	7,730	1,240	6,490	-290
1957-58	220,100	1,500	0.68	7,450	1,200	6,250	-4,750
1958-59	224,000	3,900	1.76	6,830	1,170	5,660	-1,760
1959-60	230,400	6,400	2.82	7,290	1,250	6,040	360
1960-61	236,700	6,300	2.70	7,560	1,300	6,260	40
1961-62	242,800	6,100	2.54	7,610	1,290	6,320	-220
1962-63	249,900	7,100	2.88	7,670	1,320	6,350	750
1963-64	253,200	3,300	1.31	7,480	1,380	6,100	-2,800
1964-65	265,200	12,000	4.63	7,170	1,390	5,780	6,220
1965-66	271,500	6,300	2.35	6,810	1,320	5,490	810
1966-67	277,900	6,400	2.33	6,410	1,300	5,110	1,290
1967-68	284,900	7,000	2.49	6,350	1,317	5,033	1,967
1968-69	294,600	9,700	3.35	6,670	1,330	5,340	4,360
1969-70	308,500	13,900	4.61	7,230	1,370	5,860	8,040
1970-71	319,600	11,100	3.53	7,437	1,444	5,993	5,107
1971-72	329,800	10,200	3.14	7,129	1,462	5,667	4,533
1972-73	336,400	6,600	1.98	6,781	1,468	5,313	1,287
1973-74	348,100	11,700	3.42	6,847	1,467	5,380	6,320
1974-75	384,100	36,000	9.83	7,275	1,497	5,778	30,222
1975-76	409,800	25,700	6.47	7,694	1,570	6,124	19,576
1976-77	418,000	8,200	1.98	8,175	1,612	6,563	1,637
1977-78	411,600	-6,400	-1.54	8,668	1,654	7,014	-13414
1978-79	413,700	2,100	0.51	9,043	1,654	7,389	-5289
1979-80	419,800	6,100	1.46	9,398	1,649	7,749	-1649
1980-81	433,800	14,000	3.28	9,906	1,700	8,206	5,794
1981-82	463,400	29,600	6.60	10,781	1,755	9,026	20,574
1982-83	497,600	34,200	7.12	11,723	1,850	9,873	24,327
1983-84	522,000	24,400	4.79	12,308	1,938	10,370	14,030
1984-85	541,300	19,300	3.63	12,719	2,032	10,687	8,613
1985-86	547,600	6,300	1.16	12,555	2,107	10,448	-4148
1986-87	537,800	-9,800	-1.81	11,923	2,086	9,837	-19637

Alaska Department of Labor, Research & Analysis, Demographic Unit, 1988.
 March 3, 1989

