

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672
6623 SENATE STATE AFFAIRS

1027

MEMORANDUM

State of Alaska


TO: Linda Wild, Special Assistant
Office of the Commissioner
Department of Commerce & Economic
Development

DATE February 27, 1989

FILE NO.:

TELEPHONE NO.:

SUBJECT: SB 75


FROM: Patti Greene, Publications Specialist
Division of Tourism
Department of Commerce & Economic
Development

The Division of Tourism opposes SB 75 on the grounds that it will not serve the purpose for which it was designed, e.g., to encourage agencies of the State to have publications printed in Alaska.

By way of compromise, the division would like to see language introduced which would exempt publications with specialized printing requirements -- namely, those projects requiring the use of a "webb press" (see definition below) -- from SB 75.

The division's OFFICIAL STATE OF ALASKA VACATION PLANNER is a very good example of such a publication. This is a project which requires a webb press; 710,000 copies were printed in Seattle in 1988. Total project cost was over \$600,000, with the per-book cost coming to roughly \$3.58.

Printing bids for this project were solicited from 16 printers nationwide, including five Alaska printers. Only six responded, none from Alaska, for the simple reason that there are not any Alaska printers which have the equipment to print a job of this magnitude. To quote from our advertising agency, "This job must be printed on a six-color webb press in order to be cost and time efficient. A webb press is one on which the paper is on rolls, not individual sheets of paper. This means the press can run faster and more efficiently than if the paper is fed one sheet at a time. Alaska printers use sheet-fed. The largest Alaska press is a four-color sheet fed."

The division cannot possibly award this printing job to an Alaska printer, yet, if SB 75 passes with the existing language, we must provide printing and budget information which would, in effect, open the division up to much public criticism.

The Division of Tourism also encourages exemption of brochures published in foreign countries for foreign distribution.

We have brochures printed in Japan and Germany which are not circulated in Alaska or the United States. For obvious reasons it is not cost effective to produce such publications in the U.S.

Should you have questions or comments, please call me.

1638T022789A



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y. State Capitol
Juneau, Alaska 99811
(907) 465-3991

MEMORANDUM

March 31, 1982

TO: Representative Fanning
ATTN: Gail Thibodeau

FROM: Carol Biggs, Admin. Asst.

RE: Agricultural Action Council Annual Report Printing Cost
Research Request #82-103

Gail Thibodeau of your staff requested that we find out the amount of money that was specified at the November meeting of the Agricultural Action Council for printing the Agricultural Action Council Annual Report.

This memorandum is in confirmation of my telephone call to Gail yesterday. Julie Hickey of the Governor's Special Projects office reported that \$12,000 had been allocated for printing costs for the Agricultural Action Council Annual Report. Bid proposals have been received from commercial printers for printing the report, and the final report will be printed some time this fiscal year. The \$12,000 is for approximately 5,000 copies, or \$2.40 per unit.

Additionally, 100 copies of the first draft of the report have been xeroxed by the Special Projects office, at a cost of 10 cents per page, or approximately \$12.50 per copy for the 100 copies, with another 500 copies of the first draft to be printed by the Legislative Print Shop; that cost is unknown at this time.

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Attached is a copy of an article from U.S. News and World report which may be of interest to you, as it pertains to efforts by the federal government to cut federal publication costs.

CB/bf
Encl.



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y, State Capitol
Juneau, Alaska 99811
(907) 465-3991

MEMORANDUM

February 23, 1982

TO: Representative Ken Fanning
ATTN: Gail Thibodeau
FROM: Carol Biggs, Admin. Asst.
RE: University of Alaska Multi-colored Publications
Research Request #82-54

In response to a request by Gail Thibodeau of your staff, we contacted Keith B. Mather, Vice Chancellor for Research, at the University of Alaska, who provided the following information on costs for publications requiring the use of color.

Six thousand copies of the University of Alaska Research Annual Report were printed at a unit cost of \$13 each, for a total of \$78,000. He said that this report is sent to universities, foundations, industries, and government agencies, both nationally and worldwide, as a means of advertising the University of Alaska. He stated that to his knowledge only two other entities within the University utilized color in their reports. Those were the Agricultural Experiment Station and the Geophysical Institute. He suggested that I contact each of those divisions individually for costs of their publications.

This year Agroborealis, which is a magazine published once a year by the Agricultural Experiment Station, was printed at a cost of \$20,273 for 8,000 copies, or a unit price of \$2.53. The previous year 7,000 copies of this magazine were printed for \$14,300, or \$2.04 per copy.

The Geophysical Institute also publishes an annual report, which, according to Mr. Mather, is too lengthy to include in the University's main annual report. There were 2,200 copies of this report printed at a cost of \$30,239.93, or \$13.75 each. This report has been published for the past 20 years.

Mr. Mather also said that each department at the University can do a certain amount of its own color printing, as there is a graphics services center on campus. I called the graphics center and found that most of the color work that they do involves spot color, such as that used in a bar graph where several different colors are used to differentiate

Representative Ken Fanning
February 23, 1982
Page 2

the items being compared. The graphic services center has the ability to print reports which use colored photographs, but not the time, as they serve all University of Alaska departments statewide. Two of the examples given as products of the graphic service center which involve color were the University of Alaska recruitment brochure and museum posters, such as those used for special exhibits on campus.

The examples of University of Alaska publications using color mentioned above may not represent all of the University publications which use color, and if you would like us to contact each department individually, we will be glad to do so.

/cb



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y. State Capitol
Juneau, Alaska 99811
(907) 465-3991

February 24, 1982

MEMORANDUM

TO: Representative Ken Fanning
Attn: Gail Thibodeau

FROM: Carol Biggs^{cb}

RE: University of Alaska Multi-Colored Publications
Research Request No.82-54

To confirm my telephone call of this morning with Gail Thibodeau of your staff, I spoke with Dr. Sherman Carter, Executive Vice President of the University of Alaska, concerning cost of the recently published President's Report 1980-81. Dr. Carter said that the cost to produce this report was \$4,000 for 1,000 copies or \$4.00 per copy and that it was paid for by the University of Alaska Foundation Fund.

If we may be of further assistance to you, please do not hesitate to contact us.

CB/bf



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y, State Capitol
Juneau, Alaska 99811
(907) 465-3991

May 10, 1982

MEMORANDUM

TO: Files
FROM: Deb Pomeroy
RE: Research Request 82-131

Christine Englehart of Representative Fanning's office called on May 7 asking that we find out the cost of preparing and printing the Alaska Silver Anniversary Commission's Master Plan. She also requested that we get the number of copies printed and the cost of distributing it.

The afternoon of the 7th, I called her to tell her that Patria at the Commission's Anchorage office had stated that it had cost \$22,000 to get 100 hundred copies of the 18 volume master plan and the summary volume printed.

Monday, May 10, Jean Reichman called with the following information which I called Christine with:

Contract Cost of the Master Plan (Alaska 1984)	\$2,820,674.50
Printing Costs:	
100 Copies of Master Plan & Summary	\$ 22,000.00
1,000 additional copies of Summary	\$ 20,000.00
Postage	
40 copies air freight to Juneau from Anchorage	\$ 700.00
Additional distribution (Estimate)	\$ 2,500.00

Ms. Reichman also stated that she would be sending me a breakdown of expenditures which the Legislative auditors had compiled.

I called Christine with the above information. She did not want a memo sent down, and said she would call me if she decided to wait for the Legislative auditors' report before writing a speech on this topic.

Total time spent on this request was approximately 1.5 hours.

TABLE 1: ALASKA STATE GOVERNMENT PRINTING EXPENDITURES

AGENCY	TOTAL EXPENDITURES	TERM	TOTAL IDENTIFIABLE EXPENDITURES	PERCENT IDENTIFIED	IN-STATE				OUT-OF-STATE			
		CONTRACTS & CONTRACTS < \$5000			CENTRAL DUPLICATING	ALASKA BIDDER	TOTAL AMOUNT	PERCENT IDENTIFIED	ALASKA BIDDER	NONALASKA BIDDER	TOTAL AMOUNT	PERCENT IDENTIFIED
Governor's Office	\$313,790	\$105,954	207,836	66	\$107,757	\$64,000	171,757	83	\$30,079	\$6,000	36,079	17
Administration	410,708	130,980	279,728	68	220,059	0	220,059	79	59,669	0	59,669	21
Law	94,739	63,394	31,345	33	16,345	15,000	31,345	100	0	0	0	0
Revenue	250,575	80,661	169,913	68	49,599	40,240	89,839	53	70,469	9,605	80,074	47
Education	656,647	388,387	268,260	41	134,939	120,984	255,923	95	4,957	7,380	12,337	5
Health & Social Services	384,672	186,128	198,544	52	150,509	42,566	193,075	97	5,469	0	5,469	3
Labor	382,487	169,186	213,302	56	163,206	11,478	174,684	82	34,083	4,535	38,618	18
Commerce & Economic Dev.	355,497	223,943	131,553	37	94,502	29,551	124,053	94	0	7,500	7,500	6
Military & Veteran Affairs	17,327	11,770	5,557	32	5,557	0	5,557	100	0	0	0	0
Natural Resources	426,859	330,711	96,148	23	80,148	16,000	96,148	100	0	0	0	0
Fish & Game	1,055,975	558,431	497,544	47	190,718	161,588	352,306	71	39,626	105,612	145,238	29
Public Safety	680,982	588,124	92,858	14	49,399	0	49,399	53	43,459	0	43,459	47
Environmental Conservation	55,922	20,466	29,455	53	29,455	0	29,455	100	0	0	0	0
Corrections	42,861	0	42,861	100	42,861	0	42,861	100	0	0	0	0
Community & Regional Affairs	138,409	70,919	61,874	45	54,409	7,465	61,874	100	0	0	0	0
Transp. & Public Facilities	800,282	669,942	130,340	16	122,880	0	122,880	94	7,460	0	7,460	6
Ombudsman	10,850	10,427	423	4	423	0	423	100	0	0	0	0
Legislative Affairs & Audit*	359,708	53,148	306,560	85	5,059	0	5,059	2	0	301,501	301,501	98
Alaska Court System	154,403	151,306	3,097	2	3,097	0	3,097	100	0	0	0	0
TOTAL	\$6,593,075	\$3,825,877	2,767,198	42	\$1,520,922	\$508,872	2,029,794	73	\$295,271	\$442,133	737,404	27

*Legislative Affairs Agency FY 86 term contracts included \$301,501 for Alaska statutes which was identified as out-of-state printing.

Source: State of Alaska accounting system; Alaska Department of Administration, Division of General Services and Supply; Legislative Affairs Agency, Division of Administrative Services.

Prepared by the House Research Agency, December 1986.

Question: leadership

1 IN THE SENATE

BY PEARCE

2

CS STATE BILL NO. 75 (St Aff)

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 state publications."

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

8 * Section 1. AS 44.99 is amended by adding new sections to read:

9

ARTICLE 3. STATE PUBLICATIONS.

10

Sec. 44.99.130. LIST OF PUBLICATIONS. Each state agency shall

11

compile a list identifying each publication that the agency produces,

12

for public distribution and for which the actual annual production

13

costs exceed \$3,000. The list must also give the actual production

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costs for each publication and be available for inspection by members

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of the public. An agency produces a publication under this section

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even if the agency contracts with another person or agency to do the

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production. This section does not apply to letterhead stationery or

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letterhead envelopes.

19

Sec. 44.99.140. DISCLOSURES ON PUBLICATION. The state agency

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that produces a publication that must be listed under AS 44.99.130

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shall print on the publication the name of the agency and a statement

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that gives the purpose of the publication, the actual annual produc-

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tion costs for the publication, the cost for each copy, and the city

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and state where the printing was done. The statement must read:

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"This publication was produced at an annual cost of \$....., \$..... per

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copy, to...(statement of purpose)...., and was printed in.....(city

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and state where printed). The agency identification and the state-

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ment shall be printed in type that is the same size as the main type

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used in the body of the publication. The statement shall be printed

SBU0/5a

and may include a statement
of revenue raised by sale or distribution
of the publication.

SB 75

1 next to the agency identification and set in a box composed of at
2 least one-point rule.

3 Sec. 44.99.150. DEFINITIONS. In AS 44.99.130 - 44.99.150,

4 (1) "production costs" means the costs for preparation,
5 printing, and circulation; in this paragraph,

6 (A) "preparation" includes materials, art work, and
7 typesetting;

8 (B) "printing" includes reproduction, binding, and
9 other services related to the printing that are normally per-
10 formed by the printing industry;

11 (2) "state agency" means

12 (A) a department, institution, board, commission,
13 division, authority, public corporation, or other administrative
14 unit of the executive branch, [including the Alaska Pioneers'
15 Homes,] ^{and} the University of Alaska, [the Alaska State Building Au-
16 thority,] ^{and} the Alaska Railroad Corporation, [a regional Native
17 housing authority created under AS 18.55.996,] and a regional
18 electrical authority created under AS 18.57.020]

19 (B) a committee, division, or administrative unit of
20 the legislative branch, including Legislative Council, the leader
21 ship of each house, and the office of the ombudsman.

