

ALASKA LEGISLATURE COMMITTEE FILES 1993-1994 8672

7937 HOUSE LABOR & COMMERCE

Auto broker serving Alaska under investigation

The Associated Press

JUNEAU — Customers in Alaska may be out several thousands of dollars after the abrupt closure of a Seattle-based automobile broker, and FBI agents on Thursday were trying to track down the owner.

The attorneys general and Better Business Bureaus of Alaska and Washington, and Seattle-area police departments also had launched investigations into United Auto Exchange.

The company closed its doors in Juneau, Ketchikan and Seattle this week, leaving many customers without cars and trucks they had paid for or without titles to the automobiles they had bought. The company also served the Anchorage area.

Investigators say at least 20 people in Southeast and about a dozen car dealerships in Seattle may have lost hundreds of thousands of dollars.

FBI Special Agent Jeff Glover in Juneau said Thursday it was unclear what happened to owner Bill Edmondson. Phone calls to the company's offices in Alaska and Seattle were answered by a machine.

"Right now we're trying to find him. If we do, then we look at the matter of his intent," said Glover. "He seems to have been a legitimate businessman who apparently fell into financial problems. What happened after that we can't comment on yet."

Glover said the FBI is involved because a

federal credit union was used to wire money for some of the company's transactions.

Diane Blake, of the Seattle Better Business Bureau, said the company has been brokering cars in Alaska since 1989 with few complaints. Problems began with people who gave Edmondson money within the last three months.

For almost four years, Edmondson traveled throughout Alaska, taking orders for vehicles he later located in the Seattle area for his Alaska customers.

Alaskans sent payments to Edmondson's Seafirst Bank account or had their banks or credit unions wire money. Edmondson paid

Please see Page C-6, AUTO

AUTO: Broker sought in investigation

Continued from Page C-1

Washington dealerships for the cars and had them shipped to Alaska.

Edmondson told customers he could charge less money than an Alaska dealership because he did not have to pay for car lots and other overhead costs.

A Juneau couple, Nathan and Kelly Reddekopp, paid Edmondson for a Ford Explorer that never arrived.

"I feel violated and abused," said Kelly Reddekopp. "We have a new baby, we can't afford something like this. We just gave this guy \$25,524."

Dealers in the Seattle-Tacoma area said dozens of new cars on their lots were promised to Alaska customers but have not been paid for by Edmondson and will not be

released.

"We're not trying to make this hard on the customer," said Jim Sterling of Rose Sterling Honda in Longview, Wash. "Both the customer and the dealerships are victims. We'd like to try and work something out."

Paula Selis, an assistant attorney general in Washington, said Edmondson may file for bankruptcy.

It's unclear whether dealers that have already sent cars to Alaska without receiving payment from Edmondson have the right to repossess the vehicles, since Edmondson is not licensed in Washington as a new car dealer.

Investigators said people who feel they have been cheated should contact the Alaska attorney general's office.

ropolitan area would fail before setting at 87.5 cents. Even

So there is a strong precedent for a project located far from (Tokyo)," Katagiri said.

To suit Japanese tastes and lifestyles, the Mall of Japan would differ from the Mall of America.

"No food courts," Katagiri said. He said the mall would feature expensive gourmet restaurants and perhaps a few moderately priced ones.

Another big difference would be the three combination brewery and exhibition halls.

52-week high of \$46 fore closing at \$46 a up \$1.75.

Jan. 19th
MBTI Worksh
\$39.00

"Understanding
Individual
Differences"

Dick LaFever
Dr. Terry Stims

Hilton 8 AM-1
258-7002 / FAX 258-7

KETCHIKAN DAILY NEWS

No. 004, (UPD 293-940), 16 pages

Ketchikan, Alaska, Wednesday, January 6, 1993

50 Cents

Auto dealer closes: Buyers out cars, cash, titles?

by JENNIFER STYNER
Daily News Staff Writer
Ketchikan and area residents who recently bought cars from the Auto Exchange might have problems getting their money back, or their clear title to the car they have, after recently laid off UAB worker Yoder.

Yoder has been working as a car dealer in Ketchikan, buying cars for local neighborhood dealers in Seattle. Her office in Ketchikan is closed, and its office in Seattle has an answering machine that connects callers to the office manager for the last year and a half. She was told Sunday that she had lost a job and that the company was owned by Bill Edmondson —

by her answering machine.

"Bill called and left a message on my answering machine and said 'don't go into the office tomorrow. We're closed.'"

Yoder said she hasn't been able to get in touch with anyone from UAB since then and said the people who have bought cars within the last 90 days might be in trouble.

"It's bad. It's real bad. There's going to be people out there who are going to lose their cars," Yoder said. "... If (people) did buy a car within the last 90 days, they're not going to get it."

Yoder said that is generally true for people who have paid cash, although she said the dealers in Seattle understand the situation and are trying to work with the people.

As an example, she said, somebody in Ketchikan who paid cash for a car will



The sign on the door notwithstanding, United Auto Brokers workers were told not to report to work this week as the Seattle-based dealer reportedly went out of business.

Staff photo by Hal Anderson

likely lose the cash and the car. Somebody else who paid cash for the car, and has received the car, but not the title, may still be out both. No title to the car

indicates that UAB did not pay the dealer in Seattle for the car. Dealers hold title to the cars until they are paid.

In that case, the dealer may work with the person, but they may also reclaim the car, again leaving the customer cash and car-less.

"People who paid cash for their cars are really in trouble," Yoder said.

She said she is trying to get in touch with the people who will be having problems and stressed that she is not trying to avoid them, although she isn't sure what she can do for them.

"I am available. I want to talk to them," Yoder said. "The sad thing is I don't have a job."

Yoder said that she doesn't have an exact number of people who will be affected by the closure, but estimated based on past business, there will be

about 30 to 35 people who will "suffer financially" in the Ketchikan area, including Prince of Wales Island and Metlakatla.

Yoder said she still has been unable to contact anyone from UAB.

According to Diane Blake of the Better Business Bureau in Seattle, the listing for the company was changed to out of business Tuesday.

Blake said the change meant either the mail for the business is being returned or the phone has been disconnected.

Blake said she had gotten calls about the company Tuesday, but said since it is listed as out of business, there is nothing the bureau could do.

Blake said anyone with any further inquiries about the company or anyone

See 'Auto exchange' page A-1

Weather

Local Almanac	
Tuesday High Temperature	28
Tuesday Low Temperature	16
Tuesday Precipitation	0.00
Normal High	37
Normal Low	28
Record High	52 - 1981
Record Low	5 - 1982
Wednesday Sunrise	8:08 a.m.
Wednesday Sunset	3:36 p.m.
Thursday Sunrise	8:08 a.m.

chance of rain. Light
Wednesday night, a 50
w. Lows in the lower 30s.
of rain and snow. Highs

Local Tides	
TUESDAY	
Low	3:34 a.m. 5.4 FT
High	9:50 a.m. 15.5 FT
Low	4:38 p.m. 0.0 FT
High	11:04 p.m. 12.1 FT
WEDNESDAY	
Low	4:27 a.m. 4.7 FT
High	10:41 a.m. 14.5 FT
Low	5:23 p.m. 1.3 FT

chance of rain. Light
Wednesday night, a 50
w. Lows in the lower 30s.

Ketchikan Daily News

Wednesday, January 6, 1993

Local

A-3

Auto exchange

who has lost money to the company, should contact the Washington State's Attorney General's office.

Former UAB salesman Vinnie Williams said he was called on Sunday by Edmondson and told he was out of a job.

"He basically said about two more words to me and then hung up," he said. Williams is very upset by the sudden closure, saying most of his customers were friends. Some were even his in-laws.

"It's very upsetting to me," he said. Like Yoder, Williams said he didn't have any number through which he could get in touch with the company.

Williams, who worked for the company about a month, said he didn't have any idea the company was in trouble

until late last week, when a friend who had bought a car through the company, said the car he traded in was never paid off.

The car is still in his friend's name, Williams said, so his friend is having to continue the car payments on his old car, and his new car.

Yoder said she was familiar with the case, adding the car was since sold to someone in Juneau who paid for the car but hasn't received it.

Yoder said she would suggest to anyone who paid for a car, to get in touch with the dealer the car was bought from for information about whether the cars has been paid off. And if the car was financed through the credit union her

company was using, Alaska USA Federal Credit Union, she suggested the person get in contact with the credit union.

Peter Jensen of Ketchikan has just bought a 1993 Subaru through the company. Jensen had given UAB a down-payment of \$4,800 in a money order that was cashed Dec. 11 for a \$16,800 1993 Subaru.

Jensen said his wife had been assured by Edmondson that the car would arrive by Boyer Barge Jan. 4.

However when the couple went to pick up the car, they were told by Boyer that no such car existed.

Jensen said when he contacted the dealer the company had bought the car

from, he was told by one of the salesmen that the car was still on the lot, and couldn't be shipped until it was paid for. Jensen said the dealer also said that there are two cars currently in Ketchikan that were shipped, but which don't have titles.

Jensen said he has reported the case to the police in Ketchikan and has a call in to the Attorney General in Alaska.