FIGURE 2.1

Alaska Components of Growth 1946 to 1987

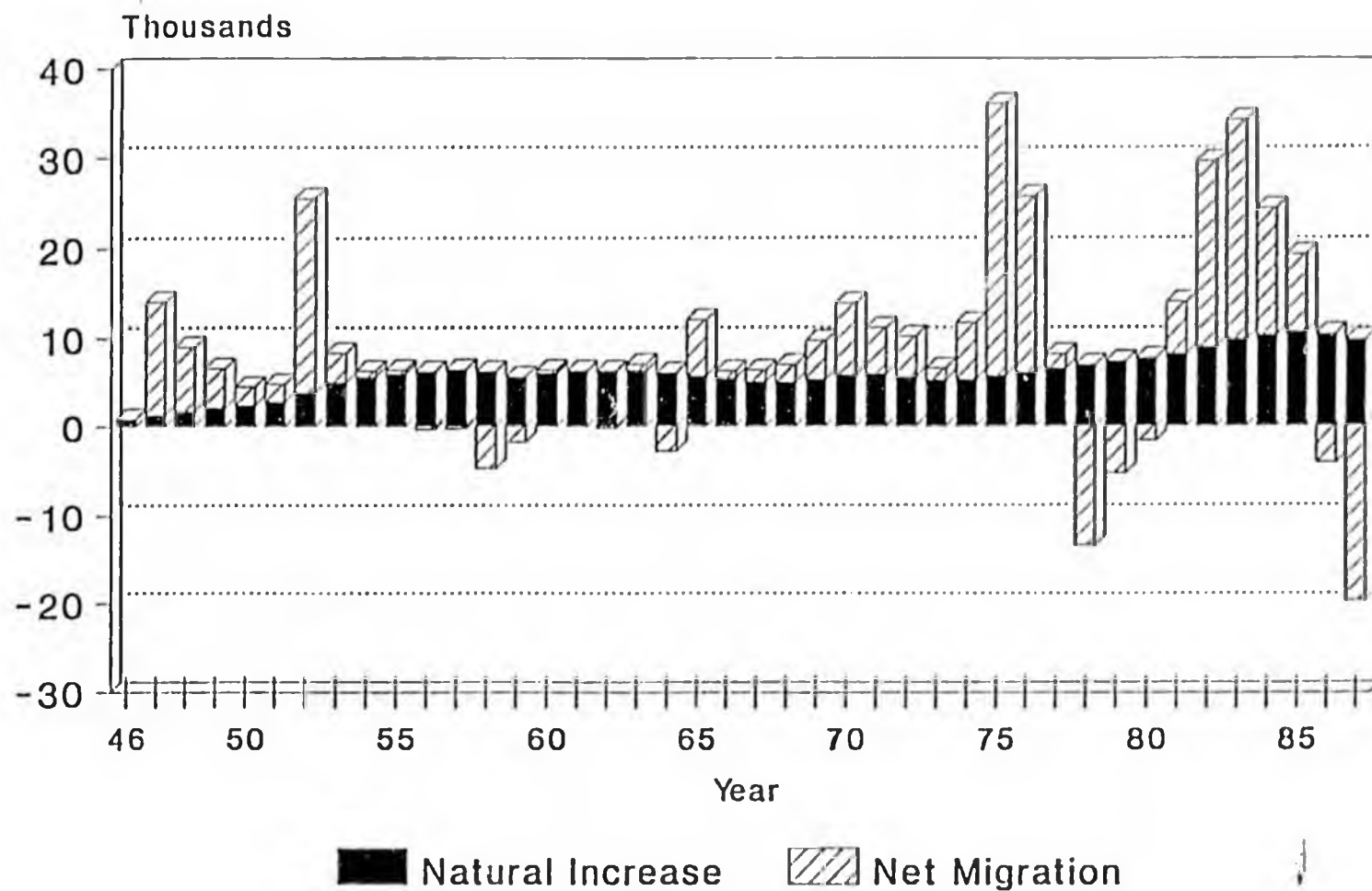


TABLE 3. RATES OF MIGRATION BY STATE, 1985-86

STATE TO STATE MIGRATION FLOWS 1985-86	IN MIGRANTS PER 100 POPULATION (%)	OUT MIGRANTS PER 100 POPULATION (%)	NET MIGRANTS PER 100 POPULATION (%)	GROSS MIGRANTS PER 100 POPULATION (%)
ALASKA	10.6	10.2	0.4	20.8
WASHINGTON D.C.	7.5	9.0	-1.4	16.5
NEVADA	8.9	6.7	2.2	15.6
WYOMING	6.5	8.2	-1.6	14.7
ARIZONA	8.3	5.0	3.3	13.3
NEW MEXICO	7.2	5.9	1.3	13.1
NEW HAMPSHIRE	7.8	5.1	2.7	12.8
HAWAII	5.9	6.8	-0.9	12.8
COLORADO	6.1	5.8	0.2	11.9
KANSAS	5.0	5.6	-0.7	10.6
FLORIDA	6.7	3.8	3.0	10.5
IDAHO	4.6	5.8	-1.3	10.4
NORTH DAKOTA	4.1	6.2	-2.1	10.2
VIRGINIA	5.4	4.6	0.8	10.0
SOUTH DAKOTA	4.3	5.5	-1.2	9.8
VERMONT	5.2	4.6	0.6	9.7
MONTANA	3.7	5.4	-1.6	9.1
DELAWARE	4.8	4.3	0.5	9.1
OKLAHOMA	4.1	4.9	-0.9	9.0
