

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672
6693 SENATE STATE AFFAIRS

197

1 (8) this program does not involve a basic right under the state
2 or federal constitutions or a basic necessity of life; and

3 (9) the interest of the state in determining bona fide residence
4 for purposes of this program is at least equal to the interest recognized
5 in *Andress v. Baxter*, U.S. District Court for the District of Alaska, No.
6 A82-307 Civ., September 8, 1983.

7 * Sec. 2. AS 43.23.005(a) is amended to read:

8 (a) An individual is eligible to receive one permanent fund
9 dividend each year in an amount to be determined under AS 43.23.025 if
10 the individual applies to the department, and if

11 (1) on the date of application the individual is a state
12 resident;

13 (2) the individual was a state resident for a period of at
14 least 24 [SIX] consecutive months immediately preceding April 1 of the
15 current dividend year; and

16 (3) the individual has been physically present in the state
17 at some time during the period beginning July 1 two years before the
18 date of application and ending on the date of application.

19 * Sec. 3. AS 43.23.005 is amended by adding a new subsection to read:

20 (e) If a court finds the durational residency requirement under
21 (a)(2) of this section is invalid and no appeal is pending, the resi-
22 dency requirement is one year. If a court finds the one year resi-
23 dency requirement is invalid and no appeal is pending, the residency
24 requirement is the longest duration permitted by law. The department
25 shall change the statement of eligibility under AS 43.23.015(b) as
26 necessary to conform to this subsection.

27 * Sec. 4. AS 43.23.015(b) is amended to read:

28 (b) The department shall prescribe and furnish an application
29 form for claiming a permanent fund dividend. The application must

1 contain a statement of eligibility and a certification of residency in
2 substantially the following form:

3 I certify that

4 () I am a state resident on the date of this application, I have
5 been a state resident for at least 24 [SIX] months immediately preced-
6 ing April 1 of the current dividend year, and I have been physically
7 present in the State of Alaska at some time during the period begin-
8 ning July 1 two years before the date of application and ending on the
9 date of this application; or

10 () (name), the individual on whose behalf I am applying, is a
11 state resident on the date of this application, has been a state
12 resident for at least 24 [SIX] months immediately preceding April 1 of
13 the current dividend year, and has been physically present in the
14 State of Alaska at some time during the period beginning July 1 two
15 years before the date of application and ending on the date of this
16 application.

17 I understand that a false claim of eligibility to obtain a perma-
18 nent fund dividend for myself or for another is a criminal offense,
19 that if convicted I will forfeit future dividends, and that I must
20 repay all dividends that have been paid to me. I understand that if I
21 wilfully misrepresent, exercise gross negligence, or recklessly disre-
22 gard a material fact regarding my eligibility for a permanent fund
23 dividend I will forfeit the dividend, be subject to a civil fine of up
24 to \$5,000, and lose my eligibility for the next five dividends. I
25 understand that these penalties are in addition to any criminal pen-
26 alties imposed.

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(signature of individual,
parent, guardian, or other

authorized representative)

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* Sec. 5. AS 47.45.010(a) is amended to read:

(a) A person who is 65 years of age or over, who resides in the state for at least two years [ONE YEAR] immediately preceding application for a longevity bonus under this chapter may apply to the commissioner of administration for qualification to receive a monthly bonus of \$250.

* Sec. 6. AS 47.45.010 is amended by adding a new subsection to read:

(d) If a court finds the durational residency requirement under (a) of this section is invalid and no appeal is pending, the residency requirement is one year. If a court finds the one year residency requirement is invalid and no appeal is pending, the residency requirement is the longest duration permitted by law.

* Sec. 7. Notwithstanding the amendments to AS 43.23 made by secs. 2 - 4 of this Act, if an individual received a permanent fund dividend for 1989 ¹⁹⁹⁰ the individual's eligibility to receive a dividend for 1990 ¹⁹⁹¹ shall be determined under the law as it existed before those amendments.

* Sec. 8. Notwithstanding the amendment to AS 47.45 made by secs. 5 and 6 of this Act, if an individual received a longevity bonus payment for any month during 1989 ¹⁹⁹⁰ the individual's eligibility to receive bonus payments during 1990 ¹⁹⁹¹ shall be determined under the law as it existed before that amendment.

* Sec. 9. This Act takes effect January 1, 1990.

changes from Jud CS

Original sponsors: Donley, Boucher,
Boyer, et al.

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2

CS FOR HOUSE BILL NO. 34 (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 establishing durational residency require-
7 ments, not to exceed two years, for receipt of the
8 permanent fund dividend and receipt of benefits under
9 the longevity bonus program; and providing for an
10 effective date."

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

12 * Section 1. FINDINGS. (a) The legislature finds with respect to the
13 permanent fund dividend program that

14 (1) compared with other states, Alaska has one of the highest
15 ratios of transients to permanent state residents;

16 (2) a significant number of people from other states come to
17 Alaska to work in temporary or seasonal jobs or on short-term projects;

18 (3) because of the large number of transients it is very diffi-
19 cult for the state to determine whether a person is actually a resident
20 with the intent to remain in the state;

21 (4) the permanent fund dividend program is unique to the state
22 and provides generous benefits;

23 (5) the generous nature of this benefit program creates an
24 inducement for people to claim residency inaccurately;

25 (6) a two-year residency requirement is a reasonable way to
26 determine bona fide residency for the purposes of eligibility for this
27 benefit program;

28 (7) a two-year residency requirement will not discourage mi-
29 gration to the state or otherwise interfere with interstate travel;

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1 (8) this program does not involve a basic right under the state
2 or federal constitutions or a basic necessity of life;

3 (9) a two-year residency requirement will more accurately indi-
4 cate actual domicile and the intent to remain a resident than the require-
5 ment under current law; and

6 (10) the interest of the state in determining bona fide residence
7 for purposes of this program is at least equal to the interest recognized
8 in *Andress v. Baxter*, U.S. District Court for the District of Alaska, No.
9 A82-307 Civ., September 8, 1983.

10 (b) The legislature finds with respect to the longevity bonus program
11 that

12 (1) the longevity bonus is immediately payable to an applicant
13 upon acceptance into the program;

14 (2) acceptance into the program is primarily based on a state-
15 ment from the applicant that the applicant is a resident for the purposes
16 of eligibility for this benefit program and that the applicant intends to
17 remain a resident of the state;

18 (3) a two-year residency requirement will more accurately indi-
19 cate actual domicile and the intent to remain a resident than the require-
20 ment under current law;

21 (4) the longevity bonus program is unique to the state and
22 provides generous benefits;

23 (5) the generous nature of this benefit program creates an
24 inducement for people to claim residency inaccurately;

25 (6) a two-year residency requirement is a reasonable way to
26 determine bona fide residency for the purposes of eligibility for this
27 benefit program;

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

*added in
Jud*

*added in
jud*

1 (8) this program does not involve a basic right under the state
2 or federal constitutions or a basic necessity of life; and

3 (9) the interest of the state in determining bona fide residence
4 for purposes of this program is at least equal to the interest recognized
5 in *Andress v. Baxter*, U.S. District Court for the District of Alaska, No.
6 A82-307 Civ., September 8, 1983.

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8 (a) An individual is eligible to receive one permanent fund
9 dividend each year in an amount to be determined under AS 43.23.025 if
10 the individual applies to the department, and if

11 (1) on the date of application the individual is a state
12 resident;

13 (2) the individual was a state resident for a period of at
14 least 24 [SIX] consecutive months immediately preceding April 1 of the
15 current dividend year; and

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17 at some time during the period beginning July 1 two years before the
18 date of application and ending on the date of application.

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7 present in the State of Alaska at some time during the period begin-
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21 wilfully misrepresent, exercise gross negligence, or recklessly disre-
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23 dividend I will forfeit the dividend, be subject to a civil fine of up
24 to \$5,000, and lose my eligibility for the next five dividends. I
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(signature of individual,
parent, guardian, or other

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* Sec. 5. AS 47.45.010(a) is amended to read:

(a) A person who is 65 years of age or over, who resides in the state for at least two years [ONE YEAR] immediately preceding application for a longevity bonus under this chapter may apply to the commissioner of administration for qualification to receive a monthly bonus of \$250.

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* Sec. 7. Notwithstanding the amendments to AS 43.23 made by secs. 2 - 4 of this Act, if an individual received a permanent fund dividend for 1990 the individual's eligibility to receive a dividend for 1991 shall be determined under the law as it existed before those amendments.

* Sec. 8. Notwithstanding the amendment to AS 47.45 made by secs. 5 and 6 of this Act, if an individual received a longevity bonus payment for any month during 1990, the individual's eligibility to receive bonus payments during 1991 shall be determined under the law as it existed before that amendment.

* Sec. 9. This Act takes effect January 1, 1991.

*added in
Jud*

Original sponsors: Donley, Boucher,
Boyer, et al.

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE
2 CS FOR HOUSE BILL NO. 34 (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 durational residency requirements
7 for certain state benefit programs; and providing for
8 an effective date."

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

10 * Section 1. AS 43.23.005(a) is amended to read:

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3 beginning July 1 two years before the date of application and ending
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19 to \$5,000, and lose my eligibility for the next five dividends. I
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29 tion for a longevity bonus under this chapter may apply to the

1 commissioner of administration for qualification to receive a monthly
2 bonus of \$250.
3 * Sec. 4. This Act takes effect January 1, 1991.

1 IN THE HOUSE

BY DONLEY, BOUCHER,
BOYER, BROWN, HUDSON,
ULMER AND GOLL

2 HOUSE BILL NO. 34

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 durational residency requirements
7 for certain state benefit programs; and providing for
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26 sioner of administration for qualification to receive a monthly bonus
27 of \$250.

28 * Sec. 3. This Act takes effect January 1, 1990.

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H

REPRESENTATIVE DAVE DONLEY

ALASKA STATE LEGISLATURE
DISTRICT ELEVEN • SPENARD
SEAT A

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

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



CHAIRMAN
LABOR AND COMMERCE COMMITTEE

MEMBER
STATE AFFAIRS COMMITTEE
HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE
HOUSING AND BANKING SUBCOMMITTEE
FINANCE BUDGET SUBCOMMITTEE
DEPT. OF COMMERCE AND
ECONOMIC DEVELOPMENT

February 6, 1989

MEMORANDUM

To: Members, House Judiciary Committee

From: Representative Dave Donley *DD*

Re: HB 34 - Durational residency requirements for
Longevity Bonus and Permanent Fund Dividends

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

POSITION PAPER

HOUSE BILL NO. 34

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

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

A handwritten signature in black ink, appearing to read "Steve Cowper", written over a horizontal line.

Steve Cowper
Governor

STATE OF ALASKA
THE LEGISLATURE

FOURTH STATE CAPITOL
JUNEAU ALASKA 99801
907 465 1800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 10, 1989

SUBJECT: Durational residency requirements under
Alaska law (W.O. No. 16-0182)

TO: Representative Dave Donley

FROM: John Gaguine *JG*
Legislative Counsel

You have asked for an update to a memorandum, prepared in December 1982 by then-Attorney General Wilson Condon, which set out all durational residency requirements found in the Alaska statutes, and expressed an opinion as to whether those requirements were constitutional. Enclosed is the updated memorandum, which I believe is complete.