Jensen said the dealer in Washington did offer to sell the car to him for about \$1,000 less than the original deal through UAB, but said he would have to find more money for a down payment.

As it is, Jensen said he didn't know if or when he would see his original down payment.

HB

168

(7)

Date Referred: February 19, 1993

FURTHER REFERRALS:

Judiciary
Finance

Date of Committee Action: 3/09/93

The LABOR AND COMMERCE Committee considered:

HB 168

HOUSE BILL NO. 168

MULTIPLE PERMITEE GAMING; PRIZE AMOUNTS

"An Act relating to multiple-beneficiary charitable gaming permits and door prizes for charitable gaming; and providing for an effective date."

RECOMMENDATIONS: the same title
be replaced with _____ a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact GED

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) _____

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Hittory</i>	<input checked="" type="checkbox"/>	<i>Edward Porter</i>		<input checked="" type="checkbox"/>	
<i>Bill Hudson</i>	<input checked="" type="checkbox"/>	<i>W.F. Williams</i>		<input checked="" type="checkbox"/>	
		<i>[Signature]</i>		<input checked="" type="checkbox"/>	
		<i>[Signature]</i>		<input checked="" type="checkbox"/>	
		<i>[Signature]</i>		<input checked="" type="checkbox"/>	

Bill Hudson
CHAIRMAN'S SIGNATURE

SPONSOR STATEMENT
Representative Carl E. Moses

House Bill 168, regarding charitable gaming, attempts to clarify what is inherently permissible in statute and would create a new charitable gaming permit called a "Multiple-Beneficiary" permit.

Under this permit, two to six qualified organizations would be allowed to apply jointly for the multiple-beneficiary permit. With this permit, the holders could conduct as many games and sessions as allowed under law for individual permittees multiplied by the number of holders of the multiple-beneficiary permit.

Currently, Lucky Strike Bingo of Anchorage operates under this configuration. Lucky Strike consists of four qualified organizations who join together to conduct gaming activity without the use of an operator. Other organizations such as church groups, soccer clubs, native corporations and other non-profits that choose to join together in this fashion without the use of an operator will also benefit from this legislation.

The motivation behind this bill surfaced a few years ago when the Department of Commerce proposed, but did not adopt, regulations that would prohibit activities such as those conducted by Lucky Strike. In response to that situation, Senate Bill 6 was introduced in 1991 that would establish a multiple-beneficiary permit. SB6 was not passed due to a shortage of time in the session on the Senate Floor.

HB168 is a reintroduction of SB6. It is a non-controversial gaming measure and I would appreciate the committee's affirmative action.

STATEMENT
OF
ALEUTIAN/PRIBILOF ISLANDS ASSOCIATION, INC.

on

H.B. 168, A BILL RELATING TO MULTIPLE-BENEFICIARY
CHARITABLE GAMING PERMITS AND DOOR PRIZES FOR CHARITABLE
GAMING; AND PROVIDING FOR AN EFFECTIVE DATE

PRESENTED BY

DIMITRI PHILEMONOF
EXECUTIVE DIRECTOR

March 9, 1993

Mr. Chairman and members of the Committee, my name is Dimitri Philemonof. I am the Executive Director of the Aleutian/Pribilof Islands Association, Inc. (A/PIA). A/PIA is a non profit corporation whose purpose is to "handle federal, State, and private funds in order to advance the overall economic, social, and cultural development of the Aleutian Region." Because of its non-profit and social welfare nature, A/PIA has been able to qualify as a "qualified organization" within the meaning of the gaming statutes, and has held a gaming permit for many years.

Like many other permittees, A/PIA has tried to use its gaming permit in a way to maximize the revenue that it produces for the economic, social, and cultural development of the Aleut region. Because it wanted to maximize its return from gaming, A/PIA decided that it would operate its gaming permit by itself, which would eliminate all middlemen, and would minimize overhead.

The problem that A/PIA faced was that, by itself, it did not have the resources to obtain or operate the kind of facility that could generate significant revenues from gaming.

Fortunately current regulations allow up to four permittees to join together to conduct gaming activities at a single location. Because A/PIA was able to join forces with three other "qualified organizations"-- the Alaska Native Health Board, the Aleutian Housing Authority, and the Kodiak Area Native Association -- it was

able to marshall the resources to establish and operate a bingo hall in Anchorage known as "Lucky Strike Bingo."

Since its inception in 1986, "Lucky Strike Bingo" has been an unqualified success story. It has paid out significant amounts of revenue to the four permittees who run it. Since 1987, the four permittees have never received a return of less than 19% of adjusted gross revenues, and in most years, the rate of return has been much higher, sometimes going as high as 29% of adjusted gross revenue. I am not aware of any similar gaming activity in Alaska that consistently produces as high a rate of return for its permittees. The attached chart shows in graphic form the consistently high rates of return that the Lucky Strike Bingo permittees have been able to enjoy over the last four years. A/PIA itself has received \$548,000 in gaming revenues from Lucky Strike Bingo as of December 31, 1992.

The money from Lucky Strike Bingo has been particularly valuable to A/PIA because it can be used where it will produce the best results. Most of A/PIA's other funding is restricted by various grant conditions, and there is little flexibility in using these funds to deal with unexpected problems or opportunities. Since our gaming money is not so restricted, it can be spent wherever it will do the most good. To give you some examples of the kinds of things which we have been able to accomplish with our

gaming money, I would like to list some projects that have been funded through gaming.

1. Medivac Transportation. Gaming monies have been spent in assisting medivac transportation for people in the Aleut Region who must travel to Anchorage because of medical emergency. These funds are also used to help with funeral costs in case of death.

2. Food for the Needy. Gaming funds have been spent on food baskets that are distributed to the needy and underprivileged in the Aleut Region, and on turkeys and children's gifts that we distribute to the needy at Christmas time.

3. Youth Programs. Gaming funds are used to bring students to Anchorage for events like the AFN Youth Convention. They are also used to sponsor special school activities within the Region.

4. Aleut Relocation. You may recall that a bill was introduced in Congress to compensate the Japanese-Americans who were relocated during World War II. During the initial phases of this legislation, the similar predicament of the Aleut people was forgotten. It took a considerable effort to educate the members of Congress about the facts of the Aleut relocation. Without our gaming money, we would not have been able to pay for the travel, legal, and other expenses that were necessarily incurred in attempting to make Congress aware of the Aleut relocation. We

believe that our educational efforts were very important in ensuring that the final legislation included \$27,000,000.00 in various individual and group benefits for the Aleut Region. Accordingly, it is no exaggeration to say that our gaming monies were instrumental in producing \$27,000,000.00 of benefits for the Aleut Region.

4. Educational Tape. Because there was widespread ignorance of the Aleut relocation during World War II, we decided to produce an educational film on this aspect of Alaska history. We received a grant from the State which partially funded this project, but it could not have been completed without our gaming monies. Since completion, this film has been shown nationwide on T.V., and it is also being used in many classrooms throughout the country. We are very proud of this film, and have I brought several copies for the Committee's viewing.

To sum up, Lucky Strike Bingo is a success story that demonstrates the good things that can come from a well-regulated gaming program. Moreover, t(T)he Lucky Strike Bingo experience shows that operation of gaming permits by the permittees is the best way of ensuring that the gaming revenues go where they are intended to go: to the permittees, where they can be used as A/PIA has used them, to provide food for the poor, or for educational purposes, or to further other worthwhile social or economic goals.

Our experience at Lucky Strike Bingo has convinced me, however, that there are a few ways in which the State's regulation of gaming could be improved, so that gaming operations would be more efficient, and so that even greater returns can be achieved by the permittees. House Bill 168 incorporates these improvements, and it will ensure that gaming operations that are conducted by more than one permittee, such as Lucky Strike Bingo's, are even more efficient. It will make it possible for permittees such as A/PIA to achieve even better returns on their gaming permits. Here is why:

1. Since H.B.168 allows the costs of a gaming operation to be split among as many as six qualified organizations, it will greatly reduce the overhead costs for each qualified organization. To use Lucky Strike Bingo as an example, the costs of operating its bingo hall are currently split among the four permittees, which is the maximum that the law allows. Under H.B. 168, the Lucky Strike operation could include as many as six qualified organizations. The overhead would therefore be split six ways, instead of four, which would result in a substantial savings for each of the qualified organizations. While some additional personnel would be needed to handle the increased volume of operation produced by six qualified organizations, the total overhead burden for each qualified organization would be greatly reduced.

