

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672
6617 SENATE STATE AFFAIRS

127



VETERANS OF FOREIGN WARS OF THE U.S.
AN ORGANIZATION OF VETERANS
WHO HAVE FOUGHT
AMERICA'S FOREIGN WARS
ON LAND AND SEA
AND IN THE AIR

RECEIVED

JAN 5

OFFICE OF
SENATOR RICK HALFORD

FROM

V.F.W. Post 10241
Willow Station
P.O. Box 191
Willow, AK 99688
27 January 1980

Senator Rick Halford
P.O. Box V
Juneau, Alaska 99811

Dear Senator Halford,

You recently received a "Work Draft" of a House Bill for an Act entitled: "An Act relating to motor vehicle license plates for Veterans." This draft was submitted by Mr. Jeremiah C. Harrington, President, Fleet Reserve Association, Branch 342.

Our members, in our last regular meeting on 3 January 1980, reviewed Mr. Harrington's proposal to enact a law in the State of Alaska, comparable to Revised Statute 47:463.18 of the State of Louisiana.

The members in attendance at that meeting, unanimously approved a motion that our Post officially support Mr. Harrington's proposal. We collectively urge your favorable consideration of his proposed legislation.

Yours in Comradeship,

Edwin M. Skraback

Edwin N. Skraback
Commander

CF:
Pres, Flt Res Assn, Br 342



FLEET RESERVE ASSOCIATION

BRANCH 342

P.O. BOX 763 • ELMENDORF AIR FORCE BASE, ALASKA 99506

17 November 1988

Senator Rick Halford
Alaska State Senate
3111 C Street
Anchorage, Alaska 99503


Dear Senator Halford:

Enclosed is a work draft of a proposed House bill regarding Alaska war veterans and military retirees special license plates.

I would appreciate it if you would review this draft, and if so inclined, introduce similar legislation for consideration by the Alaska State Senate.

If you desire additional information, please call me.

Respectfully, in
LOYALTY-PROTECTION-SERVICE


JEREMIAH C. HARRINGTON
President
Phone 561-NAVY

JCH:lyn
Enclosures

Representing All Enlisted Personnel of the
U.S. NAVY ☆ U.S. MARINE CORPS ☆ U.S. COAST GUARD

1303 New Hampshire Avenue, N.W., Washington, D.C. 20036 • (202) 785-2768

Louisiana Department of Public Safety and Corrections



OFFICE OF MOTOR VEHICLES

October 5, 1988

Jeremiah C. Harrington, President
Fleet Reserve Association
Branch 342
P.O. Box 763
Elmendorf Air Force Base AK 99506

Dear Mr. Harrington,

The following information concerning the U.S. Veteran and Retired Veteran license plate is being provided as requested in your correspondence of September 22, 1988.


Revised Statute 47:463.18 (See attached copy) which allows the issuance of the above referenced license plates was passed in the 1987 Legislative Session. However, we did not begin issuing these plates until April, 1988. At the present time, we have issued approximately 4,000 of these plates.

In order to obtain the plate, the applicant has to submit a copy of the discharge papers (DD 214) showing an honorable discharge for a veteran license plate and a copy of the retirement orders for the retired veteran license plate. The plates are issued for private passenger automobiles, pickup trucks and vans. The fee for the special license plate is the same as regular plates (\$12.00 - Automobiles, \$40.00 - Pickup trucks & Vans). This is for a 4 year registration period. The plate bears the appropriate branch of armed service for which the veteran served. See attached copy of a veteran license plate and a retired veteran license plate. The branches of service for which we issue the plates are: Navy - Navy Retired, Army - Army Retired, USMC - USMC Retired, USAF - USAF Retired and USCG - USCG Retired.

The appreciation we have received from the veterans for this special recognition has been tremendous. Good luck on your efforts to give the same recognition to the Alaska war veterans.

If further assistance or information is needed, please contact this office.

Sincerely,


Faye Whiddon, Supervisor
Specialized Processing Unit
Office of Motor Vehicles
(504)925-6337

FW:dg
Enclosure

HOUSE BILL NO. 352
BY MESSRS. BRUNEAU, BRADY, MCCLEARY,
MELANCON, PATTI, AND THERIOT
AN ACT

To amend and reenact R.S. 47:463.18, relative to the issuance of special prestige license plates, to provide for the issuance of special prestige license plates for veterans and retired veterans of the armed forces of the United States, and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:463.18 is hereby amended and reenacted to read as follows:

§463.18. Special prestige license plates for veterans and retired veterans

The secretary of the Department of Public Safety and Corrections shall establish special prestige license plates for motor vehicles, restricted to passenger cars, pickup trucks, and vans, which may be issued to any veteran or retired veteran of the armed forces of the United States upon the veteran's application. The prestige license plate shall be of a color and design selected by the Veterans' Affairs Commission of the state of Louisiana and shall bear the name of the appropriate branch of the armed service.

B. The prestige license plates shall be issued in the same manner as other motor vehicle license plates. Retired members of the armed services of the United States applying for the plates shall present to the issuing official a copy of their active duty retirement orders or other proof of retirement from active service with one of the armed forces of the United States. Veterans of the armed services of the United States who are not retired shall present to the issuing official a copy of their discharge from active service with one of the armed forces of the United States. The charge for the prestige license plate shall be the same as for regular license plates.

C. The prestige license plates shall be used only upon personally or jointly owned private passenger cars, pickup trucks, and vans registered in the name, or jointly in the name, of the member making application, and when issued to the applicant shall be used upon the vehicle for which issued in lieu of the standard license plate normally issued for the vehicle. The prestige license plate issued hereunder shall not be transferable between motor vehicle owners. In the event the owner of a vehicle bearing the distinctive plate shall sell, trade, exchange, or otherwise dispose of it, the plate shall be retained by the owner to whom issued and by him returned to the issuing official.

D. The secretary shall promulgate such rules and regulations as necessary to implement the provisions of this Section. Oversight review of the secretary's proposed rules and regulations shall be conducted by the Joint Legislative Committee on Transportation, Highways and Public Works.

Approved by the Governor, June 8, 1987.

U S VETERAN

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S
AF 122

LOUISIANA

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Red

Blue letters.

Numbers Blue

NAVY U S VETERAN

NAVY

367

RETIRED

LOUISIANA

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(b) [Repealed, 1983 Initiative Proposal No. 2, § 6.]

(c) [Repealed, § 6 ch 70 SLA 1986.]

(d) [Repealed, § 41 ch 37 SLA 1986.]

(e) [Repealed, § 3 ch 89 SLA 1987.]

(f) A resident 65 years of age or older on January 1 of the year the vehicle is registered is entitled to an exemption from the registration fee required under this section for one motor vehicle subject to registration under AS 28.10.421(b)(1), (2), (5), or (6). An exemption may not be granted except upon written application for the exemption on a form prescribed by the department. (§ 7 ch 178 SLA 1978; am 1983 Initiative Proposal No. 2, § 6; am § 85 ch 6 SLA 1984; am § 41 ch 37 SLA 1986; am § 6 ch 60 SLA 1986; am § 6 ch 70 SLA 1986; am § 3 ch 89 SLA 1987)

Effect of amendments. — The 1985 amendment repealed subsection (b), concerning payment of motor carrier fees.

The first 1986 amendment repealed subsection (d), concerning payments by the Department of Community and Regional Affairs.

The second 1986 amendment added subsection (f).

The third 1986 amendment repealed subsection (c), concerning exemption for residents 65 years of age or older.

The 1987 amendment repealed subsection (e), concerning inclusion of state park and camp ground fees in registration fees.

Sec. 28.10.421. Registration fee rates. (a) Unless otherwise provided by law, the fees prescribed in this section shall be paid to the department at the times provided under AS 28.10.108 and 28.10.111.

(b) The annual registration fees under this subsection are imposed within the following classifications for:

(1) a passenger vehicle or motor home not used or maintained for the transportation of persons or property for hire or for other commercial use\$35;

(2) a pick-up truck or a van not exceeding 6,000 pounds unladen weight and not used or maintained for the transportation of persons or property for hire or for other commercial use\$40;

(3) a taxicab\$70;

(4) a motor bus with a seating capacity for 20 or more persons and used exclusively for commercial purposes in the transporting of visitors or tourists\$85;

(5) a motorcycle or a motor-driven cycle\$20;

(6) a two- or four-wheeled trailer not used or maintained for the transportation of persons or property for hire or for other commercial use, including, but not limited to, a boat trailer, baggage trailer, box trailer, utility trailer or house trailer\$ 5.

(c) The annual registration fees under this subsection are imposed and are based upon the actual unladen weight as established by the manufacturer's advertised weight or upon the actual weight which the owner shall furnish, subject to the approval of the commissioner or the commissioner's representative, for a vehicle, including a motor vehicle

U S VETERAN

U S
AF 122

LOUISIANA

Blue-
Trimmed in
Red

Blue letters.

Numbers Blue

NAVY U S VETERAN

NAVY

367

RETIRED

LOUISIANA

Red



ASSOCIATION OF THE UNITED STATES ARMY

January 12, 1989

Rep. Terry Martin
Ak State House Legislative Office
3111 C Street
Anchorage, AK 99503

Dear Mr. Martin:

The members of the executive board of The Last Frontier Chapter of the Association of the U S Army support Jeremiah Harrington's initiative to convince the State of Alaska to issue vehicle license plates similar to those issued by the State of Louisiana. His letter to you of October 14, 1988 explains the plates in detail. Thankyou for your help in achieving this worthwhile goal.

Sincerely,

Carl Bradford Jr
President,
Last Frontier Chapter





VETERANS OF FOREIGN WARS OF THE U.S.
AN ORGANIZATION OF VETERANS
WHO HAVE FOUGHT
AMERICA'S FOREIGN WARS
ON LAND AND SEA
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RECEIVED

JAN 5 1989

OFFICE OF
SENATOR RICK HALFORD

FROM

V.F.W. Post 10241
Willow Station
P.O. Box 101
Willow, AK 99688
27 January 1989

Senator Rick Halford
P.O. Box V
Juneau, Alaska 99811

Dear Senator Halford,

You recently received a "Work Draft" of a House Bill for an Act entitled: "An Act relating to motor vehicle license plates for Veterans." This draft was submitted by Mr. Jeremiah C. Harrington, President, Fleet Reserve Association, Branch 342.

Our members, in our last regular meeting on 3 January 1989, reviewed Mr. Harrington's proposal to enact a law in the State of Alaska, comparable to Revised Statute 47:463.18 of the State of Louisiana.

The members in attendance at that meeting, unanimously approved a motion that our Post officially support Mr. Harrington's proposal. We collectively urge your favorable consideration of his proposed legislation.

Yours in Comradeship,

Edwin M. Skraback
Edwin N. Skraback
Commander

CF:
Pres, Flt Res Assn, Br 342



FLEET RESERVE ASSOCIATION

BRANCH 342

P.O. BOX 763 • ELMENDORF AIR FORCE BASE, ALASKA 99506

17 November 1988

Senator Rick Halford
Alaska State Senate
3111 C Street
Anchorage, Alaska 99503

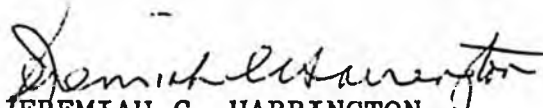
Dear Senator Halford:

Enclosed is a work draft of a proposed House bill regarding Alaska war veterans and military retirees special license plates.

I would appreciate it if you would review this draft, and if so inclined, introduce similar legislation for consideration by the Alaska State Senate.

If you desire additional information, please call me.

Respectfully, in
LOYALTY-PROTECTION-SERVICE


JEREMIAH C. HARRINGTON
President
Phone 561-NAVY

JCH:lyn
Enclosures

Louisiana Department of Public Safety and Corrections



OFFICE OF MOTOR VEHICLES

October 5, 1988

Jeremiah C. Harrington, President
Fleet Reserve Association
Branch 342
P.O. Box 763
Elmendorf Air Force Base AK 99506

Dear Mr. Harrington,

The following information concerning the U.S. Veteran and Retired Veteran license plate is being provided as requested in your correspondence of September 22, 1988.


Revised Statute 47:463.12 (See attached copy) which allows the issuance of the above referenced license plates was passed in the 1987 Legislative Session. However, we did not begin issuing these plates until April, 1988. At the present time, we have issued approximately 4,000 of these plates.

In order to obtain the plate, the applicant has to submit a copy of the discharge papers (DD 214) showing an honorable discharge for a veteran license plate and a copy of the retirement orders for the retired veteran license plate. The plates are issued for private passenger automobiles, pickup trucks and vans. The fee for the special license plate is the same as regular plates (\$12.00 - Automobiles, \$40.00 - Pickup trucks & Vans). This is for a 4 year registration period. The plate bears the appropriate branch of armed service for which the veteran served. See attached copy of a veteran license plate and a retired veteran license plate. The branches of service for which we issue the plates are: Navy - Navy Retired, Army - Army Retired, USMC - USMC Retired, USAF - USAF Retired and USCG - USCG Retired.

The appreciation we have received from the veterans for this special recognition has been tremendous. Good luck on your efforts to give the same recognition to the Alaska war veterans.

If further assistance or information is needed, please contact this office.

Sincerely,


Faye Whiddon, Supervisor
Specialized Processing Unit
Office of Motor Vehicles
(504)925-6337

FW:dg
Enclosure

HOUSE BILL NO. 352

BY MESSRS. BRUNEAU, BRADY, MCCLEARY,
MELANCON, PATTI, AND THERIOT

AN ACT

To amend and reenact R.S. 47:463.18, relative to the issuance of special prestige license plates, to provide for the issuance of special prestige license plates for veterans and retired veterans of the armed forces of the United States, and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:463.18 is hereby amended and reenacted to read as follows:

§463.18. Special prestige license plates for veterans and retired veterans

The secretary of the Department of Public Safety and Corrections shall establish special prestige license plates for motor vehicles, restricted to passenger cars, pickup trucks, and vans, which may be issued to any veteran or retired veteran of the armed forces of the United States upon the veteran's application. The prestige license plate shall be of a color and design selected by the Veterans' Affairs Commission of the State of Louisiana and shall bear the name of the appropriate branch of the armed service.

B. The prestige license plates shall be issued in the same manner as other motor vehicle license plates. Retired members of the armed services of the United States applying for the plates shall present to the issuing official a copy of their active duty retirement orders or other proof of retirement from active service with one of the armed forces of the United States. Veterans of the armed services of the United States who are not retired shall present to the issuing official a copy of their discharge from active service with one of the armed forces of the United States. The charge for the prestige license plate shall be the same as for regular license plates.