I have used different meanings than did the Attorney General in the "constitutional problem" column. I have not considered the likelihood of a challenge, as he did, but instead just the probable outcome of a challenge (in my opinion) if one were to be brought. Thus my terms "probably not" and "maybe" have their normal meanings. I have not exhaustively researched the constitutional questions involved with every requirement. Instead I have generally adopted the Condon view (which my reading of the caselaw suggests is correct), while noting some more recent developments in the law in this area. (For instance, the Condon memorandum was written before the decision in Andress v. Baxter, upholding the two-year residency requirement for student loans.) Where the statutes have been changed, as many of the ones listed here have been, I have relied for my opinion on the Attorney General's assessment of similar statutes and on general conclusions that I think can be drawn from the caselaw (such as that a one-year residency requirement for loan and grant programs in general is permissible). If you would like more in-depth research into a particular provision, I will be happy to oblige you.

The vast majority of constitutionally suspect durational residency requirements have been eliminated by the legislature. The primary vehicle for this was ch. 67, SLA 1983

(copy attached). This Act was apparently adopted in response to the U.S. Supreme Court's Zobel decision (invalidating the \$50/year of residency provision of the Permanent Fund Dividend program) and several Attorney General opinions expressing doubt as to the constitutionality of many durational residency provisions in the statutes. In addition, chapter 67 also eliminated many residency requirements, primarily in Title 8 (Occupational Licensing), that apparently would be unconstitutional under the Privileges and Immunities clause of the U.S. Constitution (Art. IV, sec. 2, cl. 1).

Chapter 67 replaced many durational residency requirements of varying lengths with a uniform 30-day requirement. It did this by repealing those requirements and adding AS 01.10.055, which reads:

Sec. 01.10.055. RESIDENCY. (a) A person establishes residency in the state by being physically present in the state with the intent to remain in the state indefinitely and to make a home in the state.

(b) A person demonstrates the intent required under (a) of this section

(1) by maintaining a principal place of abode in the state for at least 30 days or for a longer period if a longer period is required by law or regulation; and

(2) by providing other proof of intent as may be required by law or regulation, that may include proof that the person is not claiming residency outside the state or obtaining benefits under a claim of residency outside the state.

(c) A person who establishes residency in the state remains a resident during an absence from the state unless during the absence the person establishes or claims residency in another state, territory or country, or performs other acts or is absent under circumstances that are inconsistent with the intent required under (a) of this section to remain a resident of this state.

Because a thirty-day residency requirement was sanctioned by the Alaska Supreme Court for a basic right, the right to vote, in State v. Van Dort, 502 P.2d 453 (Alaska 1972), it

Representative Dave Donley
Page 3
March 10, 1989

appears not to be susceptible to challenge. The Alaska Supreme Court in Perito v. Perito, 756 P.2d 895 (Alaska 1988) (also attached), held that the requirements of AS 01.10.055 defined residency as used elsewhere in the statutes, unless a contrary statutory definition applies (as, for instance, AS 16.05.940(24), applicable to the term "resident" as it appears in most of Title 16).

In compiling this memorandum, I have not included those statutes requiring simple residency (i.e., the thirty-day requirement of AS 01.10.055); I have only listed those that couple residency with a specific durational requirement. I have also not listed those with a thirty-day requirement, such as the voting statute and the statutes requiring certain positions to be filled by registered voters. I have listed some that have no residency requirements but that require some past activities (such as mining or guiding) in the state. This memorandum therefore differs slightly from the Condon memorandum, which listed some statutes with simple residency requirements (apparently those where he felt such requirements were illegal under the Privileges and Immunities clause). If you wish, I can prepare another memorandum on simple residency statutes. I suspect that that one would be far longer.

For comparison, I have also attached a copy of the Condon memorandum with hand written changes.

JG:kb
wkk2/108

Enclosures

I. PUBLIC OFFICE HOLDING

TITLE	DURATIONAL RESIDENCE REQUIREMENT	AUTHORITY	CONSTITUTIONAL PROBLEM
A. <u>General</u>			
1. Governor	7 Years	Ak. Const. art III, § 2	No
2. Lieutenant Governor	7 Years	Ak. Const. art.III, §§ 2 & 7	No
3. Board of Education Member	3 Years	AS 14.07.075, 39.05.065(a)	No
4. Legislator	3 Years	Ak. Const. art. II, § 2 AS 24.05.030	No
5. Supreme Court Justice	5 Years	AS 22.05.070	No
6. Court of Appeals Judge	5 Years	AS 22.07.040	No
7. Superior Court Judge	5 Years	AS 22.10.090	No
8. District Court Judge	5 Years	AS 22.15.160(a)	No
9. Magistrate	6 Months	AS 22.15.160(b)	No
10. Ombudsman	3 Years	AS 24.55.030	No
11. Borough Mayor	Up to 3 Years	AS 29.20.240	No
12. Borough Assembly	Up to 3 Years	AS 29.20.140(b)	No
13. City Mayor	Up to 3 Years	AS 29.20.240	No
14. City Council	Up to 3 Years	AS 29.20.140(b)	No
15. Municipal Charter Commission	3 Years	AS 29.13.010	No

If adopted
by ordinance
of local
Government

TITLE	DURATIONAL RESIDENCE REQUIREMENT	AUTHORITY	CONSTITUTIONAL PROBLEM
B. <u>Boards and Commissions other than Occupational Licensing Boards.</u> ¹			
1. Rural Affairs Commission	5 Years	AS 44.19.102	Maybe ²
2. Board of Fisheries	1 Year	AS 16.05.221(a) AS 16.05.940(24)	No
3. Board of Game	1 Year	AS 16.05.221(b) AS 16.05.940(24)	No
4. Judicial Conduct Commission (lawyer members)	10 Years practice in Alaska	Ak. Const. art. IV, § 10 AS 22.30.010	Maybe ²
C. <u>Occupational Licensing Boards.</u>			
1. Public Accounting Board	1 Year	AS 08.04.020	No
2. Board of Chiropractic Examiners	2 Years	AS 08.20.020	No
3. Board of Dental Examiners	5 Years practice in Alaska	AS 08.36.010	Maybe ²
4. State Board of Registration for Architects, Engineers, and Land Surveyors	3 Years	AS 08.48.031	No
5. Guide Licensing and Control Board	10 Years	AS 08.54.010	Maybe ²
6. Board of Examiners in Optometry	3 Years	AS 08.72.040	No
7. Board of Pharmacy	3 Years in-state practice although not a specific residence requirement	AS 08.80.010	No
8. Board of Veterinary Examiners	5 Years in-state practice although not a specific residence requirement	AS 08.98.010	Maybe ²

DURATIONAL
RESIDENCE
REQUIREMENT

AUTHORITY

CONSTITUTIONAL
PROBLEM

TITLE

II. LICENSES

A. Occupational Licenses

1. Funeral Director

1 Year

AS 08.42.110

Yes³

2. Guides

Master Guide

No residence
requirement, but
must have hunted in
area 10 years

AS 08.54.100

Probably not

Registered Guide

Same, except hunted
five years in area

AS 08.54.110

Probably not

Class-A Assistant Guide

Same, except hunted
twenty years in area

AS 08.54.120

Maybe

Special Guide - Marine Mammals

10 Years residency
in area

AS 08.54.045

Yes

B. Other Licenses

1. Alcoholic Beverage License

1 Year

AS 04.11.390

Probably not

2. Fish and Game Licenses

Resident fishing, hunting and
trapping licenses (cost less
than non-resident ones)

1 Year (per AS 16.-
05.940(24))

AS 16.05.340

Probably not

Free hunting and trapping
licenses for residents 16 and
under; free F & G licenses for
residents over 60

1 Year (per AS 16.-
05.940(24))

AS 16.05.400

Probably not

Hunting license for blind
(privileges not available to
blind non-residents)

1 Year (per AS 16.-
05.940(24))

AS 16.05.405

Probably not

TITLE	DURATIONAL RESIDENCE REQUIREMENT	AUTHORITY	CONSTITUTIONAL PROBLEM
Resident commercial fishing licenses (cost less than non-resident ones)	1 Year (per AS 16.-05.940(24))	AS 16.05.480	Probably not
Resident CFEC permit fees	1 Year	AS 16.43.16 ⁿ ; 20 AAC 05.240(c)(2)	Probably not
3. Coin-Operated Device Distributor License	1 Year	AS 43.35.030(2)	Maybe

III. PUBLIC RIGHT AND BENEFITS

A. Loan and Grant Programs

1. Permanent Fund Dividends	6 Months ⁴	AS 43.23.005(a)	No
2. Longevity Bonus	1 Year ⁴	AS 47.45.010	No
3. Commercial Fishing Loans	2 Years	AS 16.10.310(a)	Maybe ⁵
4. CFAB Limited Entry Permit Loans	2 Years	AS 44.81.210(a)(20)	Maybe ⁵
5. Other CFAB Loans	2 Years	Bank policy	Maybe ⁵
6. Veterans' Loans	1 Year	AS 26.15.130(a)	No
7. Veterans' Death Gratuity	1 Year	AS 26.10.080	No
8. Mining Business Loans	Residency and 5 years mining experience in State	AS 27.09.020	Probably not
9. Memorial Scholarship Loan Fund	No durational requirement to apply. 1/5 loan forgiven for each year employed in specialized field in Alaska.	AS 14.43.305(e)	No

TITLE	DURATIONAL RESIDENCE REQUIREMENT	AUTHORITY	CONSTITUTIONAL PROBLEM
10. Student Loan Program and Family Education Loan Program	2 Years	AS 14.43.125(a)(3) AS 14.43.750(a)(1)	Maybe ⁶
11. Alaska Educational Incentive Grant Program	2 Years	AS 14.43.405(b)	Maybe ⁶
B. <u>Land Disposal Programs</u>			
1. Land Disposal by Lottery	1 Year	AS 38.05.057(b)(2)	Probably not ⁷
2. Veteran's Discount on Purchase of Some State Lands	1 Year	AS 38.05.940(b)(2)	Probably not
3. Homesite Entry Program	1 Year	AS 38.08.030(a)(2)	Probably not ⁷
4. Homestead Entry Program	1 Year	AS 38.09.030(a)(1)	Probably not ⁷
C. <u>Fish and Game Programs (other than licenses)</u>			
1. Residents Taking Moose, Deer, Elk and Caribou for Personal Use and Consumption Favored Over Non-Residents	1 Year (per AS 16.-05.940(24))	AS 16.05.255(d)	Probably not
2. Limitations on Non-Resident Big Game Permits	1 Year (per AS 16.-05.940(24))	AS 16.05.256	Probably not
3. Non-Resident Hunters for Some Game Species Must be Accompanied	1 Year (per AS 16.-05.940(24))	AS 16.05.407	Probably not
4. Resident Preference for ADF&G Exploration Work	1 Year (per AS 16.-05.940(24))	AS 16.05.902	Maybe ⁸
D. <u>Other Programs</u>			
1. Low-Cost Housing Preference for Veterans	1 Year at some point	AS 18.55.330 AS 18.55.470(5)	Maybe ⁹
2. Pioneers' Home Program	15 Years immediately before application, or 30 Years total	AS 47.25.020(a) AS 47.25.030(a) AS 47.25.035	Maybe ¹⁰