2. Since the new legislation calls for a multiple beneficiary permit, the accounting for the operation would be centralized into one permit, instead of divided over four permits, as is currently the case. To use Lucky Strike Bingo as an example once again, centralized accounting would produce the following estimated savings:

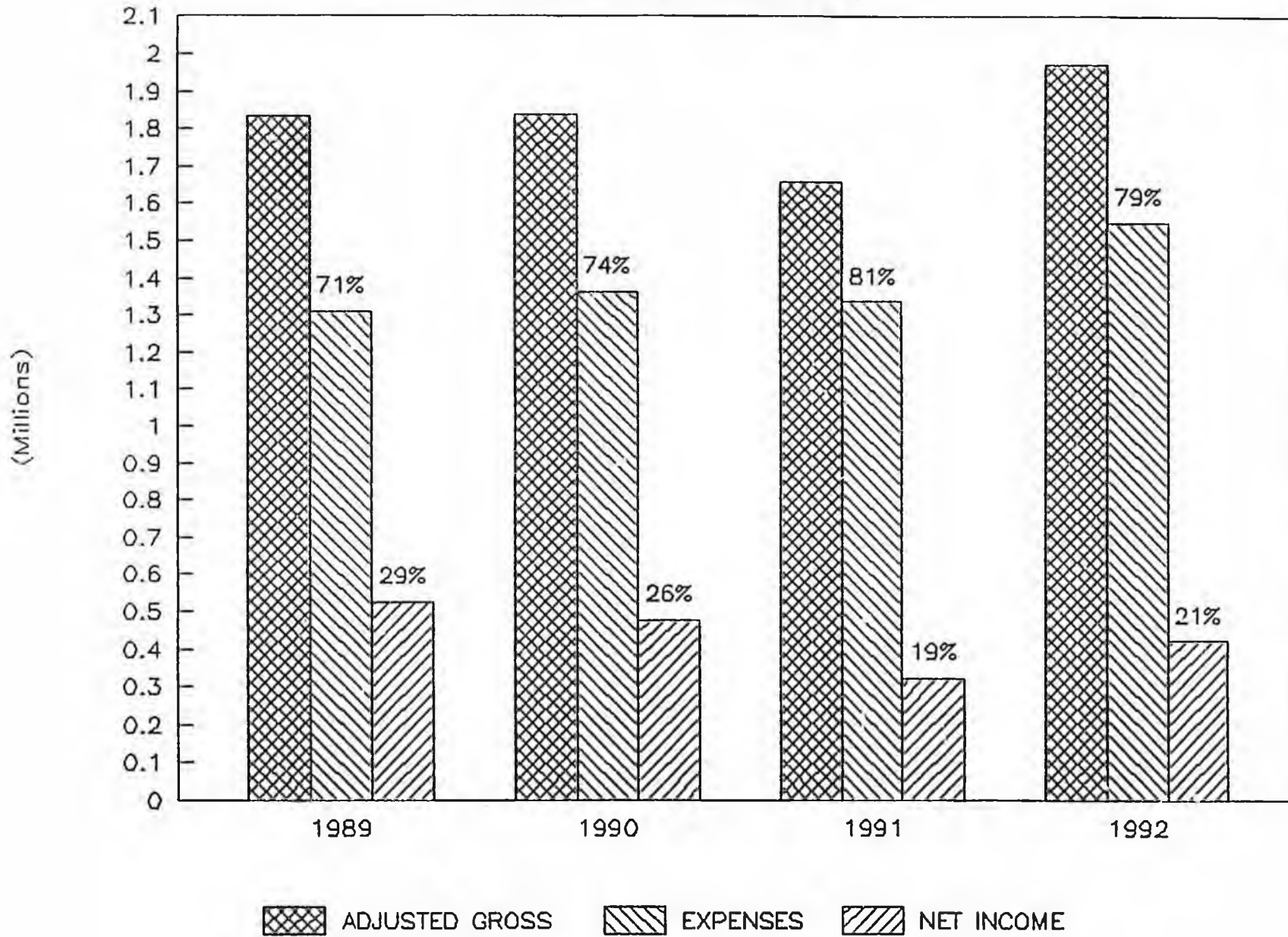
- a. Bookkeeping overhead would be cut by 50% to 75%.
- b. Inventory on hand cost would be cut by approximately \$45,000.00 per year.
- c. Because our accounting and inventorying procedures would be greatly simplified, we could expect to perform these functions more quickly and with fewer mistakes. This would produce additional savings which are difficult to quantify numerically.

In conclusion, I believe that House Bill 168 will make some highly desirable improvements in the gaming statutes. It will make it easier for permittees to run their own operations by joining together with other permittees, it will make joint operations more efficient, and most importantly, it will ensure that more of the gaming revenues go to the place where they are supposed to go: to the permittees, where they can be used for worthwhile social, charitable, and educational purposes.

Thank you, Mr. Chairman and members of the committee.

LUCKY STRIKE BINGO

BASED ON FISCAL YEAR ENDS



**STATEMENT
OF
ALEUTIAN/PRIIBILOF ISLANDS ASSOCIATION, INC.**

OR

**H.B. 168, A BILL RELATING TO MULTIPLE-BENEFICIARY
CHARITABLE GAMING PERMITS AND DOOR PRIZES FOR CHARITABLE
GAMING; AND PROVIDING FOR AN EFFECTIVE DATE**

PRESENTED BY

**DIMITRI PHILEMONOF
EXECUTIVE DIRECTOR**

BEFORE THE

HOUSE LABOR AND COMMERCE COMMITTEE

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The problem that A/PIA faced was that, by itself, it did not have the resources to obtain or operate the kind of facility that could generate significant revenues from gaming.

Fortunately current regulations allow up to four permittees to join together to conduct gaming activities at a single location. Because A/PIA was able to join forces with three other "qualified organizations"-- the Alaska Native Health Board, the Aleutian Housing Authority, and the Kodiak Area Native Association -- it was

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able to accomplish with our gaming money, I would like to list some projects that have been funded through gaming.

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To sum up, Lucky Strike Bingo is a success story that demonstrates the good things that can come from a well-regulated gaming program. Moreover, the Lucky Strike Bingo experience shows that operation of gaming permits by the permittees is the best way of ensuring that the gaming revenues go where they are intended to go: to the permittees, where they can be used as A/PIA has used them, to provide food for the poor, or for educational purposes, or to further other worthwhile social or economic goals.

Our experience at Lucky Strike Bingo has convinced me, however, that there are a few ways in which the State's regulation of gaming could be improved, so that gaming operations would be more efficient, and so that even greater returns can be achieved by the permittees. House Bill 168 incorporates these improvements, and it will ensure that gaming operations that are conducted by more than one permittee, such as Lucky Strike Bingo's, are even more efficient. It will make it possible for permittees such as A/PIA to achieve even better returns on their gaming permits. Here is why:

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2. Since the new legislation calls for a multiple beneficiary permit, the accounting for the operation would be centralized into one permit, instead of divided over four permits, as is currently the case. To use Lucky Strike Bingo as an example once again, centralized accounting would produce the following estimated savings:

- a. Bookkeeping overhead would be cut by 50% to 75%.
- b. Inventory on hand cost would be cut by approximately \$45,000.00 per year.
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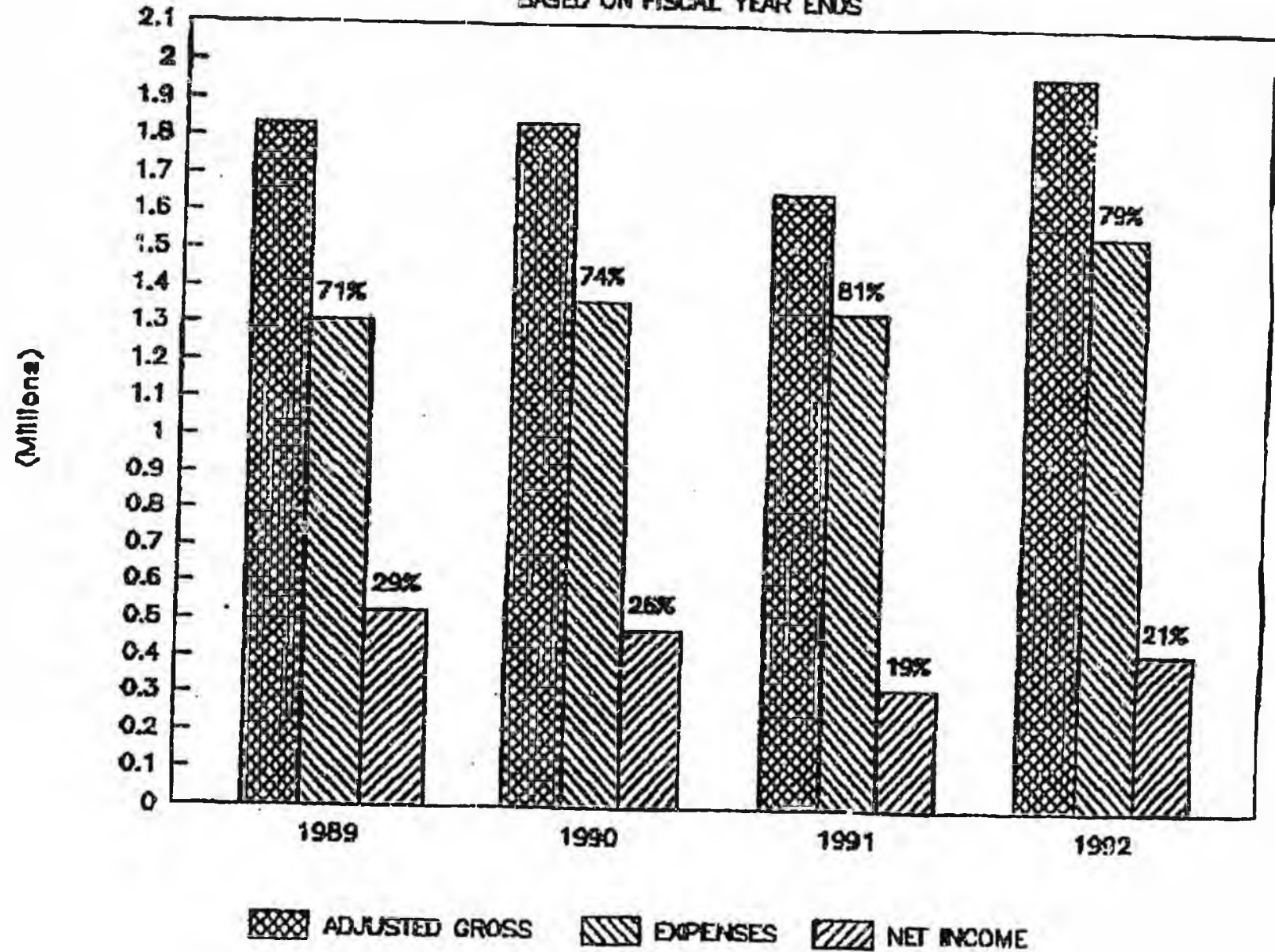
In conclusion, I believe that House Bill 168 will make some highly desirable improvements in the gaming statutes. It will make it easier for permittees to run their own operations by joining together with other permittees, it will make joint operations more efficient, and most importantly, it will ensure that more of the gaming revenues go to the place where they are supposed to go: to the permittees, where they can be used for worthwhile social, charitable, and educational purposes.