GEORGIA	5.1	3.5	1.6	8.6
WASHINGTON	4.3	4.1	0.2	8.4
SOUTH CAROLINA	4.4	3.7	0.7	8.2
MARYLAND	4.2	3.8	0.4	8.0
MAINE	4.3	3.7	0.6	8.0
UTAH	3.6	4.3	-0.6	7.9
ARKANSAS	4.0	3.8	0.2	7.9
RHODE ISLAND	3.9	3.7	0.2	7.7
OREGON	3.8	3.8	-0.0	7.7
NEBRASKA	3.2	4.4	-1.2	7.6
CONNECTICUT	3.6	3.8	-0.3	7.4
NORTH CAROLINA	4.1	3.3	0.7	7.4
KENTUCKY	3.4	3.7	-0.3	7.1
TENNESSEE	3.7	3.3	0.4	7.0
TEXAS	3.7	3.2	0.4	6.9
MISSISSIPPI	3.3	3.5	-0.2	6.8
MISSOURI	3.4	3.4	0.0	6.7
NEW JERSEY	3.2	3.4	-0.1	6.6
ALABAMA	3.4	3.1	0.3	6.5
IOWA	2.3	4.1	-1.8	6.4
WEST VIRGINIA	2.6	3.8	-1.2	6.3
INDIANA	2.8	3.4	-0.6	6.2
LOUISIANA	2.6	3.5	-0.9	6.1
MASSACHUSETTS	2.6	3.3	-0.6	5.9
ILLINOIS	2.3	3.5	-1.2	5.8
MINNESOTA	2.6	2.9	-0.4	5.5
OHIO	2.3	3.1	-0.8	5.5
MICHIGAN	2.4	2.9	-0.5	5.3
CALIFORNIA	2.8	2.3	0.5	5.1
WISCONSIN	2.2	2.9	-0.7	5.1
PENNSYLVANIA	2.1	2.7	-0.5	4.8
NEW YORK	1.8	3.0	-1.2	4.7