- 1/ This list includes only boards and commissions which have express durational residency requirements. Many boards have ex officio members who must meet durational residency requirements for those offices or positions. These boards include:
- (1) Alcohol Beverage Control Board (certain licensees);
 - (2) Coastal Policy Council (mayors, assembly and council members);
 - (3) Code Revision Commission (members of legislature);
 - (4) Citizens Advisory Commission on Federal Management Areas in Alaska (governor and other public officers);
 - (5) Commission on Conference of the Law of the Sea (members of legislature);
 - (6) Rural Development Council (members of legislature);
 - (7) Teacher's Retirement Board (resident who is receiving retirement benefits);
 - (8) Tourism Advisory Board (members of legislature); and
 - (9) Governor's Commission on the Administration of Justice (judicial officers, legislators, and municipal officials)
- 2/ As Attorney General Condon said, it is difficult to imagine anyone challenging this requirement.
- 3/ A similar one-year requirement for embalmers (that a license applicant train for a year under someone licensed in Alaska), found in the same statute, was removed by ch. 67, SLA 1983. The failure to remove the requirement for funeral directors was likely an oversight.
- 4/ HB 34, currently before the legislature, would raise the residency requirement to two years.
- 5/ The federal district court in Alaska has upheld a two-year residency requirement for student loans, in part on the basis that students are highly mobile and a longer durational requirement is justified to establish bona fide residency. The same argument can be made for fishermen. Since the district court decision was not appealed, it is unclear how much authority it carries.
- 6/ The two-year residency requirement was upheld by the federal district court for Alaska in Andress v. Baxter, No. A82-307 Civ. However, the court did not issue a written opinion in the case, and the decision was not appealed. It is not clear how much weight the decision would carry if the requirement were challenged in state court.
- 7/ This issue was presented to the Alaska Supreme Court in Gilman v. Martin, 662 P.2d 120 (Alaska 1983), a challenge to a Kenai Peninsula Borough ordinance limiting the borough's land lottery program to one-year borough residents. The court invalidated the ordinance, but on the ground that the ordinance had not stated benefiting borough residents as one of its purposes, id. at 126, and therefore any residency requirement was unconstitutional. However, in two footnotes the court seems to express skepticism about the one-year residency requirement, even if the program had been intended to benefit borough residents. Id. at 126 n. 6 and 127 n. 7.
- 8/ A simple residency requirement here might be suspect under the Privileges and Immunities clause of the federal constitution.

- 9/ Ch. 67, SLA 1983 repealed a one-year residency requirement to get low-cost housing, AS 18.55.470(4), but left in the one-year requirement for veterans' preference under AS 18.55.470(5). This may have been an oversight.
- 10/ The Attorney General issued an opinion on November 26, 1982, summarizing the arguments that could be made for and against these lengthy requirements. He concluded that the answer was unclear, and the matter should thus be left to the courts, if a challenge ever arose.

JBG:kb
WKL7/030

Supports Finding #1, Permanent Fund Div.

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

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

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

Greg Williams, State Demographer, Alaska Department of Labor

March 3, 1989

ALASKA'S POPULATION CHANGE

COMPONENTS OF CHANGE

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

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

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

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

MIGRATION TO/FROM ALASKA

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

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

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

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

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

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

My instructions to you:

House Judiciary questioned
the validity of each of Donkey's
findings. He provided this
info. in support.

Your objections:

Supports Finding #2, P.F.D.

Table 3.4

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

Industrial Group	Resident		Nonresident		Resident		Nonresident	
	Earnings (in thous.)	%	Earnings (in thous.)	%	Workers	%	Workers	%
Agriculture ^{1/}	\$15,947	84.4	\$2,950	15.6	1,976	81.5	450	16.6
Mining	497,898	88.5	64,979	11.5	12,374	83.4	2,462	16.6
Construction	359,732	88.9	44,819	11.1	22,837	84.8	4,086	15.2
Manufacturing	224,761	73.4	81,522	26.6	22,532	60.9	14,461	39.1
Transportation	506,659	93.2	37,178	6.8	24,986	89.1	3,057	10.9
Wholesale Trade	202,389	95.3	9,927	4.7	11,151	90.5	1,177	9.5
Retail Trade	493,045	94.5	28,961	5.5	61,858	87.3	8,981	12.7
Finance/Insurance/Real Estate	262,780	96.9	8,473	3.1	15,946	93.1	1,183	6.9
Services	766,704	93.3	55,327	6.7	67,339	87.8	9,334	12.2
Nonclassifiable	4,207	83.4	837	16.6	685	86.9	103	13.1
TOTAL PRIVATE BUSINESS ^{2/}	3,334,124	90.9	334,973	9.1	197,736	82.4	42,354	17.6
Local Government	858,991	98.2	15,396	1.8	42,188	95.4	2,017	4.6
State Government	626,754	97.7	14,613	2.3	24,575	95.0	1,296	5.0
TOTAL ^{3/}	\$4,820,554	93.0	\$365,147	7.0	246,489	84.5	45,148	15.5

Source: Alaska Department of Labor, Research & Analysis

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

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

^{3/} Unduplicated count of total workers.

A QUESTION OF RESIDENCE

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

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

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

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

REPRESENTATIVE DAVE DONLEY

ALASKA STATE LEGISLATURE
DISTRICT ELEVEN • SPENARD
SEAT A
HEATHER MEADOWS • NORTHWOOD • SPENARD • THOMPSON • TURNAGAIN • UPPER MIDTOWN • WINDEMERE

3111 "C" STREET, SUITE 450
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CHAIRMAN
LABOR AND COMMERCE COMMITTEE

MEMBER
STATE AFFAIRS COMMITTEE
HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE
HOUSING AND BANKING SUBCOMMITTEE
FINANCE BUDGET SUBCOMMITTEE
DEPT. OF COMMERCE AND
ECONOMIC DEVELOPMENT

RECEIVED MAY 4 1989

April 24, 1989

MEMORANDUM

To: All Senators

From: Representative Dave Donley *DB*

Re: HB 34 - Durational residency requirements for the
Alaska Longevity Bonus and Permanent Fund Dividend

Some of you may have received a POM expressing concern that the two year residency requirement for eligibility for Alaska's Permanent Fund Dividend under HB 34 will disenfranchise children from qualifying until they are two years old.

I am writing to let you know that this is not the case. Children's eligibility for PFD's will remain the same under HB 34 as it is under current law.

Under Department of Revenue regulations, a child born or adopted during the six month qualifying period is eligible for a PFD. The same mechanism will be in place under HB 34. A child born or adopted during the qualifying period for that year's PFD will still be eligible to receive the benefit.

The way children are handled under current law has worked well for the benefit of all Alaskans, particularly our newest ones. HB 34 simply takes current practice and applies it under the new law.

REPRESENTATIVE DAVE DONLEY

ALASKA STATE LEGISLATURE
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HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

HOUSING AND BANKING SUBCOMMITTEE

FINANCE BUDGET SUBCOMMITTEE

DEPT. OF COMMERCE AND
ECONOMIC DEVELOPMENT

March 3, 1989

MEMORANDUM

To: Members, House Judiciary Committee

From: Representative Dave Donley

Re: ~~Proposed~~ Judiciary CS to HB 34

DOCUMENTATION IN SUPPORT OF THE LEGISLATIVE "FINDINGS" SECTION

HB 34 - DURATIONAL RESIDENCY REQUIREMENTS FOR CERTAIN STATE BENEFIT PROGRAMS

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

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

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

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

GLOSSARY

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

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

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

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

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

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

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

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

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

FIGURE 2.1 Alaska Components of Growth
1946 to 1987

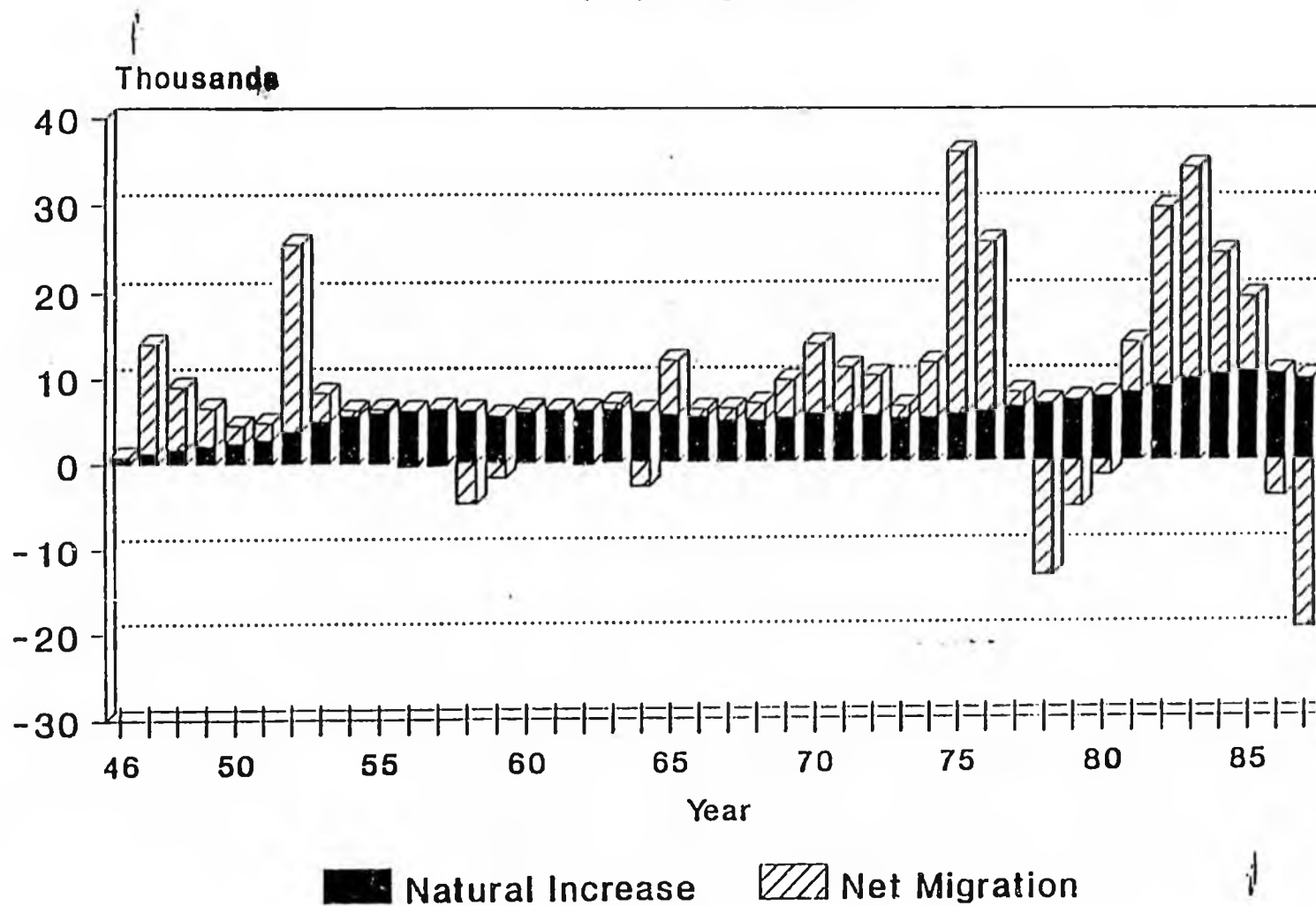


TABLE 4. MIGRATION RATES FOR ALASKA, 1985-86.