Thank you, Mr. Chairman and members of the committee.

AFIA/T&DP

LUCKY STRIKE BINGO

BASED ON FISCAL YEAR ENDS



LUCKY STRIKE BINGO

A JOINT VENTURE

ALASKA NATIVE HEALTH BOARD
1345 Rudakof Circle, Suite 206
Anchorage, Alaska 99508
(907) 337-0028

ALEUTIAN HOUSING AUTHORITY
1689 "C" Street, Suite 203
Anchorage, Alaska 99501
(907) 276-2700

ALEUTIAN PRIBILOF ISLANDS ASSOC.
1689 "C" Street, Suite 205
Anchorage, Alaska 99501
(907) 276-2700

KODIAK AREA NATIVE ASSOC.
402 Center Avenue
Kodiak, Alaska 99615
(907) 486-5725

March 2, 1993

Carl E. Moses, Representative
Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

Re: Proposed Gaming Legislation
H.B. 168

Dear Representative Moses:

I am writing this letter to explain the reasons why House Bill No. 168, concerning multiple beneficiary permits, would be of great benefit to the Aleutian/Pribilof Islands Association and other similarly situated charitable organizations.

Perhaps the easiest way to explain the benefits of this proposed legislation would be to describe the makeup and activities of Lucky Strike Bingo ("LSB"). The Aleutian/Pribilof Islands Association, of which I am the Executive Director, is one of the four permittees who jointly conduct gaming activities as LSB. The other permittees are the Aleutian Housing Authority, Kodiak Area Native Association, and the Alaska Native Health Board. The four permittees who make up LSB are currently conducting gaming activities under the provisions of 13 AAC 34.200(c), which allows up to four permittees to conduct gaming activities jointly. LSB has a pleasant and spacious hall in Anchorage where both bingo and pull tab activities are conducted.

The four permittees are all firmly of the belief that their current arrangement is far superior to any other that they could make for the utilization of their gaming permits. If they operated separately, none of the permittees could afford the type of successful facility which they now have.

Moreover, since the LSB facility is operated by its permittees, the permittees are ensured of receiving the maximum return from the gaming activities. Since 1987, the permittees in LSB have never received a return of less than 19% of adjusted gross

Representative Moses
March 2, 1993
Page 2

revenues, and in most years, the rate of return has been much higher, sometimes going as high as 28% of adjusted gross revenue. We are not aware of any similar gaming activity in Alaska that consistently produces as high a rate of return for its permittees.

In short, the LSB permittees believe that the joint operation of a facility by the permittees is the best way to ensure that gaming operations deliver their revenues to the place that they are supposed to go: to the permittees.

While we believe that LSB's operation is a great success story, we also believe that H.B. 168 will improve the returns that jointly operating permittees can receive. The proposed legislation will have the following beneficial results:

1. Since the costs of operation will be split among as many as six permittees, instead of four as is allowed under current law, the amount of overhead to be borne by each permittee will be lessened. For example, the bingo hall currently operated as LSB in Anchorage could easily service six permittees instead of four, with very little increased cost. The resulting savings will flow to the permittees.

In the past, concern has been voiced by the administration that allowing too many permittees to band together will reduce the control that the permittees have over the gaming operation. Our experience at LSB convinces us that six permittees are not too many to keep control of the gaming activities, and we understand that the administration now agrees with us on this point.

2. Since the new legislation calls for a multiple beneficiary permit, the accounting for the operation would be centralized into one permit, instead of divided over four permits, as is currently the case. Centralized accounting would cut our bookkeeping overhead by 50% to 75%, would cut our inventory on hand cost by approximately \$45,000.00, and would allow us to operate more efficiently and with less mistakes.

Finally, we would urge that H.B. 168 be amended by adding an additional subsection to the proposed AS 05.15.128, which would read as follows:

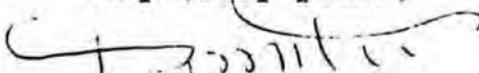
(f) Multiple beneficiary permits shall be subject to the expense limitations set forth in AS 05.15.160, but shall be exempt from any regulation which attempts to limit or quantify allowable expenses beyond the requirements of AS 05.15.160.

Representative Moses
March 2, 1993
Page 3

Our reason for requesting this amendment is that expense limitations which go beyond the requirements of AS 05.15.160 are not needed for multiple beneficiary permits. Since the permittees themselves are running the gaming, they already have every incentive to pay the maximum amount of return to themselves. We feel that LSB's record in making payments to the permittees strongly supports this conclusion.

In addition, because of conflicts between the regulations of the Department of Commerce and the Department of Revenue, further expense limitations, such as 12 AAC 34.700(b) (which was recently struck down by the courts), could make it impossible for a permittee to conduct both bingo and pull-tab activities as LSB currently does.

Very truly yours,



Dimitri Philemonof
Chairman of the Board

Alaska State Legislature

Representative Carl E. Moses



CHAIRMAN
HOUSE RULES COMMITTEE

CHAIRMAN
HOUSE SPECIAL FISHERIES COMMITTEE

MEMBER
FINANCE SUBCOMMITTEES
FISH AND GAME
PUBLIC SAFETY

SESSION:
CAPITOL BUILDING, ROOM 204
JUNEAU, ALASKA 99801-1182
PHONE: (907) 465-4451
FAX: (907) 465-3445

INTERIM:
P.O. BOX 109
UNALASKA, ALASKA 99685
PHONE: (907) 581-1234
FAX: (907) 581-2875

MEMORANDUM

DATE: February 24, 1993

TO: Representative Bill Hudson
Chairman, Labor & Commerce Committee

FROM: Representative Carl E. Moses *C.E.M.*
Chairman, House Rules Committee

RE: Request for Hearing

I would like to request a committee hearing for HB168 on Thursday, March 4th, 1993. The bill alters the restrictions on holders of multiple-beneficiary permits. Basically, the bill allows permit holders to conduct the number of sessions and games a month equal to the number allowed by individual permit holders multiplied by the number of holders of multiple-beneficiary permits.

The bill also establishes that the maximum amount awarded in door prizes each year be \$1million times the number of holders of the permit for activities. House Bill 168 has an immediate effective date.

Senate Bill 95, the companion bill, is first scheduled for a hearing before the Senate Community and Regional Affairs Committee although a date has not yet been set.