(3) ²² In this section "publication" means:

~~for~~ public distribution

- annual production cost over \$3000

- even if contracted with another person or agency

- includes books, brochures, flyers, manuals, newsletters,
pamphlets, programs, reports, and other like documents

- excludes standard forms, letterhead stationery, letter-
head envelopes

List of state publications available?

SB 75

2-21-89

Pam Stoops, LAA

could control pocket directory, ^{etc.} ~~ok~~. Would be hassle of individual legislators doing reports. Suppose OF/N - just have to add another step to what they're doing.

Include bills?

Bob Linck, DOA

Change ~~RF~~ ^{bid} to require this info. be included. No F/N - simply divide total bid by number of copies printed.

Roland Shanks, ADFA

cost of Fish & Game mag. paid for by subscriptions

another ex. of Tourist Planner - paid for by ads.

include regulations?

what about a single fold pamphlet? Might need to enlarge it just to fit cost info. on!

Nancy ^{al} (for Patti Greene), Tourism
Will ~~attend~~ attend

offset publication costs!

AS

18.56.900 AHFC state/fed

24.45.171 reg. of lobbying

34.60.150 relocation assistance standard

36.30.735 public contracts

37.07.120 public finance

39.52.160 public officers incl univ, excl RR

44.19.449 EEO standard - exec only

44.62.640 ~~Admin Pro~~ ^{Admin Pro} ~~Exec Only~~ exec only, not jud, leg

44.83.230 APA state/fed

40.21.150 Public Records standard, exc. Univ

46.35.200 Env. Procedures standard

Original sponsors: Pearce, Uehling,
and Faiks

*includes personnel costs
applies to Court System*

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

CS FOR SENATE BILL NO. 75 (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 state publications."

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

8 * Section 1. AS 44.99 is amended by adding new sections to read:

9

ARTICLE 3. STATE PUBLICATIONS.

10

Sec. 44.99.130. LIST OF PUBLICATIONS. Each state agency shall compile a list identifying each publication that the agency produces. The list must also give the actual production costs for each publication and be available for inspection by members of the public. An agency produces a publication under this section even if the agency contracts with another person or agency to do the production.

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Sec. 44.99.140. DISCLOSURES ON PUBLICATION. A state agency that produces a publication shall print on the publication the name of the agency and a statement that gives the purpose of the publication, the actual annual production costs for the publication, the cost for each copy, and the city and state where the printing was done. The statement must read: "This publication was produced at an annual cost of \$....., \$..... per copy, to...(statement of purpose)..., and was printed in.....(city and state where printed)". The statement may include, if applicable, a declaration of the revenue raised by the sale of the publication or from the purchase of advertising in the publication. The agency identification and the statement shall be printed in type that is the same size as the main type used in the body of the publication. The statement shall be printed next to the agency identification and set in a box composed of at least one-point

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1 rule.

2 Sec. 44.99.150. DEFINITIONS. In AS 44.99.130 - 44.99.150,

3 (1) "production costs" means the costs for preparation,
4 printing, and circulation; in this paragraph,

5 (A) "preparation" includes personnel costs, materials,
6 art work, and typesetting;

7 (B) "printing" includes reproduction, binding, and
8 other services related to the printing that are normally per-
9 formed by the printing industry;

10 (2) "publication" means a written document produced for
11 public distribution and for which the actual annual production costs
12 exceed \$3,000; "publication" includes books, brochures, flyers, man-
13 uals, newsletters, pamphlets, programs, reports, and similar docu-
14 ments, but does not include standard forms, letterhead stationery,
15 letterhead envelopes, the Alaska Statutes, the Alaska Administrative
16 Code, and the Alaska Rules of Court.

17 (3) "state agency" means

18 (A) a department, institution, board, commission,
19 division, authority, public corporation, or other administrative
20 unit of the executive branch, including the University of Alaska
21 and the Alaska Railroad Corporation;

22 (B) a committee, division, or administrative unit of
23 the legislative branch, including Legislative Council, the lead-
24 ership of each house, and the office of the ombudsman;

25 (C) an administrative unit of the judicial branch,
26 including the Judicial Council and the Commission on Judicial
27 Conduct.

FISCAL NOTE

REQUEST:

Revision Date: February 27, 1989 Agency Affected: Department of Administration
 Title: An Act relating to State Publications BRU: General Services and Supply
 Sponsor: Pearce Central Duplicating/Purchasing
 Requestor: Senate State Affairs Components: General Services and Supply
 Central Duplicating/Purchasing

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

We do not anticipate any significant fiscal impact in expenditures or revenues for the Division of General Services and Supply.
 Central Duplicating will continue to provide quotations to state agencies so they can include these figures in their costs analysis. There would be no additional costs for printing services.

Prepared By: Robert J. Link, Director *Robert J. Link* Phone: 465-2250
 Division: General Services and Supply Date: _____

Approved by Commissioner: John M. Andrews *John M. Andrews* Date: 3/17/89
 Agency: Department of Administration

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

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CS SB 75 (St. Aff.)

SUBJECT OF PROPOSED BILL: An act relating to State Publications.

SUMMARY/EXPLANATION OF INTENT: For agency publications which are bid by General Services and Supply, the additional information required would be provided for under existing procurement regulations. The disclosed information can be included in the bidding specifications at no fiscal impact to the division. We do not anticipate any critical fiscal impact when issuing competitive sealed bids for agency publications.

This fiscal note analysis only applies to the Department of Administration and does not represent fiscal impacts to other agencies.

ESTIMATED FISCAL IMPACT:

Capital: 0

Operating: 0

what if costs borne by subscriptions or ads?

1 IN THE SENATE

BY PEARCE

2

SENATE BILL NO. 75

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 state publications."

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

8 * Section 1. AS 44.99 is amended by adding new sections to read: *7*

9

ARTICLE 3. STATE PUBLICATIONS. *bills? news?*

Sec. 44.99.130. LIST OF PUBLICATIONS. Each state agency shall

compile a list identifying each publication that the agency produces

for public distribution and for which the actual annual production

costs exceed \$3,000. The list must also give the actual production

costs for each publication and be available for inspection by members

of the public. An agency produces a publication under this section

even if the agency contracts with another person or agency to do the

production. This section does not apply to letterhead stationery or

letterhead envelopes.

Sec. 44.99.140. DISCLOSURES ON PUBLICATION. The state agency

that produces a publication that must be listed under AS 44.99.130

shall print on the publication the name of the agency and a statement

that gives the purpose of the publication, the actual annual produc-

tion costs for the publication, the cost for each copy, and the city

and state where the printing was done. The statement must read:

"This publication was produced at an annual cost of \$....., \$..... per

copy, to...(statement of purpose)..., and was printed in.....(city

and state where printed)". The agency identification and the state-

ment shall be printed in type that is the same size as the main type

used in the body of the publication. The statement shall be printed

not currently available

+ may state revenues

1 next to the agency identification and set in a box composed of at
2 least one-point rule.

3 Sec. 44.99.150. DEFINITIONS. In AS 44.99.130 - 44.99.150,

4 (1) "production costs" means the costs for preparation,
5 printing, and circulation; in this paragraph,

6 (A) "preparation" includes materials, art work, and
7 typesetting; *not staff time*

8 (B) "printing" includes reproduction, binding, and
9 other services related to the printing that are normally per-
10 formed by the printing industry;

11 (2) "state agency" means

12 (A) a department, institution, board, commission,
13 division, ^{should pick these up} authority, public corporation, or other administrative
14 unit of the executive branch, including the Alaska Pioneers'
15 Homes, the University of Alaska, the Alaska State Building Au-
16 thority, the Alaska Railroad Corporation, a regional Native
17 housing authority created under AS 18.55.996, and a regional
18 electrical authority created under AS 18.57.020;

19 (B) a committee, division, or administrative unit of
20 the legislative branch, including Legislative Council, the leader-
21 ship ^{original} of each house, and the office of the ombudsman.

*costs?
non-profits?*

*since statutory
creation
OK to
oversee*

*identify major spending
authorities*

*Procurement Code
36.30.990 (1)
Terry hasn't seen in
other statutes.
Don't think
necessary.*

*if give someone grant, could
put in contract - should
amend grant statute - wouldn't
be considered "state agency"*

public awareness? if non-profits etc.

S B

79

SENATE STATE AFFAIRS COMMITTEE

BILL NUMBER SB 79

SPONSOR Faiks

BILL TITLE Reductions in state budget levels

DATE REFERRED 1-9-89

HEARING SCHEDULED 3-3-89

FISCAL NOTE PREPARED req 3/1

SPONSOR CONTACTED Cheryl 4523

INTERESTED PARTIES CONTACTED

✓ Shari Kochman, Gov 3500

See SJR 5

OTHER

see also SJR 5 file

SB 79, REDUCTIONS IN STATE BUDGET LEVELS

NOTIFIED

SENATOR FAIKS, SPONSOR (CHEKYL)

MARY HALLORAN, O.M.B.

F.Y.I.

CALLS FOR 6.5% REDUCTION FROM FY 89 TO FY 90, APPROXIMATELY \$145 MILLION. REMEMBER THAT THE BUDGET SUMMIT TALK IS \$150 MILLION FROM THE GOVERNOR'S FY 90 PROPOSED, NOT FROM FY 89....

FY 89	2228.1	
FY 90	2083.3	[144.8]
FY 91	1947.9	[135.4]

THE BILL HAS A SERIES OF FINDINGS -- I'M NOT SURE WHERE THE FIGURES USED CAME FROM. IT SAYS FY 79 SPENDING WAS 1236.1 MILLION; OMB'S BUDGET GROWTH CHART SHOWS FY 79 GF SPENDING OF 1096.5. IT SAYS SPENDING PEAKED IN FY 81 AT 4498.6 MILLION; OMB SHOWS FY 81 GF SPENDING OF 2587.0 MILLION WITH A PEAK IN FY 85 AT 3871.9 MILLION.

BILL DOES NOT ADDRESS WHERE OR HOW BUDGET CUTS SHOULD OCCUR.

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

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

Begin budget reduction. Specifies:
FY 1990 budget 6.5% less than FY 89
FY 91 budget 6.5% less than FY 90

1 IN THE SENATE (Non-binding, right?) BY FAIKS, JONES, ELIASON
AND FISCHER

2 SENATE BILL NO. 79

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

FY 89 2228.1
FY 90 2083.3
FY 91 1947.9
144.8
135.4

6 For an Act entitled: "An Act relating to reductions in state budget levels
7 for certain fiscal years; and providing for an effective date."
8

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

10 * Section 1. FINDINGS AND PURPOSE. (a) As a result of our state's
11 rich natural resources, Alaska has enjoyed tremendous wealth. While this
12 has enabled the state to make great strides in developing its potential, it
13 has also fueled an economy based on the volatile price of a world commodity.
14 As a result, Alaska has experienced wide fluctuations in revenue from
15 year to year. The legislature finds that the resulting peaks and valleys
16 in state spending must be stabilized and a spending level established that
17 can be supported by projected state revenue.

18 (b) The legislature finds that Alaska's revenue projections show a
19 dramatic decline in future years. By fiscal year 1996, projected revenue
20 shows a 43.9 percent decrease when compared to those received in fiscal
21 year 1988. Long range revenue projections show a continued decline.

22 (c) Since the first influx of oil dollars in fiscal year 1979, state
23 spending has increased from \$1,236,000,000 to the current year's
24 \$2,228,100,000 for an 80 percent increase. Spending peaked in fiscal year
25 1981 at \$4,498,600,000, reflecting a 264 percent increase from fiscal year
26 1979. Given the dramatic decreases in projected revenue, it is clear the
27 state will be unable to afford the same level of state services it has
28 provided in previous years. For this reason, the legislature finds that
29 the state must implement an expenditure reduction plan.

1 (d) To implement an expenditure reduction plan, the legislature finds
2 that it is necessary to establish a spending level that can reasonably be
3 sustained and that will adequately provide traditional basic services of
4 state government. Based on per capita spending in the United States
5 adjusted for cost-of-living in Alaska, a basic services budget for Alaska
6 would be approximately \$1,360,000,000. This compares to the current fiscal
7 year 1989 operating and capital budgets of \$2,228,100,000.

8 (e) The legislature finds that it is necessary to mandate the imple-
9 mentation of an expenditure reduction plan to achieve the basic services
10 budget level by fiscal year 1996 through annual expenditure reductions.

11 (f) It is the purpose of this Act to begin the process of gradually
12 reducing levels of state expenditure by establishing feasible state budget
13 limits for the next two fiscal years.