FROM/TO	1985-86				1985-86				1985-86				NET MIGRANTS PER 100 ALASKA POPULATION (%)
	IN MIGRANTS PER 100 ALASKA POPULATION (%)	% OF TOTAL	CUMULATIVE % OF TOTAL	MIGRANTS PER 100 ALASKA POPULATION (%)	% OF TOTAL	CUMULATIVE % OF TOTAL	GROSS MIGRANTS PER 100 ALASKA POPULATION (%)	% OF TOTAL	CUMULATIVE % OF TOTAL				
WASHINGTON	1.31	12.4	12.4	1.60	15.7	15.7	2.91	14.0	14.0	-0.29			
CALIFORNIA	1.14	10.7	23.1	1.24	12.2	27.9	2.18	11.4	25.4	-0.10			
OREGON	0.74	7.3	30.1	0.58	6.7	34.5	1.42	6.8	32.3	0.06			
TEXAS	0.69	6.5	36.6	0.63	6.2	40.7	1.32	6.4	38.6	0.06			
FOREIGN	0.33	3.1	39.7	0.38	3.8	44.5	0.72	3.5	42.1	-0.05			
COLORADO	0.38	3.6	43.3	0.31	3.1	47.6	0.70	3.3	45.4	0.07			
ARIZONA	0.27	2.5	45.9	0.37	3.6	51.2	0.63	3.0	48.5	-0.10			
WYOMING	0.33	3.1	48.9	0.34	3.4	53.5	0.57	2.7	51.2	0.08			
IDAH0	0.28	2.6	51.5	0.23	2.2	55.8	0.50	2.4	53.6	0.05			
MONTANA	0.29	2.7	54.2	0.17	1.7	57.5	0.46	2.2	53.8	0.11			
GEORGIA	0.22	2.2	56.4	0.22	2.2	59.7	0.45	2.2	58.0	0.07			
VIRGINIA	0.22	2.1	58.5	0.22	2.2	61.8	0.44	2.1	60.1	-0.00			
MINNESOTA	0.25	2.4	60.8	0.17	1.7	63.5	0.42	2.0	62.1	0.08			
MICHIGAN	0.22	2.3	62.9	0.19	1.9	65.3	0.40	1.9	64.1	0.03			
NORTH CAROLINA	0.21	2.0	64.9	0.19	1.8	67.1	0.39	1.9	67.9	-0.01			
NEW YORK	0.19	1.8	66.7	0.20	2.0	69.1	0.36	1.7	69.6	0.05			
NEW YORK	0.21	1.9	68.6	0.15	1.5	70.6	0.36	1.7	71.3	0.05			
OKLAHOMA	0.20	1.9	70.5	0.15	1.5	72.1	0.35	1.7	73.1	0.05			
ILLINOIS	0.16	1.5	72.1	0.16	1.6	73.7	0.32	1.6	73.8	0.01			
OHIO	0.15	1.4	73.4	0.16	1.6	75.2	0.31	1.5	74.3	-0.01			
NEW MEXICO	0.15	1.4	74.8	0.16	1.6	76.8	0.31	1.5	75.8	-0.01			
ALABAMA	0.15	1.4	76.3	0.13	1.3	78.1	0.28	1.4	77.2	0.02			
UTAH	0.16	1.5	77.7	0.13	1.2	79.3	0.28	1.4	78.5	0.03			
HAWAII	0.16	1.5	79.3	0.12	1.2	80.5	0.28	1.3	79.8	0.05			
LOUISIANA	0.17	1.6	80.8	0.11	1.1	81.6	0.28	1.3	81.2	0.06			
WEST VIRGINIA	0.13	1.2	82.0	0.14	1.4	83.0	0.27	1.3	82.5	-0.02			
MISSOURI	0.13	1.3	83.3	0.12	1.1	84.1	0.25	1.2	83.7	0.02			
PENNSYLVANIA	0.13	1.3	84.4	0.12	1.2	85.3	0.24	1.2	84.8	-0.01			
MARYLAND	0.12	1.1	84.4	0.14	1.2	86.7	0.23	1.1	86.0	-0.04			
TENNESSEE	0.10	0.9	85.3	0.13	1.3	87.9	0.23	1.1	87.0	-0.03			
NEVADA	0.10	0.9	86.2	0.11	1.1	89.0	0.22	1.0	88.1	-0.00			
SOUTH CAROLINA	0.11	1.0	87.2	0.11	1.1	90.1	0.21	1.0	89.1	-0.00			
KENTUCKY	0.11	1.0	88.2	0.10	1.0	91.0	0.20	1.0	90.1	0.02			
KANSAS	0.11	1.0	89.3	0.09	0.9	91.9	0.19	0.9	91.1	0.02			
ARKANSAS	0.11	1.0	90.3	0.09	0.9	92.5	0.18	0.9	92.0	0.07			
WISCONSIN	0.13	1.2	91.6	0.08	0.8	93.3	0.18	0.9	92.9	0.01			
MASSACHUSETTS	0.10	0.9	92.5	0.08	0.8	94.1	0.17	0.8	93.7	0.02			
INDIANA	0.10	0.9	93.4	0.08	0.7	94.9	0.17	0.8	94.6	0.02			
NEBRASKA	0.09	0.9	94.3	0.08	0.8	95.6	0.17	0.8	95.4	0.01			
NEW JERSEY	0.09	0.9	95.1	0.08	0.8	96.4	0.14	0.7	96.1	-0.02			
MAINE	0.06	0.6	95.7	0.06	0.6	97.0	0.14	0.7	96.7	0.02			
NORTH DAKOTA	0.08	0.7	96.5	0.06	0.6	97.5	0.13	0.6	97.3	0.02			
MISSISSIPPI	0.07	0.7	97.2	0.05	0.5	98.1	0.13	0.6	98.0	0.02			
SOUTH DAKOTA	0.07	0.7	97.9	0.04	0.4	98.5	0.10	0.5	98.5	0.02			
ICWA	0.06	0.6	98.4	0.04	0.4	98.9	0.09	0.4	99.2	0.00			
NEW HAMPSHIRE	0.05	0.4	98.9	0.03	0.3	99.2	0.07	0.3	99.2	0.00			
CONNECTICUT	0.04	0.3	99.2	0.03	0.3	99.5	0.05	0.2	99.5	-0.00			
WASHINGTON D.C.	0.02	0.2	99.4	0.02	0.2	99.7	0.04	0.2	99.6	0.00			
VERMONT	0.02	0.2	99.6	0.01	0.1	99.8	0.03	0.1	99.8	0.00			
FLORIDA	0.01	0.1	99.8	0.01	0.1	99.9	0.03	0.1	99.9	0.00			
DELAWARE	0.01	0.1	99.9	0.01	0.1	99.9	0.02	0.1	99.9	0.00			
RHODE ISLAND	0.01	0.1	100.0	0.01	0.1	100.0	0.02	0.1	100.0	0.00			
TOTAL	10.61	100.0		10.18	100.0		20.80	100.0		0.43			

Alaska Department of Labor
 Research & Analysis, Demographic Unit
 Craig Williams, State Demographer
 02-MAR-89



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Nonresidents

Working in Alaska 1987

Nonresidents Working in Alaska 1987

State of Alaska – Steve Cowper, Governor
Department of Labor – Jim Sampson, Commissioner
Administrative Services Division – Frank Spargo, Director
Research & Analysis Section – Chuck Caldwell, Chief
Sally Saddler, Research Supervisor

In cooperation with:

Alaska Department of Law, Grace Schaible, Attorney General.

Prepared by:

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Kathy Thomas	Labor Economist
Stan Fullingim	Statistical Technician
Crystal Cameron	Statistical Clerk

Cover design by: Jim Fowler

Published: January 1989

DISTRIBUTION OF QUARTERS WORKED IN ALASKA 1987

QUARTERS WORKED	PERCENT	PERCENT
	RESIDENT	NONRESIDENT
1 QUARTER ONLY	12.4%	45.2%
QUARTER 1	3.9%	7.4%
QUARTER 2	1.9%	7.0%
QUARTER 3	3.1%	17.2%
QUARTER 4	3.5%	13.5%
2 QUARTERS ONLY	15.2%	29.8%
QUARTERS 1 & 2	5.1%	4.4%
QUARTERS 1 & 3	0.5%	0.4%
QUARTERS 1 & 4	0.7%	0.3%
QUARTERS 2 & 3	3.5%	10.4%
QUARTERS 2 & 4	0.5%	0.5%
QUARTERS 3 & 4	1.8%	13.7%
3 QUARTERS ONLY	16.0%	13.6%
QUARTERS 1, 2 & 3	5.3%	3.1%
QUARTERS 1, 2 & 4	1.8%	0.7%
QUARTERS 1, 3 & 4	1.6%	0.6%
QUARTERS 2, 3 & 4	6.8%	9.2%
4 QUARTERS ONLY		
QUARTERS 1, 2, 3 & 4	56.3%	11.4%

Table 3.1

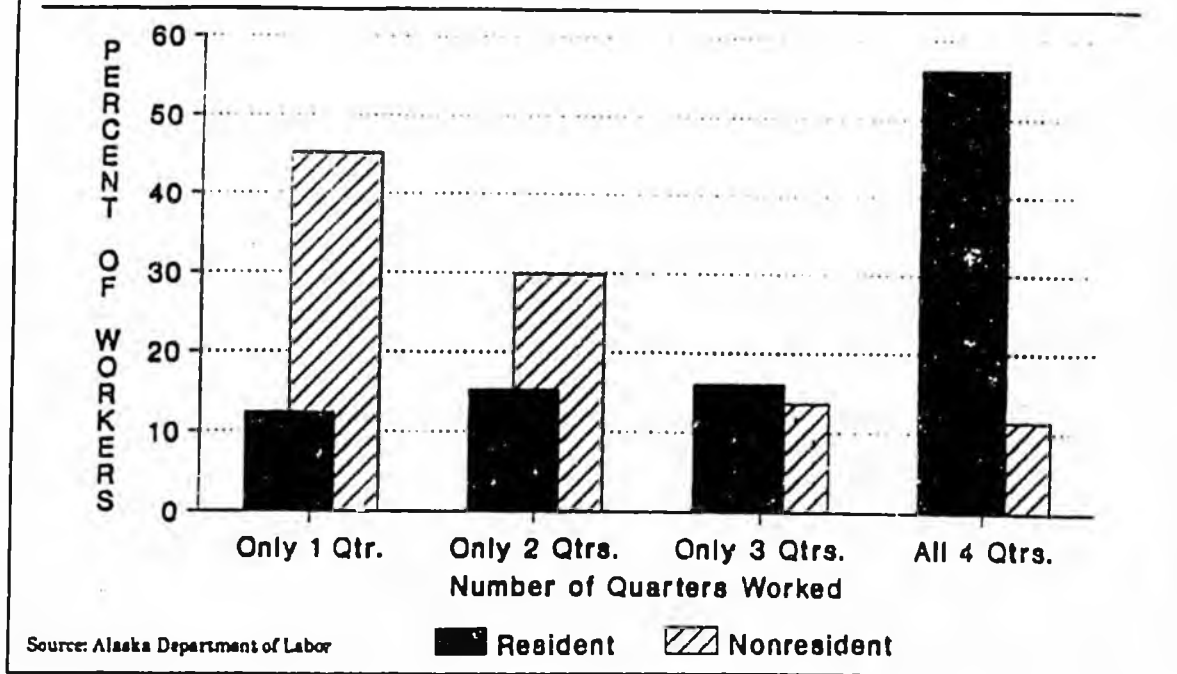
**Annual Earnings, Workers, and Average Earnings by Industry
Alaska, 1987**