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. _____ **HB 168**

Revision Date: _____ Dept. Affected: Commerce & Economic Development
 Title: An Act relating to multiple-beneficiary BRU: Occupational Licensing
charitable gaming permits..... Component: Operations
 Sponsor: House Rules Committee
 Requestor: House Labor & Commerce COMPONENT SERIAL NO. 1844

Expenditures/Revenues: (Thousands of Dollars)

	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
OPERATING						
PERSONAL SERVICES	40.1	40.1	40.1	40.1	40.1	40.1
TRAVEL						
CONTRACTUAL						
SUPPLIES	1.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	10.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	51.1	41.1	41.1	41.1	41.1	41.1
CAPITAL						
REVENUE FUND SOURCE:	.0	.0	.0	.0	.0	.0

UNDING: (Thousands of Dollars)

	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
02 Federal Receipts						
03 GF Match						
04 GF						
05 GF/Program Receipts	51.1	41.1	41.1	41.1	41.1	41.1
06 GF/MHTIA						
Other						
TOTAL	51.1	41.1	41.1	41.1	41.1	41.1

POSITIONS:

	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
FULL-TIME	1	1	1	1	1	1
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimated of current year (FY 93) Impact: \$ None

ANALYSIS: (Attach a separate page if necessary)
 HB 168 provides for a new class of permittee (MBP). Two to six permittees could apply to the department to conduct activities at a single facility. Currently regulations provide for 4 permittees to conduct activity at a single facility. (Continued on attached)

Prepared by: John Hansen, Jr., Gaming Manager Phone: 465-2581
 Division: Occupational Licensing Date: 3/2/93
 Approved by Commissioner: Paul Fuhs Date: _____
 Agency: Commerce & Economic Development

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Position Title TAX EXAMINER II		No. of Positions 1	Range/Step 12A	Barg. Unit GGU
Time Status PFT	Staff Months 12	Location AWA		Election District
TYPE OF EXPENDITURE		AMOUNT		
Salary		27.9		
Benefits		12.2		
Premium Pay				
Other				
Total Personal Services		40.1		
Travel				
Contractual				
Commodities		1.0		
Equipment		10.0		
Other				
Total Cost		51.1		
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts		1002		
G.F. Match		1003		
General Fund		1004		
I-A Receipts		1007		
CIP Receipts		1061		
Other: GF/PR		1005		
		51.1		
Justification <p>HB 168 authorizes a new class of permittees to conduct charitable gaming. Currently the department has one examiner position issuing permits to qualified organizations.</p> <p>It presently takes 3-4 weeks to process applications due to the backlog of processing time it takes for each applicant. There are approximately 1,000 current permittees. This position would help to process these new permit applications, and help reduce the 3-4 weeks renewal time. Many organizations are forced to delay or cancel planned activities because of the delay in issuing permits timely. This position seeks to enhance services by relieving the delay.</p>				

**Request For
New Position**

AGENCY Commerce and Economic Development

BRU Occupational Licensing

COMPONENT Operations - #1844

page 2 of 2
Revised Date:

FY94

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

March 3, 1993

SUBJECT: Sectional Summary of HB 168 (Work Order No. 8-LS0674\A)

TO: Representative Carl Moses

FROM: Jerry Luckhaupt *JLP*
Legislative Counsel

You have requested a sectional summary of the above-described bill. As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill - the bill itself is the best statement of its contents.

Preliminarily, the "meat" of this bill is Sections 2 and 6. I will start with them.

Section 2 of the bill amends AS 05.15.100 by adding a new subsection that authorizes the commissioner of commerce and economic development to issue a multiple-beneficiary permit to two to six municipalities and qualified organizations^{1/} that jointly apply for the permit. The permit would allow the holders of the permit to jointly conduct charitable gaming activities permitted by AS 05.15.

Section 6 of the bill adds a new section, AS 05.15.145, to AS 05.15 that provides: that from two to six municipalities and qualified organizations may jointly apply for a multiple-beneficiary permit; that the commissioner may not issue a multiple-beneficiary permit except upon proof satisfactory to the commissioner that each individual applicant is a municipality or a qualified organization; that the provisions of AS 05.15.140(b)-(d), relating to reports and exclusions from participation as an operator of the activity of persons with certain criminal convictions; that a municipality or qualified organization that is part of a multiple-beneficiary permit may not hold another charitable gaming permit; procedures for withdrawal by a municipality or qualified organization from a multiple-beneficiary permit; that reports shall be jointly filed as required for operators under AS 05.15.083.

The other sections of the bill make changes that implement these two sections.

^{1/} "Qualified organization" is defined at AS 05.15.210(29).

Representative Carl Moses

March 3, 1993

Page 2

Section 1 of the bill amends AS 05.15.060(8) to provide that the holders of a multiple-beneficiary permit may hold or conduct the number of sessions or games per month that is equal to the number allowed an individual permittee multiplied by the number of municipalities and qualified organizations participating in the permit.

Section 3 of the bill amends AS 05.15.112(a) to require the holders of a multiple-beneficiary permit to jointly designate one member in charge under the permit.

Section 4 of the bill amends AS 05.15.112(b) to require the member in charge to be a member of one of the qualified organizations or a member of the board of directors of one of the qualified organizations or an employee of one of the municipalities.

Section 5 of the bill amends AS 05.15.112(d) to require the holders of a multiple-beneficiary permit to designate alternate members in charge.

Section 7 of the bill amends AS 05.15.180(d) to include multiple-beneficiary permits under the door prize limits of this section.

Section 8 of the bill amends AS 05.15.180(e) to clarify that the door prize limits.

Section 9 of the bill amends AS 05.15.180(g) to provide that the holders of a multiple-beneficiary permit may award a maximum in prizes each year of \$1,000,000 multiplied by the number of municipalities and qualified organizations jointly holding the permit.

Section 10 of the bill amends AS 05.15.187(f) by clarifying that all permittees must make the described reports and that a permittee under that section includes municipalities and qualified organizations that jointly hold a multiple-beneficiary permit.

Section 11 of the bill provides an immediate effective date.

GPL:gc
93-191.glc

Kodiak Liquor Licence Association
P.O. Box 947
Kodiak, Alaska 99615
March 5, 1993

Representative Carl Moses
House Of Representatives
State Of Alaska

Re: HB 168

Dear Representative Moses:

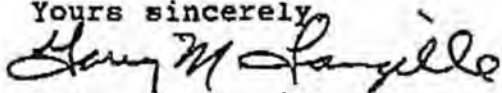
I want to lend support for your efforts on HB 168 that will allow the State to issue multiple-beneficiary permits for joint gaming activities. This will allow more non-profits to participate in those locations that are more active and give them a chance to share in those revenues. Also it will allow those locations that are active to continue beyond the current limits.

For those of us who believe that the Gambling Industry can be a productive vehicle which can provide badly needed Revenue and Employment for Alaskans as well as providing non-profits help in their worthy endeavors, this Bill helps.

Our interest is not only the non-profits that operate in our locations but also the larger Liquor Licence Industry that is in dire straits of additional activities and revenue needs (16% decrease in consumption in Alaska last 7 years) to ensure that it remains a stable and productive industry in our State.

Keep up the good work.

Yours sincerely,



Garry M. Langille
President

FEB 25 1993

February 24, 1993

Mr. Carl E. Moses, Representative
Alaska State Legislature

Re: House Bill No. 168

Dear Representative Moses,

I am writing to you to express my support of this bill. I am in the process right now of trying to do this very thing under current legislation, and it is very difficult and cumbersome.

The advantage of this legislation is that it would allow multiple permittees to use the efficiencies of economic scale in the raising of funds. It would also allow them to be in control of the fund raising activity.

I do not see this legislation as a threat to the operators, as there are plenty of permit holders who have neither the time, energy or ability to run a business.

One suggestion that I would make, is on page 3, line 12 (e) have it read:

The holders of a multiple-beneficiary permit shall jointly file reports with the department that comply with the reporting requirements imposed on municipalities and qualified organizations under AS 05.15.080.

The gaming department could then require a combined report the same as an operator must file.

The advantage of this change, is that it removes the multiple-beneficiary permit from the operator category, and should operators get ensnared in future legislation, the multiple-beneficiary would not be included.

If I can answer any questions, I would be happy to do so.

Thank You,



Ron Pagenkopf
Operator
Treasurer Juneau Soccer Club.

Phone wk 586-2027
hm 789-1989

People Count Inc.
Business & Technical School

P.O. Box 1310
Kenai, Alaska 99611-1310

Business: (907) 283-4099
FAX (907) 283-9496

March 5, 1993

Representative Carl E. Moses
Capitol Building, Room 204
Juneau AK 99801-1182

Dear Representative Moses,

I have reviewed HB 168, which amends AS 05.15.

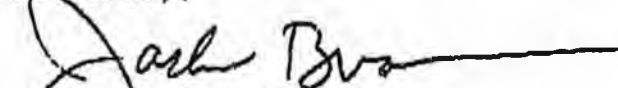
Section 2 amends AS 05.100 by adding a new subsection that authorizes the commissioner of commerce and economic development to issue a multiple-beneficiary permit to two to six municipalities and qualified organizations that apply for the permit, allowing the holders of the permit to jointly conduct charitable gaming activities.

Section 4 adds a new section, AS 05.15.145, that provides: from two to six municipalities and qualified organizations may jointly apply for a multiple-beneficiary permit; the commissioner may not issue a multiple-beneficiary permit except upon satisfactory proof that each individual applicant is a municipality or a qualified organization; relates to reports and exclusions from participation as an operator of the activity of persons with certain criminal convictions; no one who is part of a multiple-beneficiary permit may hold another charitable gaming permit; procedures for withdrawal by a municipality or qualified organization from a multiple-beneficiary permit; reports shall be jointly filed as required for operators under AS 05.15.083.

It appears to help clarify issues and address concerns that Non-Profits have.

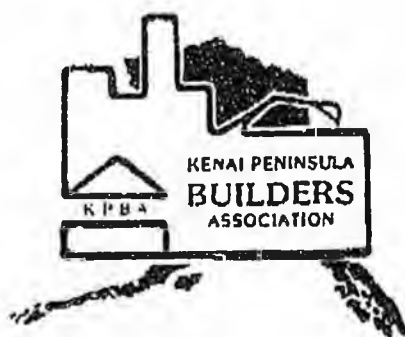
As the Executive Director of People Count, Inc., I feel I can support this bill, without reservations.