C. The prestige license plates shall be used only upon personally or jointly owned private passenger cars, pickup trucks, and vans registered in the name, or jointly in the name, of the member making application, and when issued to the applicant shall be used upon the vehicle for which issued in lieu of the standard license plate normally issued for the vehicle. The prestige license plate issued hereunder shall not be transferable between motor vehicle owners. In the event the owner of a vehicle bearing the distinctive plate shall sell, trade, exchange, or otherwise dispose of it, the plate shall be retained by the owner to whom issued and by him returned to the issuing official.

D. The secretary shall promulgate such rules and regulations as necessary to implement the provisions of this Section. Oversight review of the secretary's proposed rules and regulations shall be conducted by the Joint Legislative Committee on Transportation, Highways and Public Works.

Approved by the Governor, June 8, 1987.

*adopted
unan con
2-22-89*

AMENDMENT #1

TO: SB 65

OFFERED IN SENATE STATE AFFAIRS

Page 1, lines 14-16:

Delete the last sentence of paragraph (o)

Insert "The commissioner, after consulting with the director of the Division of Veterans Affairs, shall determine the design and color of the veteran or retired veteran plates."

AMENDMENT #2

TO: SB 65

OFFERED IN SENATE STATE AFFAIRS

PAGE 3, lines 14 and 15:

Delete "the fee required for that vehilcle under (b) of this section"

Insert "\$10; plus the fee required for that vehicle under (b) of this section; the fee required by this paragraph shall be collected only on the first issuance and on the replacement of special request plates."

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 2-9-89
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER FINANCE

**FISCAL NOTE(S) MUST BE ATTACHED
IN ACCORDANCE WITH AS 24.08.035

DATE TURNED INTO OFFICE 2-22-89

1/9/89

Mr. President:

STATE AFFAIRS Committee considered SB 65

relating to motor vehicle license plates for veterans.

and recommended:

- replace with CS SB 05 (ST AFF) same title
- attached amendment(s) and new title
- _____ letter of intent adopted
- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____

FISCAL NOTE(S) attached zero
 appropriation no FN attached

fiscal impact
 Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

Chairman signature and recommendation

Committee backup attached

Original sponsors: Halford, Faiks,
Sturgulewski, et al.

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 65 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to motor vehicle license plates for
7 veterans and recipients of the Purple Heart."

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

9 * Section 1. AS 28.10.181 is amended by adding new subsections to read:

10 (o) Vehicles owned by veterans. The department, upon receipt of
11 written proof, shall issue special registration plates for one noncom-
12 mercial motor vehicle to a person who is a veteran or retired veteran
13 of the armed forces of the United States. The commissioner, after
14 consulting with the director of the division of veterans affairs,
15 shall determine the design and color of the veteran or retired veteran
16 plates.

17 (p) Vehicles owned by recipients of the Purple Heart. The
18 department, upon receipt of written proof, shall issue special regis-
19 tration plates for one noncommercial motor vehicle to a person who has
20 received the Purple Heart medal awarded for wounds suffered in action
21 against an armed enemy or as a result of the hostile action of an
22 armed enemy. The commissioner, after consulting with the director of
23 the division of veterans affairs, shall determine the design and color
24 of the Purple Heart medal recipient plates.

25 * Sec. 2. AS 28.10.421(d)(2) is repealed and reenacted to read:

26 (2) special request plates for

- 27 (A) Alaska National Guard personnel \$ 30; (existing)
28 (B) veterans or retired veterans \$ 30; was \$10
29 (C) recipients of the Purple Heart \$ 30; added

Original sponsors: Halford, Faiks,
Sturgulewski, et al.

1 IN THE SENATE BY THE STATE AFFAIRS COMMITTEE
2 CS FOR SENATE BILL NO. 65 (State Affairs)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to motor vehicle license plates for
7 veterans."

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

9 * Section 1. AS 28.10.181 is amended by adding a new subsection to
10 read:

11 (o) Vehicles owned by veterans. The department, upon receipt of
12 written proof, shall issue special registration plates for one noncom-
13 mercial motor vehicle to a person who is a veteran or retired veteran
14 of the armed forces of the United States. The commissioner, after
15 consulting with the director of the division of veterans affairs,
16 shall determine the design and color of the veteran or retired veteran
17 plates.

18 * Sec. 2. AS 28.10.421(d) is amended by adding a new paragraph to read:

19 (15) special request veteran or retired veteran plates
20 \$10;
21 plus the fee required for that vehicle under (b) of this section; the
22 fee required by this paragraph shall be collected only on the first
23 issuance and on the replacement of special request plates.

24

added

added

SB 65 MOTOR VEHICLE LICENSE PLATES FOR VETERANS

TO TESTIFY

SENATOR HALFORD, SPONSOR (THERESA)

JEFF MORRISON, DEPT. MILITARY AFFAIRS

BILL BROWN, DIV. MOTOR VEHICLES, D.P.S.

OTHERS (SEE WITNESS LIST)

F.Y.I.

HOUSE VERSION (H.B. 11) WAS AMENDED IN TRANSPORTATION COMMITTEE:

- \$10 FEE (HALFORD'S IS \$0. THE \$10 WOULD AT LEAST COVER THE COST OF THE PLATE. MOTOR VEHICLES PREFERS HOUSE VERSION; HALFORD SAYS HE'LL GO ALONG WITH IT.)
- PLATE DESIGNED BY DIV. MOTOR VEHICLES IN CONSULTATION WITH MILITARY AFFAIRS (HALFORD'S IS SOLELY BY MOTOR VEHICLES. MILITARY AFFAIRS PREFERS THE HOUSE VERSION.)

MOTOR VEHICLES CURRENTLY ISSUES PLATES TO P.O.W.'S AND PEARL HARBOR SURVIVORS. THEY SAY VERY FEW OF THESE HAVE BEEN ISSUED.

BILL CONTAINS NO DEFINITION OF VETERAN. THE STATUTES DEFINE DIFFERENTLY FOR DIFFERENT PURPOSES. THE DEFINITION IS NARROW FOR THE LOAN PROGRAMS. IN THIS CASE, A BROADER DEFINITION WOULD GENERATE MORE REVENUE. ABSENT A DEFINITION, MOTOR VEHICLES WOULD LIKELY REQUIRE SOME KIND OF DISCHARGE PAPERS.

SUPPOSEDLY THERE ARE 70,000 VETERANS IN ALASKA -- ?

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

POSITION PAPER
SB65

Summary of Bill: This bill would authorize the Department of Public Safety to issue special license plates for veterans and retired veterans of the armed forces of the United States. The current version of the bill does not impose an additional fee for recipients of the veteran or retired veteran plates.

Background: This bill is almost identical to HB11. The main differences between SB65 and HB11 are: 1) HB11 requires an additional fee of \$10 for the special license plates, whereas SB65 does not require an additional fee; and 2) in section 2 of the bill, the drafting style of HB11 does not repeat the entire text of AS 28.10.421(d), whereas SB65 does.

Impact of Bill on Department of Military and Veterans Affairs: The Division of Veterans Affairs would publicize and promote the special license plates, but would not have any administrative responsibilities associated with the bill. No fiscal impact on DMVA is anticipated.

Departmental Position on Bill: The Department supports the bill. We suggest that the following amendment be considered:

Page 1, lines 14-16: Delete last sentence of paragraph (o), and insert: "The commissioner, after consulting with the director of the Division of Veterans Affairs, shall determine the design and color of the veteran or retired veteran plates."

This would require consultation with the Director of Veterans Affairs prior to the Commissioner of Public Safety determining the design and color of the special license plates.

In addition, we believe that amending the bill to add an additional fee of \$10 for the initial issuance and replacement of the special plates is worth serious consideration.

Approved: _____

J. Morrison
for MG John W. Schaeffer

Date: 2/15/89

FISCAL NOTE

REQUEST:

Revision Date: February 14, 1989
 Title: Relating to veterans motor
vehicle license plates
 Sponsor: Halford
 Requestor: Senate State Affairs

Agency Affected: Military & Veterans Affairs
 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						
---------	--	--	--	--	--	--

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

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Jeff Morrison, Director
 Division: Administrative & Support Services, DMVA

Phone: 465-4600
 Date: February 14, 1989

Approved by Commissioner: for MG John Schaeffer
 Agency: Department of Military & Veterans Affairs

Date: February 14, 1989

Distribution (by preparer):

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

FISCAL NOTE

REQUEST:

Revision Date: February 22, 1989
 Title: Relating to veterans motor vehicle license plates
 Sponsor: Senate State Affairs
 Requestor: Senate State Affairs

Agency Affected: Military & Veterans Affairs
 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						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Jeff Morrison, Director
 Division: Administrative & Support Services, DMVA
 Approved by: Commissioner for MG/John Schaeffer
 Agency: Department of Military & Veterans Affairs

Phone: 465-4600
 Date: February 23, 1989
 Date: February 23, 1989

Distribution (by preparer):

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

FISCAL NOTE

REQUEST:

Revision Date: 2/22/89
Title: An Act relating to license plates for veterans
Sponsor: Senator Halford
Requestor: Senate State Affairs

Agency Affected: Public Safety
BRU: Division of Motor Vehicles
Component: Field Services

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

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		32.6				
TRAVEL						
CONTRACTUAL		53.5	10.0	10.0	10.0	10.0
SUPPLIES						
EQUIPMENT		3.0				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	89.1	10.0	10.0	10.0	10.0

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

REVENUE	-0-	100.0	20.0	20.0	20.0	20.0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	89.1	10.0	10.0	10.0	10.0
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	89.1	10.0	10.0	10.0	10.0

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Please see attached page.

Prepared by: Charles R. Hosack
Division: Motor Vehicles

Phone: 269-5551
Date: 2/22/89

Approved by Commissioner: Arthur English
Agency: Department of Public Safety

Date: 2/22/89

Analysis:

There are 70,000 veterans living in Alaska according to the Veterans Administration. It is difficult to estimate with any degree of accuracy how many would want this type of license plate. For purposes of this fiscal note the Division will estimate that 10,000 veterans will request the plate during the first year and in subsequent years the requests will be 2,000 annually.

These plates will be available at most offices in the State and the workload will be spread among the offices. The overall increase in workload would be the equivalent of one full-time position to change 10,000 vehicle record and perform other administrative tasks associated with the new program. This position will be in Anchorage where the majority of the registrations will be done. This position will only be needed for the first year of the program.

The breakdown of costs for the first year is as follows:

Personnel

1 PFT Motor Vehicle Representative I/II, Range 9	\$32.6
---	--------

Contractual

10,000 plates @ \$5.00	50.0
Shipping to 30 offices	1.0
APSIN network charges	<u>2.5</u>

Equipment

APSIN terminal and printer	3.0
----------------------------	-----

TOTAL	\$89.1
-------	--------

After the first year the on-going costs will be \$10,000 for 2,000 plates at \$5.00 each.

Revenue

A fee of \$10.00 over and above the cost of regular vehicle registration will be charged when the veteran license plates are originally issued. Using the estimate of 10,000 veteran plates the first year the revenues would be 10,000 x \$10 for a total of \$100,000. After the first year revenue would be for 2,000 plates per year x \$10 for a total of \$20,000.

Position Title Motor Vehicle Representative I/II			No. of Positions	Range/Step 9/8	Barg. Unit G
Time Status PFT	Staff Months 12		Location Anchorage		Election District 7-15
Type of Expenditure			Amount		
1			2		
Salary*			21.4		
Benefits*			11.2		
Premium Pay (Included in Above)			////////////////////////////////////		
Other			////////////////////////////////////		
Total Personal Services			//////////////////////////////////// 32.6		
Travel					
Contractual			2.5		
Commodities					
Equipment			3.0		
Other					
Total Cost			38.1		
Funding Source, for Total Cost					
Federal Receipts 1002					
G.F. Match 1003					
General Fund 1004			38.1		
Program Receipts/GF 1005					
I-A Receipts 1007					
CIP Receipts 1061					
Other					
* Personal Services Salary and Benefits Costs are from PACS Scenario #2.					
Justification This position is assigned the administrative tasks associated with the start up and first year's operation of the program. These tasks include design and ordering of the plates, forms design, and coordination with veterans organizations to publicize the program. During the first year of operation, 10,000 vehicle records will be updated with the new plates. Although the plates will be available at offices throughout the state, the majority will be done in Anchorage and that is where the position will be located. After the first year the position will no longer be needed and the workload will be absorbed by the offices.					

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
 BRU Division of Motor Vehicles
 COMPONENT Field Services

Page 3 of 3
 Revised Date

FY 90

2 ch 99
1987)

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(b) [Repealed, 1983 Initiative Proposal No. 2, § 6.]

(c) [Repealed, § 6 ch 70 SLA 1986.]

(d) [Repealed, § 41 ch 37 SLA 1986.]

(e) [Repealed, § 3 ch 89 SLA 1987.]

(f) A resident 65 years of age or older on January 1 of the year the vehicle is registered is entitled to an exemption from the registration fee required under this section for one motor vehicle subject to registration under AS 28.10.421(b)(1), (2), (5), or (6). An exemption may not be granted except upon written application for the exemption on a form prescribed by the department. (§ 7 ch 178 SLA 1978; am 1983 Initiative Proposal No. 2, § 6; am § 85 ch 6 SLA 1984; am § 41 ch 37 SLA 1986; am § 6 ch 60 SLA 1986; am § 6 ch 70 SLA 1986; am § 3 ch 89 SLA 1987)

Effect of amendments. — The 1985 amendment repealed subsection (b), concerning payment of motor carrier fees.

The first 1986 amendment repealed subsection (d), concerning payments by the Department of Community and Regional Affairs.

The second 1986 amendment added subsection (f).

The third 1986 amendment repealed subsection (c), concerning exemption for residents 65 years of age or older.

The 1987 amendment repealed subsection (e), concerning inclusion of state park and camp ground fees in registration fees.

Sec. 28.10.421. Registration fee rates. (a) Unless otherwise provided by law, the fees prescribed in this section shall be paid to the department at the times provided under AS 28.10.108 and 28.10.111.

(b) The annual registration fees under this subsection are imposed within the following classifications for:

(1) a passenger vehicle or motor home not used or maintained for the transportation of persons or property for hire or for other commercial use\$35;

(2) a pick-up truck or a van not exceeding 6,000 pounds unladen weight and not used or maintained for the transportation of persons or property for hire or for other commercial use\$40;

(3) a taxicab\$70;

(4) a motor bus with a seating capacity for 20 or more persons and used exclusively for commercial purposes in the transporting of visitors or tourists\$85;

(5) a motorcycle or a motor-driven cycle\$20;

(6) a two- or four-wheeled trailer not used or maintained for the transportation of persons or property for hire or for other commercial use, including, but not limited to, a boat trailer, baggage trailer, box trailer, utility trailer or house trailer\$ 5.

(c) The annual registration fees under this subsection are imposed and are based upon the actual unladen weight as established by the manufacturer's advertised weight or upon the actual weight which the owner shall furnish, subject to the approval of the commissioner or the commissioner's representative, for a vehicle, including a motor vehicle

Requires Dept. to issue special license plates for veterans.