Industry	Earnings			Workers			Average Earnings		
	Resident	Nonresident	% of Total	Resident	Nonresident	% of Total	Resident	Nonresident	As % of Res.
	Earnings (thous.)	Earnings (thous.)		no. of Workers	no. of Workers		Average Earnings	Average Earnings	
State Government	\$626,754	\$14,613	2.3	24,575	1,296	5.0	\$25,504	\$11,276	44.2
Local Government	858,991	15,396	1.8	42,188	2,017	4.6	20,361	7,633	37.5
Agriculture ¹									
Crops	1,161	95	7.6	301	34	10.1	3,857	2,801	72.6
Livestock	585	68	10.4	45	15	25.0	12,989	4,509	34.7
Agricultural Services	5,600	403	6.7	854	112	11.6	6,557	3,602	54.5
Forestry	2,438	101	4.0	85	5	5.6	28,682	20,118	70.1
Fishing/Hunting/Trapping ¹	6,164	2,283	27.0	698	285	29.0	8,831	8,011	90.1
Mining									
Metal ¹	15,186	8,700	36.4	954	377	28.3	15,918	23,076	145.1
Coal	x	x	2.9	x	x	3.3	x	x	89.1
Oil & Gas	472,466	55,685	10.5	11,097	2,051	15.6	42,576	27,150	63.1
Nonmetal/Nonfuel	x	x	11.5	x	x	12.3	x	x	92.1
Construction									
Building	100,672	10,785	9.7	8,271	1,254	13.2	12,172	8,601	70.1
Heavy	122,103	20,259	14.2	7,539	1,328	15.0	16,196	15,255	94.1
Special Trades	136,957	13,776	9.1	10,309	1,692	14.1	13,285	8,142	61.1
Manufacturing									
Food Processing	73,155	60,044	45.1	14,198	12,364	46.5	5,152	4,856	94.3
Textiles	x	x	4.9	x	x	11.8	x	x	38.8
Apparel	474	60	11.3	82	14	14.6	5,779	4,300	74.4
Lumber/Wood	12,988	3,057	19.1	952	333	25.9	13,643	9,179	67.3
Logging	38,847	12,740	24.7	2,071	1,231	37.3	18,758	10,349	55.2
Furniture	x	x	0.0	x	x	0.0	x	x	0.0
Paper	x	x	7.7	x	x	16.8	x	x	41.5
Printing	33,848	1,052	3.0	2,778	242	8.0	12,184	4,349	35.7
Chemicals	x	x	8.1	x	x	6.7	x	x	124.0
Petro Refining	5,439	169	3.0	170	13	7.1	31,995	12,986	40.6
Rubber/Miscellaneous	756	52	6.5	143	18	11.2	5,287	2,903	54.9
Concrete	10,749	202	1.8	616	37	5.7	17,449	5,466	31.3
Primary Metals	238	47	16.4	24	3	11.1	9,937	15,640	157.4
Fabricated Metals	3,222	256	7.4	227	29	11.3	14,196	8,821	62.1
Machinery	848	0	0.0	30	0	0.0	28,276	0	0.0
Electrical Machinery	370	39	9.6	22	5	18.5	16,796	7,820	46.6
Transportation Equipment	2,529	500	16.5	232	78	25.2	10,901	6,416	58.9
Measuring	x	x	0.6	x	x	7.1	x	x	7.9
Miscellaneous	949	0	0.0	82	0	0.0	11,572	0	0.0
Trans., Comm., & Public Utilities									
Local Transit	x	x	11.8	x	x	13.7	x	x	84.7
Motor Freight	52,763	2,951	5.3	3,543	454	11.4	14,892	6,500	43.6
Water Transportation	29,557	5,663	16.1	2,417	459	16.0	12,229	12,337	100.9
Air Transportation	133,421	16,229	10.8	7,057	1,023	12.7	18,906	15,864	83.9
Pipelines	x	x	2.4	x	x	3.1	x	x	78.4
Transportation Services	17,305	1,054	5.7	1,574	193	10.9	10,995	5,461	49.7
Communications	118,022	5,822	4.7	4,561	339	6.9	25,876	17,175	66.4
Utilities	81,624	2,075	2.5	3,080	192	5.9	26,501	10,806	40.8

(cont. on page 30)

Figure 2.5

Number of Calendar Quarters Worked in Alaska During 1987



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

Economic Impact of Workers' Earnings

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

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

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

Alaska State Legislature

Sen. Pat Pourchot, Chairman

Sen. Jan Falks, 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: April 24 Committee Meeting

DATE: April 24, 1989

Today at 1:30 in the Beltz Room the Senate State Affairs Committee will hear the following bills:

SJR 38, Proposing an amendment to the Constitution of the State of Alaska relating to terms of legislators

SJR 38 would, by Constitutional amendment, limit tenure in the Legislature to eight consecutive years. After serving eight years a person would again be eligible to seek legislative office at the second biennial election. SJR 38 would go before the voters at the next general election and, if approved, would take effect at the 1992 election.

Article III, sec. 5 of the Constitution limits governors to two full successive terms. After the two terms a person is not eligible to seek the governor's office until one full term has intervened.

SB 284, An Act relating to certain revenue from mineral sources and to the oil and gas properties production tax

SB 284 would amend the Economic Limit Factor of the state's oil severance tax structure in the same manner the Senate Judiciary CS for HB 118 (the "ELF bill") would. The additional tax revenue would effectively be deposited in the Permanent Fund through increasing from 25% to 43% the statutory percentage of mineral proceeds deposited in the fund. The increase would apply only to payments received by the state after July 1, 1989 from mineral leases issued prior to December 1, 1979.

It is my intent that the State Affairs Committee focus its attention on SB 284's impact on the Permanent Fund, rather than on the ELF provisions. According to the Permanent Fund Corporation, passage of SB 284 would result in the fund principal being \$1.3 billion larger in the year 2000, net income being \$115 million larger, per capita dividends being \$73 larger, and the inflation proofing transfer being \$66 million larger. The projections prepared by the corporation are attached.

SB 295, An Act relating to transfers to the dividend fund

SB 295 would exclude potential revenue from the State v. Amerada Hess case from the Permanent Fund earnings available for distribution as dividends. The fund's legally mandated share of money awarded after trial would be credited to the principal of the fund at the time of receipt. Income earned on that money could not be distributed to the dividend fund.

SB 295 is intended to eliminate certain due process arguments currently advanced by the defendants. Standard Alaska Petroleum, Exxon, and Chevron USA filed suit in federal court to prevent the case from being tried in Alaska on the grounds that any judge and jury would be biased because they have a financial stake (through the Permanent Fund Dividend) in the outcome. The U.S. District Court ruled in the State's favor; the matter is currently under appeal to the Ninth Circuit Court of Appeals.

Trial in the Amerada Hess case is scheduled for April 4, 1990. If the State prevails, we could receive from \$400 million to \$2.6 billion.

HB 34, An Act establishing durational residency requirements, not to exceed two years, for receipt of the permanent fund dividend and receipt of benefits under the longevity bonus program

HB 34 would increase the durational residency requirement for the permanent fund dividend program from 6 months to 2 years, and for the longevity bonus program from 1 year to 2 years. The bill provides that if a court rules the 2-year requirement invalid, the requirement is one year; if a court rules 1-year invalid, the requirement is the longest duration permitted by law. Current recipients would be "grandfathered in".

HB 34 raises constitutional questions. The Department of Law fiscal note (\$30,000) anticipates legal challenge of the bill. The Department of Administration fiscal note indicates annual savings based on fewer persons being eligible.

Recent court rulings on Alaska's residency requirements include the Vest decision which struck down the Longevity Bonus requirement of residency since statehood, the Zobel decision which struck down the Permanent Fund Dividend disbursement mechanism based on number of years of residency, and the Andress decision which upheld the Alaska Student Loan requirement of residency for 2 years.

A summary of current statutory residency provisions is attached.

from Robert
Newton

LETTERS

Dividend requirement unfair to servicemen

Dear Editor:

I am an Alaskan resident. Two of my five children were born in Alaska. My cars are registered in Alaska and my wife and I both have Alaska drivers licenses and vote by absentee ballot in Alaska. Yet, because I am a soldier defending our country, I am being stabbed in the back by the very people I voted to represent me.

By sneaking in laws with hidden clauses like Bill 4-41 you are insulting and demeaning my family and I. This bill is directly aimed at Alaskans in the military stationed at distant locations. It places a great financial burden on the military family in the low to average income bracket. We cannot afford to fly our family of seven home every two years as is the new requirement in Bill 4-41.

You statesmen who supported this should hang your heads in shame. You insult and abuse your service people by using their distant assign-

ments and lack of ability to confront you or lobby against the bill. You stab them in the back and try to make yourselves look good and responsible by feeding on others greed to increase their own Alaska Permanent Fund dividend. This bill is akin to taxation without representation. You take away the money that is rightfully ours without giving us the opportunity to have a say

Gov. Cowper, don't let your servicemen down. I support residency requirements, but ones that are fair and reasonable. This law will mean an increase in the cost of manpower and materials to investigate and verify each applicant who applies for the PFD. In my case this includes myself, my spouse, and each of our five children who are all under 9 years old. In the case of an assignment to Germany, it would be a great financial burden to pay for all seven family members to fly back to Alaska from Germany every two years, as the bill now requires. And even if we could get there, how do the children establish their presence? They are too young for receipts, bills, I.D.s or licenses. This bill would succeed in depriving our children of their future rights as Alaskans through no fault of their own.

I can support a four-year return

with head of household return only, to establish residency for all of his or her military dependants, but not the current Bill 4-41. Veto this bill for further evaluation of our status. Send us fliers and get our input on this action which threatens to take away our rights as Alaskan citizens. Give us a point of contact to record our presence, such as all law enforcement offices.

There are better ways to do this. Don't be a party to this insult to soldiers abroad. Alaskans, support your servicemen, don't allow us to be short-changed by tunnel-visioned, self-serving politicians. Take care of us during our absence. The clowns who support this kind of activity will be remembered when their hitch is up. Voting is powerful. It should be used to support those who represent all Alaskans.

Sincerely,

John Spring

W.O.C. U.S. Army

Fort Sam Houston, Texas

HB34POOP.TXT
4/24/89

HB 34 DURATIONAL RESIDENCY REQUIREMENTS FOR PERMANENT FUND
DIVIDENDS AND THE LONGEVITY BONUS

TO TESTIFY

REP. DONLEY, SPONSOR (GINGER BAIM)
RON LORENSON, ATTORNEY GENERAL'S OFFICE
TAM COOKE, LEGISLATIVE LEGAL DIVISION
BARBARA BATHANY OR JIM CHASE, PIONEERS' BENEFITS
ERVIN JONES, PERMANENT FUND DIVIDENDS, D.O.R.
BOB PAVITT, ALASKA ASSOCIATION OF RETIRED PERSONS
ROBERT NEWTON

F.Y.I.