Sincerely,



Jack Brown
Executive Director

JB/mdh



MEMORANDUM

TO: Representative Carl E. Moses/Senator Randy Phillips/Representative Bill Hudson
FROM: Pat Vincent, Executive Officer, Kenai Peninsula Builders Association
DATE: March 8, 1993
RE: HB168

The Kenai Peninsula Builders Association would oppose HB 168 as it relates to multiple-beneficiary permits. It is our opinion that the system for self-directed gaming joint ventures is already in place, and that the rules and regulations we are currently working under are most satisfactory. We are concerned with added reporting requirements and a possible loss of accountability that will result from this bill. It is our opinion that Section 3 and 4 of the bill would allow a person who is named member-in-charge to act as an unlicensed operator for the multiple-beneficiary permittees so long as he is an employee or a member of one of the organizations.

We would not be opposed to regulations that allow more than four permittees to be engaged in a self-directed gaming joint venture, so long as it is not set up as an operator-run operation, minus a licensed operator. We do not feel that a multiple-beneficiary permit or joint reporting need be a requirement to allow more permittees to participate in a self-directed gaming joint venture.

The Kenai Peninsula Builders Association is a non-profit organization engaged since 1990, in a self-directed gaming joint venture with the Women's Resource & Crisis Center in Kenai, Alaska. Ours has been basically a "Shared Premises/Shared Employees" arrangement and is satisfactory to both organizations and to the State of Alaska who has authorized our joint venture. Our arrangement allows one organization to utilize its permit every other month. We order and maintain separate pull-tab inventories, keep separate books, and are solely responsible for the oversight of the permits and for our state and federal reporting.

HB 168 would not allow us to continue to conduct our self-directed gaming joint-venture as it is presently operated. The Kenai Peninsula Builders Association would not wish to become less involved in the day-to-day operations of this joint-venture. We feel that a non-profit organization should be solely responsible for maintaining the integrity of their permit - that a member of another organization or an employee of both should not be given that responsibility.

Mr. John Hansen
Department of Commerce and Economic Development
Division of Occupational Licensing

Dear John,

Pending the outcome of the current lawsuit, the proceeds that comprise the difference between the 15% return to the charity and the 40% return to the charity and according to the agreement between us, the amounts placed in an escrow account are as follows:

Building Industry Assoc. of Anchorage	\$ 8,400.67
Alaska Light Opera Theatre	3,261.56
Alaska Chiropractic Society	23,049.97
Congregation Beth Shalom	11,384.71
Mat-Su Valley Humane Society	3,920.77
Wasilla Area Seniors	16,441.68
Mid Valley Seniors	14,101.39
Valdez Democratic Precinct	8,366.10
Total amount in escrow	89,426.65

OPERATORS FEE/NET PROCEEDS

2ND QUARTER 1992

AS REPORTED BY JAMES HARMAN

<u>Permittee</u>		<u>Operator Fee Paid</u>	<u>Net Proceeds in Escrow</u>
Building Assoc.	#92-0041	\$ 1816.84	\$ 8400.67
Alaska Light Opera	#92-0065	\$ 1768.12	\$ 3261.56
Alaska Chiropractic	#92-0894	\$ 4225.50	\$23049.97
Congregation Beth Shalom	#92-0382	\$ 77.51	\$11384.71
Mat-Su Valley Humane	#92-0017	\$ 1935.21	\$ 3920.77
Wasilla Area Seniors	#92-0713	\$ 4956.01	\$16441.68
Mid-Valley Seniors	#92-1000	\$15087.41	\$14101.39
Valdez Democrats	#92-0978	<u>\$16774.92</u>	<u>\$ 8866.10</u>
	TOTALS:	<u>\$46,641.52</u>	<u>\$89426.85</u>

✓ ✓
\$136,068.37

HB

170

HOUSE COMMITTEE REPORT

(7)

Date Referred: February 22, 1993

FURTHER REFERRALS:

Finance

Date of Committee Action: 3/30/93

The LABOR AND COMMERCE Committee considered:

HB 170

HOUSE BILL NO. 170

EXTEND BOARD OF MARINE PILOTS

"An Act extending the termination date of the Board of Marine Pilots."

RECOMMENDATIONS: the same title
 be replaced with _____ a new title
 have attached amendments(s)
 do pass
 do not pass
 no recommendations
 individual recommendations
 additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept) _____ APPROVES PREVIOUS: (Dept/Date) _____
 fiscal impact _____ fiscal note(s) _____
 zero fiscal note Commerce zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Brian O. Porter</i>	✓				
<i>Joe Sitter</i>	✓				
<i>[Signature]</i>	✓				
<i>Don Hudson</i>	✓				
<i>Carl Zibillion</i>	✓				
<i>Bill Hudson</i>	✓				

Bill Hudson
 CHAIRMAN'S SIGNATURE

Representative Jerry Sanders

District 19

Vice Chair, Rules Committee
Vice Chair, Community & Regional Affairs Committee
House State Affairs Committee
Special Committee on Oil & Gas
Legislative Council
International Trade & Tourism

S P O N S O R S T A T E M E N T

HOUSE BILL 170

The purpose of House Bill 170 is simply to extend the Board of Marine Pilots from when it is currently due to sunset, June 30, 1994, to June 30, 1998.

The Board of Marine Pilots was created under Chapter 62 of the Alaska Statutes for the purpose of protecting the state's interests in its life, property, and environment, and in the efficient flow of waterborne commerce. Membership consists of two licensed marine pilots, two vessel agents or managers, two public members, and the commissioner. The Board of Marine Pilots establishes qualifications of and the required training for pilots, provides for the examination of the pilots, and the issuance of original and renewal licenses to qualified persons.

We need to extend the Board of Marine Pilots, because of the competitive nature of shipping, the need to set tariffs, and the almost constant flow of state statutes and regulations which must be implemented in the interest of safety and commerce. Therefore, I urge your support of House Bill 170.

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. _____ **HB 170**

Revision Date: _____ Dept. Affected: Commerce & Economic Development
 Title: An Act extending the termination date BRU: Occupational Licensing
of the Board of Marine Pilots. Component: Operations
 Sponsor: Reps. Sanders and Grussendorf
 Requestor: House Labor & Commerce COMPONENT SERIAL NO. _____ 1844

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	.0	.0	.0	.0	.0	.0
CAPITAL						
REVENUE FUND SOURCE:	.0	.0	.0	.0	.0	.0

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	.0	.0	.0	.0	.0	.0

POSITIONS:

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

Estimate of current year (FY 93) Impact: \$ None

ANALYSIS: (Attach a separate page if necessary)

The bill extends the termination date of the Board of Marine Pilots to June 30, 1998. Funding for the Board of Marine Pilots is included in the FY 94 operating budget; therefore, new funds are not required.

Average Annual Costs: \$125.0
 Average Annual Revenue: 172.7

Prepared by: Jennifer Strickler, Administrative Officer
 Division: Occupational Licensing

Phone: 465-2144
 Date: 3/22/93

Approved by Commissioner: Paul Fuhs
 Agency: Commerce & Economic Development

Date: 3-22-93

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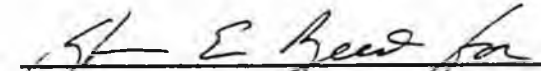
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HB 170

The Board of Marine Pilots is created under AS 08.62.040, and includes membership of two marine pilots licensed under Alaska Statutes and Regulations, two vessel agents or managers, two public members, and the Commissioner or his designee. The board ensures the maintenance of efficient and competent pilotage service on the inland and coastal water of and adjacent to the state to assure the protection of shipping, the safety of human life and property, and the protection of the marine environment. It establishes qualifications of and the required training for pilots, provides for the examination of the pilots, and the issuance of original and renewal licenses to qualified persons.

The current Pilot Bill creates competition within the established pilot regions. To this end, the Board of Marine Pilots must continually resolve disputes within regions between competing pilot associations involving the question of competition. Additionally, since competition has been encouraged, the matter of pilot tariffs and the setting thereof has become a large portion of the Board of Marine Pilots responsibilities, ensuring fairness to both trade and the pilots. One of the most recent actions was the establishment of the Kuskokwim Pilotage Region in response to a need to produce state-regulated and licensed pilot services to a region which is vital to the Bethel region of the state.

Continuance of the Board of Marine Pilots is considered essential due to the continued emphasis on competition, the requirement to set tariffs, and the constant evolution of State Statutes and Regulations which require implementation in the interest of commerce and safety.


Paul Fuhs, Commissioner

3-22-93
Date

dgl157pp.01

Kuskokwim Marine Pilot's Association

P.O. Box 57
Bethel, AK 99959
(907) 543-3977

March 21, 1993

Representative Jerry Sanders
Alaska State House of Representatives
Room 123
State Capitol
Juneau, AK 99801

Dear Representative Sanders:

Please accept this letter as support for your House Bill 170 which, when enacted, will extend the Board of Marine Pilots.