BY HALFORD, FAIKS,
STURGULEWSKI, KELLY,
COGHILL AND FRANK

1 IN THE SENATE

2 SENATE BILL NO. 65

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to motor vehicle license plates for
7 veterans."

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

9 * Section 1. AS 28.10.181 is amended by adding a new subsection to
10 read:

11 (o) Vehicles owned by veterans. The department, upon receipt of
12 written proof, shall issue special registration plates for one noncom-
13 mercial motor vehicle to a person who is a veteran or retired veteran
14 of the armed forces of the United States. The design and color of the
15 veteran or retired veteran plates shall be solely within the dis-
16 cretion of the commissioner.

17 * Sec. 2. AS 28.10.421(d) is amended to read:

18 (d) The special registration fees under this subsection are
19 imposed annually, unless otherwise specified, for:

20 *ix \$10* (1) an historic vehicle (one time only upon initial regis-
21 tration under AS 28.10.181) \$10;

22 (2) special request plates including those authorized for
23 use by Alaska National Guard personnel only \$30;
24 plus the fee required for that vehicle under (b)(1) or (2) of this
25 section; the fee required by this paragraph shall be collected only on
26 the first issuance and on the replacement of special request plates;

27 (3) a vehicle owned by a disabled veteran or other handi-
28 capped person, and registered under AS 28.10.181 or a resident 65
29 years of age or older who files a written application for an exemption

historic
Nat'l Gd
\$30
ix + reg

*Cancel
\$35/yr*

- 1 on a form prescribed by the department none;
- 2 (4) a vehicle owned by the state none;
- 3 (5) a vehicle owned by an elected state official .. the fee
- 4 required for that vehicle under (b) of this section;
- 5 (6) a vehicle owned by a consular officer, unless waived
- 6 under AS 28.10.181 \$35;
- 7 (7) a vehicle owned by a rancher, farmer, or dairyman and
- 8 registered under AS 28.10.181 \$35;
- 9 (8) a snowmobile or off-highway vehicle \$ 5;
- 10 (9) an amateur mobile radio station vehicle,
- 11 (A) with a transceiver capable of less than 5-band
- 12 operation the fee
- 13 required for that vehicle under (b) or (c) of this section;
- 14 (B) in recognition of service to the public: a mobile
- 15 amateur radio station owned by an amateur with general class or
- 16 higher license, provided the station must be satisfactorily
- 17 proved capable of operating on at least five bands from 160
- 18 through 10 meters, must have an antenna, and must have a power
- 19 supply and wiring as a permanent part of the vehicle; the trans-
- 20 mitting unit may be removed from the car for service or dry
- 21 storage none
- 22 for a mobile amateur radio station vehicle included in (b)(1) or
- 23 (2) of this section;
- 24 (10) dealer registration plates,
- 25 (A) the initial set of plates \$45;
- 26 (B) each subsequent set of plates \$25;
- 27 (11) a vehicle owned by a municipality or charitable orga-
- 28 nization meeting the requirements of AS 28.10.181(e) \$ 5;
- 29 (12) an occasional use vehicle under AS 28.10.181(k) .. \$15;

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(13) a vehicle owned by a Pearl Harbor survivor or a former
prisoner of war none;

(14) special request Winter Olympics commemorative plates
..... \$70;
plus the fee required for that vehicle under (b)(1) or (2) of this
section; the fee required by this paragraph shall be collected only on
the first issuance and on the replacement of special request plates;
the commissioner of administration shall separately account for the
fees received under this paragraph that the department deposits in the
general fund; the annual estimated balance in the account may be
appropriated by the legislature to the Alaska sports fund established
under AS 05.35.150;

(15) special request veteran or retired veteran plates
..... the fee
required for that vehicle under (b) of this section.

I think this means no special or additional
fee for the special plate.

(b) simply lays out the standard
registration fees: passenger vehicle \$30
pickup truck \$35
taxi cab \$65
motorcycle \$15
etc.

S B

69

SENATE STATE AFFAIRS COMMITTEE

BILL NUMBER SB 69

SPONSOR Fischer

BILL TITLE Advisory vote on use of earnings reserve

DATE REFERRED 1-9-89

HEARING SCHEDULED 3-3-89

FISCAL NOTE PREPARED req 3/1/89 a.m.

SPONSOR CONTACTED ✓ Sandy 3791

INTERESTED PARTIES CONTACTED

4611 Linda Edgeworth, Elections

OTHER



Senate Health, Education and
Social Services Committee

Senator Paul Fischer, Chairman

Pat:

I want to thank you for carrying over Senate Bill 69 from your Friday State Affairs Meeting and hearing it today.

Since this legislation would have had to be enacted into law by the 60th day, at the latest, in order for the advisory vote to take place prior to our adjournment - I would like to request that this bill be removed from your agenda.

Paul

Alaska State Constitution

Art IX, Sec 15

nor shall the public credit be used, except for public purpose.

§ 15. The proceeds of any state tax or other revenue shall not be dedicated to any special purpose as provided in section 15 of this constitution, nor shall the proceeds of any tax or other revenue required by the federal government for participation in federal programs. This section shall not prohibit the continuance of any special purpose existing upon the adoption of this section by the people.

(This section was approved by the voters of Alaska in 1976 and became effective February 21, 1977. The text inserted is provided in section 15 of this constitution.)

§ 16. No state debt shall be contracted except by law for capital improvements or for a majority of the qualified voters of the State on the question. The State shall not be bound by law and without ratification, for the purpose of repelling invasion, for the protection, defending the State in foreign wars, or redeeming in-
debt incurred at the time this constitution became effective.

§ 17. No debt shall be contracted by any political subdivision of the State, unless authorized by law and approved by its governing body by a majority vote of those qualified voters on the question.

§ 18. The State and its political subdivisions shall be authorized to meet appropriations and to participate in the collection of taxes for that year, but all debt so contracted shall be repaid by the end of the next fiscal year.

§ 19. The restrictions on contracting debt incurred through the issuance of bonds by a public enterprise or

public corporation of the State or a political subdivision, when the only security is the revenues of the enterprise or corporation. The restrictions do not apply to indebtedness to be paid from special assessments on the benefited property, nor do they apply to refunding indebtedness of the State or its political subdivisions.

Budget

SECTION 12. The governor shall submit to the legislature, at a time fixed by law, a budget for the next fiscal year setting forth all proposed expenditures and anticipated income of all departments, offices, and agencies of the State. The governor, at the same time, shall submit a general appropriation bill to authorize the proposed expenditures, and a bill or bills covering recommendations in the budget for new or additional revenues.

Expenditures

SECTION 13. No money shall be withdrawn from the treasury except in accordance with appropriations made by law. No obligation for the payment of money shall be incurred except as authorized by law. Unobligated appropriations outstanding at the end of the period of time specified by law shall be void.

Legislative
Post-Audit

SECTION 14. The legislature shall appoint an auditor to serve at its pleasure. He shall be a certified public accountant. The auditor shall conduct post-audits as prescribed by law and shall report to the legislature and to the governor.

Alaska
Permanent
Fund

SECTION 15. At least twenty-five per cent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the State shall be placed in a permanent fund, the principal of which shall be used only for those income-producing investments specifically designated by law as eligible for permanent fund investments. All

income from the permanent fund shall be deposited in the general fund unless otherwise provided by law.

(The addition of this section was approved by the voters of the state November 2, 1976 and became effective February 21, 1977.)

Revisor's notes. -- Reorganized in amendment repealed former paragraphs 1988 to delete repealed paragraphs. (1) and (4) -- (7).
Effect of amendments. -- The 1984

Chapter 13. Alaska Permanent Fund.

Section	Section
10 Alaska permanent fund	120. Investment responsibilities of the board
20 Findings	140. Income
30 Purpose	145 Disposition of income
40 Alaska Permanent Fund Corporation	150. Corporation budget
50 Composition and qualifications of board of trustees	160. Audits
60 Term of office	170. Reports and publications
70 Removal and vacancies	180. Tax exemption
80 Quorum	190. Political activities
90 Compensation of board members	200 Public access to information
100. Corporation staff	205 Regulations
110. Conflicts of interest	210. Definitions

Sec. 37.13.010. Alaska permanent fund. (a) Under art. IX, § 15 of the state constitution, there is established as a separate fund the Alaska permanent fund. The Alaska permanent fund consists of

(1) 25 percent of all mineral lease rentals, royalties, royalty sale proceeds, net profit shares under AS 38.05.180(f) and (g), and federal mineral revenue sharing payments received by the state from mineral leases issued on or before December 1, 1979, and 25 percent of all bonuses received by the state from mineral leases issued on or before February 15, 1980;

(2) 50 percent of all mineral lease rentals, royalties, royalty sale proceeds, net profit shares under AS 38.05.180(f) and (g), and federal mineral revenue sharing payments received by the state from mineral leases issued after December 1, 1979, and 50 percent of all bonuses received by the state from mineral leases issued after February 15, 1980;

(3) any other money appropriated to or otherwise allocated by law to the Alaska permanent fund.

(b) Payments due the Alaska permanent fund under (a) of this section shall be made to the fund once each month.

(c) The Alaska permanent fund shall be managed by the Alaska Permanent Fund Corporation established in this chapter. (§ 5 ch 18 SLA 1980)

Legislative history reports. -- For the Free Conference Committee Report on ch 18, SLA 1980 (FCCSSB 161), see 1980 House Journal, Joint Supplement No. 7, April 2, 1980.

Revenues into fund

Sec. 37.13.020. Findings. The people of the state, by constitutional amendment, have required the placement of at least 25 percent of all mineral lease rentals, royalties, royalty sale proceeds, and federal mineral revenue sharing payments and bonuses received by the state into a permanent fund. The legislature finds with respect to the Alaska Permanent Fund Corporation that

(1) the corporation should provide a means of conserving a portion of the state's revenue from mineral resources to benefit all generations of Alaskans;

(2) the corporation's goal should be to maintain safety of principal while maximizing total return;

(3) the corporation should be used as a savings device managed to allow the maximum use of disposable income from the corporation for purposes designated by law. (§ 5 ch 18 SLA 1980)

Sec. 37.13.030. Purpose. It is the purpose of this chapter to provide a mechanism for the management and investment of those permanent fund assets allocated to the Alaska Permanent Fund Corporation in a manner consistent with the findings in AS 37.13.020. (§ 5 ch 18 SLA 1980)

Sec. 37.13.040. Alaska Permanent Fund Corporation. There is established the Alaska Permanent Fund Corporation. The corporation is a public corporation and government instrumentality in the Department of Revenue managed by the board of trustees. The purpose of the board is to manage and invest the assets of the corporation in accordance with this chapter. (§ 5 ch 18 SLA 1980)

Sec. 37.13.050. Composition and qualification of board of trustees. (a) The Board of Trustees of the Alaska Permanent Fund Corporation consists of six members appointed by the governor. Two of the members must be heads of principal departments of state government, one of whom shall be the commissioner of revenue. Four members shall be appointed by the governor from the public and may not hold any other state or federal office, position or employment, either elective or appointive, except as a member of the armed forces of either the United States or of this state.

(b) The four public members of the board must have recognized competence and wide experience in finance, investments, or other business management-related fields.

(c) The board shall annually elect a chairman from among its members. (§ 5 ch 18 SLA 1980; am § 1 ch 81 SLA 1982)

cedures or remedies available for collection of taxes under this title to recover the payment of a permanent fund dividend that was improperly made. A notice of an improperly paid dividend must be sent to the individual within 10 years after the improper payment. If notice is not sent within the 10-year period, proceedings may not be commenced in court for recovery of the improper payment.

"(c) If the commissioner determines that a permanent fund dividend should not have been credited to an individual's an-

nuity account, the commissioner may, after notice and opportunity for hearing, direct the commissioner of administration to debit the individual's annuity account for the amount wrongly credited. If the credit is the fault of the individual, the debit must be made within 10 years. If the credit is the fault of the state, the debt must be made within three years."

Effect of amendments. — The 1988 amendment, effective January 1, 1989, added subsection (c).

Sec. 43.23.045. Dividend fund. (a) The dividend fund is established as a separate fund in the state treasury. The dividend fund shall be administered by the commissioner and shall be invested by the commissioner in the same manner as provided in AS 37.10.070.

(b) Notwithstanding any contrary provision of law, each year the commissioner shall transfer to the dividend fund 50 percent of the income of the Alaska permanent fund earned during the fiscal year ending on June 30 of the current year and available for distribution.

(c) *[Repealed, § 24 ch 99 SLA 1985.]*

(d) Unless specified otherwise in an appropriation act, the unexpended and unobligated balance of an appropriation to implement this chapter lapses into the dividend fund on June 30 of the fiscal year for which the appropriation was made and shall be used in determining the amount of and paying the subsequent year's dividend as provided in AS 43.23.025(1)(B). (§ 1 ch 102 SLA 1982; am § 24 ch 99 SLA 1985; am § 3 ch 57 SLA 1987)

Effect of amendments. — The 1985 amendment repealed subsection (c).

The 1987 amendment, added subsection (d).

NOTES TO DECISIONS

Stated in *Alaska Oil Co. v. Alaska*, 45 Bankr. 358 (D. Alaska 1985).

Sec. 43.23.055. Duties of the department. The department shall

- (1) annually pay permanent fund dividends from the dividend fund;
- (2) adopt regulations under the Administrative Procedure Act (AS 44.62) that establish procedures and time limits for claiming a permanent fund dividend; the department shall set the time limit for applications for permanent fund dividends so that the number of eligible applicants is determined by October 1 of the year for which the dividend is declared and permanent fund dividends for a year are paid before April 30 of the year following that year;

- (3) adopt regulations under the Administrative Procedure Act (AS 44.62) that establish procedures and time limits for an individual

Sec. 37.13.130. Gains and losses. [Repealed, § 13 ch 81 SLA 1982.]

Sec. 37.13.140. Income. Net income of the corporation shall be computed annually as of the last day of the fiscal year in accordance with generally accepted accounting principles, excluding any unrealized gains or losses. Income available for distribution equals 21 percent of the net income of the corporation for the last five fiscal years, including the fiscal year just ended, but may not exceed net income of the corporation for the fiscal year just ended plus the balance in the earnings reserve account described in AS 37.13.145. (§ 5 ch 18 SLA 1980; am § 8 ch 81 SLA 1982; am § 1 ch 28 SLA 1986)

Effect of amendments. — The 1986 amendment in the first sentence substituted "shall" for "must" and in the second sentence substituted "21 percent of the net income" for "the average net income" and "earnings reserve" for "undistributed income."