DEPT. LAW FISCAL NOTE ASSUMES THE 2-YEAR REQUIREMENT WILL BE CHALLENGED. DEPT. REVENUE IS CONCERNED THAT DURING THE CHALLENGE THERE'LL BE AN INJUNCTION AGAINST DISTRIBUTION OF P.F.D.'S AND EVERYONE WILL SUFFER (THEY SUGGEST A MUCH DELAYED EFFECTIVE DATE TO ALLOW TIME FOR THE COURT TO RULE). DEPT. REVENUE ALSO CONCERNED ABOUT STATE HAVING TO PAY DAMAGES TO PEOPLE WHO SUFFER THE CONSEQUENCES OF HB 34.

COST OF VEST CASE TO STATE: \$70,000 PLUS \$149,384 IN ATTORNEYS' FEES FOR THE PLAINTIFFS

CONCERN THAT ABROGATING LEGISLATIVE AUTHORITY BY ASKING THE COURT TO TELL US WHAT AN ALLOWABLE RESIDENCY REQUIREMENT IS (IF THEY STRIKE DOWN THE 2-YEAR). *I suppose by raising the issue we risk the courts telling us 30 days is the maximum residency, in which case many more people become eligible, etc.*
CONSENSUS OF ATTORNEYS I SPOKE TO, THOUGH THEY MAY NOT SAY SO ON THE RECORD, IS THAT THE COURT IS UNLIKELY TO UPHOLD THE 2 YEARS; THE STUDENT LOAN DECISION WAS AN ABERRATION (THAT, BY THE WAY, WAS NEVER WRITTEN AND NEVER APPEALED).

ROBERT NEWTON WANTS TO AMEND THE 2-YEAR-TOUCH-BACK PROVISION. TAM HAS TOLD ME IT CAN'T BE DONE UNDER THE BILL'S CURRENT TITLE.

60,000 NEW P.F.D. APPLICANTS PER YEAR. 17,000 OUT-OF-STATE P.F.D. APPLICANTS PER YEAR. LAST YEAR DENIED 8,000 P.F.D. APPLICATIONS.

AVERAGE NUMBER OF LONGEVITY BONUS APPLICANTS WHO HAVE ONLY 1 YEAR RESIDENCE IS 40 PER MONTH.

PACKET CONTAINS LISTING OF RESIDENCY REQUIREMENTS FOR OTHER STATE PROGRAMS.

CS HB 34 (JUD)
CS HB 34 (SA)
HB 34

HB 34, AN ACT RELATING TO DURATIONAL RESIDENCY REQUIREMENTS FOR CERTAIN STATE BENEFIT PROGRAMS; AND PROVIDING FOR AN EFFECTIVE DATE, IS SPONSORED BY REP. DONLEY

HB 34 WILL REQUIRE AN INDIVIDUAL TO BE A STATE RESIDENT FOR AT LEAST 24 CONSECUTIVE MONTHS IN ORDER TO RECEIVE A PERMANENT FUND DIVIDEND. HB 34 WILL REQUIRE A PERSON WHO IS 65 YEARS OLD TO RESIDE IN THE STATE FOR AT LEAST TWO YEARS IMMEDIATELY PRECEDING APPLICATION FOR A LONGEVITY BONUS.

THE BILL WOULD TAKE EFFECT ON JANUARY 1, 1990.

INCLUDED IN YOUR FILE ARE FISCAL NOTES FROM THE:

DEPARTMENT OF ADMINISTRATION
DEPARTMENT OF LAW
DEPARTMENT OF REVENUE

REP. DONLEY IS HERE TODAY TO DISCUSS THE BILL AND THE CHANGES MADE BY THE STATE AFFAIRS AND JUDICIARY COMMITTEES. ALSO PRESENT IS MR. ERVIN JONES, DEPARTMENT OF REVENUE, MR. JIM CHASE, DEPARTMENT OF ADMINISTRATION, AND A REP. FROM THE DEPARTMENT OF LAW.

Ginger 4954

~~XXXXXXXXXXXXXXXXXXXX~~

Mark Sandberg } counsel in
276-6363 } the Zobel case

✓ Ren Zobel
AG, Anch

~~XXXXXXXXXXXX~~ - ~~XXXXXXXXXXXX~~
276-3550

Bob Wagstaff } good on
277-8611 } Const-
with AK here

✓ Saugwine 2450

AG

informally: think will be struck down ultimately.

Only objective test = whether you're here & intend to remain; is it truly your home.

Many 1-yr. periods have been struck down by Supreme Ct. - generally in area of "vital benefits" (welfare, etc) & fundamental rights (i.e. voting). AUB & PFD aren't vital, so can probably get away w/ 1 yr. as a test.
Is a pt. at which the length becomes a distinction not →

between residents & nonresidents, but between residents who have lived here for different lengths of time. Question is where court will draw the line.

This is what Donley hangs his hat on.

Zobel tried:

Judith Andrus, residency 1-2 yrs, needed student loans, had severed all connections w/ other states challenged in District Ct.

Ct. upheld 2 yr. - Andrus didn't want to appeal

↳ "reasonable test of domicile status"

~~HB 34 more arguably supportable~~

Thinks can vote for HB 34 w/out defying Constitution. Not out to lunch constitutionally.

Zobel says - if have stayed here 1 yr made it through one winter, are probably going to stay here.

Think OK if 2 yr rebuttable (= presume not resident if under 2 yrs, but have opportunity to argue that you are. courts probably wouldn't strike this down.

But leads to "below 1 yr." rebuttal, too.

6 mo now - PFD

12 " " - ALB

minority position positively } Zobel would vote against it on policy - "senior bashing" "mean spiritedness"

HB 34 tougher case than Zobel's was.

PTFDs

HB 14 Martin
service people
(if out more than
2 yrs)

HB 225 Boyer
felons

not addressed
students

Incorporate into
HB 34?
2 yr. residency req. 5

check title-broad
enough?

Silly to require verification
of residency each 2 yrs.
Can only be revoked if
estab. residency in another
state.

acting, the instructor pronounced his performance "excellent." And the school superintendent chimed in: "It's just dawned on me. If it doesn't go well in November, we might hire you ..." That was not exactly the message the Bush campaign wanted conveyed via the many television cameras that recorded the scene.

Bush then lunched with about a dozen students who once were on drugs, asking them such basic questions as how they went about obtaining them - a rather naive inquiry from the man who has been heading the White House anti-drug task force for seven years.

campaign swing also marked by Bush making a pizza and pumping fuel from the nation's first retail methanol pump into a car designed to use the cleaner, odorless fuel made from natural gas.

There was a touch of the obvious at the gas station, when Bush announced he was urging a delay in the federal leasing of certain land offshore California for oil drilling - a leasing opposed by Michael Dukakis and the state's environmentalists. Dukakis immediately implied that the recommended delay, until after the November election, was political-

foolish. One veteran Republican consultant in the state, Bill Roberts, says Bush must project a more relaxed and down-to-earth presence, telling voters who he is and what kind of president he would be, and do it right now, or he will lose the nation's largest state in November - and the election.

Bush "has no comfort level right now," Roberts says, and until voters do feel comfortable with him his effort, already started, to cut Dukakis down to size as an Eastern liberal won't work.

three volunteers and three tele-phones.

Furthermore, he is not particularly well known here because California has been Ronald Reagan country the last seven years and what politicking has been needed has been done largely by the president.

Gov. George Deukmejian's unwillingness to take over as chairman of the Bush campaign here promises to bring a reorganization. Meantime, polls indicating Bush is as much as 17 percent behind Dukakis suggest such a shakeup can come none too soon.

The Empire June 1988

LETTERS

Dividend requirement unfair to servicemen

Dear Editor:

I am an Alaskan resident. Two of my five children were born in Alaska. My cars are registered in Alaska and my wife and I both have Alaska drivers licenses and vote by absentee ballot in Alaska. Yet, because I am a soldier defending our country, I am being stabbed in the back by the very people I voted to represent me.

By sneaking in laws with hidden clauses like Bill 4-44 you are insulting and demeaning my family and I. This bill is directly aimed at Alaskans in the military stationed at distant locations. It places a great financial burden on the military family in the low to average income bracket. We cannot afford to fly our family of seven home every two years as is the new requirement in Bill 4-44.

You statesmen who supported this should hang your heads in shame. You insult and abuse your service people by using their distant assign-

ments and lack of ability to confront you or lobby against the bill. You stab them in the back and try to make yourselves look good and responsible by feeding on others greed to increase their own Alaska Permanent Fund dividend. This bill is akin to taxation without representation. You take away the money that is rightfully ours without giving us the opportunity to have a say.

Gov. Cowper, don't let your servicemen down. I support residency requirements, but ones that are fair and reasonable. This law will mean an increase in the cost of manpower and materials to investigate and verify each applicant who applies for the PFD. In my case this includes myself, my spouse, and each of our five children who are all under 9 years old. In the case of an assignment to Germany, it would be a great financial burden to pay for all seven family members to fly back to Alaska from Germany every two years, as the bill now requires. And even if we could get there, how do the children establish their presence? They are too young for receipts, bills, I.D.s or licenses. This bill would succeed in depriving our children of their future rights as Alaskans through no fault of their own.

I can support a four-year return

with head of household return only, to establish residency for all of his or her military dependants, but not the current Bill 4-44. Veto this bill for further evaluation of our status. Send us fliers and get our input on this action which threatens to take away our rights as Alaskan citizens. Give us a point of contact to record our presence, such as all law enforcement offices.

There are better ways to do this. Don't be a party to this insult to soldiers abroad. Alaskans, support your servicemen, don't allow us to be short-changed by tunnel-visioned, self-serving politicians. Take care of us during our absence. The clowns who support this kind of activity will be remembered when their hitch is up. Voting is powerful. It should be used to support those who represent all Alaskans.

Sincerely,
John Spring
W.O.C. U.S. Army
Fort Sam Houston, Texas

Wetlands cleanup a success - thanks

Dear Editor:
The entire community owes GREAT BIG THANKS to: The volun-

teers who picked up the wetlands on May 7 and during the past three weeks; To Tensco Helicopters for air lifting the litter off the wetlands in their cargo nets and To Channel Sanitation for disposal of the litter.

A total of 210 bags of litter have been removed along with 25 tires and many huge pieces of styrofoam.

I suggest those who walk on the wetlands take along a litter bag and continue to pick up and carry back a little at a time. There is still more litter and it floats in daily with each change of tide.

Sincerely,
Robert L. Garrison
Juneau

Why not nuke stray animals?

Editor,
So they shoot stray dogs in Tok, eh? I always knew that was an enlightened community. But we in Juneau should go one better. Let's round up all our "best friends" that are lost, abandoned or stray and nuke 'em. I mean it's more humane, isn't it? They wouldn't feel a thing.

Doggedly (tongue in muzzle),
Tim Spengler
Juneau

DOONESBURY

HELD? HIS STRANGER



Popular residency bill likely would fail legal test

By LARRY PERSILY

THE ASSOCIATED PRESS

Gov. Steve Cowper has been told that politically popular legislation to raise residency requirements for the Permanent Fund dividend and longevity bonus likely is unconstitutional.