As you know, this board primarily oversees marine pilot licensing and marine safety issues regarding foreign hulled vessels traversing state waters. It is imperative they continue to function under the powers granted to them by the Legislature when the Marine Pilotage Act of 1991 was passed. To do so, the sunset date contained in that legislation must be extended.

Thank you for submitting this important legislation. If you need any additional information, please do not hesitate to contact me.

Sincerely,



Capt. Ron Sumstad

FISCAL NOTE

STATE OF ALASKA

BILL NO. HB 170

1993 LEGISLATIVE SESSION

Revision Date: Dept. Affected: Commerce & Economic Development
 Title: An Act extending the termination date BRU: Occupational Licensing
of the Board of Marine Pilots. Component: Operations
 Sponsor: Reps. Sanders and Grussendorf
 Requestor: House Labor & Commerce COMPONENT SERIAL NO. 1844

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	.0	.0	.0	.0	.0	.0
CAPITAL						
REVENUE FUND SOURCE:	.0	.0	.0	.0	.0	.0

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	.0	.0	.0	.0	.0	.0

POSITIONS:

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

Estimate of current year (FY 93) impact: \$ None

ANALYSIS: (Attach a separate page if necessary)
 The bill extends the termination date of the Board of Marine Pilots to June 30, 1998. Funding for the Board of Marine Pilots is included in the FY 94 operating budget; therefore, new funds are not required.

Average Annual Costs: \$125.0

Average Annual Revenue: 172.7

Prepared by: Jennifer Strickler, Administrative Officer Phone: 465-2144
 Division: Occupational Licensing Date: 3/22/93

Approved by Commissioner: Paul Fuhs Date: 3-22-93
 Agency: Commerce & Economic Development

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Kuskokwim Marine Pilot's Association

P.O. Box 57
Bethel, AK 99959
(907) 543-3977

March 21, 1993

Representative Jerry Sanders
Alaska State House of Representatives
Room 123
State Capitol
Juneau, AK 99801

Dear Representative Sanders:

Please accept this letter as support for your House Bill 170 which, when enacted, will extend the Board of Marine Pilots.

As you know, this board primarily oversees marine pilot licensing and marine safety issues regarding foreign hulled vessels traversing state waters. It is imperative they continue to function under the powers granted to them by the Legislature when the Marine Pilotage Act of 1991 was passed. To do so, the sunset date contained in that legislation must be extended.

Thank you for submitting this important legislation. If you need any additional information, please do not hesitate to contact me.

Sincerely,



Capt. Ron Sumstad

HB

179

HOUSE COMMITTEE REPORT

(7)

Date Referred: February 24, 1993

FURTHER REFERRALS:

Finance

Date of Committee Action: 3/16/93

The LABOR AND COMMERCE Committee considered:

HB 179

HOUSE BILL NO. 179

MOTOR VEHICLE REGISTRATION, FEES, ETC.

"An Act relating to motor vehicles and mobile homes: and providing for an effective date."

RECOMMENDATIONS:

be replaced with Committee Substitute HB179 the same title
 a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact Public Safety

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Brian R. Porter</i>	<input checked="" type="checkbox"/>	<i>[Signature]</i>		<input checked="" type="checkbox"/>	
<i>Bill Hudson</i>	<input checked="" type="checkbox"/>	<i>[Signature]</i>		<input checked="" type="checkbox"/>	
		<i>[Signature]</i>		<input checked="" type="checkbox"/>	
		<i>[Signature]</i>		<input checked="" type="checkbox"/>	

Bill Hudson
 CHAIRMAN'S SIGNATURE

FINANCIAL ADMINISTRATION OF STATE GOVERNMENT

HB65(FIN) Sec.	SB99(FIN) Sec.	Description	Necessary for Budget	Amount in Budget
1-32	1-32	Changes licensing functions of the Alcohol Beverage Control Board to biennial. Section 21 sets penalty fee on delinquent applications - HB65 at \$100 and SB99 at \$200.	No	
33-35	33-35	Allows the Dept. of Administration to establish fees by regulation and collect those fees related to public guardian's services on a sliding fee basis. Allows the appropriation of these funds to the Office of Public Advocacy.	No	
36-43	36-43	Allows the Commission on Postsecondary Education to levy a 1% loan guarantee fee against scholarship loans. The fees shall be available to cover losses on loans incurred due to debt cancellation.	No	
44	44	Changes the funding source for license or tag vendor compensation from general funds to the fish and game fund.	Yes House & Senate	(\$553.9) GF; \$553.9 F&G
45	45	Allows the Dept. of Labor to establish fees by regulation for administering special inspector examinations and processing applications for special boiler and pressure vessel inspector commissions.	No	
46	46	Changes the time period for certificates of fitness for plumbers and electricians from 3 and 1 year to 2 years.	No	
47	47	Establishes fees for an application/examination and for duplicate certificates of fitness for electricians and plumbers. Language differs between the two.	Yes Conference Committee	\$93.5 GF/PR
48	48	Allows the Dept. of Public Safety, Alaska Police Standards Council to set fees by regulations for the issuance of police, probation, parole, and correctional officer certificates and police and correctional instructor certificates. HB65 allows the fees to be established by the council and SB99 sets the fees at \$50.	Yes Conference Committee	(\$15.0) GF; \$15.0 GF/PR
49	49	Raises Dept. of Labor fee for an employment agency license from \$10 to \$100. HB65 changes the application filing fee to \$100. SB99 keeps the application filing fee at \$10 but adds a permit fee of \$100.	No	

FINANCIAL ADMINISTRATION OF STATE GOVERNMENT

HB65(FIN) Sec.	SB99(FIN) Sec.	Description	Necessary for Budget	Amount in Budget
	50-51	Clarifies the sale of vehicle registration lists by the Department of Public Safety as an electronic service.	No	
	52-53	Reduces the number of required license plates from 2 to 1 per vehicle.	No	
	54	Allows the Division of Motor Vehicles to design and issue special request license plates.	No	
	55	Brings Public Safety statutes in compliance with federal regulatory guidelines regarding issuance of handicap license plates.	No	
	56	Clarifies Public Safety's statutes to allow only one senior citizen vehicle registration exemption per year.	No	
	57	Allows the Division of Motor Vehicles authority to charge an additional \$10 if vehicle registration is not completed by mail.	Yes Conference Committee	(\$2,000.0)GF; \$2,000.0GF/PR
	58	Sets the amount to be charged by the Division of Motor Vehicles for special request license plates.	No	
	59	Clarifies section 55 regarding handicap license plates.	No	
50	60	Excludes receipts of the group insurance programs from the definition of program receipts.	Yes House & Senate	(\$683.0) GF/PR; \$683.0 Ben Sys
51-52	61-62	Identifies the date on which the \$5 million cap on the state insurance catastrophe reserve account is determined. Allows for the deposit of settlements on insurance claims into the catastrophe reserve.	No	
	63	Guidelines to administer grant programs within given appropriation levels.	No	
53-59		Authorizes the Department of Administration to self-insure the state employees' health and life programs.	No	
60	64	Allows the Dept. of Natural Resources to accept cash and other donations for purposes of the department. HB65 adds AS 41.21.020(c) and SB99 adds AS 41.21.020(a)(14).	No	

FINANCIAL ADMINISTRATION OF STATE GOVERNMENT

HB65(FIN) Sec.	SB99(FIN) Sec.	Description	Necessary for Budget	Amount in Budget
61	65	Allows the Dept. of Natural Resources to charge new categories of park fees. Language differs between the two bills.	No	
62		Allows the Dept. of Environmental Conservation to set fees by regulation for solid waste facilities, drinking water lab certification, and certification of federal permits under the Clean Air Act. Deletes ability to charge for hazardous waste permits.	No	
63		Allows the Dept. of Environmental Conservation to create permit fees by regulations to cover costs of the air quality program.	No	
	66-67	Includes adoption subsidies for children with special needs as a Medicaid option.	No	
64		Extends suspension date of the operation of individual tax credits from Jan. 1, 1993 to Jan. 1, 1995.	No	
65	68	Repeals section requiring courts to determine ability of persons to pay for public guardianships (see Sec. 33-34).	No	
	68	Repeals 3 sections dealing with registration of vehicles used occasionally on a highway. This will result in payment of full fees for these vehicles.	No	
65	68	Repeals section requiring the reporting by Dept. of Administration of the financial condition of each fund on a monthly and annual basis.	No	
66		Repeals section 63 when the state program under the Clean Air Act is approved.	No	
67		Creates temporary fees in state parks for limited activities.	No	* 0.11 - Sec 7
68	69	Implementation of the biennial licensure by the Alcoholic Beverage Control Board.	No	
69	70	Implementation of the biennial licensure for certificates of fitness by the Department of Labor. Sets one year certificate at \$80. (see Sec. 46)	No	