Sec. 37.13.145. Disposition of income. At the end of each fiscal year, an amount sufficient to offset the effect of inflation on principal of the Alaska permanent fund during that year, as measured by the change in the calendar year average United States consumer price index for all urban consumers shall be transferred from net income as defined in AS 37.13.140, excluding income on the earnings reserve account in the Alaska permanent fund, to the principal of the Alaska permanent fund for reinvestment. The balance of the income available for distribution under AS 37.13.140 shall be transferred to the earnings reserve account in the Alaska permanent fund. Money in the earnings reserve account shall be invested in investments authorized under AS 37.13.120. Income from the investment of the earnings reserve account shall be treated as an addition to that account. (§ 9 ch 81 SLA 1982; am § 2 ch 28 SLA 1986)

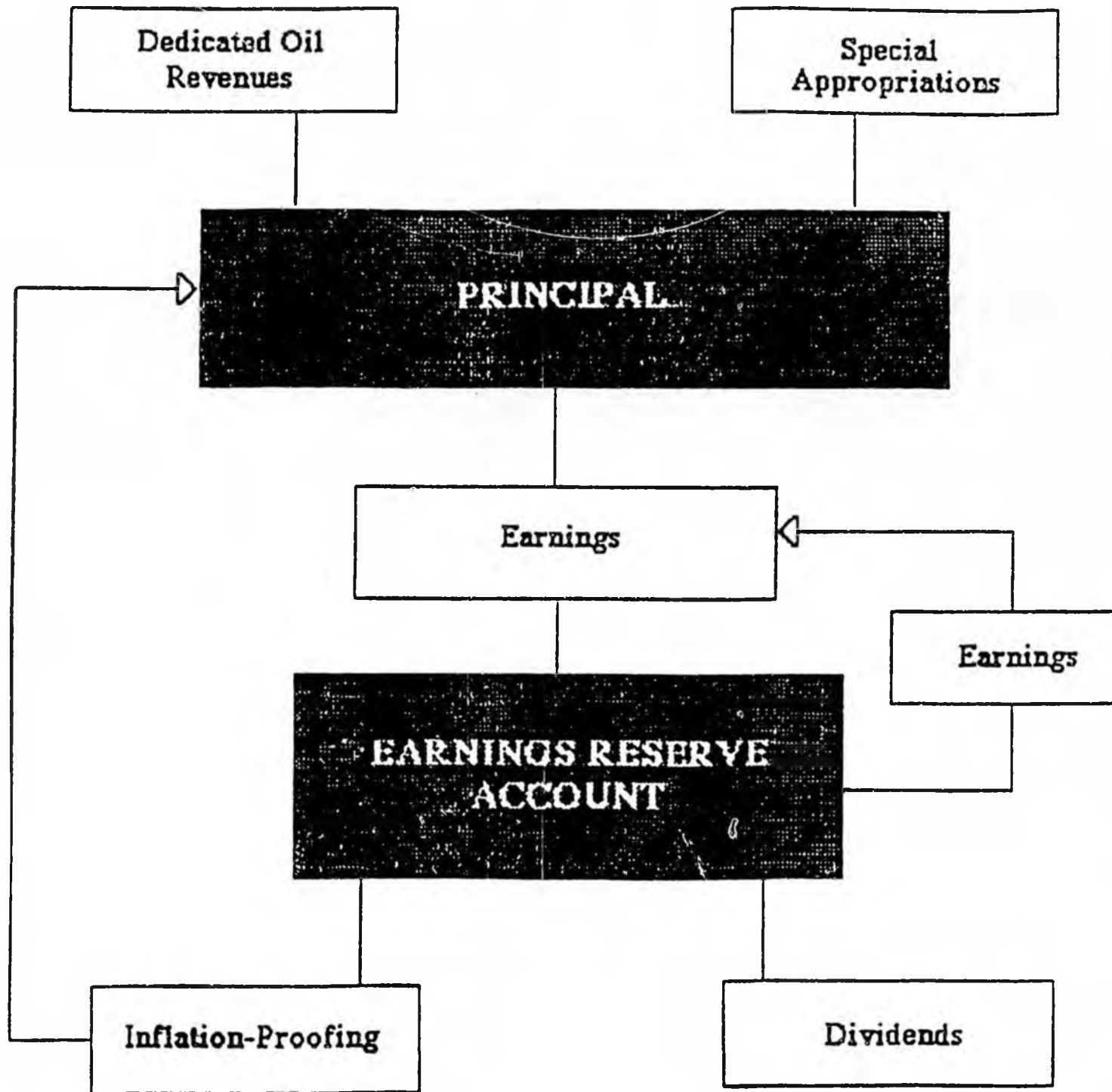
Cross references. — For transfer of certain income earned by the Alaska permanent fund prior to July 1, 1982, to the undistributed income account, see § 15, ch. 81, SLA 1982.

Effect of amendments. — The 1986 amendment in the first sentence substituted "the change in the calendar year average United States consumer price index for all urban consumers" for "a nationally recognized index," in the second sentence substituted "income available for distribution under" for "net income as defined in," and substituted "earnings reserve" for "undistributed income" throughout the section.

Sec. 37.13.150. Corporation budget. The revenue generated by the corporation's investments must be identified as the source of the operating budget of the corporation in the state's operating budget under AS 37.07 (Executive Budget Act). The unexpended balance of the corporation's annual operating budget does not lapse at the end of the fiscal year but shall be treated as income under AS 37.13.140. (§ 5 ch 18 SLA 1980; am § 10 ch 81 SLA 1982)

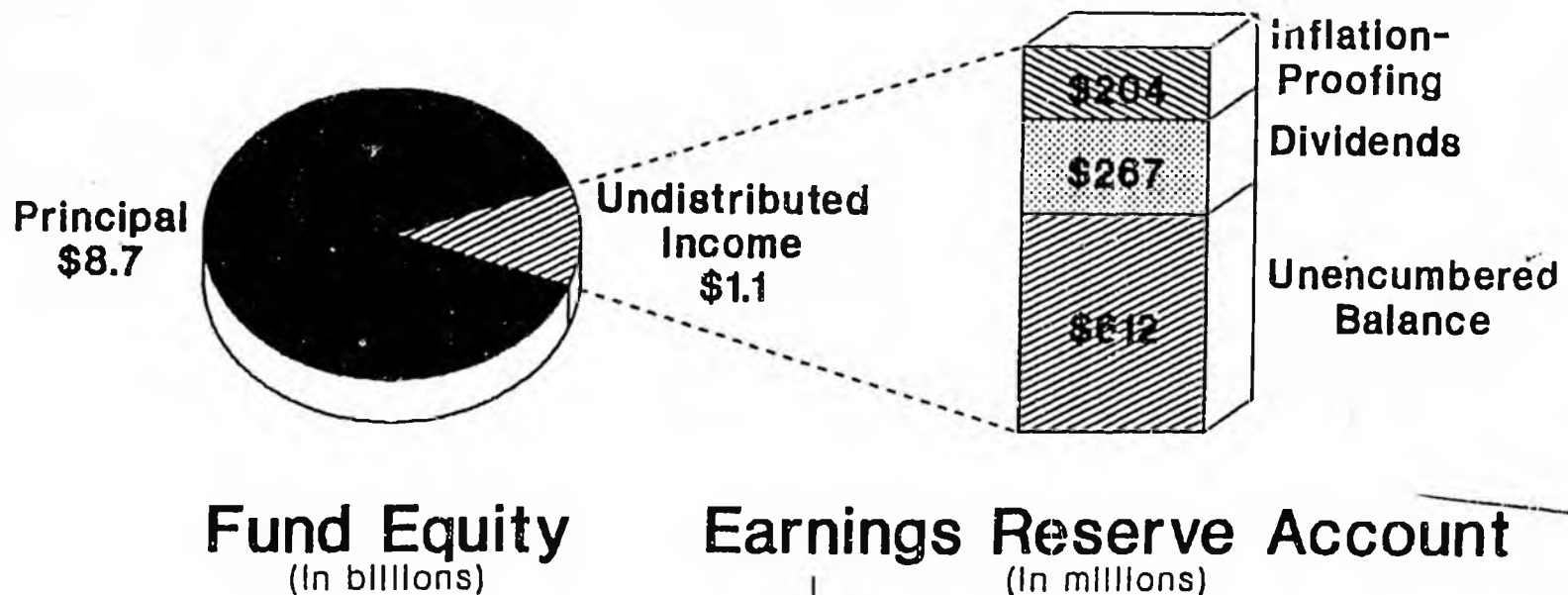
inflation proofing

HOW THE PERMANENT FUND WORKS



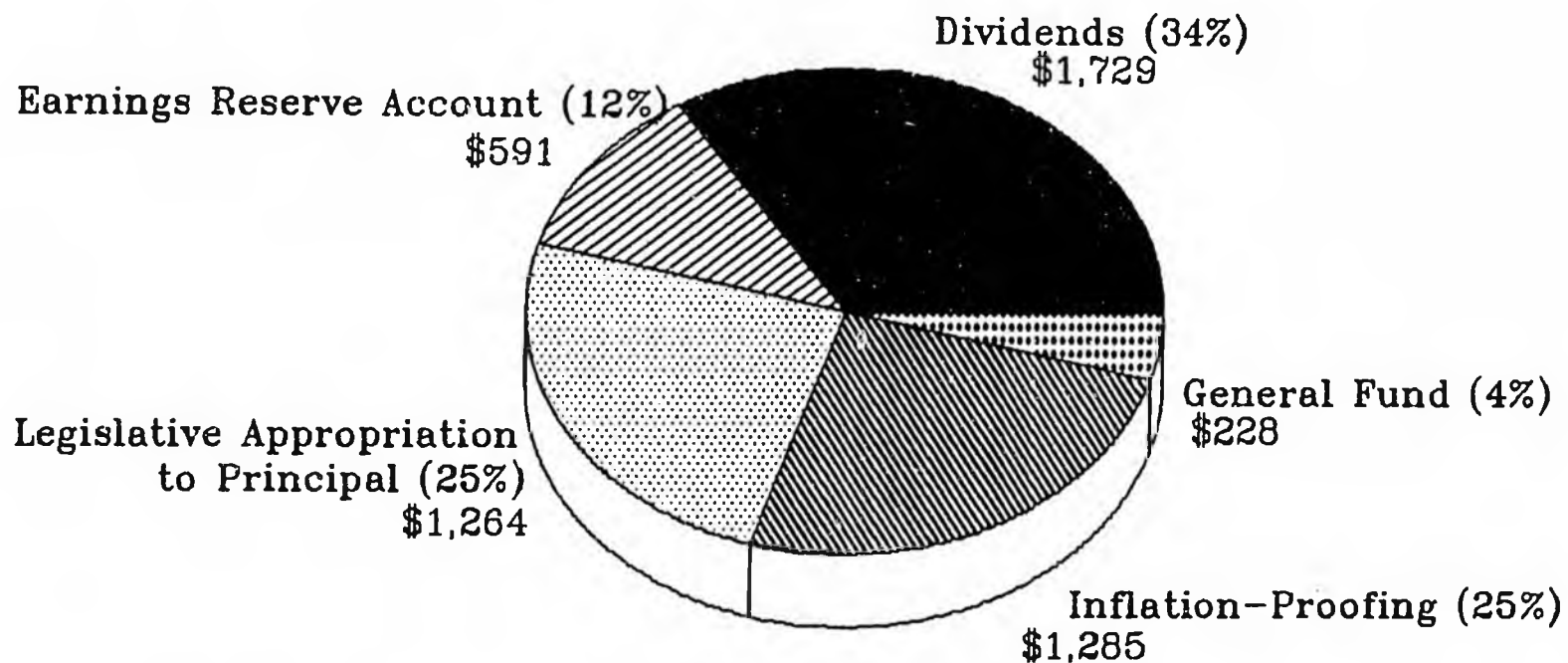
COMPOSITION OF FUND EQUITY

as of January 31, 1989



USE OF FUNDS

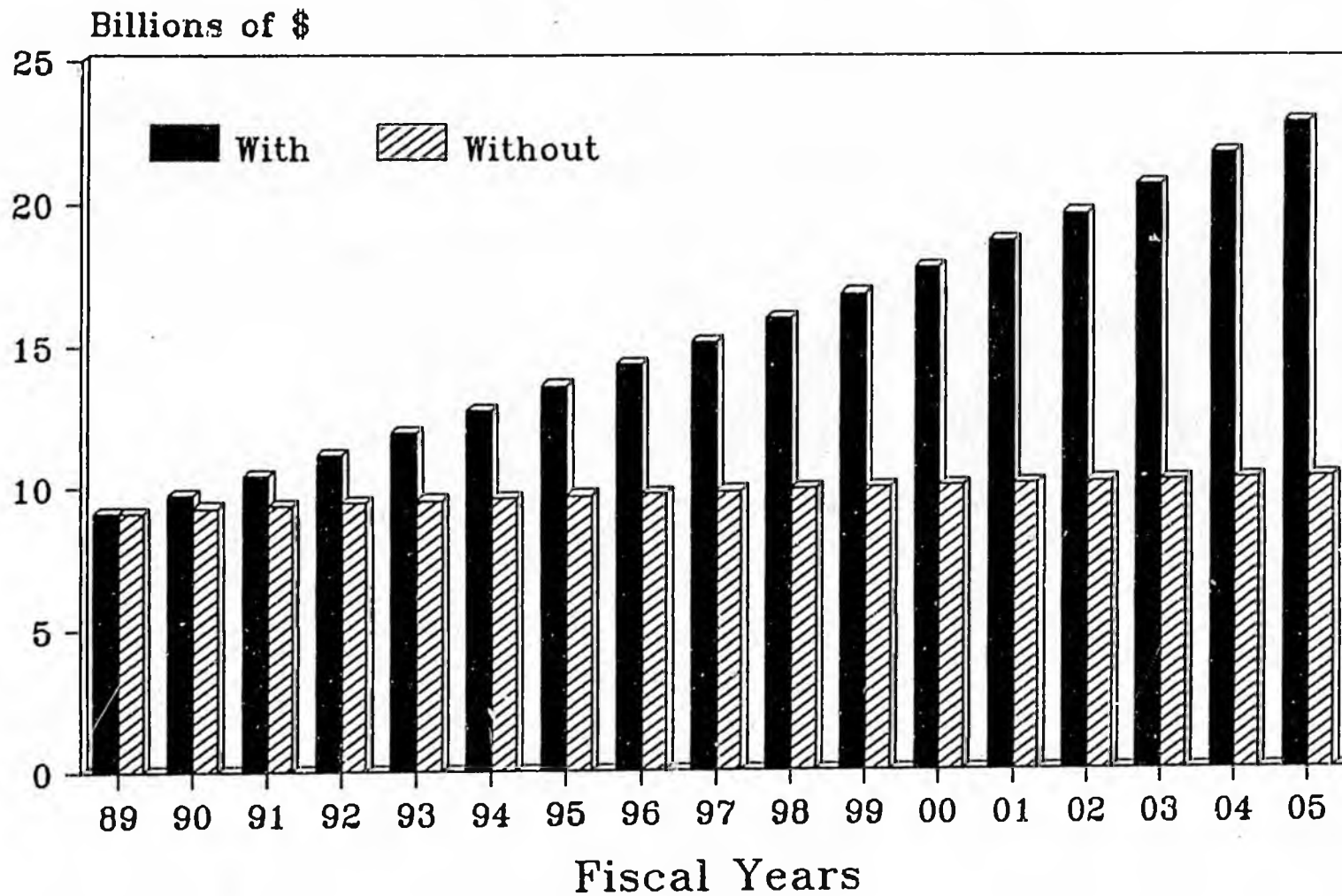
Distribution of Income Since Inception
(in millions)