"Although discrimination against new residents may be the societal norm in Alaska, government should not sanction or participate in that discrimination," Revenue Commissioner Hugh Malone said in a recent letter to Cowper.

The governor has until June 19 to approve or veto the bill, which would increase the residency requirement for annual Permanent Fund dividends from six months to two years.

House Bill 34 also would raise the requirement for elderly Alaskans' \$250-a-month longevity bonus checks from one year to two years.

"That's under pretty close scrutiny right now," Cowper spokesman David Ramseur said Friday.

On May 11, two days after the end of the legislative session, Ramseur said the governor planned to sign the bill into law.

The measure passed the House unanimously this year and moved through the Senate on a 13-4 vote.

Although the bill's sponsor acknowledged "significant legal questions remain," he told his colleagues during debate over the bill, "We'll always have to go by trial and error."

Rep. Dave Donley, D-Anchorage, said Alaska has a good chance of winning a legal challenge to the two-year rule.

However, Attorney General Doug Baily has a different opinion.

"Court decisions over the years have shown that the courts are very reluctant to approve durational requirements in excess of six months to a year," Baily said in a June 2 letter to Cowper.

"While we believe that it is more likely than not that the two-year requirements would be held invalid if challenged, we are far from certain of this result," Baily said.

Malone was stronger in his criticism of the bill.

"The bill is unfair and very likely unconstitutional. Allowing this bill to become law invites an expensive and troublesome court battle the state will probably lose," Malone told Cowper.

Alaska has lost previous legal challenges to long-term residency requirements for the longevity bonus and dividend programs, a fact cited by Malone.

"We have come a long ways toward healing the wound from a battle that set Alaskans against Alaskans. We should not reopen that wound," he said.

The state expects to spend more than \$56 million next year on the monthly checks to more than 18,000

Alaskans 65 and older. The Pioneers' Benefits Division estimates that doubling the requirement to two years would cut about \$750,000 from the program's annual costs.

The legislation's effect on Permanent Fund dividends would mean more money for those receiving them. The Revenue Department estimates that a two-year requirement would cut about 60,000 people from the program. The money would go to those people remaining in the program, increasing their checks by about \$100 a year.

If approved by Cowper, the changes would take effect next year. However, the legislation contains a "grandfather" clause so that people who qualify this year would remain

in the programs even if they fail to meet next year's stricter rules.

The legislation also says that if a court rejects the two-year residency rule as too strict, then a one-year requirement would take its place. If a court rules against a one-year requirement, then the law would become whatever the court says is legal.

That section of the bill "appears to delegate the legislature's law-making authority to the court," said a Law Department review of the measure.

A Revenue Department review of the bill also noted that a legal challenge to the new law could delay next year's dividend checks.

HB

45

CORRECTION

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

HB

45

SENATE STATE AFFAIRS COMMITTEE

BILL NUMBER SSB 45

SPONSOR Koponen (Lisa)

BILL TITLE Eligibility in PERS for Constitutional
Convention delegates

DATE REFERRED 4-29-89

HEARING SCHEDULED

FISCAL NOTE PREPARED ✓ - Need FY 90 ... Sioux Plummer 2200

SPONSOR CONTACTED ✓ Lisa

INTERESTED PARTIES CONTACTED

✓ 4460 Bob Stalnaker, Div. Retirement
L.M. 1-25-90 DOA

OTHER

Clam

Original sponsor(s): REP. KOPONEN

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 SENATE CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 45 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to eligibility for retirement bene-
7 fits under the public employees' retirement system
8 for delegates to the Alaska Constitutional Conven-
9 tion; and providing for an effective date."

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

11 * Section 1. AS 39.35.385 is amended by adding a new subsection to
12 read:

13 (g) Subject to AS 39.35.450, a former delegate to the Alaska
14 Constitutional Convention is eligible for a normal retirement benefit
15 at age 60 if the employee has at least three years of credited ser-
16 vice.

17 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).
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FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Administration
 Title: Credited Public Employees' Retirement System service for constitutional convention. BRU: Retirement and Benefits
 Sponsor: Koponen Components: Retirement and Benefits
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
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)

Passage of this bill will have a very small impact on the PERS retirement fund. The effect on the funding ratio and the unfunded liability would be negligible.

Prepared by: R. J. Stalhaber
 Sally Smith, Director
 Division: Retirement and Benefits

Phone: 465-4470

Date: 11/29/90

Approved by Commissioner: Frank S. Baxter
 Agency: Department of Administration

Date: 1/24/91

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

SENATE COMMITTEE REPORT

FURTHER

4/28/89

DATE TURNED INTO OFFICE _____

Mr. President:

STATE AFFAIRS Committee considered sshb 45

eligibility for retirement benefits under the Public Employees' Retirement System for delegates to the Alaska Constitutional Convention; efd

and recommended

replace with _____ CS _____) same title
 or adopt _____ CS _____) new title
 attached amendment(s) and technical title change (HB only)
 _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) zero fiscal impact appropriation no FN
 new updated previous
 same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS
Al Adams - No Rec
Jim Smith No Rec

Paul DeJ (No Rec)

Pat Touchette do Pass

Chair: signature and recommendation

Committee Backup attached

SSHB 45:

Constitutional Convention
delegates / PERS

sshb45.txt

Notified: * Indicates will testify

*Rep. Niilo Koponen
Bob Stalnaker: Retirement and Benefits

NOTES:

Effective date will need to be amended.

TO: Senate State Affairs Committee

FROM: Senator Pourchot

RE: Amending SSHB 45 to read effective immediately.

DATE: January 29, 1990

Proposed amendment:

Page 1, Line 17:

*Sec. 2. This Act takes effect (July 1, 1989) immediately under AS 01.10.070 (c).

BILL: HB 45

NAME: SSHB 45

TITLE: "AN ACT RELATING TO ELIGIBILITY FOR RETIREMENT BENEFITS UNDER THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM FOR DELEGATES TO THE ALASKA CONSTITUTIONAL CONVENTION; AND PROVIDING FOR AN EFFECTIVE DATE."

PRIME SPONSOR: KOPONEN

FUNDING \$000 GENERAL(FNOTE) \$000 OTHER(FNOTE)

CURRENT STATUS (S) STA

STATUS DATE: 04/28/89

12/30/88	00000	(H)	PREFILE RELEASED
01/09/89	00026	(H)	READ THE FIRST TIME - REFERRAL(S)
01/09/89	00026	(H)	STATE AFFAIRS, FINANCE
02/15/89	00349	(H)	SPONSOR SUBSTITUTE INTROD (S) REFERRALS
02/15/89	00349	(H)	...CHANGES TITLE OF BILL
02/15/89	00349	(H)	STATE AFFAIRS, FINANCE
04/07/89	00930	(H)	STA RPT 3DP 1NR
04/07/89	00930	(H)	ZERO FISCAL NOTE/ANALYSIS (ADM) 4/7/89
04/21/89	01159	(H)	FIN RPT 7DP 2NR
04/21/89	01159	(H)	PREVIOUS ZERO FN/A (ADM) 4/7/89
04/27/89	00000	(H)	RULES TO CALENDAR 4/27/89
04/27/89	01303	(H)	READ THE SECOND TIME
04/27/89	01303	(H)	ADVANCED TO THIRD READING UNAN CONSENT
04/27/89	01303	(H)	READ THE THIRD TIME SSHB 45
04/27/89	01303	(H)	PASSED Y39 N- X1
04/27/89	01301	(H)	EFFECTIVE DATE SAME AS PASSAGE
04/27/89	01315	(H)	TRANSMITTED TO (S)
04/28/89	01493	(S)	READ THE FIRST TIME - REFERRAL(S)
04/28/89	01493	(S)	STATE AFFAIRS

Alaska State Legislature
Representative Niilo Koponen

Pouch V
Juneau, Alaska 99811
(907) 465-4992

House District 21

119 N. Cushman, Suite 207
Fairbanks, Alaska 99701
(907) 456-8172

SPONSOR STATEMENT
SSHB45

SSHB45 "An Act relating to eligibility for retirement benefits under the Public Employees' Retirement System for delegates to the Alaska Constitutional Convention; and providing for an effective date."

I have become aware that the small number of dedicated Alaskans who took part in the framing of our state constitution were not considered employees of the Territory of Alaska for the purposes of the Public Employees Retirement System. Many delegates worked for the state in the years since the Convention; others did not, or did not work or serve long enough to vest.

I believe it is only proper that we recognize their contribution in more than a symbolic manner. To accomplish this, I have submitted SSHB 45, which vests in the Public Employees Retirement System, those who participated in our Constitutional Convention as elected delegates. The Division of Retirement and Benefits has found only two serving members of the Constitutional Convention who will be affected by this bill. The cost to the PERS will be minimal. This recognition is long overdue.

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Administration
 Title: Credited Public Employees' Retirement BRU: Retirement and Benefits
System service for constitutional convention.
 Sponsor: Koponen Components: Retirement and Benefits
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
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)

Passage of this bill will have a very small impact on the PERS retirement fund. The effect on the funding ratio and the unfunded liability would be negligible.

Prepared by: Sally Smith, Director *Sally Smith* Phone: 465-4470
 Division: Retirement and Benefits Date: 10 Jan 90
 Approved by Commissioner: Frank S. Baxter *Frank S. Baxter* Date: 1/17/90
 Agency: Department of Administration

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

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Administration
 Title: Credited Public Employees' Retirement System service for constitutional convention. BRU: Retirement and Benefits
 Sponsor: Koponen Components: Retirement and Benefits
 Requestor: _____

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)

See attached sheet for a discussion of the fiscal implication to the retirement fund.

Prepared By: Sally Smith, Director *Sally Smith* Phone: 465-4470
 Division: Retirement and Benefits Date: April 5, 1989

Approved by Commissioner: John M. Andrews *JM Andrews* Date: 4/5/89
 Agency: Department of Administration

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

Sponsor Substitute for House Bill 45
Analysis of the Fiscal Implications to the Retirement Fund
Prepared by Division of Retirement & Benefits
Department of Administration
April 3, 1989

Analysis: Passage of this bill will have a very small impact on the PERS retirement fund. The affect on the funding ratio and the unfunded liability would be negligible.