14 * Sec. 2. Notwithstanding the appropriation limit under AS 37.05.540,
15 the legislature shall revise the state budget and general appropriation
16 bills prepared under AS 37.07.020 so that the operating and capital budget
17 for fiscal year 1990 is at least 6.5 percent less than the state operating
18 and capital budget for fiscal year 1989.

19 * Sec. 3. Notwithstanding the appropriation limit under AS 37.05.540,
20 the proposed state operating and capital budget and general appropriation
21 bills for fiscal year 1991 submitted to the legislature by the governor
22 under AS 37.07.020 and enacted by the legislature must be at least 6.5
23 percent less than the state operating and capital budget for fiscal year
24 1990.

25 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

Alaska State Legislature

JUDICIARY
CHAIRMAN
907-465-4523

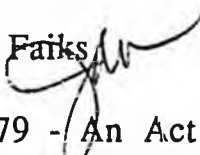
JAN FAIKS
POST OFFICE BOX V
JUNEAU, ALASKA 99811

Senate

March 1, 1989

MEMORANDUM

TO: Senator Pat Pourchot, Chairman
Senate State Affairs Committee

FROM: Senator Jan Faiks 

SUBJECT: Senate Bill 79 - An Act relating to reductions in state budget levels for certain fiscal years; and providing for an effective date

SB 79 requires the Legislature to implement an Expenditure Reduction Plan ("ERP") by reducing state spending by 6.5% in Fiscal Year 90 and 91.

SB 79 works in conjunction with SSSJR 5 ("50-30-20" and ERP). Because the soonest SJR 5's provisions can be put before the voters is November 1990, SB 79 provides a mechanism by which spending reductions can begin now instead of waiting until Fiscal Year 92's budget. If SB 79 is enacted and voters approve SJR 5, a 6.5% reduction each of the seven years will enable the state to achieve the \$1.4 billion Basic Services budget level by FY 96. If SB 79 is not enacted, the current level of spending maintained and SJR 5 approved by the voters, an average 8.9% reduction each year would be necessary.

OUT OF SESSION

3111 C STREET ANCHORAGE, ALASKA 99503 907-561-7610

STATE OF ALASKA
STATE APPROPRIATION SUMMARY
(Stated in \$ Millions)

	GENERAL FUNDS											FY 90
	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89	GOVERNOR
Operating	851.7	959.6	1,364.3	1,706.2	1,897.8	1,958.0	2,110.5	2,116.5	1,844.1	1,911.3	2,028.6	2,072.7
Debt Service	59.8	75.2	97.4	102.4	143.6	178.6	169.5	163.3	155.0	148.0	147.4	132.5
Loans	14.0	33.5	560.1	471.8	337.0	171.9	350.0	80.4	61.0	22.6	16.7	4.9 (net)
Capital	171.0	92.0	565.2	1,164.9	470.1	778.4	1,241.9	471.4	337.6	173.4	118.4	98.9
Total	1,096.5	1,160.3	2,587.0	3,445.3	2,848.5	3,086.9	3,871.9	2,831.6	2,397.7	2,255.3	2,311.1	2,309.0

	TOTAL FUNDS											FY 90
	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89	GOVERNOR
Operating	1,149.0	1,309.0	1,757.8	2,183.0	2,437.7	2,437.4	2,685.7	2,788.5	2,510.9	2,564.9	2,740.4	2,819.7
Debt Service	61.7	77.1	100.0	104.2	145.6	180.6	175.1	168.9	165.2	156.4	156.2	141.2
Loans	14.0	33.5	560.8	472.8	338.0	192.3	350.4	80.4	67.5	41.5	25.7	4.9 (net)
Capital	509.4	173.7	979.8	1,237.3	709.8	1,176.9	1,434.0	903.1	775.9	289.2	343.6	304.4
Total	1,734.1	1,593.3	3,398.4	3,997.3	3,631.1	3,987.2	4,645.2	3,940.9	3,519.5	3,052.0	3,265.9	3,270.2

NOTES

1. This summary does not include certain extraordinary items, including transfers from the General Fund to the Permanent Fund and the Budget Reserve Fund.
2. General Fund/Program Receipts are included in the General Fund operating budget totals for FY 88 and FY 89. In previous years, they are counted only in the Total Funds column.
3. FY 89 appropriation total includes \$47.9 million in anticipated supplementals.

Source: State of Alaska, Division of Budget Review

appsun
1/12/89

FY 90 v. FY 92 Effective Date for "ERP"

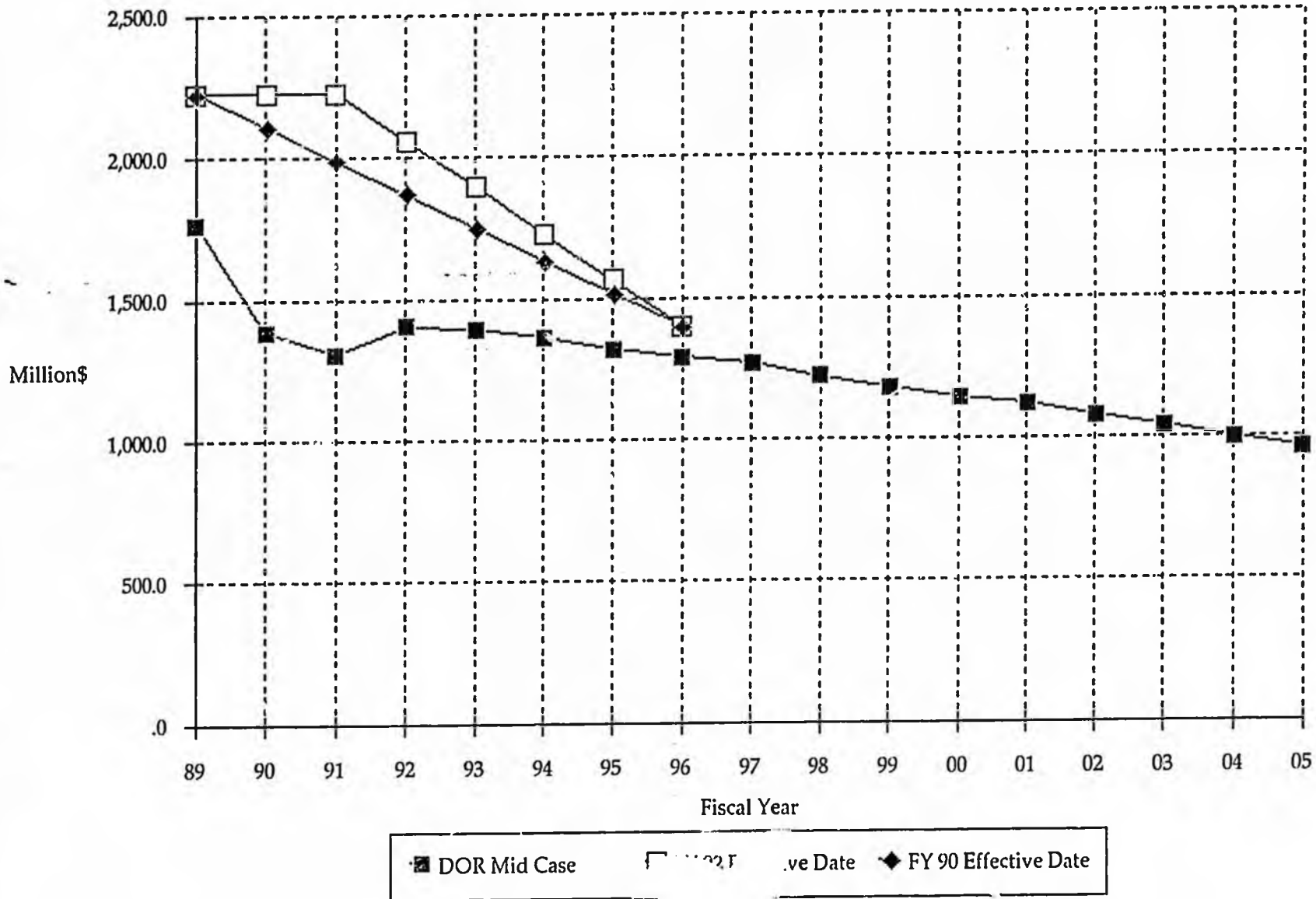
FY	Effective FY 90	Reduction Each Year	Percent of Reduction
89	2,228.1		
90	2,083.3	-144.8	-6.50%
91	1,947.9	-135.4	-6.50%
92	1,821.2	-126.6	-6.50%
93	1,702.9	-118.4	-6.50%
94	1,592.2	-110.7	-6.50%
95	1,488.7	-103.5	-6.50%
96	1,391.9	-96.8	-6.50%

FY	Effective FY 92	Reduction Each Year	Percent of Reduction
89	2228.1		
90			
91			
92	2062.5		
93	1896.9	-165.6	-8.03%
94	1731.3	-165.6	-8.73%
95	1565.7	-165.6	-9.57%
96	1400.1	-165.6	-10.58%

Senate Bill 79 - Senator Jan Faiks

FY 90 v. FY 92. Effective Date

Impact of Effective Date of Spending Limit Reductions



FY 90 v. 92 chart

on Date Reflects Voter Approved Constitutional Amendment; FY 90 Effective Date Assumes Statutory Implementation in FY 90 and 91 and then Constitutio

BASIC SERVICES BUDGET FOR ALASKA

If the State of Alaska spent the U.S. per capita amount of \$1,550.08, plus 16% for cost-of-living differences between the "lower forty-eight" and Alaska, the states 1986 expenditures would have been \$944,485,920.

If the State of Alaska had spent the U.S. per capita average of state and local governments combined, our total 1986 expenditure would have been \$1,553,338,500. Add 16% cost-of-living adjustment and we would have spent \$1,801,872,660.

Although state government in Alaska accounts for a higher proportion of total combined state and local government spending than any other state it does not carry the entire state-local expenditure burden. In 1986 the state was responsible for 68.5%.

Adjusting the figure in paragraph #2 by 68.5% we get a total "Basic Services Budget" for Alaska of \$1,234,282,772. for 1986.

In today's dollars, assuming a 10% increase in the costs of government since 1986 we arrive at an 1989 "Basic Services Budget" of \$1,357,711,049. or \$1.36 billion.

1.4 Basic Services Budget Calculation

1986 Per Capita General Expenditure

	ALL STATES AVG.	ALASKA STATE	
TOTAL	\$1,550.88	\$7,406.64	4.78x
EDUCATION	577.44	1,766.19	3.06x
PUBLIC WELFARE	298.85	493.99	1.65x
HIGHWAYS	151.01	831.63	5.51x
HOSPITALS	70.85	40.31	0.57x
NATURAL RESOURCES	30.12	311.87	10.35x
HEALTH	53.46	157.50	2.95x
CORRECTIONS	44.36	205.64	4.64x
FINANCIAL ADMINISTRATION	24.12	161.68	8.31x
EMPLOYMENT SECURITY ADMIN.	11.11	36.05	3.24x
POLICE	<u>15.30</u>	<u>71.48</u>	4.67x

SOURCE: Book of States, 1988 pp. 244-45

U.S. Population 242,778,000
Alaska Population 525,000

Per Capita Expenditures

S B

85

SENATE STATE AFFAIRS COMMITTEE

BILL NUMBER SB 85

SPONSOR Governor

BILL TITLE Issuance of private activity bonds.

DATE REFERRED 1-9-89

HEARING SCHEDULED 2-1-89

FISCAL NOTE PREPARED ✓

SPONSOR CONTACTED Milt Barker 2350

INTERESTED PARTIES CONTACTED

Milt Barker, DOR 2350 - sending over
fid. law
left NO Jim Plasman, CRA 4750
maybe ✓ Municipal League (Scott Burgess) 586-1325

OTHER

No. 3

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An act..issuance of private activity bonds.."
Sponsor: Rules Committee
Requestor: Governor

Agency Affected: Community & Regional 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	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Jim Plasman, Deputy Director Phone: 465-4750
 Division: Municipal & Regional Assistance Date: 11-15-88
 Approved by Commissioner: [Signature] Date: 15 NOV 88
 Agency: Community & Regional Affairs

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

STATE OF ALASKA
1988 LEGISLATIVE SESSION

Bill Version: SB 85 (b)
Publish Date: 1/9/89

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Department of Revenue
 Title: Issuance of Private Activity BRU: Treasury
 Bonds _____
 Sponsor: Rules Components: _____
 Requestor: Governor

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: Attach a separate page for analysis.

Prepared By: Milt Barker MB
 Division: Treasury

Phone: 465-2350
 Date: November 1, 1988

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

Date: 11/7/88

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



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 9, 1989

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

Dear Senator Kelly:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the issuance of private activity bonds.

The bill provides permanent authority for the state bond committee to allocate the private activity bond volume limit for Alaska. The bond committee was assigned this responsibility by ch. 81, SLA 1987. However, sec. 3 of ch. 81 repeals the committee's authority as of January 1, 1990. The attached bill would place, in statute, the temporary language that was enacted in sec. 1, ch. 81, SLA 1987.