Total Net Income Produced: \$5.1 Billion

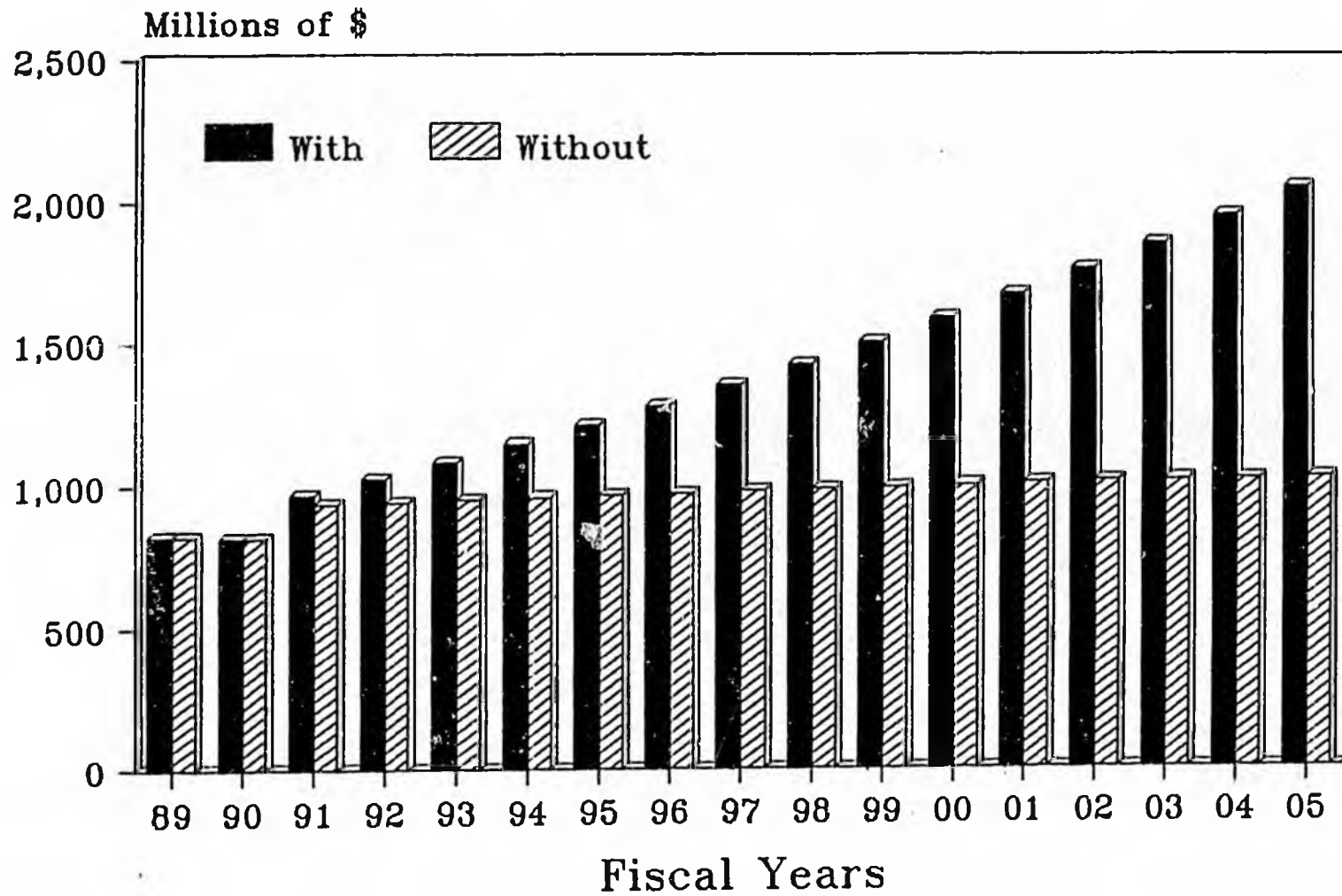
Source: APFC

IMPORTANCE OF INFLATION-PROOFING To Growth of Principal



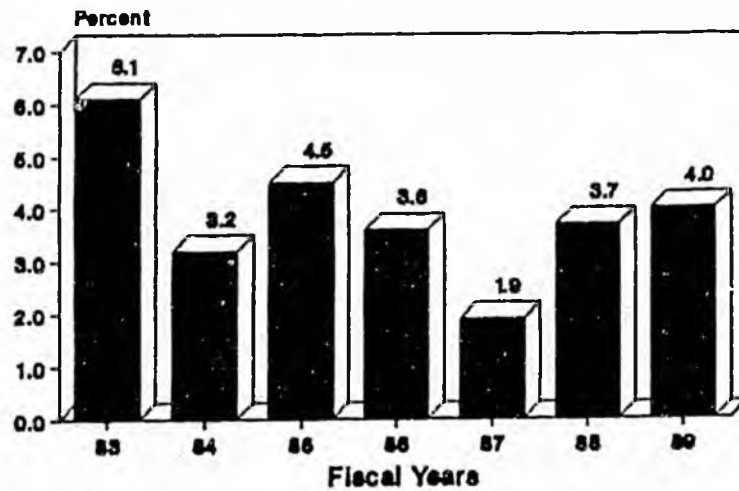
Source: APFC

IMPORTANCE OF INFLATION-PROOFING To Growth of Net Income

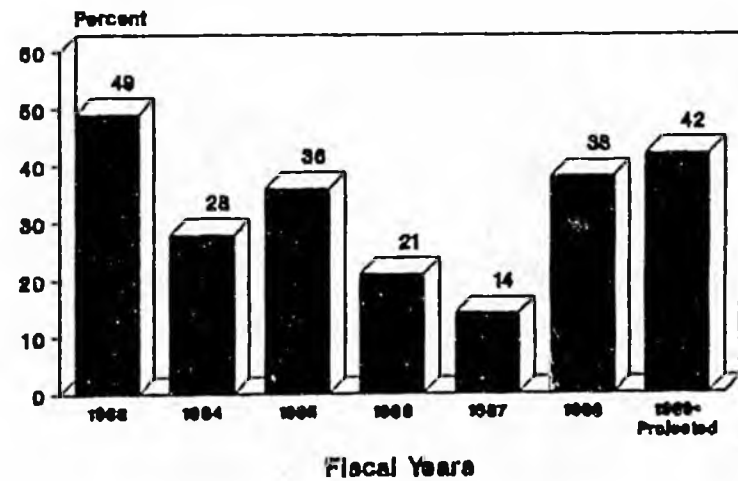


Source: APFC

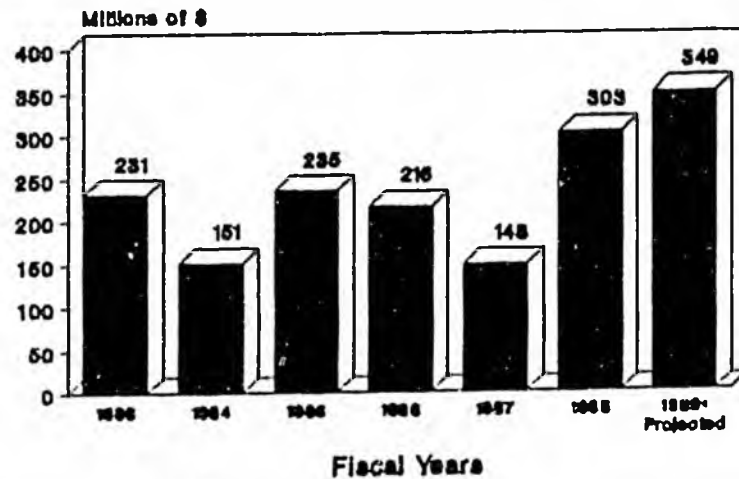
ANNUAL % CHANGES IN THE CPI
Used to Calculate Inflation-Proofing



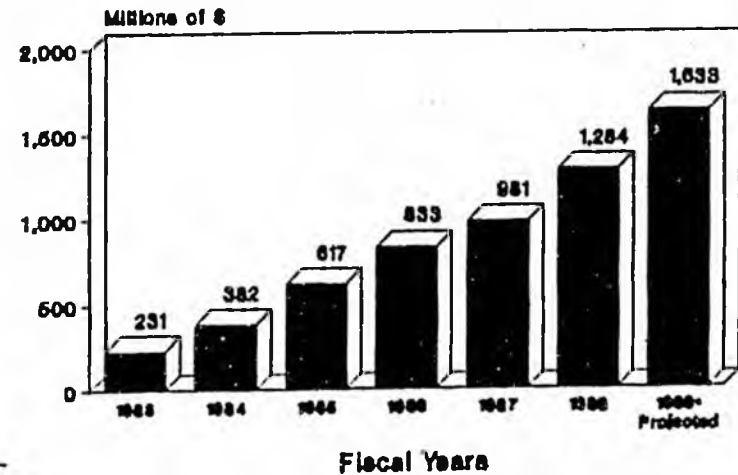
INFLATION-PROOFING AMOUNTS
As a % of Annual Net Income



INCOME ADDED TO PRINCIPAL
By Inflation-Proofing



INCOME ADDED TO PRINCIPAL
By Inflation-Proofing (Cumulative)



Alaska State Legislature



Senator Paul Fischer
Senate District D
Box 784
Soldotna, Alaska 99669
(907) 262-9420 W
262-9269 H

While in Juneau
P.O. Box V
Juneau, Alaska 99811
(907) 465-3791

State Senate

MEMORANDUM

TO: Senator Pat Pourchot, Chair
Senate State Affairs Committee

FROM: Senator Paul Fischer *PF*

SUBJECT: Senate Bill 69
(proposing an advisory vote on the use of
the earnings reserve account)

DATE: January 10, 1989

I would appreciate your scheduling the above referenced bill for a hearing before the Senate State Affairs Committee at your earliest possible convenience.

Under this proposed legislation, the lieutenant governor would conduct a special election during 1989. I believe it imperative to get this issue out for thoroughly review so that this advisory vote can be conducted in a timely manner.

Your consideration would be greatly appreciated.

PAF/sgn

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Advisory Vote - Use of Earnings
Reserve Account
Sponsor: Fischer
Requestor: Fischer

Agency Affected: Office of the Governor
BRU: Elections

Components: I Elections

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						
CAPITAL						
REVENUE	*	*				

FUNDING: (Thousands of Dollars)

GENERAL FUND	*	*				
FEDERAL FUNDS						
OTHER						
TOTAL	*	*				

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See Attached.

Prepared by: Linda Edgeworth
Division: Division of Elections

Phone: 465-4611
Date: 3/3/89

Approved by Commissioner: *Mary Valentine*
Agency: _____

Date: 3/3/89

Distribution (by preparer):

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

CONTINUATION OF FISCAL NOTE
FOR SB69

At the sponsor's request, the Division of Elections has prepared this fiscal note to reflect the costs anticipated for a statewide special election held by mail, and held in person. As a basis for the fiscal note, actual costs incurred in the conduct of the 1988 General Election were utilized. Adjustments were made to reflect appropriate reductions for functions associated with the general election which would not be required in the conduct of this special election.

Reduction Adjustments

1. The actual costs incurred for the 1988 General Election were:

FY88	36.1
FY89	992.9
TOTAL	1028.0

The most obvious and significant of these adjusted reductions reflected in this fiscal note are:

Official Election Pamphlet Printing and Production	82.0
Official Election Pamphlet Postage	56.2
Official Election Pamphlet Staff	25.0
Ballots (Candidate, Measure and Judicial with full rotations on gang punched Datavote stock)	167.2*
Datavote Programming	108.0*

* Actual costs for these items for this single measure election are included in the fiscal detail that follows.

Significant Differences Noted Between an In Person Election and a By Mail Election

2. In comparing cost differences between a by mail election and an in person election examples of the most significant discrepancies will be found in the following:

Election Workers:

The cost of precinct workers, amounting to 219.3, would not be incurred in a by mail election. However, in a by mail election, costs for Absentee District Review Boards would be dramatically increased, from approximately 34.1 to 136.4.

Printed Forms and Supplies:

In an in person election standard costs for precinct supplies and forms such as tally books, questioned registers, party registers, questioned envelopes, etc. would still be incurred. While these costs would not be incurred in a by mail election, additional costs for printing the ballot mailers would be dramatically increased at an estimated 67.5.

Postage:

In a by mail election a major expenditure would be incurred for postage on outgoing ballots and business reply return postage, estimated at about 56.2.

What follows is a brief description of the total costs anticipated for the two types of elections.

As a general assumption, costs are based on an election serving 300,000 voters with a turnout projection of 50%.

	IN PERSON	BY MAIL
Personal Services: Includes Usual Data Entry and Support Temps.	76.1	56.1
By Mail Temps, Ballot Mailing		16.5
Travel: Includes Administrative Oversight and Field Travel For Recruitment, Training Election Workers	29.8	11.6



Alaska Permanent Fund Corporation

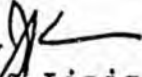
P.O. Box 4-1000 Juneau, Alaska 99802-4100

(907) 465-2047 Telecopy (907) 586-2057

M E M O R A N D U M

DATE: March 1, 1989

TO: Senator Paul Fischer

FROM: Jim Kelly 
Research & Liaison Officer

SUBJECT: Analysis of Senate Bill No. 69

Attached are two financial projections prepared by the Alaska Permanent Fund Corporation at the request of the Senate State Affairs Committee.

Financial Projection #1: This is the status quo case as of January 31, 1989. It provides the benchmark against which to compare and contrast any changes to current law. Please note that included in the assumptions are the consensus revenue estimates for FY 89-90 as agreed upon by the Budget Summit on January 24, 1989.

Financial Projection #2: This projection depicts the impacts of Senate Bill No. 69. For the purposes of this projection, the Corporation made the following assumptions about the bill:

- * The income remaining in the Earnings Reserve Account on June 30, 1989 would be distributed as follows: (a) 25% to Fund principal; (b) 25% to dividends; and (c) 50% to the General Fund.
- * All the distributions are deemed to have occurred on June 30, 1989, even though it is likely that this would actually occur later in the fiscal year, if approved by the voters in a special election.