TABLE 4. MIGRATION RATES FOR ALASKA, 1985-86.

FROM/TO	1985-86			1985-86			1985-86			1985-86
	IN MIGRANTS PER 100 ALASKA POPULATION (%)	% OF TOTAL	% OF TOTAL	OUT MIGRANTS PER 100 ALASKA POPULATION (%)	% OF TOTAL	% OF TOTAL	GROSS MIGRANTS PER 100 ALASKA POPULATION (%)	% OF TOTAL	% OF TOTAL	NET MIGRANTS PER 100 ALASKA POPULATION (%)
WASHINGTON	1.31	12.4	12.4	1.63	13.7	15.7	2.91	14.0	14.0	-0.29
CALIFORNIA	1.14	10.7	23.1	1.24	12.2	27.9	2.38	11.4	25.4	-0.10
OREGON	0.74	7.0	30.1	0.68	6.7	34.5	1.42	6.8	32.3	0.06
TEXAS	0.69	6.5	36.6	0.63	6.2	40.7	1.32	6.4	38.6	0.06
FOREIGN	0.33	3.1	39.7	0.38	3.8	44.5	0.72	3.5	42.1	-0.05
COLORADO	0.38	3.6	43.3	0.31	3.1	47.6	0.70	3.3	45.4	0.07
ARIZONA	0.27	2.5	45.9	0.37	3.6	51.2	0.63	3.0	48.5	-0.10
WYOMING	0.33	3.1	48.9	0.24	2.4	53.5	0.57	2.7	51.2	0.08
IDAHO	0.28	2.6	51.5	0.23	2.2	55.8	0.50	2.4	53.6	0.05
MONTANA	0.29	2.7	54.2	0.17	1.7	57.5	0.46	2.2	55.8	0.11
GEORGIA	0.23	2.2	56.4	0.22	2.2	59.7	0.45	2.2	58.0	0.00
VIRGINIA	0.22	2.1	58.5	0.22	2.2	61.8	0.44	2.1	60.1	-0.00
MINNESOTA	0.25	2.4	60.8	0.17	1.7	63.5	0.42	2.0	62.1	0.08
MICHIGAN	0.22	2.0	62.9	0.19	1.9	65.3	0.40	1.9	64.1	0.03
NORTH CAROLINA	0.21	2.0	64.9	0.19	1.8	67.1	0.40	1.9	66.0	0.03
NEW YORK	0.19	1.8	66.7	0.20	2.0	69.1	0.39	1.9	67.9	-0.01
OKLAHOMA	0.21	1.9	68.6	0.15	1.5	70.6	0.36	1.7	69.6	0.05
ILLINOIS	0.20	1.9	70.5	0.15	1.5	72.1	0.35	1.7	71.3	0.05
OHIO	0.16	1.5	72.1	0.16	1.6	73.7	0.32	1.6	72.8	0.01
NEW MEXICO	0.15	1.4	73.4	0.16	1.6	75.2	0.31	1.5	74.3	-0.01
ALABAMA	0.15	1.4	74.8	0.16	1.6	76.8	0.31	1.5	75.8	-0.01
UTAH	0.15	1.4	76.3	0.13	1.3	78.1	0.28	1.4	77.2	0.02
HAWAII	0.16	1.5	77.7	0.13	1.2	79.3	0.28	1.4	78.5	0.03
LOUISIANA	0.16	1.5	79.3	0.12	1.1	80.5	0.28	1.3	79.7	0.05
WEST VIRGINIA	0.17	1.6	80.8	0.11	1.1	81.6	0.28	1.3	81.2	0.06
MISSOURI	0.13	1.2	82.0	0.14	1.4	83.0	0.27	1.3	82.5	-0.02
PENNSYLVANIA	0.13	1.3	83.3	0.12	1.1	84.1	0.25	1.2	83.7	0.02
MARYLAND	0.12	1.1	84.4	0.12	1.2	85.3	0.24	1.2	84.8	-0.01
TENNESSEE	0.10	0.9	85.3	0.14	1.3	86.7	0.23	1.1	86.0	-0.04
NEVADA	0.10	0.9	86.2	0.13	1.2	87.9	0.23	1.1	87.0	-0.03
SOUTH CAROLINA	0.11	1.0	87.2	0.11	1.1	89.0	0.22	1.1	88.1	-0.00
KENTUCKY	0.11	1.0	88.2	0.11	1.1	90.1	0.21	1.0	89.1	-0.00
KANSAS	0.11	1.1	89.3	0.10	1.0	91.0	0.21	1.0	90.1	0.02
ARKANSAS	0.11	1.0	90.3	0.09	0.9	91.9	0.20	1.0	91.1	0.02
WISCONSIN	0.13	1.2	91.6	0.06	0.6	92.5	0.19	0.9	92.0	0.07
MASSACHUSETTS	0.10	0.9	92.5	0.08	0.8	93.3	0.18	0.9	92.9	0.01
INDIANA	0.10	0.9	93.4	0.08	0.8	94.1	0.18	0.9	93.7	0.02
NEBRASKA	0.09	0.9	94.3	0.08	0.7	94.9	0.17	0.8	94.6	0.02
NEW JERSEY	0.09	0.9	95.1	0.08	0.8	95.6	0.17	0.8	95.4	0.01
MAINE	0.06	0.6	95.7	0.08	0.8	96.4	0.14	0.7	96.1	-0.02
NORTH DAKOTA	0.08	0.7	96.5	0.06	0.6	97.0	0.14	0.7	96.7	0.02
MISSISSIPPI	0.07	0.7	97.2	0.06	0.6	97.5	0.13	0.6	97.3	0.02
SOUTH DAKOTA	0.07	0.7	97.9	0.05	0.5	98.2	0.13	0.6	98.0	0.02
IOWA	0.06	0.6	98.4	0.04	0.4	98.5	0.10	0.5	98.5	0.02
NEW HAMPSHIRE	0.05	0.4	98.9	0.04	0.4	98.9	0.09	0.4	98.9	0.00
CONNECTICUT	0.04	0.3	99.2	0.03	0.3	99.2	0.07	0.3	99.2	0.00
WASHINGTON D.C.	0.02	0.2	99.4	0.03	0.3	99.5	0.05	0.2	99.5	-0.00
VERMONT	0.02	0.2	99.6	0.02	0.2	99.7	0.04	0.2	99.6	0.00
FLORIDA	0.01	0.1	99.8	0.01	0.1	99.8	0.03	0.1	99.9	0.00
DELAWARE	0.01	0.1	99.9	0.01	0.1	99.9	0.03	0.1	99.9	0.00
RHODE ISLAND	0.01	0.1	100.0	0.01	0.1	100.0	0.02	0.1	100.0	0.00
TOTAL	10.61	100.0		10.18	100.0		20.80	100.0		0.43

Alaska Department of Labor
 Research & Analysis, Demographic Unit
 Greg Williams, State Demographer
 22-Mar-89

\$

Nonresidents
Working in Alaska 1987

Nonresidents Working in Alaska 1987

State of Alaska – Steve Cowper, Governor
Department of Labor – Jim Sampson, Commissioner
Administrative Services Division – Frank Spargo, Director
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In cooperation with:

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DISTRIBUTION OF QUARTERS WORKED IN ALASKA 1987

QUARTERS WORKED	PERCENT	
	RESIDENT	NONRESIDENT
1 QUARTER ONLY	12.4%	45.2%
QUARTER 1	3.9%	7.4%
QUARTER 2	1.9%	7.0%
QUARTER 3	3.1%	17.2%
QUARTER 4	3.5%	13.5%
2 QUARTERS ONLY	15.2%	29.8%
QUARTERS 1 & 2	5.1%	4.4%
QUARTERS 1 & 3	0.5%	0.4%
QUARTERS 1 & 4	0.7%	0.3%
QUARTERS 2 & 3	3.5%	10.4%
QUARTERS 2 & 4	0.5%	0.5%
QUARTERS 3 & 4	1.8%	12.7%
3 QUARTERS ONLY	16.0%	13.6%
QUARTERS 1, 2 & 3	5.3%	3.1%
QUARTERS 1, 2 & 4	1.8%	0.7%
QUARTERS 1, 3 & 4	1.6%	0.6%
QUARTERS 2, 3 & 4	6.8%	9.2%
4 QUARTERS ONLY		
QUARTERS 1, 2, 3 & 4	56.3%	11.4%

Table 3.4

**Resident and Nonresident Total Earnings and Workers
by Major Industrial Group
Alaska, 1987**

Industrial Group	Resident		Nonresident		Resident		Nonresident	
	Earnings (in thous.)	%	Earnings (in thous.)	%	Workers	%	Workers	%
Agriculture ^{1/}	\$15,947	84.4	\$2,950	15.6	1,976	81.5	450	18.5
Mining	497,898	69.5	64,979	11.5	12,374	83.4	2,462	16.6
Construction	359,732	88.9	44,819	11.1	22,837	84.8	4,086	15.2
Manufacturing	224,761	73.4	81,522	26.6	22,532	60.9	14,461	39.1
Transportation	506,659	93.2	37,178	6.8	24,986	89.1	3,057	10.9
Wholesale Trade	202,389	95.3	9,927	4.7	11,151	90.5	1,177	9.5
Retail Trade	493,045	94.5	28,961	5.5	61,858	87.3	8,981	12.7
Finance/Insurance/Real Estate	262,780	96.9	8,473	3.1	15,946	93.1	1,183	6.9
Services	766,704	93.3	55,327	6.7	67,339	87.8	9,334	12.2
Nonclassifiable	4,207	83.4	837	16.6	685	86.9	103	13.1
TOTAL PRIVATE BUSINESS ^{2/}	3,334,124	90.9	334,973	9.1	197,736	82.4	42,354	17.6
Local Government	858,991	98.2	15,396	1.8	42,188	95.4	2,017	4.6
State Government	626,754	97.7	14,613	2.3	24,575	95.0	1,296	5.0
TOTAL ^{3/}	\$4,820,554	93.0	\$366,147	7.0	246,489	84.5	45,148	15.5

Source: Alaska Department of Labor, Research & Analysis

^{1/} Data includes only nonagricultural wage and salary workers covered by unemployment insurance. Consequently, data provided for this industry may not be representative of the industry as a whole.

^{2/} Unduplicated count of workers within each industry.

^{3/} Unduplicated count of total workers.