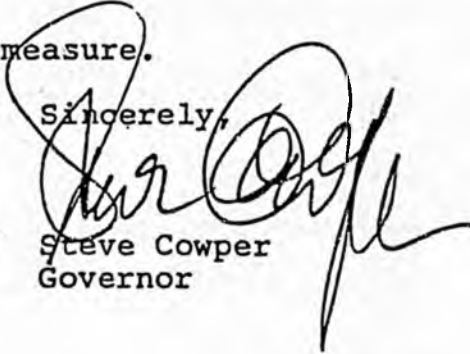
The private activity bond limit for Alaska under current federal law is \$150,000,000 each year. This limit on the amount of certain types of debt that can be issued as tax-exempt applies to Alaska Student Loan Corporation bonds, Alaska Housing Finance Corporation's first-time home buyer bonds, bonds for most Alaska Power Authority projects, and possibly certain bonds that would be issued by the Alaska Industrial Development and Export Authority or municipalities.

Legislation needs to be enacted in 1989 to avoid any hiatus in the authority of the State to allocate the volume limit. Failure to do so would cause the allocation to revert to

federal law. Federal law mandates a fixed percentage allocation to municipalities. It is unlikely that municipalities would use all or even a significant portion of their limit. They have used none of the limit so far. Thus, an absence of legislation could cause significant amounts of state debt to be issued without tax exemption. This would increase needlessly the interest costs on such debt.

I urge your support of this measure.

Sincerely,



Steve Cowper
Governor



Alaska State Legislature

Official Business

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

MEMORANDUM

TO: Senate State Affairs Committee Members

FROM: Senator Pat Pourchot, Chairman *Pat*

RE: February 1 Committee Hearing

DATE: January 30, 1989

On Wednesday, February 1 at 1:30 p.m. in the Beltz Room the State Affairs Committee will hear the following bills:

SB 23, An Act relating to the recording and collection of crime statistics.

SB 23 would authorize the Department of Public Safety to require the use of standardized methods of collecting and recording crime statistics by local police departments statewide.

This authorization was recommended in a March 1985 legislative audit conducted because of a dispute over juvenile crime statistics reported by the Department of Health and Social Services. The audit determined that inconsistencies in the way police departments throughout the state report crime statistics DPS was a possible reason for the dispute.

The Department of Public Safety acts as the primary collector and reporter of arrest data for the FBI under the terms of the Uniform Criminal Reporting code (UCR). The data is also organized into a state report that is published annually. In 1987, 27 of Alaska's 58 law enforcement agencies submitted data for the UCR.

The bill has a zero fiscal note.

SB 59, An Act relating to mandatory use of safety devices in motor vehicles.

SB 59 would make failure to wear a seatbelt an infraction carrying a fine of up to \$15, and would provide for the fine to be waived in lieu of a contribution to the local Emergency Medical Services entity. The bill exempts passengers in an

emergency vehicle, persons delivering mail or newspapers, persons in vehicles that are not equipped with seatbelts, and other persons as determined by regulation.

Under the bill, enforcement would occur secondary to other offenses. Peace officers would be prohibited from stopping a vehicle simply to determine if seatbelts are being worn; the officer must have probable cause to stop the vehicle for some other violation of law.

Current law regarding safety devices applies only to children under age seven. SB 59 would not substantively change these provisions. The bill has a zero fiscal note.

SB 85. An Act relating to the issuance of private activity bonds.

SB 85 would provide permanent authority for the state bond committee to allocate the private activity bond volume limit for Alaska. The 1987 law that assigned this responsibility to the bond committee expires January 1, 1990. If SB 85 is not enacted, the allocation authority will revert to federal law on that date.

The private activity bond limit for Alaska under federal law is \$150 million annually. This is the limit on the amount of certain types of debt that can be issued as tax exempt. Federal law mandates a fixed percentage of the limit to municipalities, a percentage it is unlikely municipalities will ever fully use. Continuing the state authorization will allow flexibility in the allocation of the tax exempt limit.

The language of SB 85 is identical to that of the temporary law enacted in 1987. The bill has a zero fiscal note.

SB 85, RELATING TO THE ISSUANCE OF PRIVATE ACTIVITY BONDS.

TO TESTIFY:

MILT BARKER, DEPT. REVENUE

OTHERS (SEE WITNESS LIST)

F.Y.I.

ACCORDING TO MILT BARKER, NO DISPUTES HAVE ARISEN REGARDING ANNUAL ALLOCATION OF THE BOND LIMIT. IN FACT, THE BOND COMMITTEE HAS HAD TO LOOK FOR PLACES TO ALLOCATE -- THERE JUST HASN'T BEEN MUCH DEMAND. MUCH HAS GONE UNUSED AND BEEN CARRIED FORWARD.

FEDERAL LAW REQUIRES THAT 50% OF THE LIMIT GO TO MUNICIPALITIES UNLESS STATE LAW PROVIDES OTHERWISE. (EXISTING TEMPORARY LAW AND SB 85 BOTH PROPOSE 25%). SPOKE TO SCOTT BURGESS, ALASKA MUNICIPAL LEAGUE. THEY SUPPORT SB 85 AS LONG AS LANGUAGE ALLOCATING 25% TO MUNICIPALITIES REMAINS (PAGE 1, LINES 13-14).

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 1-26-89
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 2-1-89

1/9/89

Mr. President:

STATE AFFAIRS Committee considered SB 85

issuance of private activity bonds; efd

and recommended:

replace with CS _____ 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

Al Adams
Jan. Tully
Paul Kelly

Pat Faucher do pass
Chairman signature and recommendation

Committee backup attached

Sandra SB 85

ALASKA PRIVATE ACTIVITY BOND VOLUME CAP
 ALLOCATIONS, USE AND CARRYFORWARDS FROM INCEPTION

CALENDAR YEAR	TOTAL CAP	ALLOCATION	USE	CARRYFORWARD 1.
1986	\$250,000,000	\$125,000,000 TO AHFC \$125,000,000 TO ALL OTHER USERS	\$14,780,000 BY <u>AIDEA</u>	\$125,000,000 FOR AHFC 2. \$110,220,000 FOR STUDENT LOAN BONDS
1987	\$250,000,000	\$0	\$50,000,000 BY <u>AHFC</u>	\$185,590,000 TO AHFC 2. \$64,410,000 TO APA FOR POWER PROJECTS
1988	\$150,000,000	\$0	\$0	\$80,000,000 TO APA FOR SNETTISHAM FOR STUDENT LOAN BONDS
1989 (to date)	\$150,000,000	\$0	\$83,795,000 BY <u>ASLC</u>	\$70,000,000
TOTAL	\$800,000,000	\$250,000,000	\$148,575,000	\$635,220,000

Carryforward didn't specify AK Student Loan Corp. (feds. law requires specify) - so under review by IRS. If IRS disallows, no carryforward for student loans - would have to come out of current year's allocation.

UNUSED CARRYFORWARDS

AHFC	\$260,590,000	
APA	\$144,410,000	(FOR SPECIFICALLY NAMED PROJECTS)
ASLC	\$96,425,000	
TOTAL	\$501,425,000	

Bond counsel was concerned about this allocation - can it really be done in 3 yrs.?

SPECIAL NOTE

hearing scheduled Feb. 6
 An IRS ruling concerning of the 1986 carryforward for student loan bonds is pending. An unfavorable ruling could cause the 1986 carryforward to become unuseable. In that case a 1988 bond issue of the Alaska Student Loan Corporation ("ASLC") would use \$83,795,000 of the 1988 cap, leaving \$66,205,000 to carry forward for APA to purchase Snettisham. A ruling which did that would reduce unused carryforwards to the following amounts:

AHFC	\$260,590,000
APA	\$130,615,000
ASLC	\$0
TOTAL	\$391,205,000

NOTES

1. Carryforwards expire after three calendar years.
2. Under current Federal law AHFC will not be able to issue tax-exempt bonds for first time home-buyers after December 31, 1989.
3. No entity other than those identified in the tables has ever applied for an allocation of the private activity bond cap.

Anticipate FY 90?
 student loan \$20m

State GO bonds not part of this cap.

from DOR 2-1-89

SB 85

Amendments

P.L. 100-647, § 5053(a):

Act Sec. 5053(a) amended Code Sec. 145 by redesignating subsection (d) as subsection (e).

For a special effective date, see Act Sec. 5053(c), below.

Act Sec. 5053(c) provides:

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to obligations issued after October 21, 1988.

(2) EXCEPTION FOR CONSTRUCTION OR BINDING AGREEMENT.—

(A) The amendments made by this section shall not apply to bonds (other than refunding bonds) with respect to a facility—

(i) the original use of which begins with the taxpayer, and the construction, reconstruction, or rehabilitation of which began before July 14, 1988, and was completed on or after such date, or

(ii) the original use of which begins with the taxpayer and with respect to which a binding contract to incur significant expenditures for construction, reconstruction, or rehabilitation was entered into before July 14, 1988, and some of such expenditures are incurred on or after such date, and

(iii) described in an inducement resolution or other comparable preliminary approval adopted by an issuing authority (or by a voter referendum) before July 14, 1988.

For purposes of the preceding sentence, the term "significant expenditures" means expenditures greater than 10 percent of

the reasonably anticipated cost of the construction, reconstruction, or rehabilitation of the facility involved.

(B) Subparagraph (A) shall not apply to any bond issued after December 31, 1989, and shall not apply unless it is reasonably expected (at the time of issuance of the bond) that the facility will be placed in service before January 1, 1990.

(3) REFUNDINGS.—The amendments made by this section shall not apply to any bond issued to refund (or which is part of a series of bonds issued to refund) a bond issued before July 15, 1988, if—

(A) the average maturity date of the issue of which the refunding bond is a part is not later than the average maturity date of the bonds to be refunded by such issue,

(B) the amount of the refunding bond does not exceed the outstanding amount of the refunded bond, and

(C) the proceeds of the refunding bond are used to redeem the refunded bond not later than 90 days after the date of the issuance of the refunding bond.

For purposes of subparagraph (A), average maturity shall be determined in accordance with section 147(b) of the 1986 Code.

P.L. 99-514, § 1301(b):

Act Sec. 1301(b) amended Part IV of subchapter B of chapter 1 by adding Code Sec. 145 to read as above.

For text of Part IV of subchapter B of chapter 1 prior to amendment see the amendment notes for Code Sec. 141.

The above amendment applies generally to bonds issued after August 15, 1986. However, for transitional rules, see Act Secs. 1312-1318 following Code Sec. 103.

[Sec. 146]

SEC. 146. VOLUME CAP.

[Section 146(a)]

(a) GENERAL RULE.—A private activity bond issued as part of an issue meets the requirements of this section if the aggregate face amount of the private activity bonds issued pursuant to such issue, when added to the aggregate face amount of tax-exempt private activity bonds previously issued by the issuing authority during the calendar year, does not exceed such authority's volume cap for such calendar year.

[Sec. 146(b)]

(b) VOLUME CAP FOR STATE AGENCIES.—For purposes of this section—

(1) IN GENERAL.—The volume cap for any agency of the State authorized to issue tax-exempt private activity bonds for any calendar year shall be 50 percent of the State ceiling for such calendar year.

(2) SPECIAL RULE WHERE STATE HAS MORE THAN 1 AGENCY.—If more than 1 agency of the State is authorized to issue tax-exempt private activity bonds, all such agencies shall be treated as a single agency.

[Sec. 146(c)]

(c) VOLUME CAP FOR OTHER ISSUERS.—For purposes of this section—

(1) IN GENERAL.—The volume cap for any issuing authority (other than a State agency) for any calendar year shall be an amount which bears the same ratio to 50 percent of the State ceiling for such calendar year as—

(A) the population of the jurisdiction of such issuing authority, bears to

(B) the population of the entire State.

(2) OVERLAPPING JURISDICTIONS.—For purposes of paragraph (1)(A), if an area is within the jurisdiction of 2 or more governmental units, such area shall be treated as only within the jurisdiction of the unit having jurisdiction over the smallest geographical area unless such unit agrees to surrender all or part of such jurisdiction for such calendar year to the unit with overlapping jurisdiction which has the next smallest geographical area.

anticipated cost of the construction, reconciliation of the facility involved.

Paragraph (A) shall not apply to any bond issued after 1989, and shall not apply unless it is issued (at the time of issuance of the bond) that was placed in service before January 1, 1990.

Section 5.—The amendments made by this section to any bond issued to refund (or which is part of a refunding bond) a bond issued before July 1, 1986, shall not apply to any such bond if the maturity date of the issue of which the bond is a part is not later than the average maturity date of the bonds to be refunded by such issue, and if the amount of the refunding bond does not exceed the amount of the refunded bond, and if the proceeds of the refunding bond are used to redeem the refunded bond not later than 90 days after the date of the refunding bond.