Summary Analysis of Impact: Compared to the status quo, adoption of Senate Bill No. 69 would have the following effects:

* Principal: Even with the \$151 million special appropriation to principal, this proposal would produce a smaller Fund principal balance beginning within two years. This occurs because the special distributions (including increased payouts to dividends and the General Fund) eliminate the Fund's reserves. These reserves

would otherwise have been added to principal over the next six years to cover expected inflation-proofing shortfalls.

* Net Income: Future Fund income would be reduced as soon as the special distributions from the Fund envisioned by this bill are made.

* Inflation-Proofing Shortfalls: In the status quo case, there would be sufficient undistributed income to fully inflation-proof Fund principal each year until fiscal 1996. In the case of this proposal, inflation-proofing shortfalls would begin immediately in fiscal 1990.

* Dividends: As a result of this proposal, Alaskans would receive an additional \$256.97 per capita in fiscal 1990. Over the long-term, however, the early distribution of Fund reserves to the General Fund would reduce future Fund earnings which would, in turn, reduce future dividends. Over the next 16 years, each eligible Alaskan would receive \$536 less under this proposal than under the status quo.

* General Fund: This proposal does make an additional \$303 million available to the General Fund in fiscal 1990, compared to zero under the status quo..

For Your Information: These projections are based on a certain set of basic assumptions; the numbers shown on these sheets would change if different assumptions were used. The assumptions used in the preparation of each projection are listed at the bottom of each projection sheet, and explained herein.

It is the Corporation's policy to use conservative assumptions wherever possible. Thus, the Fund's long-term rate of return is projected to average 3% per year after inflation; long-term inflation is projected to average 6% per year; and the assumptions for numbers of future dividend recipients and amounts of future dedicated State oil revenues are taken from the Department of Revenue's most recent "low case" forecast.

PLEASE NOTE THAT THE CORPORATION NEITHER SUPPORTS NOR OPPOSES ANY PROPOSED CHANGES TO THE CURRENT USE OF FUND EARNINGS, EXCEPT AS THEY MAY RELATE TO THE PROPER EXERCISE OF THE TRUSTEES' FIDUCIARY RESPONSIBILITIES AS REQUIRED UNDER THE PRUDENT INVESTOR RULE.



Alaska Permanent Fund Corporation

FINANCIAL PROJECTIONS (in millions) as of January 31, 1989

FY	PRINCIPAL						INCOME					Reserves		FY
	FY Begin Balance	Appro- priations	Dedicated State Revenues*		Inflation Proofing Balance	Inflation Proofing Shortfall	Net Income	Distributions			General Fund	Add (Delete)	FY End Balance	
			State Revenues*	Inflation Proofing				Dividends	Per Capita Dividends**	Inflation Proofing				
78			54		54		2				1			78
79	54		84		139		8				7			79
80	139		344		483		32	12			12			80
81	483	900	385		1,769		150	28			28	59	59	81
82	1,769	800	401		2,969		368	71	\$1,000.00		71	185	244	82
83	2,969	400	421	231	4,021		471	108	\$386.15	231	110	110	354	83
84	4,021	300	366	151	4,838		530	175	\$331.29	151		203	557	84
85	4,838	300	368	235	5,741		658	217	\$404.00	235		206	763	85
86	5,741		323	216	6,281		1,021	303	\$556.26	216		501	1,264	86
87	6,281	1,264	171	148	7,864		1,069	391	\$708.19	148		529	529	87
88	7,864		418	303	8,585		789	424	\$826.93	303		62	591	88
89	8,585		184	351	9,120		823	458	\$836.29	351		15	605	89
90	9,120		190	466	9,775		818	475	\$859.00	466		(122)	483	90
91	9,775		83	592	10,449		971	471	\$843.29	592		(92)	392	91
92	10,449		89	632	11,170		1,026	467	\$828.44	632		(74)	318	92
93	11,170		88	676	11,933		1,087	496	\$871.92	676		(85)	233	93
94	11,933		85	721	12,740		1,151	531	\$924.73	721		(101)	132	94
95	12,740		81	769	13,590		1,217	572	\$989.61	769		(125)	8	95
96	13,590		77	687	14,354	133	1,285	605	\$1,037.79	687		(8)		96
97	14,354		74	716	15,145	149	1,356	640	\$1,087.60	716				97
98	15,145		69	754	15,968	158	1,431	676	\$1,138.94	754				98
99	15,968		65	794	16,828	168	1,508	714	\$1,191.76	794				99
0	16,828		62	836	17,726	177	1,589	753	\$1,245.87	836				0
1	17,726		58	880	18,664	187	1,673	794	\$1,301.88	880				1
2	18,664		55	926	19,644	198	1,762	836	\$1,359.54	926				2
3	19,644		51	973	20,669	208	1,854	880	\$1,419.10	973				3
4	20,669		47	1,023	21,739	220	1,950	927	\$1,479.46	1,023				4
5	21,739		43	1,075	22,857	232	2,051	975	\$1,543.43	1,075				5

Cumulative Totals: 3,964 4,737 14,156 22,857 1,830 28,648 12,999 \$23,172.28 14,156 229														

ASSUMPTIONS: 4.00% Inflation Rate FY 89
 ----- 9.06% Rate of Return FY 89
 3/1/89
 STATUS QUO INCLUDING BUDGET SUMMIT
 CONSENSUS REVENUE ESTIMATES FOR FY 89-90

5.00% Inflation Rate FY 90
 8.00% Rate of Return FY 90
 6.00% Inflation Rate FY 91-05
 9.00% Rate of Return FY 91-05

* SOURCE: Alaska Department of Revenue
 Low Case Forecast - November 1988
 With Consensus Revenue Estimates for FY 89-90
 ** SOURCE: Population Projections From
 Revenue Low Case Forecast - November 1988



#2

Alaska Permanent Fund Corporation

FINANCIAL PROJECTIONS (in millions)

as of January 31, 1989

FY	PRINCIPAL						INCOME					Reserves					
	FY Begin Balance	Appropriations	Dedicated State Revenues*	Inflation Proofing	FY End Balance	Inflation Proofing Shortfall	Net Income	Distributions			General Fund	Add (Delete)	FY End Balance	FY			
								Dividends	Per Capita Dividends**	Inflation Proofing							
78			54		54		2				1			78			
79	54		84		139		8				7			79			
80	139		344		483		32	12			12			80			
81	483	900	385		1,769		150	28			28	59	59	81			
82	1,769	800	401		2,969		368	71	\$1,000.00		71	185	244	82			
83	2,969	400	421	231	4,021		471	108	\$386.15	231	110	110	354	83			
84	4,021	300	366	151	4,838		530	175	\$331.29	151		203	557	84			
85	4,838	300	368	235	5,741		658	217	\$404.00	235		206	763	85			
86	5,741		323	216	6,281		1,021	303	\$556.26	216		501	1,264	86			
87	6,281	1,264	171	148	7,864		1,069	391	\$708.19	148		529	529	87			
88	7,864		418	303	8,585		789	424	\$826.93	303		62	591	88			
89	8,585		184	351	9,120		823	458	\$836.29	351		15	605	89			
Special Distribution:		151						151	\$256.97		303						
90	9,271		190	315	9,776	158	787	472	\$853.65	315				90			
91	9,776		83	463	10,321	129	925	463	\$828.34	463				91			
92	10,321		89	523	10,933	102	977	454	\$804.29	523				92			
93	10,933		88	557	11,577	104	1,034	477	\$838.02	557				93			
94	11,577		85	589	12,252	111	1,095	506	\$880.54	589				94			
95	12,252		81	613	12,946	127	1,158	545	\$941.02	613				95			
96	12,946		77	647	13,671	134	1,224	576	\$986.47	647				96			
97	13,671		74	682	14,427	142	1,292	609	\$1,034.13	682				97			
98	14,427		69	719	15,216	151	1,363	644	\$1,083.01	719				98			
99	15,216		65	757	16,038	160	1,437	680	\$1,133.43	757				99			
0	16,038		62	797	16,897	169	1,514	717	\$1,185.35	797				0			
1	16,897		58	839	17,794	178	1,595	756	\$1,238.89	839				1			
2	17,794		55	883	18,732	188	1,680	797	\$1,294.12	883				2			
3	18,732		51	928	19,712	199	1,768	839	\$1,351.13	928				3			
4	19,712		47	976	20,735	209	1,860	884	\$1,408.67	976				4			
5	20,735		43	1,026	21,804	221	1,956	930	\$1,469.87	1,026				5			
Cumulative Totals:							4,115	4,737	12,951	21,804	2,481	27,585	12,688	\$22,637.01	12,951	532	

ASSUMPTIONS:

4.00% Inflation Rate FY 89
9.06% Rate of Return FY 89

5.00% Inflation Rate FY 90
8.00% Rate of Return FY 90

6.00% Inflation Rate FY 91-05

* SOURCE: Alaska Department of Revenue
Low Case Forecast - November 1988
With Consensus Revenue Estimates for FY 89-90
** SOURCE: Population Projections From

DIVISION OF BUDGET REVIEW
SUMMARY OF REVENUES AND APPROPRIATIONS
FISCAL YEARS 1989 AND 1990
GENERAL FUND AND GENERAL FUND/PROGRAM RECEIPTS
(\$ millions)

	LOW SCENARIO	MID SCENARIO	HIGH SCENARIO
FISCAL YEAR 89 AVAILABLE			
1. Carry Forward From Prior Year	224.0	224.0	224.0
2. Unrestricted Revenue	1,670.9	1,814.0	2,016.8
3. Adjustments to Revenue	120.8	120.8	120.8
TOTAL AVAILABLE:	2,015.7	2,158.8	2,361.6
FY 89 APPROPRIATIONS			
1. Operating Programs	-1,076.4	-1,076.4	-1,076.4
2. Formula Programs	-904.4	-904.4	-904.4
3. G.O. Debt	-135.6	-135.6	-135.6
4. Other Debt	-11.8	-11.8	-11.8
5. Capital Projects			
- General Appropriations	-88.2	-88.2	-88.2
- Reappropriations	-30.2	-30.2	-30.2
6. Loan Programs	-16.7	-16.7	-16.7
7. Supplementals			
- Health Benefits (estimate)	-17.9	-17.9	-17.9
- Other (estimate)	-30.0	-30.0	-30.0
TOTAL APPROPRIATIONS:	-2,311.2	-2,311.2	-2,311.2
ESTIMATED CARRY FORWARD	-295.5	-152.4	50.4
<hr/>			
FISCAL YEAR 90 AVAILABLE			
1. Carry Forward From Prior Year	.0	.0	.0
2. Unrestricted Revenue	1,006.5	1,387.4	1,936.3
3. Adjustments to Revenue	49.7	49.7	49.7
TOTAL AVAILABLE:	1,056.2	1,437.1	1,986.0
FY 90 APPROPRIATIONS			
1. Operating Programs	-1,123.4	-1,123.4	-1,123.4
2. Formula Programs	-949.3	-949.3	-949.3
3. G.O. Debt	-120.4	-120.4	-120.4
4. Other Debt	-12.1	-12.1	-12.1
5. Capital Projects	-98.9	-98.9	-98.9
6. Loan Programs (net)	-4.9	-4.9	-4.9
TOTAL APPROPRIATIONS:	-2,309.0	-2,309.0	-2,309.0
ADDITIONAL FY 90 REVENUE SOURCES *	949.0	949.0	949.0
ESTIMATED CARRY FORWARD	-303.8	77.1	626.0

* Additional revenue sources consist of the following: (1) Economic Limit Factor revision -- \$141 million; (2) Motor Fuel Tax increase -- \$34; (3) use of the Permanent Fund Undistributed Income Account -- \$575 million; (4) implementation of a State Sales Tax -- \$49 million; and (5) litigation revenue -- \$150 million.

** Cash flow does not include the contingent transfer of up to \$34 million from the General Fund to the Alaska Permanent Fund Corporation for the the Alaska Science and Technology Endowment (Sec.189, Ch.173, SLA 1988).

Alaska State Legislature

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman
Sen. Al Adams
Sen. Tim Kelly
Sen. Rick Uehling



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

907-465-3712

Senate State Affairs Committee

MEMORANDUM

TO: Senate State Affairs Committee Members
FROM: Senator Pat Pourchot, Chairman
RE: March 3 Committee Meeting
DATE: March 2, 1989

On Friday, March 3 at 2:00 p.m. in the Beltz Room the Senate State Affairs Committee will hear the following bills:

SJR 30, Relating to location of a job corps center within the Matanuska-Susitna Borough

SJR 30 calls for the establishment of a Job Corps center within the Mat-Su Borough. Congress has appropriated funds for the development of six new centers throughout the country and the U.S. Department of Labor is accepting applications from the states. Alaska's application, submitted in December 1988, proposes use of the Goose Bay Correctional Center in Wasilla or Colony High School in Palmer.

The Job Corps program was established by the federal government in 1964 to provide intensive educational and vocational training to economically disadvantaged youth. Alaska does not have a Job Corps center and Alaskans who participate must go out of state.

THE FOLLOWING BILLS PROPOSE VARIOUS USES OF THE PERMANENT FUND EARNINGS RESERVE AND ADDRESS THE SIZE OF THE STATE'S BUDGET. IT IS NOT MY INTENT TO MOVE THESE BILLS TODAY.

SSSJR 5, Proposing amendments to the Constitution of the State of Alaska amending provisions relating to the Alaska permanent fund; establishing temporary provisions relating to dedicated funds, the Alaska permanent fund, the expenditure limit, and the budget stabilization fund; and suspending the operation of provisions relating to dedicated funds, the Alaska permanent fund, and the appropriation limit

SSSJR 5 would constitutionally dedicate permanent fund earnings:
50% dividends
30% inflation proofing
20% budget stabilization fund

SB 69 ADVISORY VOTE ON USE OF EARNINGS RESERVE ACCOUNT

NOTIFIED

SENATOR FISCHER, SPONSOR (SANDY NUSBAUM)

MARY HALLORAN, O.M.B.

LINDA EDGEWORTH, ELECTIONS

JIM KELLY, PERMANENT FUND

IRVIN JONES, DEPT. REVENUE (TO ANSWER QUESTIONS ON DIVIDENDS)

F.Y.I.

PER ELECTIONS, THE 50-DAY TIME FRAME IS TOO SHORT. THEY WILL RECOMMEND AMENDING TO 75 DAYS.

UNDER THE BILL:

SPECIAL DIVIDEND	\$ 256.97 PER CAPITA
DEPOSIT IN GENERAL FUND	\$ 303 MILLION
DEPOSIT IN P.F. CORPUS	\$ 151 MILLION

WILL RESULT IN A SHORTFALL IN INFLATION PROOFING IN 1990; WON'T BE UNTIL 1996 OTHERWISE.