Table 3.1

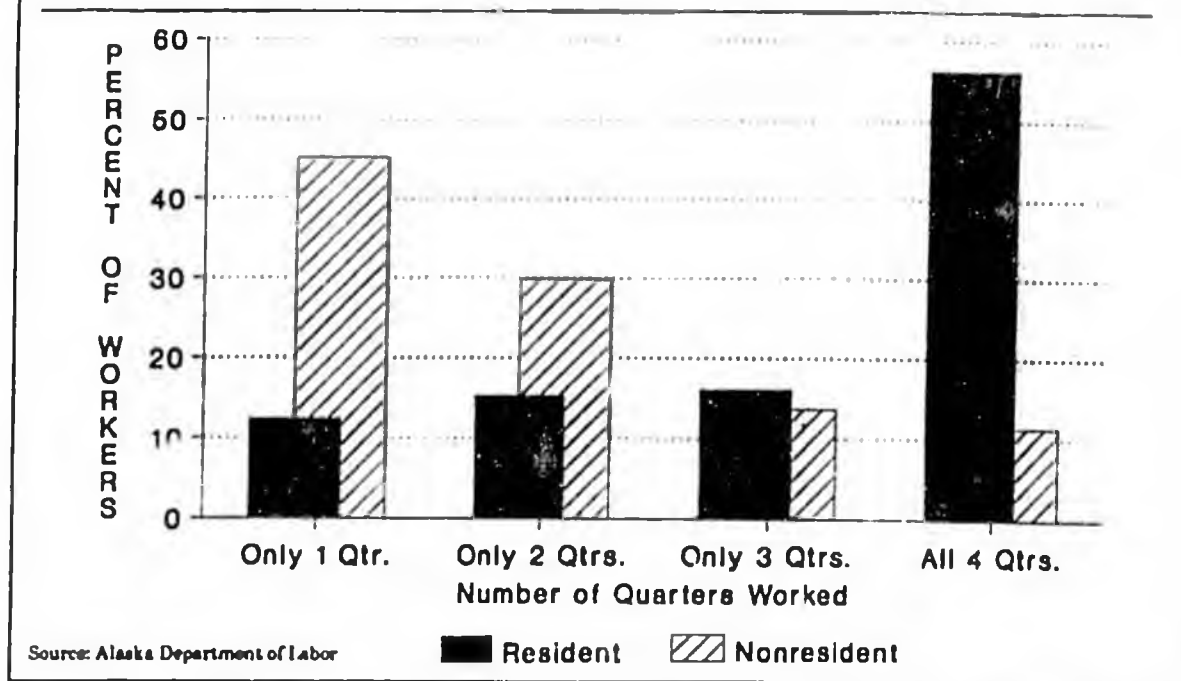
**Annual Earnings, Workers, and Average Earnings by Industry
Alaska, 1987**

Industry	Earnings			Workers			Average Earnings		
	Resident	Nonresident	% of Total	Resident	Nonresident	% of Total	Resident	Nonresident	As % of Res.
	Earnings (thous.)	Earnings (thous.)		no. of Workers	no. of Workers		Average Earnings	Average Earnings	
State Government	\$826,754	\$14,613	2.3	24,575	1,296	5.0	\$25,504	\$11,276	44.2
Local Government	858,991	15,396	1.8	42,188	2,017	4.6	20,381	7,633	37.5
Agriculture ^{1/}									
Crops	1,161	95	7.6	301	34	10.1	3,857	2,801	72.6
Livestock	585	68	10.4	45	15	25.0	12,989	4,509	34.7
Agricultural Services	5,600	403	6.7	854	112	11.6	6,557	3,602	54.9
Forestry	2,438	101	4.0	85	5	5.6	28,682	20,118	70.1
Fishing/Hunting/Trapping ^{1/}	6,164	2,283	27.0	698	285	29.0	8,831	8,011	90.1
Mining									
Metal ^{1/}	15,186	8,700	36.4	954	377	28.3	15,918	23,076	145.1
Coal	x	x	2.9	x	x	3.3	x	x	89.1
Oil & Gas	472,466	55,685	10.5	11,097	2,051	15.6	42,576	27,150	63.1
Nonmetal/Nonfuel	x	x	11.5	x	x	12.3	x	x	92.1
Construction									
Building	100,672	10,785	9.7	8,271	1,254	13.2	12,172	8,601	70.1
Heavy	122,103	20,259	14.2	7,539	1,328	15.0	16,196	15,255	94.1
Special Trades	136,957	13,776	9.1	10,309	1,692	14.1	13,285	8,142	61.1
Manufacturing									
Food Processing	73,155	60,044	45.1	14,198	12,364	46.5	5,152	4,856	94.3
Textiles	x	x	4.9	x	x	11.8	x	x	38.8
Apparel	474	60	11.3	82	14	14.6	5,779	4,300	74.4
Lumber/Wood	12,988	3,057	19.1	952	333	25.9	13,643	9,179	67.3
Logging	38,847	12,740	24.7	2,071	1,231	37.3	18,758	10,349	55.2
Furniture	x	x	0.0	x	x	0.0	x	x	0.0
Paper	x	x	7.7	x	x	16.8	x	x	41.5
Printing	33,848	1,052	3.0	2,778	242	8.0	12,184	4,349	35.7
Chemicals	x	x	8.1	x	x	6.7	x	x	124.0
Petro Refining	5,439	169	3.0	170	13	7.1	31,995	12,986	40.6
Rubber/Miscellaneous	756	52	6.5	143	18	11.2	5,287	2,903	54.9
Concrete	10,749	202	1.8	616	37	5.7	17,449	5,466	31.3
Primary Metals	238	47	16.4	24	3	11.1	9,937	15,640	157.4
Fabricated Metals	3,222	256	7.4	227	29	11.3	14,196	8,821	62.1
Machinery	848	0	0.0	30	0	0.0	28,276	0	0.0
Electrical Machinery	370	39	9.6	22	5	18.5	16,796	7,820	46.6
Transportation Equipment	2,529	500	16.5	232	78	25.2	10,901	6,416	58.9
Measuring	x	x	0.6	x	x	7.1	x	x	7.9
Miscellaneous	949	0	0.0	82	0	0.0	11,572	0	0.0
Trans., Comm., & Public Utilities									
Local Transit	x	x	11.8	x	x	13.7	x	x	84.7
Motor Freight	52,763	2,951	5.3	3,543	454	11.4	14,892	6,500	43.6
Water Transportation	29,557	5,663	16.1	2,417	459	16.0	12,229	12,337	100.9
Air Transportation	133,421	16,229	10.8	7,057	1,023	12.7	18,906	15,864	83.9
Pipelines	x	x	2.4	x	x	3.1	x	x	78.4
Transportation Services	17,305	1,054	5.7	1,574	193	10.9	10,995	5,461	49.7
Communications	118,022	5,822	4.7	4,561	339	6.9	25,876	17,175	66.4
Utilities	81,624	2,075	2.5	3,080	192	5.9	26,501	10,806	40.8