Paragraph (A), average maturity shall be determined in accordance with section 147(b) of the 1986 Code.

Paragraph (A), average maturity shall be determined in accordance with section 147(b) of the 1986 Code.

(b)

Paragraph (b) amended Part IV of subchapter B of the Internal Revenue Code Sec. 145 to read as above.

Part IV of subchapter B of chapter 1 prior to the amendment notes for Code Sec. 141.

The amendment applies generally to bonds issued after 15, 1986. However, for transitional purposes, sections 1312-1318 following Code Sec. 103.

If an issue meets the requirements of section 145, any bonds issued pursuant to such issue, when such bonds were previously issued by the issuing authority, shall not be subject to the volume cap for such calendar year.

Section—

State authorized to issue tax-exempt bonds shall not be subject to the State ceiling for such calendar year.

Section 145.—If more than 1 agency of the State is authorized to issue such bonds, all such agencies shall be treated as a single agency.

Section—

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Section 145.—If more than 1 agency of the State is authorized to issue such bonds, all such agencies shall be treated as a single agency.

3. Commerce Clearing House, Inc.

[Sec. 146(d)]

(d) STATE CEILING.—For purposes of this section.—

(1) IN GENERAL.—The State ceiling applicable to any State for any calendar year shall be the greater of—

- (A) an amount equal to \$75 multiplied by the State population, or
- (B) \$250,000,000.

Subparagraph (B) shall not apply to any possession of the United States.

(2) ADJUSTMENT AFTER 1987.—In the case of calendar years after 1987, paragraph (1) shall be applied by substituting—

- (A) "\$50" for "\$75", and
- (B) "\$150,000,000" for "\$250,000,000".

(3) SPECIAL RULE FOR STATES WITH CONSTITUTIONAL HOME RULE CITIES.—For purposes of this section.—

(A) IN GENERAL.—The volume cap for any constitutional home rule city for any calendar year shall be determined under paragraph (1) of subsection (c) by substituting "100 percent" for "50 percent".

(B) COORDINATION WITH OTHER ALLOCATIONS.—In the case of any State which contains 1 or more constitutional home rule cities, for purposes of applying subsections (b) and (c) with respect to issuing authorities in such State other than constitutional home rule cities, the State ceiling for any calendar year shall be reduced by the aggregate volume caps determined for such year for all constitutional home rule cities in such State.

(C) CONSTITUTIONAL HOME RULE CITY.—For purposes of this section, the term "constitutional home rule city" means, with respect to any calendar year, any political subdivision of a State which, under a State constitution which was adopted in 1970 and effective on July 1, 1971, had home rule powers on the 1st day of the calendar year.

(4) SPECIAL RULE FOR POSSESSIONS WITH POPULATIONS OF LESS THAN THE POPULATION OF THE LEAST POPULOUS STATE.—

(A) IN GENERAL.—If the population of any possession of the United States for any calendar year is less than the population of the least populous State (other than a possession) for such calendar year, the limitation under paragraph (1)(A) shall not be less than the amount determined under subparagraph (B) for such calendar year.

(B) LIMITATION.—The limitation determined under this subparagraph, with respect to a possession, for any calendar year is an amount equal to the product of—

(i) the fraction—

(I) the numerator of which is the amount applicable under paragraph (1)(B) for such calendar year, and

(II) the denominator of which is the State population of the least populous State (other than a possession) for such calendar year, and

(ii) the population of such possession for such calendar year.

Amendments

P.L. 100-647, § 1013(a)(40):

Act Sec. 1013(a)(40) amended Code Sec. 146(d)(4)(B) by striking out "with respect to a possession" and inserting in lieu thereof "with respect to a possession".

The above amendment is effective as if included in the provision of the Tax Reform Act of 1986 (P.L. 99-514) to which it relates.

[Sec. 146(e)]

(e) STATE MAY PROVIDE FOR DIFFERENT ALLOCATION.—For purposes of this section.—

(1) IN GENERAL.—Except as provided in paragraph (3), a State may, by law provide a different formula for allocating the State ceiling among the governmental units (or other authorities) in such State having authority to issue tax-exempt private activity bonds.

(2) INTERIM AUTHORITY FOR GOVERNOR.—

(A) IN GENERAL.—Except as otherwise provided in paragraph (3), the Governor of any State may proclaim a different formula for allocating the State ceiling among the governmental units (or other authorities) in such State having authority to issue private activity bonds.

(B) **TERMINATION OF AUTHORITY.**—The authority provided in subparagraph (A) shall not apply to bonds issued after the earlier of—

(i) the last day of the 1st calendar year after 1986 during which the legislature of the State met in regular session, or

(ii) the effective date of any State legislation with respect to the allocation of the State ceiling.

(3) **STATE MAY NOT ALTER ALLOCATION TO CONSTITUTIONAL HOME RULE CITIES.**—Except as otherwise provided in a State constitutional amendment (or law changing the home rule provision adopted in the manner provided by the State constitution), the authority provided in this subsection shall not apply to that portion of the State ceiling which is allocated to any constitutional home rule city in the State unless such city agrees to such different allocation.

[Sec. 146(f)]

(f) **ELECTIVE CARRYFORWARD OF UNUSED LIMITATION FOR SPECIFIED PURPOSE.**—

(1) **IN GENERAL.**—If—

(A) an issuing authority's volume cap for any calendar year after 1985, exceeds

(B) the aggregate amount of tax-exempt private activity bonds issued during such calendar year by such authority,

such authority may elect to treat all (or any portion) of such excess as a carryforward for 1 or more carryforward purposes.

(2) **ELECTION MUST IDENTIFY PURPOSE.**—In any election under paragraph (1), the issuing authority shall—

(A) identify the purpose for which the carryforward is elected, and

(B) specify the portion of the excess described in paragraph (1) which is to be a carryforward for each such purpose.

(3) **USE OF CARRYFORWARD.**—

(A) **IN GENERAL.**—If any issuing authority elects a carryforward under paragraph (1) with respect to any carryforward purpose, any private activity bonds issued by such authority with respect to such purpose during the 3 calendar years following the calendar year in which the carryforward arose shall not be taken into account under subsection (a) to the extent the amount of such bonds does not exceed the amount of the carryforward elected for such purpose.

(B) **ORDER IN WHICH CARRYFORWARD USED.**—Carryforwards elected with respect to any purpose shall be used in the order of the calendar years in which they arose.

(4) **ELECTION.**—Any election under this paragraph (and any identification or specification contained therein), once made, shall be irrevocable.

(5) **CARRYFORWARD PURPOSE.**—The term "carryforward purpose" means—

(A) the purpose of issuing exempt facility bonds described in 1 of the paragraphs of section 142(a).

(B) the purpose of issuing qualified mortgage bonds or mortgage credit certificates,

(C) the purpose of issuing qualified student loan bonds, and

(D) the purpose of issuing qualified redevelopment bonds.

Amendments

P.L. 100-647, § 1013(a)(9):

Act Sec. 1013(a)(9) amended Code Sec. 146(f)(5)(A) to read as above. Prior to amendment, Code Sec. 146(f)(5)(A) read as follows:

(A) the purpose of the issuing exempt facility bonds described in 1 of the paragraphs of section 142(a).

The above amendment is effective as if included in the provision of the Tax Reform Act of 1986 (P.L. 99-514) to which it relates.

P.L. 100-203, § 10631(b):

Act Sec. 10631(b) amended Code Sec. 146(f)(5)(A) to read as above. Prior to amendment, Code Sec. 146(f)(5)(A) read as follows:

(A) the purpose of issuing bonds referred to in one of the clauses of section 141(d)(1)(A).

For the effective date of the above amendment, see Act Sec. 10631(c), below.

P.L. 100-203, § 10631(c):

Act Sec. 10631(c) provides:

(c) **EFFECTIVE DATE.**—

(1) **IN GENERAL.**—Except as otherwise provided in this subsection, the amendments made by this section shall apply to bonds issued after October 13, 1987 (other than bonds issued to refund bonds issued on or before such date).

(2) **BINDING AGREEMENTS.**—The amendments made by this section shall not apply to bonds (other than advance refunding bonds) with respect to a facility acquired after

Chapter 81

AN ACT

Relating to the issuance of private activity bonds;
and providing for an effective date.

* Section 1. PRIVATE ACTIVITY BONDS. (a) As authorized under 26 U.S.C. 146(a), the state bond committee shall allocate the private activity bond volume limit for Alaska. Each year at least 25 percent of the limit shall be allocated to municipalities. If the committee determines that a portion of the limit allocated to municipalities will not be used by any municipality during that year, the committee may reallocate that portion.

(b) The committee may make a carryforward election under 26 U.S.C. 146(f) with respect to all or any portion of the private activity bond volume limit, including allocations that lapse under (c) or (d) of this section.

(c) An amount allocated under (a) of this section lapses on December 30 of the year in which the allocation was made unless

(1) the entity that received the allocation uses it before that date; or

(2) the amount allocated is the subject of a carryforward election under 26 U.S.C. 146(f).

(d) The committee may adopt regulations relating to the lapsing of amounts under (c) of this section. Regulations adopted under this subsection may establish times when allocated amounts will lapse in addition to the time provided in (c) of this section.

(e) In this section,

-1-

CSHB 285(Fin) am 5

Chapter 81

(1) "private activity bond" means a bond described in 26 U.S.C. 141;

(2) "private activity bond volume limit" means the maximum amount of private activity bonds that may be issued under 26 U.S.C. 146 during a calendar year in Alaska by all issuers, including the state, municipalities in the state, and public corporations that are agencies of either the state or a municipality in the state.

* Sec. 2. AS 18.56.104 is repealed.

* Sec. 3. Section 1 of this Act is repealed January 1, 1990.

* Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

18.56.104

EFF. 6/16/87

CSHB 285(Fin) am 5

-2-

Alaska MUNICIPAL League

TELEPHONE
(907) 586-1325

105 MUNICIPAL WAY, SUITE 301
JUNEAU, ALASKA 99801

TO: Representative John Sund, Chair
Members of the House Judiciary Committee

FROM: Scott A. Burgess, Executive Director 

DATE: April 28, 1987

SUBJECT: HB 285 - Private Activity Bonds

The Alaska Municipal League is opposed to HB 285 unless a fair allocation of the federal volume limitation for the issuance of tax-exempt private activity bonds (PAE's) is insured for municipalities. A fair allocation of capacity is provided for in federal law, and must continue for potential economic growth of our communities. The AML believes that such provisions can be made and still meet the intent of the Governor's bill.

Relevant policies from the AML's 1987 Policy Statement include:

"The League urges that legislation be enacted to encourage local municipalities to adopt and implement incentives for economic development, such as joint public/private sector economic development corporations and tax increment financing authorities."

Legislation is needed to establish a state policy with regard to the allocation of authorization to issue industrial development bonds (IDB's)."

Priority should be given to local governments for no less than 50% of the available IDB authority."

As stated in Governor Cowper's Letter of Transmittal on HB 285 (House Journal, pages 917-918), the Tax Reform Act of 1986 combined the \$200 million limit on IDB's and mortgage subsidy bonds to a single \$200 million limit for PAB's. This will result in a 32% cut in bond activity in Alaska from 1985. The law provides that unless the Legislature, at the request of the Governor, does not act by December 31, 1987, the limit will be allocated fairly between the State and the municipalities, 50-50. While the AML may agree that many of our municipalities will not take advantage of PAB's, and that distributing the limit on a per capita basis does not make sense, we do not agree that the sole authority for allocation should rest with the state bond bank, on which the municipalities have no representation.

AML would support HB 285 only if it is amended to insure that municipalities are assured a fair allocation is reserved, 50%, for municipalities, and municipalities, through appointment by the AML, are represented on the state bond committee for the purposes of insuring the allocation to municipalities. With a clear reserving of a municipal

House Judiciary Committee Testimony on HB 285

April 28, 1987

Page 2

allocation under the the State's PAB cap, municipalities may be able to offer PAB funding to attract projects in their communities and offer such funding at a lower cost (e.g. administrative fees etc.) than through the state bond committee and Alaska Development Authority (AIDA). In addition, we would suggest that policy and criteria be developed by the State and municipalities to delineate which projects are authorized to receive PAB authority under the cap, e.g. jobs created etc. Finally, the AML would agree that a provision be made that if no municipality is interested or qualified (the project), the cap not be wasted and be released to the State for use or to be carried forward.

While many municipalities have not used bonding in recent years because of the State's oil wealth, we are experiencing reductions in state and federal funding at a time when economic growth and diversification is very important. Authority under the PAB cap for municipalities must be reserved as one mechanism to provide for economic development, now and in the future. The AML looks forward to working with the Committee and the Administration on reaching a mutually beneficial compromise on HB 285. Thank you.