CORRECTION

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

Alaska State Legislature

Sen. Pat Pourchot, Chairman

Sen. Jan Falke, Vice Chairman
Sen. Al Adams
Sen. Tim Kelly
Sen. Rick Uehling



P.O. Box V
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Juneau, Alaska 99811

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THE FOLLOWING BILLS PROPOSE VARIOUS USES OF THE PERMANENT FUND EARNINGS RESERVE AND ADDRESS THE SIZE OF THE STATE'S BUDGET. IT IS NOT MY INTENT TO MOVE THESE BILLS TODAY.

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SSSJR 5 would constitutionally dedicate permanent fund earnings:
50% dividends
30% inflation proofing
20% budget stabilization fund

March 3, 1989
Page 2

It would constitutionally establish a 1996 appropriation limit of \$1.4 billion. Limits for the preceding years would be established by law. Revenues in excess of the limit would be deposited as follows:

- 50% permanent fund
- 50% budget stabilization fund

Up to 25% of the budget stabilization fund could be spent in any year in which revenues were less than the expenditure limit.

The constitutional provisions would be repealed July 1, 1996.

SB 79, An Act relating to reductions in state budget levels for certain fiscal years

SB 79 is a companion bill to SSSJR 5 which calls for a 1996 appropriation limit of \$1.4 billion. SB 79 heads the state in that direction by calling for a 6.5% reduction in the state's budget in FY 90 and again in FY 91. It is assumed that this scheme will be continued once the appropriation limit is approved by the voters in November 1990.

A 6.5% reduction in FY 90 would be a reduction of \$144.8 million (from \$2228.1 million to \$2083.3 million).

SJR 18, Proposing an amendment to the Constitution of the State of Alaska relating to income from the permanent fund

SJR 18 would amend the Constitution to specify that income of the permanent fund be appropriated for dividends, to the fund principal, for administrative costs of the fund, and for other purposes that the voters approve.

SB 69, An Act providing for an advisory vote on the use of the earnings reserve account

SB 69 would provide for an advisory vote on distributing the balance in the earnings reserve account of the permanent fund as follows:

- 50% to the general fund
- 25% to the principal of the permanent fund
- 25% for a special dividend

SB 69 ADVISORY VOTE ON USE OF EARNINGS RESERVE ACCOUNT

NOTIFIED

SENATOR FISCHER, SPONSOR (SANDY NUSBAUM)

MARY HALLORAN, O.M.B.

LINDA EDGEWORTH, ELECTIONS

JIM KELLY, PERMANENT FUND

IRVIN JONES, DEPT. REVENUE (TO ANSWER QUESTIONS ON DIVIDENDS)

F.Y.I.

PER ELECTIONS, THE 50-DAY TIME FRAME IS TOO SHORT. THEY WILL
RECOMMEND AMENDING TO 75 DAYS.

UNDER THE BILL:

SPECIAL DIVIDEND	\$ 256.97 PER CAPITA
DEPOSIT IN GENERAL FUND	\$ 303 MILLION
DEPOSIT IN P.F. CORPUS	\$ 151 MILLION

WILL RESULT IN A SHORTFALL IN INFLATION PROOFING IN 1990; WON'T
BE UNTIL 1996 OTHERWISE.

S B

72

SENATE STATE AFFAIRS COMMITTEE

BILL NUMBER SSSB 72

SPONSOR ~~SSSB~~ Szymanski

BILL TITLE Registration & licensing of contractors

DATE REFERRED 4-11-89

HEARING SCHEDULED

FISCAL NOTE PREPARED ✓

SPONSOR CONTACTED Carolyn 4978

INTERESTED PARTIES CONTACTED

- ✓ Rena King, AGC 586-1740
- ✓ Jim Plasman, CRA
- will send someone Randall Burns, OCE Licensing
- ✓ Gregg Jones, Homebuilders Assoc 243-5400

OTHER

SB72, TXT - summary

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

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

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

Mary Van Nimwegen

SB 72

Senate Hall & Commerce

3/31/91

Original sponsor: Szymanski

*Sandra -
bill versions*

BY THE LABOR AND
COMMERCE COMMITTEE

1 IN THE SENATE

2 CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 72 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to registration and endorsements for

7 contractors; prohibiting the use of state money in

8 ^{for} relation to certain residential work unless the work

9 is performed by a general contractor who has a ^(licensed) res-

10 idential contractor endorsement; and providing for an

11 effective date."

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

13 * Section 1. AS 08.01.050(a) is amended to read:

14 (a) The department shall perform the following administrative
15 and budgetary services when appropriate:

16 (1) collect and record fees;

17 (2) maintain records and files;

18 (3) issue and receive application forms;

19 (4) notify applicants of acceptance or rejection as de-

20 termined by the board or as determined by the department under AS 08.-

21 11 for audiologists, under AS 08.18 for contractors, under AS 08.45

22 for naturopaths, or under AS 08.55 for hearing aid dealers;

23 (5) designate dates examinations are to be held and notify
24 applicants;

25 (6) publish notice of examinations and proceedings;

26 (7) arrange space for holding examinations and proceedings;

27 (8) notify applicants of results of examinations;

28 (9) issue licenses or temporary licenses as authorized by

29 the board or as authorized by the department under AS 08.11 for

Handwritten signature

1 audiologists, under AS 08.18 for contractors, under AS 08.45 for
2 naturopaths, or under AS 08.55 for hearing aid dealers;

3 (10) issue duplicate licenses upon submission of a written
4 request by the licensee attesting to loss of or the failure to receive
5 the original and payment by the licensee of a fee established by
6 regulation adopted by the department;

7 (11) notify licensees of renewal dates at least 30 days
8 before the expiration date of their licenses;

9 (12) compile and maintain a current register of licensees;

10 (13) answer routine inquiries;

11 (14) maintain files relating to individual licensees;

12 (15) arrange for printing and advertising;

13 (16) purchase supplies;

14 (17) employ additional help when needed;

15 (18) perform other services that may be requested by the
16 board;

17 (19) provide inspection, enforcement, and investigative
18 services to the boards and for the occupations listed in AS 08.01.010,
19 regarding all licenses issued by or through the department;

20 (20) retain and safeguard the official seal of a board and
21 prepare, sign, and affix a board seal, as appropriate, for licenses
22 approved by a board;

23 (21) issue business licenses under AS 43.70.

24 * Sec. 2. AS 08.18 is amended by adding a new section to read:

25 Sec. 08.18.013. CATEGORIES OF ^(registration) CONTRACTORS. The department may
26 adopt regulations establishing categories of contractors and the
27 registration or endorsement requirements for persons in those categor-
28 ies.

29 * Sec. 3. AS 08.18 is amended by adding a new section to read:

1 Sec. 08.18.024. RESIDENTIAL CONTRACTORS. (a) A general con-
2 tractor or builder may not undertake the construction or alteration,
3 or submit a bid to undertake the construction or alteration of a
4 privately-owned residential structure of one to four units or adver-
5 tise or publicly represent that the general contractor or builder may
6 undertake work of this type in the state without a residential con-
7 tractor endorsement issued under this section.

8 (b) The department shall issue a residential contractor endorse-
9 ment to a person who

10 (1) has a certificate of registration as a general contrac-
11 tor;

12 (2) passes a residential contractor examination, which
13 shall be offered by the department at least twice a year; the examina-
14 tion, which may be written or practical, may test competence in rela-
15 tion to arctic structural and thermal construction techniques and
16 other matters as determined by the department in consultation with
17 representatives of the construction industry;

18 (3) applies for an endorsement within six months after
19 passing the examination required under (2) of this subsection;

20 (4) within the two years preceding the date of application
21 for the endorsement, has satisfactorily completed either the Alaska
22 craftsman home program sponsored by the Department of Community and
23 Regional Affairs or a postsecondary course in arctic engineering or
24 its equivalent;

25 (5) is not under indictment for, or in the preceding seven
26 years has not been under a sentence for, an offense related to forg-
27 ery, theft, extortion, or conspiracy to defraud creditors or for a
28 felony involving moral turpitude; and

29 (6) pays the appropriate fees.

1 (c) The department may not renew an ^[license] endorsement issued under
2 this section unless the applicant submits proof of continued compe-
3 tency relating to residential contracting that satisfies the depart-
4 ment. A lapsed endorsement may be reinstated, within two years after
5 the lapse, upon proof of continued competency, payment of a renewal
6 fee for the intervening time period, and payment of any penalty fee
7 established under AS 08.01.100(b). If the endorsement has been lapsed
8 for more than two years, the department may not reinstate it until the
9 person also passes the residential contractor examination described in
10 (b) of this section.

11 * Sec. 4. AS 08.18.041 is repealed and reenacted to read:

12 Sec. 08.18.041. FEES. (a) The department shall set fees under
13 AS 08.01.065 for

14 (1) registration and renewal of registration for all cat-
15 egories of contractors;

16 (2) examination, issuance of initial endorsement, and
17 renewal of active or inactive endorsements for residential contrac-
18 tors; and

19 (3) departmental publications and seminars related to this
20 chapter.

21 (b) A person who fails a residential contractor examination
22 shall pay the examination fee set by the department if the person
23 applies to retake an examination.

24 * Sec. 5. AS 08.18.116 is amended to read:

25 Sec. 08.18.116. INVESTIGATIONS. Either the Department of Com-
26 merce and Economic Development or the Department of Labor may investi-
27 gate alleged or apparent violations of this chapter. These depart-
28 ments, upon showing proper credentials, may enter, during regular
29 hours of work, a construction site where it appears that contracting

1 work is being done. The departments may make inquiries about the
2 identity of the contractor or the person acting in the capacity of a
3 contractor. Upon demand, a contractor or person acting in the capac-
4 ity of a contractor, or that person's representative, shall produce
5 evidence of current ^{clearance} endorsement, if applicable, and registration.

6 * Sec. 6. AS 08.18.121 is amended by adding a new subsection to read:

7 (h) The endorsement of a residential contractor is automatically
8 suspended or revoked while the contractor's registration is suspended
9 or revoked.

10 * Sec. 7. AS 08.18 is amended by adding a new section to read:

11 Sec. 08.18.123. DENIAL, SUSPENSION, AND REVOCATION OF ENDORSE-
12 MENT. (a) The department may suspend, revoke, or refuse to grant or
13 renew a residential contractor endorsement upon a finding that

14 (1) the application is fraudulent or misleading;

15 (2) the contractor has knowingly violated this chapter or a
16 lawful order or regulation of the department;

17 (3) the contractor is incompetent or has engaged in fraudu-
18 lent practices.

19 (b) Proceedings for the denial, suspension, or revocation of
20 residential contractor endorsement are governed by the Administrative
21 Procedure Act (AS 44.62).

22 * Sec. 8. AS 08.18.141(a) is amended to read:

23 (a) A contractor or a person acting in the capacity of a con-
24 tractor who knowingly violates [IN VIOLATION OF] AS 08.18.011 or
25 08.18.024 is guilty of a class B misdemeanor. A person who violates
26 another provision of this chapter is guilty of a violation punishable
27 under AS 12.

28 * Sec. 9. AS 08.18.171 is amended by adding a new paragraph to read:

29 (10) "residential contractor" means a general contractor

oops - was in original

1 whose business and operation involve undertaking the construction or
2 alteration of a privately-owned residential structure of one to four
3 units that is used or intended to be used as a human dwelling.

4 * Sec. 10. AS 37.05 is amended by adding a new section to read:

5 ARTICLE 6A. MISCELLANEOUS PROVISIONS.

6 Sec. 37.05.800. RESTRICTION ON USE OF STATE MONEY FOR RESI-
7 DENTIAL CONTRACTING. (a) The state may not grant or loan money or
8 purchase a loan for the construction or alteration of a privately-
9 owned residential structure of one to four units unless the grant or
10 loan requires the construction or alteration to be undertaken by a
residential contractor with an endorsement issued under AS 08.18.

original said not exempt

(b) The restriction of (a) of this section does not apply to a
state loan or grant or purchase of a loan made for work described in
14 AS 08.18.161 that is exempt from the requirements of AS 08.18. *under \$10,000 own home*

15 * Sec. 11. TRANSITIONAL LICENSING. Notwithstanding AS 08.18.024(b)(2)
16 and (3), enacted by sec. 3 of this Act, the Department of Commerce and
17 Economic Development shall issue a residential contractor endorsement to a
18 person who

19 (1) applies for an endorsement under this section by July 1,
20 1990;

21 (2) meets the requirements of AS 08.18.024(b)(1) and (4) - (6);
22 and

23 (3) has been an active general contractor in the state for three
24 *least 3 yrs* of the five years immediately preceding application for an endorsement
25 under this section.

[for at

26 * Sec. 12. This Act takes effect July 1, 1989.

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: An Act relating to registration and licensing of contractors;...
 Sponsor: Senator Szymanski
 Requestor: Senate Labor & Commerce

Agency Affected: Commerce & Economic Dev.
 BRU: Occupational Licensing

Components: Admin. & Investigations

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		21.0	21.0	21.0	21.0	21.0
TRAVEL		1.1	1.1	1.1	1.1	1.1
CONTRACTUAL		15.0	15.0	15.0	15.0	15.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	37.1	37.1	37.1	37.1	37.1

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

REVENUE	0	37.5	75.0	0	75.0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER GF/PR	0	37.1	37.1	37.1	37.1	37.1
TOTAL	0	37.1	37.1	37.1	37.1	37.1

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

The bill establishes an endorsement to the registration of a general contractor who oversees the construction of or who performs alterations to residential structures. This fiscal note represents the anticipated costs associated with the establishment of the registration endorsement for residential contractors. (Continued)

Prepared by: Jennifer Strickler, Administrative Officer Phone: 465-2144
 Division: Occupational Licensing Date: April 3, 1989

Approved by Commissioner: Larry Mercurieff Date: 4/5/89
 Agency: Commerce and Economic Development

Distribution (by preparer):

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

CONTINUATION OF FISCAL NOTE
For CSSSSB 72 (L&C)

The division is not certain of the absolute number of residential contractors who will be affected by the bill; therefore, calculations in this fiscal note are based on at least 500 of the approximately 1500 licensed general contractors seeking registration endorsement as a residential contractor. Based on 500, the new category can be expected to cover 1.86% of the administrative costs (500 divided by 26,945 total licensees).

Personal Services: \$21.0

Consists of:

- *13.00% of a licensing examiner
- * 2.00% of an investigator
- * 1.86% of administrative overhead

Travel: \$ 1.1

This will provide for travel funds for the Licensing Examiner to administer the examinations twice a year at a location other than Juneau.

Contractual Services: \$15.0

This will provide funding for examination development; communication expenses; printing of applications, examinations, etc.; public notices; exam facility rentals; seminars; and other informational publications necessary.

TOTAL: \$37.1

REVENUES: The revenues identified are based on an endorsement fee for residential contractors, assuming that residential contractors will pay a biennial fee of \$150 (\$75 per year) in addition to their general contractor registration.