(cont. on page 30)

Figure 2.5

Number of Calendar Quarters Worked in Alaska During 1987



a high percentage of nonresident workers. Consequently, this shift in Alaska's industrial composition accounts, in part, for the decrease in the number of nonresidents working in the state.

Economic Impact of Workers' Earnings

The residency of the worker is an important factor in determining the overall impact of earnings. More specifically, where is the worker spending wages and unemployment insurance compensation? Generally, the earnings of an individual create earnings for others. As workers spend their wages on housing, food and clothing, their earnings continue to trickle through the economy. If compensation goes to a nonresident who spends little money in the state, few income-induced effects can be measured.

Compared to resident workers, nonresidents work fewer quarters in the state. Figure 2.5 (on this page) illustrates the difference between residents' and nonresidents' ties to the Alaska labor market. More than 45% of nonresidents worked in Alaska during only one calendar quarter of 1987. By comparison, over 56% of residents worked during all four quarters of 1987.

The assumption that nonresidents spend less of their earnings in Alaska than their resident counterparts is reinforced by two factors: 1) They work fewer quarters in the state and because of this are likely to spend a higher portion of their Alaska earnings outside of the state than resident workers, and 2) They also have a higher rate of interstate unemployment insurance claims than do residents. Consequently, nonresident compensation — in the form of either wages or unemployment insurance benefits — produces a reduced amount of induced earnings within Alaska.

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF LAW

P.O. BOX K—STATE CAPITOL
JUNEAU, ALASKA 99811-0300
PHONE: (907) 465-3600

OFFICE OF THE ATTORNEY GENERAL

November 22, 1988

RECEIVED

NOV 25 RECD

Representative Dave Donley, Chair
House Labor and Commerce Committee
Alaska State Legislature
P.O. Box Y
Juneau, Alaska 99811

Re: Durational residency statutes

Dear Dave:

I am responding to your October 20, 1988 memorandum to Attorney General Schaible regarding durational residency statutes.

It really isn't possible for us to undertake the kind of study that you have proposed, given the limited resources that we have available in the Department of Law. Instead, I think it would actually be more useful to provide you with the information that is enclosed.

During the 1983 Legislative Session, essentially in response to the December 3, 1982 Condon memorandum that you have referenced, the legislature adopted HB 323 (later Chapter 67, SLA 1983) which undertook a comprehensive clean-up of the various residency problems that had been identified as existing in the Alaska Statutes. A copy of that bill and a copy of the section by section bill analysis which we prepared for Governor Sheffield on that bill are enclosed for your information.

As you review those materials, I think you will see that virtually all of the problem areas identified by Wil Condon in 1982 were taken care of. The only remaining residency provision that may present constitutional problems, of which I am aware, is the Pioneers' Homes eligibility. If there are any re-