ALASKA PRIVATE ACTIVITY BOND VOLUME CAP
ALLOCATIONS, USE AND CARRYFORWARDS FROM INCEPTION

CALENDAR YEAR	TOTAL CAP	ALLOCATION	USE	CARRYFORWARD 1.
1986	\$250,000,000	\$125,000,000 TO AHFC \$125,000,000 TO ALL OTHER USERS	\$14,780,000 BY AIDEA	\$125,000,000 FOR AHFC 2. \$110,220,000 FOR STUDENT LOAN BONDS
1987	\$250,000,000	\$0	\$50,000,000 BY AHFC	\$185,590,000 TO AHFC 2. \$64,410,000 TO APA FOR POWER PROJECTS
1988	\$150,000,000	\$0	\$0	\$80,000,000 TO APA FOR SNETTISHAM
1989 (to date)	\$150,000,000	\$0	\$83,795,000 BY ASLC	\$70,000,000 FOR STUDENT LOAN BONDS
TOTAL	\$800,000,000	\$250,000,000	\$148,575,000	\$635,220,000

UNUSED CARRYFORWARDS

AHFC	\$260,590,000	
APA	\$144,410,000	(FOR SPECIFICALLY NAMED PROJECTS)
ASLC	\$96,425,000	
TOTAL	\$501,425,000	

SPECIAL NOTE

An IRS ruling concerning of the 1986 carryforward for student loan bonds is pending. An unfavorable ruling could cause the 1986 carryforward to become unuseable. In that case a 1988 bond issue of the Alaska Student Loan Corporation ("ASLC") would use \$83,795,000 of the 1988 cap, leaving \$66,205,000 to carry forward for APA to purchase Snettisham. A ruling which did that would reduce unused carryforwards to the following amounts:

AHFC	\$260,590,000
APA	\$130,615,000
ASLC	\$0
TOTAL	\$391,205,000

NOTES

1. Carryforwards expire after three calendar years.
2. Under current Federal law AHFC will not be able to issue tax-exempt bonds for first time home-buyers after December 31, 1989.
3. No entity other than those identified in the tables has ever applied for an allocation of the private activity bond cap.

Have fiscal
note + Gov's
transmittal letter -
could copy
fed. law.

Mitt Barker ^{Revenue}

SB 85

1-18-89

most tax exempt bonds fall under ceiling -
1986? AK \$150m/yr

All must have allocation under ceiling - state
bond committee authorized to allocate. ^{annually} allocated

Authority expires 12/31/89 - don't know
why was temporary - maybe in case
was controversial

Zero disputes re allocation. Have
had to look for places to allocate each
yr 'cause not that much demand.

Most goes unused - so carry forward.

If state doesn't establish ceiling,
fed law requires 50% of ceiling
goes to municipalities.

No muni's have issued yet!

S B

91

SENATE STATE AFFAIRS COMMITTEE

BILL NUMBER SB 91

SPONSOR Governor

BILL TITLE Methods of appointment to APOC

DATE REFERRED 1-9-89

HEARING SCHEDULED 1-23-89

FISCAL NOTE PREPARED ✓

SPONSOR CONTACTED) yes

INTERESTED PARTIES CONTACTED

yes ✓ Karla Forsythe, APOC 276-4176

no ✓ Dean Gotthardt, DOA 2200

yes ✓ Dick Monkman, AG Karla will call.

OTHER

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 1-19-89
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER

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

DATE TURNED INTO OFFICE 1-23-89

1/9/89

Mr. President:

STATE AFFAIRS

Committee considered SB 91

methods of appointment to the Alaska Public Offices Commission; efd

and recommended:

replace with CS _____ 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

fiscal impact

appropriation no FN attached

Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Cee Adams
John Fair
Tim Kelly

[Signature]
Chairman signature and recommendation

Committee backup attached

Original sponsor: Rules/Governor

1 IN THE SENATE BY THE JUDICIARY COMMITTEE
2 CS FOR SENATE BILL NO. 91 (Judiciary)
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 methods of appointment to the
7 Alaska Public Offices Commission; and providing for
8 an effective date."

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

10 * Section 1. AS 15.13.020(a) is amended to read:

11 (a) There is created in the Department of Administration the
12 Alaska Public Offices Commission consisting of five members. The
13 governor shall appoint all members of the commission in the manner
14 prescribed in (b) and (c) of this section, subject to confirmation by
15 a majority of the legislature meeting in joint session.

16 * Sec. 2. AS 15.13.020(c) is amended to read:

17 (c) The four members selected under (b) of this section shall,
18 by a majority vote, nominate to the governor an individual to serve as
19 [APPOINT] the [REMAINING] fifth member of the commission. The gover-
20 nor shall either appoint the nominee to the commission, or shall
21 reject the nominee and request those four members to nominate another
22 individual to serve as the fifth member of the commission.

23 * Sec. 3. AS 15.13.020(h) is amended to read:

24 (h) A vacancy on the commission shall be filled through [BY] the
25 appropriate appointing method for the position [AUTHORITY] within 30
26 days after [OF] the occurrence of the vacancy. The appointee shall
27 serve for the remaining term of the appointee's predecessor.

28 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

*all of this was deleted
in original version.
Jud CS simply clarifies*

FISCAL NOTE

REQUEST:

Revision Date: 02/03/89
 Title: An act relating to methods of appointment to APOC
 Sponsor: Governor
 Requestor: Sen. Faiks/Judiciary Committee

Agency Affected: APOC
 BRU: _____
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

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

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Karla Forsythe, Executive Director
 Division: Alaska Public Offices Commission

Phone: 276-4176
 Date: 02/02/89

Approved by Commissioner: Burke Riley, Acting Chairman
 Agency: Alaska Public Offices Commission

Date: 02/02/89

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

FISCAL NOTE

REQUEST:

Revision Date: 12/19/88
Title: An act relating to methods of appointment to the APOC
Sponsor: Rules Committee
Requestor: Governor

Agency Affected: Alaska Public Offices Commission
BRU: _____

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Karla L. Forsythe, Executive Director
Division: Alaska Public Offices Commission

Phone: 276-4176
Date: 1/03/89

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

Date: 1/03/89

Distribution (by preparer):

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



NOTES TO DECISIONS

Constitutionality. — In the case of *First Nat'l Bank v. Bellotti*, 435 U.S. 765, 98 S. Ct. 1407, 55 L. Ed. 2d 707, rehearing denied, 438 U.S. 907, 98 S. Ct. 3126, 57 L. Ed. 2d 1150 (1978), the supreme court of the United States has indicated in unmistakable terms that state disclosure laws pertaining to ballot issues are constitutional. *Messerli v. State*, Sup. Ct. Op. No. 2236 (File No. 4326), 626 P.2d 81 (1980).

When there is no showing that an individual must remain anonymous with respect to advertising as to ballot propositions because of the possibility of being subject to reprisals, economic or otherwise, the state campaign disclosure laws are not unconstitutional as applied to a contributor hoping to influence the outcome of a ballot issue, because the objective of an informed electorate is sufficiently compelling to overcome an interest in anonymous political expression.

Messerli v. State, Sup. Ct. Op. No. 2236 (File No. 4326), 626 P.2d 81 (1980).

Initiative substantially similar to ch. 76, SLA 1974, correctly withheld from ballot. — Substantial similarity existed between ch. 76, SLA 1974, which enacted this chapter, relating to election campaigns, and an initiative relating to campaign contributions and expenditures, which was filed with the lieutenant governor prior to the regular 1974 session of the legislature. The act effectively displaced the initiative, and the lieutenant governor was correct in withholding the initiative from the ballot. *Warren v. Boucher*, Sup. Ct. Op. No. 1205 (File No. 2315), 543 P.2d 731 (1975).

For comparison of ch. 76, SLA 1974, and the initiative, see *Warren v. Boucher*, Sup. Ct. Op. No. 1205 (File No. 2315), 543 P.2d 731 (1975).

Sec. 15.13.011. Inapplicability to presidential primary. [Repealed, § 1 ch 2 SLA 1984.]

Sec. 15.13.020. Alaska Public Offices Commission. (a) There is created in the Department of Administration the Alaska Public Offices Commission consisting of five members.

(b) The governor shall appoint two members of each of the two political parties whose candidate for governor received the highest number of votes in the most recent preceding general election at which a governor was elected. The two appointees from each of these two parties shall be chosen from a list of four names to be submitted by the central committee of each party.

(c) The four members selected under (b) of this section shall, by a majority vote, appoint the remaining fifth member of the commission.

(d) Members of the commission serve staggered terms of five years, or until a successor is appointed and qualifies. The terms of no two members who are members of the same political party may expire in consecutive years. A member may not serve more than one term. However, a person appointed to fill the unexpired term of a predecessor may be appointed to a successive full five-year term.

(e) A member of the commission, during tenure, may not

- (1) hold or campaign for elective office;
- (2) be an officer of a political party, political committee or group;
- (3) permit the member's name to be used, or make any contributions whatsoever, in support of or in opposition to a candidate or proposition or question that appears on any ballot in the state including

Op. No. 2236
§1 (1980).
similar to ch.
withheld from
clarity existed
which enacted
election cam-
plating to cam-
expenditures,
tenant gover-
ession of the
ely displaced
tenant gover-
ng the initia-
n v. Boucher,
No. 2315), 543

6. SLA 1974,
Warren v.
205 (File No.

[Repealed,

1) There is
Public Of-

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ive years,
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one term.
predeces-

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or group;
contribu-
or prop-
ncluding

but not limited to that of a municipality; however, contributions may be made to a candidate for the office of President of the United States;

(4) participate in any way in an election campaign or participate in or contribute to any political party; or

(5) lobby, employ or assist a lobbyist.

(f) Members of the commission shall receive compensation of \$50 a day while attending commission meetings and shall be entitled to travel expenses and per diem authorized by law for members of other boards and commissions.

(g) The members shall elect a chairman. Three members of the commission constitute a quorum. A vacancy does not impair the powers of the remaining members to exercise all of the powers of the commission.

(h) A vacancy on the commission shall be filled by the appropriate appointing authority within 30 days of the occurrence of the vacancy. The appointee shall serve for the remaining term of the appointee's predecessor.

(i) The commission may employ an executive director and other employees it considers necessary. Neither the executive director nor an employee may have a vote.

(j) The commission shall establish an office, which may be called a regional office, in each senate district in the state to keep on file for public inspection copies of all reports filed with the commission by candidates for statewide office and by candidates for legislative office in that district; however, where one municipality contains more than one election district, only one commission office shall be established in that municipality. The regional office shall make all forms and pertinent material available to candidates. All reports shall be filed by candidates, groups and individuals directly with the commission's central district office. The commission shall insure that copies of all reports by statewide and legislative candidates in each senate district are forwarded promptly to that district or regional office.

(k) The commission shall insure that copies of reports filed by candidates for municipal office are made available for public inspection in the appropriate municipality. (§ 1 ch 76 SLA 1974; am § 23 ch 25 SLA 1975; am §§ 3 — 10 ch 189 SLA 1975; am E.O. No. 41 § 2 (1980); am § 24 ch 85 SLA 1988)

Effect of amendments. — The 1988 amendment, in subsection (d), deleted obsolete references to terms of initial mem- bers and rewrote the subsection for clarity.

NOTES TO DECISIONS

Subsection (j) requires forms to be made available in a regional office in each senate district. *Silides v. Thomas*, Sup. Ct. Op. No. 1362 (File Nos. 3019, 3020, 3021), 559 P.2d 80 (1977).
Furnishing forms to Nome regional

SB91POOP.TXT

SB 91, METHODS OF APPOINTMENT TO A.P.O.C.

TO TESTIFY:

KARLA FORSYTHE, APOC

DICK MONKMAN, A.G.'S OFFICE (TO ANSWER QUESTIONS)

~~OTHERS (SEE WITNESS LIST)~~

FYI:

PUBLIC MEMBER SPOT IS CURRENTLY VACANT. APOC PLANS TO FILL IT USING PROCEDURE OUTLINED IN SB 91 (NOMINATE MEMBER -- GOVERNOR APPOINT OR ASK FOR DIFFERENT NOMINEE -- LEGISLATURE CONFIRM) REGARDLESS OF PASSAGE OF SB 91.

IN PAST, COMMISSION HAS SIMPLY CHOSEN 5TH MEMBER WITHOUT GOVERNOR'S APPROVAL. IN DEFENDING LEW DISCHNER AGAINST APOC CHARGES, DOUG POPE ARGUED THAT APOC IS NOT DULY CONSTITUTED TO DO ANYTHING BECAUSE ITS MEMBERSHIP EXISTS CONTRARY TO THE STATE CONSTITUTION. (THE DISCHNER CHARGE IS ON HOLD PENDING COMPLETION OF THE NORTH SLOPE LITIGATION.)

A.G. DISAGREES WITH POPE ON GROUNDS THAT APOC IS CONSTITUTED ACCORDING TO STATE LAW, BUT WANTS THIS "LOOPHOLE" CLOSED.