FY 90: The effective date of the bill is July 1, 1989 and therefore, revenues are based on an initial 500 contractors seeking a residential endorsement. The initial endorsement would be valid for one year, with an expiration date of December 31, 1990, the same date in which a general contractor's certificate of registration expires. $500 \times \$75$ license fee = \$37.5.

FY 91: Assuming all residential contractors will renew, revenues will total \$75.0 ($500 \times \150).

FY 92: This will be a non renewal year and no revenues other than fees from new registrants (not estimated) will be generated. Although no revenues will be received in this year, like all other licensing programs, the program will be covered by program receipts of other occupations renewing during that year. In addition, fees collected during a renewal year are sufficient to cover the annual costs of the program.

Alaska State Legislature

Al Adams
District L

WHILE IN SESSION
P.O. Box V
State Capitol
Juneau, Alaska 99811
(907) 465-3707

OUT OF SESSION
P.O. Box 333
Kotzebue, Alaska 99752
(907) 442-3245

3111 C Street
Anchorage, Alaska 99503
(907) 561-7622



Official Business

TO: SENATE STATE AFFAIRS COMMITTEE MEMBERS

FROM: SENATOR AL ADAMS ^{APA}

RE: L&C CS FOR SENATE BILL 72

DATE: APRIL 25, 1989

I HAVE SEVERAL CONCERNS ABOUT THE AFOREMENTIONED LEGISLATION AND HOW IT WOULD AFFECT MY DISTRICT. OFFERED FOR CONSIDERATION ARE SEVERAL AMENDMENTS TO MAKE THIS BILL MORE ADAPTABLE TO RURAL ALASKA.

AMENDMENT 1:

PAGE 3, LINE 2, DELETE THE WORDS "OR BUILDER"
THIS WOULD MAKE THE PROVISIONS OF THE BILL APPLICABLE SOLELY TO GENERAL CONTRACTORS, AND NOT "BUILDERS".
THERE ARE MANY PEOPLE IN SMALL VILLAGES IN MY DISTRICT WHO PERFORM BUILDING TASKS THAT DO NOT REQUIRE THE WORK OF A GENERAL CONTRACTOR. I UNDERSTAND IT WAS NOT THE INTENT TO INCLUDE THESE "BUILDERS" UNDER THE PROVISIONS OF THIS BILL.

AMENDMENT #2:

PAGE 3, LINE 2, DELETE THE WORD "ALTERATION," INSERT "ALTERATIONS EXCEEDING 25 PERCENT OF THE STRUCTURE'S VALUE,"
PAGE 6, LINE 11, AFTER AS 08.18. INSERT, "ALTERATIONS OF A PRIVATELY OWNED STRUCTURE IN THIS SECTION MEAN THOSE ALTERATIONS HAVING A VALUE GREATER THAN 25 PERCENT OF THE STRUCTURE'S VALUE."

STRICT INTERPRETATION OF "ALTERATION" COULD MEAN THE ADDITION OF SOMETHING AS SIMPLE AS A CAT DOOR. I BELIEVE IT WAS NOT THE INTENT OF THE BILL TO HAVE MINOR REPAIRS OR WORK ON A RESIDENCE DONE BY A REGISTERED CONTRACTOR AND THUS THIS AMENDMENT WHICH CORRESPONDS TO THE TRADE INDUSTRY'S INTERPRETATION OF "MAJOR" WORK ON A RESIDENCE.

PAGE 2
APRIL 25, 1989
AL ADAMS TO STATE AFFAIRS COMMITTEE
RE: SB 72

AMENDMENT #3:

PAGE 3, LINE 13, DELETE THE WORDS "TWICE A YEAR" AND INSERT, "AT LEAST ONCE A YEAR IN EACH JUDICIAL DISTRICT"
CURRENTLY THE BILL HAS THE DEPARTMENT OFFERING THE EXAMINATION ONLY TWICE A YEAR AND BOTH EXAMINATION COULD BE HELD IN ANCHORAGE. TO EXPECT AN APPLICANT IN BARROW TO PAY THE \$700 AIR FARE TO TAKE THIS EXAM IS UNREASONABLE.

AMENDMENT #4:

PAGE 3, LINE 27, AFTER THE WORD "THEFT" INSERT "OF THE FIRST OR SECOND DEGREE AS DEFINED IN A.S. 11.46.120 AND 11.46.130". THIS WOULD LIMIT THOSE INELIGIBLE FOR LICENSES UNDER THE THEFT CATEGORY TO THOSE WHO HAVE TAKEN PROPERTY OR SERVICES GREATER THAN \$500 IN VALUE.

Applied in *Abdulbaqui v. State, Ct. App. Op. No. 659* (File Nos. A-1297, A-1379), 728 P.2d 1211 (1986).

Quoted in *Minano v. State, Ct. App. Op. No. 420* (File Nos. 7812, 7868), 690 P.2d 28 (1984).

Cited in *Nighswonger v. State, Ct. App. Op. No. 362* (File No. A-369), 680 P.2d 105 (1984).

Chapter 46. Offenses Against Property.

Article

1. Theft and Related Offenses (§§ 11.46.120 — 11.46.140, 11.46.200, 11.46.220, 11.46.295)
2. Burglary and Criminal Trespass (§ 11.46.350)
3. Arson, Criminal Mischief, and Related Offenses (§§ 11.46.460 — 11.46.480, 11.46.484, 11.46.487, 11.46.490)
5. Business and Commercial Offenses (§§ 11.46.630, 11.46.740)
6. General Provisions (§§ 11.46.985, 11.46.990)

Article 1. Theft and Related Offenses.

Section

- 120. Theft in the first degree
- 130. Theft in the second degree
- 140. Theft in the third degree

Section

- 200. Theft of services
- 220. Concealment of merchandise
- 295. Prior convictions

Sec. 11.46.100. Theft defined.

NOTES TO DECISIONS

I. General Consideration.

I. GENERAL CONSIDERATION.

Applied in *Corbin v. State, Ct. App. Op. No. 310* (File No. 7010), 672 P.2d 156 (1983).

Cited in *Harris v. State, Ct. App. Op. No. 346* (File No. 6580), 678 P.2d 397 (1984); *Garroutte v. State, Ct. App. Op.*

No. 372 (File No. 7457), 683 P.2d 262 (1984); *Ridgely v. State, Ct. App. Op. No. 503* (File No. A-30, A-43, A-56), 705 P.2d 924 (1985); *Jones v. State, Ct. App. Op. No. 622* (File No. A-965), 719 P.2d 265 (1986); *Hads v. State, Ct. App. Op. No. 650* (File No. A-1613), 727 P.2d 11 (1986).

Sec. 11.46.120. Theft in the first degree. (a) A person commits the crime of theft in the first degree if the person commits theft as defined in AS 11.46.100 and

(1) the value of the property or services is \$25,000 or more; or

(2) the value of the property or services is \$500 or more but less than \$25,000 and within the preceding five years the person has been convicted and sentenced on two or more separate occasions in this or another jurisdiction of a crime set out in (1) of this subsection or AS 11.46.130(a)(1) — (3) or an offense under another law or ordinance with similar elements.

(b) Theft in the first degree is a class B felony. (§ 4 ch 166 SLA 1978; am § 1 ch 133 SLA 1988)

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§ 11.46.130

CRIMINAL LAW

§ 11.46.130

Cross references. — For additional penalty when theft is of commercial fishing gear, see AS 16.05.710(b).

Effect of amendments. — The 1988 amendment, in subsection (a), divided the

formerly undivided language into an introductory paragraph and paragraph (1), added "or" at the end of paragraph (1), and added paragraph (2).

NOTES TO DECISIONS

Sentence upheld.

The evidence was sufficient to uphold the sentence. *Short v. State*, Ct. App. Op. No. 342 (File No. A-14), 676 P.2d 612 (1984).

Sentence of 10 years' imprisonment with five years suspended imposed upon a defendant employee convicted of embezzlement for money taken before and after January 1, 1980, the effective date for the revised criminal code, was upheld because of the exceptional magnitude and manner of the theft where a trusted employee embezzled over \$356,000 in more than 50 thefts over a two-year period; the sentence facilitated reaffirmation of societal norms and deterrence. *Karr v. State*, Sup. Ct. Op. No. 2848 (File No. 7011), 686 P.2d 1192 (1984).

Sentence held too lenient. — Where an office manager stole approximately

\$115,000 between January, 1979 and April, 1982, a sentence of five years, all suspended, for a period of ten years was held too lenient despite the fact that the defendant had no prior criminal record, was apparently very repentant, had made substantial efforts toward restitution, had lost his insurance licenses and was faced with a substantial fine. *State v. Karnos*, Ct. App. Op. No. 449 (File No. A-364), 696 P.2d 685 (1985).

Cited in *Lindsay v. State*, Ct. App. Op. No. 458 (File No. A-212), 698 P.2d 659 (1985); *Christianson v. State*, Ct. App. Op. No. 696 (File No. A-1570), P.2d (1987); *Kramer v. State*, Ct. App. Op. No. 698 (File No. A-1788), 735 P.2d 754 (1987); *Moore v. State*, Ct. App. Op. No. 724 (File No. A-1343), 740 P.2d 472 (1987).

Sec. 11.46.130. Theft in the second degree. (a) A person commits the crime of theft in the second degree if the person commits theft as defined in AS 11.46.100 and

(1) the value of the property or services is \$500 or more but less than \$25,000;

(2) the property is a firearm or explosive;

(3) the property is taken from the person of another; or

(4) the value of the property is \$50 or more but less than \$500 and within the preceding five years the person has been convicted and sentenced on two or more separate occasions in this or another jurisdiction of a crime set out in (1) — (3) of this subsection or AS 11.46.140(a)(1) or (2) or an offense under another law or ordinance with similar elements.

(b) Theft in the second degree is a class C felony. (§ 4 ch 166 SLA 1978; am § 2 ch 133 SLA 1988)

Cross references. — For additional penalty when theft is of commercial fishing gear, see AS 16.05.710(b).

Effect of amendments. — The 1988

amendment, in subsection (a), deleted "or" at the end of paragraph (2), added "or" at the end of paragraph (3), and added paragraph (4).

CS SSSB72. Contractor Registration/Endorsement

Testified in favor of CS SSSB72 before Senate Labor and
Commerce Committee:

Larry Taylor
President
Alaska State Homebuilders Association

Gregory L. Jones
Alaska State Homebuilders Association

William E. Schneider
Executive Director
Associated General Contractors of Alaska

Harvey Bowers
Program Manager
Alaska Craftsman Home Program

Randall Burns
Director
Division of Occupational Licensing

Jim Plasman
Deputy Director
Division of Municipal and Regional Assistance

Margaret Nelson
Special Assistant/Public Information Officer
Alaska Housing Finance Corporation

Jim Picard
President
Alaska Mortgage Bankers Association

Pat Vincent
Executive Director
Kenai Builders Association

Sandy Tasler
Kenai Builders Association
Kenai Peninsula Board of Realtors

Cliff Baker
Kenai

Harold Stocker
Stocker Construction
Sitka

Steve Shows
Chief Building Inspector
City & Borough of Juneau



ASSOCIATED GENERAL CONTRACTORS of ALASKA

1941 B STREET • ANCHORAGE, ALASKA 99501
PO BOX 24469 • ANCHORAGE, ALASKA 99524-0669
TELEPHONE (907) 561-8334 • FAX (907) 562-6118

April 10, 1989

Senator Mike Szymanski
Alaska State Legislature
P.O. Box V (MS 3100)
Juneau, Alaska 99811

Re: SB 72

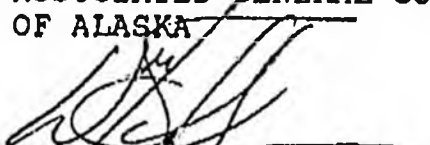
Dear Senator Szymanski,

This letter is to advise you of AGC's support for CSSB 72. Following discussion with BIAA, home builder representatives, and your staff, all of our previous concerns have been rectified. We certainly appreciate your time and efforts and the time and efforts of your staff in addressing our concerns.

We urge you and your colleagues to promptly pass CSSB 72.

Sincerely,

ASSOCIATED GENERAL CONTRACTORS
OF ALASKA



William E. Schneider
Executive Director

cc: Greg Jones, BIAA

wfr\szymsb72.

ALASKA MORTGAGE BANKERS ASSOCIATION

P.O. BOX 9-2691 / ANCHORAGE, ALASKA 99509-2691

RECEIVED MAR 23 1989

March 13, 1989

Senator Mike Szymanski
Alaska State Senate
P.O. Box V
Juneau, AK 99811

Dear Senator Szymanski:

Re: Substitute Senate Bill Number 72

The Alaska Mortgage Banker's Association was asked by Carolyn Reitter of your office to provide input regarding the above referenced bill in general and more specifically our ideas regarding prohibiting state funding for residential structures that are not built by "residential contractors."

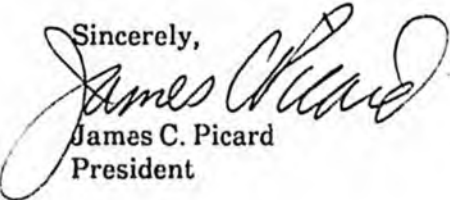
As time was of the essence, the AMBA Board of Directors and general membership did not have time to review this proposed legislation as they are not scheduled to meet until next week. The AMBA State Legislative Affairs Committee did review the proposed legislation on March 9, 1988, and voted unanimously its full support. We anticipate the general membership and board will concur with our decision. (

There have been a number of cases where contractors unfamiliar with appropriate arctic building techniques have built structures which have experienced serious structural, energy or foundation problems. A licensing and education process for residential contractors will go a long way in minimizing this type of problem in the future. We believe consumers should be protected against such practices which were common in Alaska in the past. Withholding state funding will result in this restriction becoming the standard for other nonstate investors.

While the committee does not wish to slow this particular bill down with additional language, we would like to say that we believe that future licensing of the appraisal industry, with other requirements, will also assist the state.

Thank you for giving AMBA the opportunity to provide input on this bill.

Sincerely,


James C. Picard
President



520 East 34th St.
Anchorage, AK 99503
(907) 561-1900

P.O. Box 101020
Anchorage, AK 99510

March 24, 1989

The Honorable Mike Szymanski
Alaska State Senate
Alaska State Senator
P. O. Box V
Juneau, AK 99811

RE: SSSB 72

Dear Senator:

The Alaska Housing Finance Corporation supports SSSB 72 which proposes that state funds cannot be used to finance construction of homes unless the work is performed by a licensed contractor. We believe it is good policy to require that builders seeking state financing attend seminars under the Alaska Craftsman Home Program. These policies help ensure that any financing given is well-spent. Also, the additional financial burden of these requirements is minimal.

Sincerely,

A handwritten signature in cursive script that reads 'Margaret Nelson'.

Margaret Nelson
Special Assistant/Public Information Officer

ec