SS HB 45

Constitutional Convention PERS

Sponsor: Koponen

SS HB 45 would make former delegates
to the AK. Const. Convention eligible
for PERS retirement benefits. effective
July 1, 1989

History

Legal - effective date	<u>WHO</u> benefits
Copy of AS amended	How many
Status of bill in House?	? what other benefits
Copy of HB 45	do del. have
Contact Koponen	
Department	

H B

50

SENATE STATE AFFAIRS COMMITTEE

BILL NUMBER HB 50

SPONSOR Boucher

BILL TITLE Commission on future of Permanent Fund

DATE REFERRED 4-21-89

HEARING SCHEDULED 5-1-89

FISCAL NOTE PREPARED ✓

SPONSOR CONTACTED Marco 4931

INTERESTED PARTIES CONTACTED

✓ Jim Kelly, PF 2047

Jack Fargnoli, OMB

OTHER

SENATE COMMITTEE REPORT



FURTHER

FIN

4/21/89

DATE TURNED INTO OFFICE 5-1-89

Mr. President:

STATE AFFAIRS Committee considered HB 50 (efd add)

establishing the Commission on the Future of the Permanent Fund and providing for public testimony on the use that should be made of the income of the permanent fund; efd and recommended

- replace with _____ CS _____) same title
- or adopt _____ CS _____) new title
- attached amendment(s) and technical title change (HB only)
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) zero fiscal impact appropriation no FN
 new updated previous
 same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

Al Adams

OTHER RECOMMENDATIONS

James Smith No Rec

[Signature]

Chairman signature and recommendation

Committee Backup attached



Representative H.A. "Red" Boucher

Chairman House Committee on State Affairs • Special Committee on Telecommunications

MEMORANDUM

DATE: April 25, 1989

TO: Senator Pat Pourchot
Chairman
State Affairs Committee

FROM: Representative H.A. "Red" Boucher
Chairman
House State Affairs Committee

SUBJECT: House Bill 50

Thank you for scheduling HB 50 for a hearing in the Senate State Affairs Committee.

HB 50, establishing the Commission of the Future of the Permanent Fund, essentially does three things.

First, it declares a legislative finding that it's in the best interest of the state for an independent commission to gather public testimony about the Permanent Fund and report to the governor and legislature.

This finding is the rationale for the legislation... the Permanent Fund is the state's biggest and most valuable asset. In the next year or two we will be resolving complex issues about the priority of inflation proofing vis a vis the priority of dividends; capping the dividends, dedicating the earnings reserve account, and mandating that certain prospective revenue be added to the principle. HB 50 finds that the public interest is best served by soliciting public input on these issues, and finding out what other issues the public perceives concerning the Fund.

Second, HB 50 establishes a nine member Commission that will expire in February next year. Two members of each legislative body will be appointed by the respective presiding officers. The Governor will appoint three public members and the Commissioner of Revenue and the Chairman of the Board of the Permanent Fund Corporation will serve.

These members will provide public service without compensation except for per diem and travel. They will select their own chair-person.

The third thing HB 50 does is to require the Commission to conduct public hearings in all four judicial districts in the state and use the teleconference network to maximize the opportunity for public input. Finally, the Commission shall submit a report to the governor and legislature by February 1st, 1990.

The expenses for the Commission will not be borne by the General Fund. The Corporation will fund the expenses per their fiscal note.

HB 50

STATE OF ALASKA THE LEGISLATURE

POUCHY - STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

May 1, 1989

SUBJECT: Commission on the Future of the Permanent Fund (HB 50(eff add))

TO: Representative H.A. Boucher

FROM: Tamara Brandt Cook *TBC*
Director
Division of Legal Services

You have asked whether the bill establishing the Commission on the Future of the Permanent Fund would be held unconstitutional if challenged under the separation of powers doctrine. That doctrine is recognized in Alaska. (Bradner v. Hammond, 553 P.2d 1 (Alaska 1976)) It generally operates to prevent the legislative branch from serving on or appointing members to an executive branch board or agency. The bill establishing this commission provides that it will be composed of certain executive branch officers and members of the House appointed by the Speaker and members of the Senate appointed by the President of the Senate. While the matter is not entirely free from doubt, I believe that this bill would not be held to violate the separation of powers doctrine if enacted despite the blend in composition of members from the two branches.

My opinion rests upon the nature of the Commission on the Future of the Permanent Fund. This commission does not enforce the law or perform another purely executive function. It is primarily an information gathering body focused upon an issue that is legislative in nature. It must determine what people think about the permanent fund and dividend program and whether either should be changed through legislation. The separation between the functions of each of the three branches of government is not absolute. (Mistretta v. United States, 102 L.Ed.2d 714, (1988) upholding the constitutionality of having members of the judicial branch sit on the Sentencing Commission) It is clear that the legislature cannot create a special instrumentality of government to implement specific legislation and retain control

Representative H.A. Boucher

Page 2

May 1, 1989

over the process of implementation by appointing legislators to the governing body. (State ex rel. Wallace v. Bone, 286 S.E.2d 79 (N.C. 1982)) But legislators may serve on boards where the service falls in the realm of cooperation on the part of the legislative and executive branches and where there is no attempt to usurp executive functions. (Schneider v. Bennett, 547 P2d 786; McLeod v. Edwards, 236 S.E.2d 406 (S.C. 1977))

The Commission on the Future of the Permanent Fund seems to be exactly the type of commission which by nature serves a cooperative fact finding function for both the executive and legislative branches of government. There have certainly been other examples of commissions formed in the past composed of members of both branches to serve an advisory function to both branches. (See for example chapter 160, SLA 1988, Task Force on Guiding and Game)

TBC:gc
WKG10/030

Bradner v. Hammond - Gov's appt. power can't be shared, GICJ would be in Exec. branch.

→ Gov. makes all appts. in Exec. branch. Gov's commission won't be probably OK.

lots of opinions written...

Can do, but risk losing title to leg. office

Will mention in vet. doubt

Oil Commission is very different

Doug Baily April 27

5-1-84
Ballman, FK
Jim

Senator Fairin -

The problem is the dual appointment procedure. -

By the way, the Governor is the legislative

which may well (and probably does) violate separation of

powers. Will this problem be

often overlooked - here, where

the panel has the subpoena

power there will likely be

efforts to block the investigation.

I expect, if challenged, the

Commission in the Governor

be upheld unimpaired. RECEIVED

CS SB 277

APR 22 1989
JAN FAIKS

HB 606 LFT TX

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: May 1 Committee Hearing
DATE: April 28, 1989

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

SB 192, An Act relating to legislators' eligibility for long-term per diem

A draft committee substitute prepared at the sponsor's request is attached. In addition to allowing long-term per diem to be paid for days spent attending a meeting of a legislative committee, the CS would make eligible attendance at a public meeting called by a governmental entity and days during which at least four hours are spent on legislative or constituent business.

SB 301, An Act relating to the power cost equalization program

SB 301 would restructure the Power Cost Equalization (PCE) program to establish residential customers as the first priority for funding, community facilities as the second priority, and commercial users as the third. In addition, eligible consumption levels would be reduced.

Included in the packet are proposed amendments that would adjust the percentage of costs eligible for subsidy, the minimum level to which rates may be subsidized, and eligibility requirements for participation in the program.

The PCE program became effective in October 1985. It is intended to lower power rates statewide to levels somewhat comparable to rates in Anchorage, Fairbanks, and Juneau. PCE funds are distributed to eligible utilities, and passed on to consumers through a credit on the consumer's electric bill. The Governor requested \$17,872,600 to fully fund the program in FY 90; the House budget proposes a 10% reduction, the Senate budget a 5% reduction. A fiscal note for SB 301 is being prepared.

It is not my intent to move SB 301 out of committee today.

HB 50, An Act establishing the Commission on the Future of the Permanent Fund and providing for public testimony on the use that should be made of the income of the permanent fund

HB 50 would establish a nine member commission in the Department of Revenue. The commission would conduct public hearings in each judicial district on inflation proofing, the dividend program, and other uses that could be made of the income of the Permanent Fund, and would submit a report to the Governor and Legislature by February 1, 1990.

Costs of the commission (\$155,600) would be paid from Permanent Fund earnings.

CSHB 66(Fin)am, An Act establishing the Alaska Commission on Children and Youth; abolishing the Office of Child Advocacy; relating to the Alaska children's trust fund

HB 66 would establish a commission to continue the work of the Governor's Interim Commission on Children and Youth created by Administrative Order in June 1987. The commission would be established in the Office of the Governor and would consist of four executive branch members and seven public members. It would be charged with developing a plan to address the needs of and problems facing children, and would be required to submit an annual report to the Legislature and the Governor.

HB 66 was amended in the House to give the commission responsibility for administration of the Alaska Children's Trust Fund, to authorize a \$10 check-off on the permanent fund dividend form (this would be the funding source for the commission and the Trust Fund), and to require that the commission's office be located in Anchorage or a location determined to be appropriate by a majority of the commission.

The commission would expire in 1994. The interim commission will cease to exist on May 15, 1989.

CSHB 216(Fin), An Act establishing an optional university retirement program for certain employees of the University of Alaska and certain community colleges

HB 216 would authorize the University Board of Regents to establish an optional retirement program for faculty members and certain administrative staff. In a defined contribution retirement plan, benefits would be immediately vested in individual participants. Participants become vested in PERS after 5 years and in TRS after 8 years.

HB 216 is intended to enhance the University's efforts to attract qualified professionals.

HB 50 COMMISSION ON THE FUTURE OF THE PERMANENT FUND

TO TESTIFY

REP. BOUCHER, SPONSOR (MARCO)

JIM KELLY, PERMANENT FUND CORPORATION

F.Y.I.

COSTS OF COMMISSION WOULD BE PAID FROM PERMANENT FUND EARNINGS.
JIM KELLY SAYS IMPACT ON P.F.D. WOULD BE ABOUT 3 CENTS.

-no C.S.
-Faiks may raise
"appointment"
question (legal opinion attached)

STATE OF ALASKA
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 15, 1989

SUBJECT: Sectional Summary of HB 50
TO: Representative H.A. "Red" Boucher
FROM: Tamara Brandt Cook *TBC*
Director
Division of Legal Services

Sec. 1. The legislature finds it in the best interest for a commission to gather testimony concerning the permanent fund and report its recommendations.

Sec. 2. The Commission on the Future of the Permanent Fund is established and membership is described.

Sec. 3 The Commission is required to conduct hearings in each judicial district to gather testimony from the public on matters regarding the permanent fund. By February 1, 1990 the commission is required to submit a report to the Governor and the Legislature summarizing the public testimony and containing its recommendations.

Sec. 4. The Act is repealed February 2, 1990.

TBC:gc
WKG7/032

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Commission on the Future of
the Permanent Fund
Sponsor: Representative Boucher
Requestor: House State Affairs

Agency Affected: Revenue/APFC
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	30.0	-	-	-	-
CONTRACTUAL	-	123.6	-	-	-	-
SUPPLIES	-	2.0	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LAND & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	155.6	-	-	-	-

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

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	155.6	-	-	-	-
TOTAL	-	155.6	-	-	-	-

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)
(See Attachment)

Prepared by: David A. Rose *[Signature]*
Division: Alaska Permanent Fund Corporation

Phone: 465-2047
Date: April 4, 1989

Approved by Commissioner: Hugh Malone *[Signature]*
Agency: Department of Revenue *[Date: 4/15/89]*

Date: April 4, 1989

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

Continuation of Fiscal Note/Bill Analysis

House Bill No. 50

Commission on the Future of the Permanent Fund

Seven Months: (July 1, 1989 - January 31, 1990)

1. Travel

All In-State. Hearings in all four 30.0
Judicial districts for 9 Members and 2 staff
Plus multiple trips for chair and staff
Includes per diem as required

2. Contractual Services

Consultants/Temporary Staff: 33.6

1 Administrative Aide @ 3,800/month
1 Secretary (part-time) @ 1,000/month

Printing: 20.0

Final report @ 15.0
Informational handouts @ 5.0

Teleconferencing: 50.0

Communications: 5.0

Tax/Telephone/Courier @ 5.0

Advertising 10.0

Equipment Rental 5.0

=====
TOTAL CONTRACTUAL: 123.6