CONTENT OF SB 91 WAS IN KAY BROWN'S CAMPAIGN REFORM BILL AND ABOOD'S APOC BILL LAST YEAR. THE PROVISION WAS NOT CONTROVERSIAL.



Alaska State Legislature

Official Business

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

MEMORANDUM

TO: Senate State Affairs Committee Members
FROM: Senator Pat Pourchot, Chairman *Pat*
RE: January 23 Committee Hearing
DATE: January 20, 1989

On Monday, January 23 at 1:30 p.m. in the Beltz Room the Senate State Affairs Committee will hear the following bills:

SCR 10, Relating to the promotion of Colonel Lars L. Johnson to major general in the Alaska National Guard.

SCR 10 requests that the Governor appoint Colonel Johnson as a major general in the Alaska National Guard. Johnson is now retired. The promotion would be honorary, in recognition of his service and achievements. Johnson was the first Adjutant General of the Alaska National Guard and organizer of the Alaska Air National Guard. The Guard would like to honor Johnson with this promotion at its annual awards ceremony on February 12. The appointment would be subject to legislative confirmation.

SCR 10 has a zero fiscal note. A biographical sketch of Colonel Johnson is attached.

SB 48, An Act extending the termination date of the Older Alaskans Commission.

SB 48 would continue the Older Alaskans Commission through June 30, 1993.

The Older Americans Act of 1965 (PL 100-175) provides grants to the states for programs for senior citizens, and requires that a state agency be designated to administer the grant programs. The Older Alaskans Commission was established in 1981 to perform this function. In addition, the commission is charged with developing a statewide plan for senior needs and advocating for the elderly within the state.

The commission, located within the Department of Administration, consists of seven senior citizens appointed by the Governor and representatives of DHSS, DOA, DCRA, and the Pioneers Homes Advisory Board.

SB 48 has a zero fiscal note, with funding being continued in the Governor's proposed FY 90 operating budget. A copy of the recently performed sunset audit of the Older Alaskans Commission, which recommends continuation, is attached.

SB 91. Relating to methods of appointment to the Alaska Public Offices Commission.

SB 91 clarifies that all members of APOC shall be appointed by the Governor and confirmed by the legislature.

*also -
legislative
confirm.
of 4
party
members*

APOC has five members. Current law provides that four of the members shall be appointed by the Governor from nominees made by political parties, and that these four members shall then appoint one public member. The legality of this provision has been questioned on the grounds that it conflicts with Article III, Section 26 of the State Constitution which requires that the Governor appoint members of boards and commissions.

SB 91 would clear up the legal question by providing for the Governor to appoint the fifth APOC member from nominees made by the other four members. The Alaska Public Offices Commission supports the bill. SB 91 has a zero fiscal note.

SB 94. Limiting liability for activities of the Alaska National Guard.

SB 94 will prevent suits against the State for injuries or damage resulting from federally mandated and controlled National Guard activities. Federal law was amended in 1981 to permit such suits against the United States. Alaska is one of the few states that has not enacted protective legislation to ensure that the state is not held liable in such cases. SB 91 would not affect the liability of the State during periods of state active duty (i.e. duty called by the Governor).

Because SB 94 would reduce the civil liability exposure of the state, the Department estimates an annual savings of \$50,000 in insurance costs charged by the Division of Risk Management.



a1

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 9, 1989

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

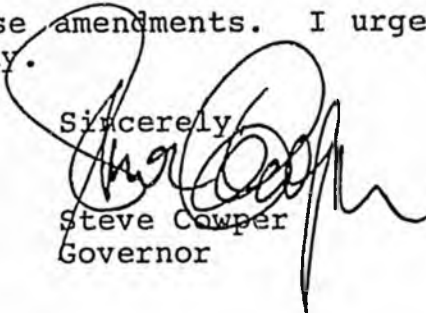
Dear Senator Kelly:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to methods of appointment of members of the Alaska Public Offices Commission (APOC).

The bill amends AS 15.13.020 to remedy technical problems with the present appointment process. The proposed amendments provide for legislative confirmation of all APOC members, and clarify the role of the governor in appointing the non-partisan, "fifth member" of the APOC. The bill includes a proposed conforming amendment to AS 15.13.020 (h).

The APOC has endorsed these amendments. I urge that this bill be passed without delay.

Sincerely,


Steve Cowper
Governor

Alaska State Constitution

Article III

Supervision

in joint session, these orders become effective at a date thereafter to be designated by the governor.

SECTION 24. Each principal department shall be under the supervision of the governor.

Department Heads

SECTION 25. The head of each principal department shall be a single executive unless otherwise provided by law. He shall be appointed by the governor, subject to confirmation by a majority of the members of the legislature in joint session, and shall serve at the pleasure of the governor, except as otherwise provided in this article with respect to the Secretary of State. The heads of all principal departments shall be citizens of the United States.

(The Sixth Legislature's Senate Joint Resolution No. 2 "changing the name of the secretary of state to lieutenant governor" in sixteen sections of the Alaska Constitution, approved by the voters August 25, 1970, inadvertently omitted express amendment of this section.)

Boards and Commissions

SECTION 26. When a board or commission is at the head of a principal department or a regulatory or quasi-judicial agency, its members shall be appointed by the governor, subject to confirmation by a majority of the members of the legislature in joint session, and may be removed as provided by law. They shall be citizens of the United States. The board or commission may appoint a principal executive officer when authorized by law, but the appointment shall be subject to the approval of the governor.

Recess Appointments

SECTION 27. The governor may make appointments to fill vacancies occurring during a recess of the legislature, in offices requiring confirmation by the legislature. The duration of such appointments shall be prescribed by law.

ARTICLE IV

THE JUDICIARY

Judicial Power and Jurisdiction

SECTION 1. The judicial power of the State is vested in a supreme court, a superior court and the courts established by the legislature. The jurisdic-

tion of courts shall be established by law. The courts shall constitute the judicial system. The operation and administration of the courts shall be established by law.

Supreme Court

SECTION 2. (a) The highest court of the State shall be the Supreme Court. It shall consist of a chief justice and four justices. The number of justices shall be increased by law from four to five. The chief justice shall be elected by the voters for a term of four years. The term of office shall be increased by law from four to six years. The chief justice shall be elected by the voters for a term of four years. The term of office shall be increased by law from four to six years.

(b) The chief justice shall be elected by the voters for a term of four years. The term of office shall be increased by law from four to six years. The chief justice shall be elected by the voters for a term of four years. The term of office shall be increased by law from four to six years.

(The amendment to this section was approved by the voters August 25, 1970 and Subsection (b) was added.)

Superior Court

SECTION 3. The superior court of general jurisdiction shall consist of five judges. The number of judges shall be increased by law.

Qualifications of Justices and Judges

SECTION 4. Supreme court judges shall be citizens of the State, and possessing all the qualifications prescribed by law. Judges shall be selected in a manner, for the terms prescribed by law.

Nomination and Appointment

SECTION 5. The governor shall appoint a judge in an office of supreme court judge by appointment of the governor. The governor shall appoint persons nominated by the legislature.

Approval or Rejection

SECTION 6. Each superior court judge shall be elected by law, be subject to a nonpartisan ballot at the

Cowper picks Wilson for APOC

By JOHN TETPON
Daily News reporter

Gov. Steve Cowper has appointed Rodman Wilson, a retired physician and former Anchorage public health director, to the Alaska Public Offices Commission.

Wilson, a Democrat and an Alaska resident for the past 30 years, was recommended to the governor for membership on the commission by the Democratic Party of Alaska.

Under state law, the Democrats and Republicans each nominate two commission members on the five-member body — an effort to maintain fairness in the

regulation of Alaska's political community.

Wilson, who ran unsuccessfully against Rep. Alice Hanley for a seat in House District 9, will fill out a three-year term formerly held by commissioner Patrick Owen, also a Democrat. Owen resigned last month.

Wednesday, APOC commissioners, who get to choose a fifth, nonpartisan member, adjourned before a selection could be made. They are trying to choose a successor to Daniel Patrick O'Tierney, whose five-year term expires Feb. 1.

Wilson, 67, said one of his primary concerns as a

commissioner will be to make sure that the APOC does its job as required by state law.

Cowper spokesman David Ramseur said Wilson's appointment will add a "heavy dose" of credibility to the commission.

"He is politically savvy, knows his way around government agencies and is committed to the watchdog role of the APOC," Ramseur said.

The commission, given about \$500,000 a year by the state legislature to operate, regulates reporting laws on how and where political candidates get their money.



Anchorage Daily News file photo

Rodman Wilson

The Governor calls this "technical", and says APOC supports. Apparently the procedure for appointing the 5th member is unclear.

Per Karla Forsythe: Corrects conflict between Gov's Constitutional right to appoint and statutory authority of commission to appoint. Also raises Constitutionality issue over procedure for selecting party members (party provides names from which Gov. must select). Kaula is looking into.

1 IN THE SENATE

2 SENATE BILL NO. 91

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 methods of appointment to the
7 Alaska Public Offices Commission; and providing for
8 an effective date."

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

10 * Section 1. AS 15.13.020(a) is amended to read:

11 (a) There is created in the Department of Administration the
12 Alaska Public Offices Commission consisting of five members. The
13 governor shall appoint all members of the commission in the manner
14 prescribed in (b) and (c) of this section, subject to confirmation by
15 a majority of the legislature meeting in joint session.

16 * Sec. 2. AS 15.13.020(c) is amended to read:

17 (c) The four members selected under (b) of this section shall,
18 by a majority vote, nominate to the governor an individual to serve as
19 [APPOINT] the [REMAINING] fifth member of the commission. The gover-
20 nor shall either appoint the nominee to the commission, or shall
21 reject the nominee and request those four members to nominate another
22 individual to serve as the fifth member of the commission.

23 * Sec. 3. AS 15.13.020(h) is amended to read:

24 (h) A vacancy on the commission shall be filled [BY THE APPRO-
25 PRIATE APPOINTING AUTHORITY] within 30 days after [OF] the occurrence
26 of the vacancy. The appointee shall serve for the remaining term of
27 the appointee's predecessor.

28 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

S B

92

SENATE STATE AFFAIRS COMMITTEE

BILL NUMBER SB 92

SPONSOR Governor

BILL TITLE *Relating to motor vehicles*

DATE REFERRED *1-9-89*

HEARING SCHEDULED *Horetzki requested 1-9-89*

FISCAL NOTE PREPARED

*2-8-89
3-7-89*

SPONSOR CONTACTED

INTERESTED PARTIES CONTACTED

Gail Horetzki, DPS 4322

Linda Wild, DCEO 2505

AK Truckers

*Bill Brown
4335*

OTHER

CS - technical corrections

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

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

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

FURTHER

LABOR & COMMERCE
FINANCE

DATE TURNED INTO OFFICE 3-9-89

1/9/89

Mr. President:

STATE AFFAIRS

Committee considered

SB 92

motor vehicles and related functions of the Department of Public Safety and Department of Commerce and Economic Development; and providing for an effective date.
and recommended:

replace with CS SB 92 (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

Al Adams
Jan Hicks

Pat Tompkins do pass
Chairman signature and recommendation

Committee backup attached

Original sponsor: Rules/Governor

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 CS FOR SENATE BILL NO. 92 (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 identification cards issued by
7 the Department of Public Safety, motor vehicle regis-
8 tration and registration fees, filing a lien on a
9 motor vehicle, and issuance of handicapped parking
10 permits; and providing for an effective date."

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

12 * Section 1. AS 18.65 is amended by adding a new section to article 3
13 to read:

14 Sec. 18.65.320. CANCELLATION OF IDENTIFICATION CARD. (a) The
15 department shall cancel an identification card if the person receiving
16 the card fails to give the required or correct information in the
17 person's application. Nothing in this section prohibits reapplication
18 by the person or reissuance of the identification card.

19 (b) A person whose identification card has been cancelled shall
20 return the card to the department. Failure to return a cancelled card
21 within 10 days after receiving notice of the cancellation is a vio-
22 lation punishable by a fine of up to \$100.

23 * Sec. 2. AS 28.10.051 is amended to read:

24 Sec. 28.10.051. DEPARTMENT MAY SUSPEND OR REVOKE REGISTRATION.
25 The department may suspend or revoke the registration of a vehicle,
26 the certificate of registration or registration plates for a vehicle,
27 or a special permit when

28 (1) the department determines that the registration or
29 certificate, plate or permit was fraudulently procured or erroneously

*Deleted transfer of vehicle dealer
licensing from DPS → DCEO. This
allowed zero
Fiscal
Note.
(attached)*

1 issued;

2 (2) the department determines that a registered vehicle is
3 mechanically unsafe to be driven or moved on a highway, vehicular way
4 or area, or other public property in this state and the vehicle has
5 been seized or impounded under AS 28.05.091;

6 (3) a registered vehicle has been scrapped, dismantled or
7 destroyed beyond repair;

8 (4) the department determines that a required fee or tax
9 has not been paid and the fee or tax is not paid upon reasonable
10 notice and demand;

11 (5) a registration plate, permit, or certificate is know-
12 ingly displayed upon a vehicle other than the vehicle for which is-
13 sued;

14 (6) the department determines that the owner of a vehicle
15 has committed an offense under this chapter involving the registration
16 or the certificate, plate, or permit to be suspended or revoked;

17 (7) the vehicle has been reported to the department as
18 stolen or unlawfully converted; [OR]

19 (8) the department is otherwise required to do so under the
20 laws of this state; or

21 (9) the department determines that the vehicle owner has
22 violated the requirements of AS 28.10.146 or 28.10.147.

23 * Sec. 3. AS 28.10.108(b) is amended to read:

24 (b) Subject to the provisions of (f) of this section, a vehicle
25 subject to registration

26 (1) under AS 28.10.011 and 28.10.421(b)(3) and (4) and
27 (c)(1) - (4) shall have its initial registration, and may have its
28 annual registration, renewed during the month of December;

29 (2) under AS 28.10.181, 28.10.411 and 28.10.421(d)(3) [,

1 (6)] and (9) shall have its initial registration, and may have its
2 annual registration, renewed during the month of January.

3 * Sec. 4. AS 28.10 is amended by adding new sections to read:

4 Sec. 28.10.146. REGISTRATION OF INTERSTATE RENTAL TRUCKS. (a)
5 Notwithstanding any other registration requirement of this chapter, a
6 fleet rental truck owner or authorized representative shall register a
7 percentage of the total fleet as determined under this subsection, and
8 shall pay the fees and taxes required by this chapter. The percentage
9 of fleet rental trucks required to be registered is equal to the total
10 number of miles that all trucks in the rental fleet were driven in
11 this state during a calendar year or other period established by the
12 department by regulation, divided by the total number of miles that
13 all trucks in the rental fleet were driven in all states and the
14 District of Columbia during that period.

15 (b) When applying for registration under (a) of this section,
16 the fleet rental owner or authorized representative shall file with
17 the department a certified report containing verifiable data, report-
18 ing

19 (1) the total number of miles operated by all of the trucks
20 in the rental fleet in all states and the District of Columbia during
21 the preceding calendar year or other period specified by the depart-
22 ment;

23 (2) the total number of miles operated in this state by all
24 of the trucks in the rental fleet during the preceding calendar year
25 or other period specified by the department; and

26 (3) other fleet rental truck registration information that
27 the department may require.

28 (c) A fleet rental owner or authorized representative whose
29 application for registration under this section has been accepted by

1 the department shall preserve records of the period on which the
2 application was based for four years. Upon request of the department,
3 the fleet rental owner or authorized representative shall

4 (1) provide records preserved under this subsection to the
5 department for audit; or

6 (2) pay the cost of an audit conducted by a representative
7 of the department at the office of the owner.

8 (d) After compliance with this section, all trucks identified as
9 part of the rental fleet, and currently registered in any state or in
10 the District of Columbia, may operate in this state.

11 (e) If the department determines that the fleet rental owner or
12 authorized representative has not registered fleet rental trucks as
13 required by this section, the department may suspend or revoke a
14 registration previously issued, and may deny future fleet rental
15 registration under (a) of this section, until the owner or authorized
16 representative has complied with this section. If registration under
17 (a) of this section has been suspended, revoked, or denied, all the
18 owner's fleet rental trucks present in the state must be registered
19 under applicable state law.

20 (f) A fee or tax paid as a result of registration required under
21 this section does not satisfy or offset other fees or taxes levied by
22 the state or a political subdivision in connection with the ownership
23 or operation of fleet rental trucks.

24 (g) In this section, "fleet" means a fleet of 10 or more rental
25 trucks that are rented or offered for rent without a driver.

26 Sec. 28.10.147. REGISTRATION OF INTERSTATE RENTAL TRAILERS. (a)
27 Notwithstanding any other registration requirement of this chapter, a
28 fleet rental trailer owner or authorized representative shall register
29 the average number of trailers present in this state as calculated

1 under this subsection, and shall pay the fees and taxes required by
2 this chapter. The average number of trailers is equal to the total
3 number of trailers in the fleet that were present at any time in the
4 state during a calendar year or other period established by the de-
5 partment by regulation, divided by the number of calendar months in
6 the period.

7 (b) When applying for registration of trailers as required under
8 (a) of this section, the fleet rental owner or authorized representa-
9 tive shall file with the department a certified report containing
10 verifiable data as to the average number of trailers that were present
11 at any time in the state for the previous calendar year or other
12 period specified by the department.

13 (c) A fleet rental owner or authorized representative whose
14 application for registration under this section has been accepted by
15 the department shall preserve records of the period on which the
16 application was based for four years. Upon request of the department,
17 the fleet rental owner or authorized representative shall

18 (1) provide records preserved under this subsection, to the
19 department at its office for audit; or

20 (2) pay the cost of an audit conducted by a representative
21 of the department at the office of the owner.

22 (d) After compliance with this section, all trailers identified
23 as part of the rental fleet, and currently registered in any state or
24 in the District of Columbia, may operate in this state.

25 (e) If the department determines that the fleet rental owner or
26 authorized representative has not registered fleet rental trailers as
27 required by this section, the department may suspend or revoke a
28 registration previously issued, and may deny future registration under
29 (a) of this section, until the owner has complied with this section.

1 If registration under (a) of this section has been suspended, revoked,
2 or denied, all the owner's fleet rental trailers present in the state
3 must be registered under applicable state law.

4 (f) A fee or tax paid as a result of registration required under
5 this section does not satisfy or offset other fees or taxes levied by
6 the state or a political subdivision in connection with the ownership
7 or operation of fleet rental trailers.

8 (g) In this section, "fleet" means a fleet of 10 or more rental
9 trailers that are rented or offered for rent for personal use, not for
10 the transportation of persons or property for hire or other commercial
11 use, and includes a boat trailer, baggage trailer, box trailer, utili-
12 ty trailer, house trailer, or travel trailer.

13 * Sec. 5. AS 28.10.381 is repealed and reenacted to read:

14 Sec. 28.10.381. FILING A LIEN OR ENCUMBRANCE. (a) A lien or
15 other encumbrance on a vehicle may be filed by delivering to the
16 department

17 (1) a manufacturer's certificate of origin or an existing
18 certificate of title;

19 (2) an application for a new certificate of title, signed
20 by the registered owner and containing the name and address of any
21 lienholder and the date of the lienholder's interest;

22 (3) applicable filing fees required by law; and

23 (4) other documents or information required by the depart-
24 ment.

25 (b) Upon approval of the application, the department shall send
26 to the person holding a lien or other encumbrance a new certificate of
27 title which displays the name of the owner and indicates the existence
28 of the lien or other encumbrance.

29 * Sec. 6. AS 28.10.421(b) is amended to read:

1 (b) The annual registration fees under this subsection are im-
2 posed within the following classifications for:

3 (1) a passenger vehicle or motor home not used or main-
4 tained for the transportation of persons or property for hire or for
5 other commercial use.....\$35;

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

9 (3) a taxicab.....\$70;

10 (4) a motor bus with a seating capacity for 20 or more
11 persons and used exclusively for commercial purposes in the transport-
12 ing of visitors or tourists.....\$85;

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

14 (6) a [TWO- OR FOUR-WHEELED] trailer not used or maintained
15 for the transportation of persons or property for hire or for other
16 commercial use, including, but not limited to, a boat trailer, baggage
17 trailer, box trailer, utility trailer, [OR] house trailer, travel
18 trailer, or a trailer rented or offered for rent.....\$ 5.

19 * Sec. 7. AS 28.10.495(a) is amended to read:

20 (a) Upon application by a disabled or medically handicapped
21 person, or by an organization that transports disabled or medically
22 handicapped persons, the department shall issue to the applicant,
23 without charge, a special permit bearing the control number of the
24 applicant. The permit issued under this section, when displayed in
25 the front windshield of a parked or standing vehicle, shall provide
26 for special consideration by the public with respect to the parking or
27 standing in designated spaces of a vehicle that [WHICH] is being used
28 for the transportation of a [THE] disabled or medically handicapped
29 person.

1 * Sec. 8. AS 28.10.495(b) is amended to read:

2 (b) A person is not entitled to use the special permit provided
3 for in (a) of this section except when providing transportation for a
4 [THE] disabled or handicapped person [WITH RESPECT TO WHOM THE PERMIT
5 WAS ISSUED]. Upon the death of a [THE] disabled or handicapped person
6 to whom a special permit has been issued, the special permit shall be
7 returned to the department. If an organization to which a special
8 permit has been issued ceases transporting disabled or handicapped
9 persons, or ceases operating, it shall return the special permit to
10 the department.

11 * Sec. 9. AS 28.10.181(g) and 28.10.421(d)(6) are repealed. [28.10.421(d)(6)]

12 * Sec. 10. This Act takes effect January 1, 1990.

FISCAL NOTE

REQUEST:

Revision Date: 04/14/89
Title: An Act relating to
identification cards issued
Sponsor: Rules/Governor
Requestor: Senate Finance

Agency Affected: Public Safety
BRU: Motor Vehicles
Component: _____

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

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

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

This bill contains provisions that will improve public service and streamline procedures of DMV. There will be no fiscal impact.

Prepared by: Bill Broyn
Division: Motor Vehicles

Phone: 465-4335
Date: 04/14/89

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

Date: 4-14-89

WORK DRAFT

WORK DRAFT

WORK DRAFT

go0289sE
Ford
2/8

Original sponsor: Rules/Governor

CS contains 3 technical corrections:
page 9, lines 21 + 25
page 11, line 2
p. 1, l. 19

1 IN THE SENATE BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 92 (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 vehicles, identification
7 cards issued by the Department of Public Safety, and
8 duties of the Department of Public Safety and Depart-
9 ment of Commerce and Economic Development with re-
10 spect to motor vehicle dealers; and providing for an
11 effective date."

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

13 * Section 1. AS 08.01.010 is amended by adding a new paragraph to read:

14 (31) regulation of motor vehicle dealers under AS 08.66.

15 * Sec. 2. AS 08.66.010 is amended to read:

16 Sec. 08.66.010. DEALERS TO REGISTER. A dealer in motor vehi-
17 cles, trailers or semi-trailers shall, as a condition to engaging in
18 business in the state, register biennially with the department
19 [DEPARTMENT OF PUBLIC SAFETY] *New Section: Allow DCEED to set fees (for dealer registration) by regulation*

20 * Sec. 3. AS 08.66.030 is amended to read: *(to cover DCEED admin costs)*

21 Sec. 08.66.030. FORM OF APPLICATION. The department [DEPART-
22 MENT OF PUBLIC SAFETY] shall prescribe and furnish the form of appli-
23 cation for dealer registration. The application must [SHALL] contain

24 (1) the name under which the business is conducted;

25 (2) the location of business;

26 (3) the name and address of all persons having an interest
27 in the business, and in the case of a corporation the application must
28 [SHALL] contain the name and address of the president and secretary

29 [TWO PRINCIPAL OFFICERS];

ADD:

Fee currently \$50
-1- biennially - CSSB 92(SA)
likely raise to \$100.

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(4) the name and make of all vehicles handled;

(5) a statement of whether [OR NOT] used vehicles are handled;

(6) a statement that the applicant is a bona fide dealer in motor vehicles, trailers, or semi-trailers with an established business at the location given;

(7) other information the department [DEPARTMENT OF PUBLIC SAFETY] requires to administer this chapter.

* Sec. 4. AS 08.66.040 is amended to read:

Sec. 08.66.040. FILING APPLICATION FOR REGISTRATION. The application shall be filed with the department [DEPARTMENT OF PUBLIC SAFETY]. Upon receipt of the application the department shall examine it and may make an investigation of the information in it. If the department is satisfied that the dealer is entitled to registration, and the fees have been paid and a bond filed, the department shall assign a distinctive registration number to the dealer and file the dealer's application and index it alphabetically and numerically. A dealer is registered when the department assigns a registration number.

* Sec. 5. AS 08.66.060 is amended to read:

Sec. 08.66.060. BOND. (a) An [EVERY] applicant for [DEALER] registration or [FOR] renewal under this chapter [OF DEALER REGISTRATION] shall file with the application [OR REQUEST FOR RENEWAL,] and [SHALL] maintain in force while registered, a bond in favor of the state. The bond shall be [,] executed by an authorized corporate surety approved by the commissioner [OF PUBLIC SAFETY], in the amount of \$10,000, except that a dealer who sells only motorcycles shall maintain [IN FORCE WHILE REGISTERED] a bond in favor of the state [, EXECUTED AND APPROVED IN THE SAME MANNER AS BONDS REQUIRED OF OTHER