FINANCIAL ADMINISTRATION OF STATE GOVERNMENT

HB65(FIN) Sec.	SB99(FIN) Sec.	Description	Necessary for Budget	Amount in Budget
	71	If cost savings can be shown, allows the Department of Administration, the University, the legislature and court system to extend leases up to a maximum of 5 years and provides for reporting of such action to the Legislative Budget and Audit Committee.	No	
	72	Creates temporary fees in state parks for limited activities. Language differs from House version (Section 67).	No	
70	73	Allows identified agencies to proceed in adopting appropriate regulations but not prior to the effective date of the relevant section in this bill.	No	
	74	Makes language in AS28 conform to the reduction in the number of required vehicle license plates (see sections 52-53).	No	
71		Section 64 (tax credits) is retroactive to Jan. 1, 1993.	No	
72	75	Amends the Alaska Rule of Probate Procedure in accordance with action taken in Sec. 33 regarding fees for guardian's services and does not require an order of the court.	No	
73		Immediate effective dates for Sec. 67-71.		
	76	Immediate effective dates for Sec. 63 and 69-73.		
74		July 1, 1993 effective dates for Sec. 33-35, 44-66, and 72.		
	77	July 1, 1993 effective dates for Sec. 33-35, 44-62, 64-68, 74 and 75.		
75	78	Dec. 31 effective date for Sec. 1-32		
76	79	July 1, 1994 effective date for Sec. 36-43		

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101


130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

February 19, 1993

SUBJECT: Motor Vehicle Portion of HB 65 (Work Order No. 8-LS0679\A)

TO: Representative Bill Hudson, Chair
House Labor & Commerce Committee
Attn: Lynda Giguere

FROM: David R. Dierdorff 
Revisor of Statutes

Enclosed is the draft requested by your staff, which incorporates those provisions of HB 65 that dealt with motor vehicles.

You will note that there are more sections in this draft than appeared in the relevant portion of HB 65. That is because it was necessary to include some amendments to conform other provisions to the amendments made in HB 65. Briefly, the draft includes:

Section 1. This appeared in HB 65 as sec. 50. In this draft, I have retained the concept of "registered vehicles," which was amended out in the governor's bill. I did this because the term "registered vehicles" is used in eight other provisions of AS 28.10 and the language included in the second sentence of AS 28.10.071(a) is the closest thing there is to a definition of the term.

Sec. 2. This was not in HB 65. It is needed to conform the language to the amendment made in sec. 1.

Secs. 3 - 9. These were secs. 51 - 57 in HB 65. Some minor changes were made to reflect our drafting style, but the substance of the provisions is identical.

Sec. 10. This was not in HB 65. It is needed to conform to the amendment of AS 28.40.100(a)(2) made in sec. 12.

Sec. 11. This was not in HB 65. The amendment of AS 28.10.181(d) in sec. 4 requires some amendment to AS 28.10.495(c). The amendment proposed

Representative Bill Hudson, Chair
February 19, 1993
Page 2

in sec. 11 is the least that needs to be done to conform to the other amendment.

Sec. 12. This was in HB 65 as sec. 58. Please keep in mind that this definition applies to all of title 28, and because it is related to the definition of "motor vehicles," also found in AS 28.40.100, it has some effect on that term as it is used in AS 11.46.490, AS 45.45.240, and AS 46.03.900. That effect may be insignificant and of no substantive consequence, but I wanted to at least make you aware of the ripple effect of a seemingly innocuous amendment to the definition of "vehicle."

Sec. 13. The repealers are those that were in sec. 70 of HB 65, plus the additional repeal of AS 28.10.421(d)(12), which is rendered meaningless by the repeal of AS 28.10.181(k).

Sec. 14. The Act is given a July 1, 1993 effective date.

If I may be of further assistance, please advise.

DRD:gc
93-139.glc

DIVISION OF LEGAL SERVICES

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STATE OF ALASKA**

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Juneau, Alaska 99801-2105

MEMORANDUM

March 11, 1993

SUBJECT: Explanation of Enclosed Draft CSHB 179(L&C)
(Work Order No. 8-LS0679\J)

TO: Representative Bill Hudson
Chair, House Labor & Commerce Committee
Attn: Lynda Giguerre

FROM: David R. Dierdorff 
Revisor of Statutes

The enclosed draft CS is identical to the draft provided yesterday (version "E") except that it does not include a "sunset" repeal of AS 28.10.431(j), which is found in sec. 17 of version "E". AS 28.10.431(j) is enacted by sec. 13 of each version and provides for an administrative adjustment of the tax schedule every three years, beginning in 1998. Section 17 of version "E", based on the bill that passed the House during the last legislature, which was the origin of Representative Porter's amendment, repealed the administrative adjustment provision on June 30, 1999, one and a half years after it would take effect. While it may be politically necessary to sunset the provision, it seems illogical to repeal it after only one year's time. If that is your desire, the provision should not be codified, but should be enacted as a temporary law.

In any event, the enclosed draft gives you and your committee the option of omitting for now the sunset provision. That does not, of course, preclude anyone, including a future legislature, from adding such a provision at a later date.

DRD:lmb
93-066.lmb

Enclosure

CORRECTION

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

DIVISION OF LEGAL SERVICES

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MEMORANDUM

March 11, 1993

SUBJECT: Explanation of Enclosed Draft CSHB 179(L&C)
(Work Order No. 8-LS0679J)

TO: Representative Bill Hudson
Chair, House Labor & Commerce Committee
Attn: Lynda Giguere

FROM: David R. Dierdorff 
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The enclosed draft CS is identical to the draft provided yesterday (version "E") except that it does not include a "sunset" repeal of AS 28.10.431(j), which is found in sec. 17 of version "E". AS 28.10.431(j) is enacted by sec. 13 of each version and provides for an administrative adjustment of the tax schedule every three years, beginning in 1998. Section 17 of version "E", based on the bill that passed the House during the last legislature, which was the origin of Representative Porter's amendment, repealed the administrative adjustment provision on June 30, 1999, one and a half years after it would take effect. While it may be politically necessary to sunset the provision, it seems illogical to repeal it after only one year's time. If that is your desire, the provision should not be codified, but should be enacted as a temporary law.

In any event, the enclosed draft gives you and your committee the option of omitting for now the sunset provision. That does not, of course, preclude anyone, including a future legislature, from adding such a provision at a later date.

DRD:lmb
93-066.lmb

Enclosure

8-LS0679JL
Dierdorff
3/11/93

CS FOR HOUSE BILL NO. 179(L&C)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE LABOR AND COMMERCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to motor vehicles and mobile homes: and providing for an
2 effective date."

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

4 * Section 1. AS 28.10.07!(a) is amended to read:

5 (a) The department shall review each application for registration received and,
6 when satisfied that it is correct, register the vehicle and keep a record of the
7 registration in suitable books, index cards, or electronic or photographic recording and
8 storage media, or in any combination of them. The [RECORD IS REFERRED TO AS
9 THE "VEHICLE REGISTER" AND THE] vehicles are referred to as "registered
10 vehicles." The department may compile a record of the number and types of vehicles
11 registered in this state and may make statistical data available to the public for a fee
12 as prescribed in regulations adopted by the commissioner. The department may also
13 provide vehicle registration lists to the public for a fee, but only as an electronic
14 service or product under AS 09.25.115. The commissioner may prescribe, by

1 regulation, fees relating to the provision of vehicle registration lists.

2 * Sec. 2. AS 28.10.071(c) is amended to read:

3 (c) The department shall keep a record of the registrations of vehicles used in
4 law enforcement work when secrecy is necessary. This record is separate from the
5 record [VEHICLE REGISTER] required by (a) of this section and may be disclosed
6 only to and upon the request of the chief peace officer of a municipality, a state
7 trooper district commander, the chief federal law enforcement officer assigned to the
8 state, or to a court upon an appropriate order.

9 * Sec. 3. AS 28.10.181(c) is amended to read:

10 (c) Special request plates. Upon application by the owner of a passenger
11 vehicle, motorcycle, noncommercial van or pick-up truck, or motor home, the
12 department shall design and issue registration plates containing a series of not more
13 than six letters or numbers or combination of letters and numbers as requested by the
14 owner. The department may, in its discretion, disapprove the issuance of registration
15 plates under this subsection when the requested symbols are a duplication of an
16 existing registration or when the symbols are considered unacceptable by the
17 department. The department may also design and issue special registration plates
18 depicting Alaska plant life, fish, wildlife, geography, history, or other depictions
19 of the state.

20 * Sec. 4. AS 28.10.181(d) is repealed and reenacted to read:

21 (d) Vehicles owned by disabled veterans, including persons disabled in the line
22 of duty while serving in the Alaska Territorial Guard, or other persons with disabilities.
23 Upon the request of a person with a disability that limits or impairs the ability to walk,
24 as defined in 23 C.F.R. 1235.2, the department shall

25 (1) register one passenger vehicle in the name of the person without
26 charge; and

27 (2) issue a specially designed registration plate that displays

28 (A) recognition of the disabled veteran if the applicant's
29 disability originated from the applicant's service with the Alaska Territorial
30 Guard or the armed forces of the United States; or

31 (B) the standard symbol of disability (the wheelchair logo).

1 * Sec. 5. AS 28.10.181(j) is amended to read:

2 (j) Vehicles owned by dealers. A state-registered and bonded vehicle dealer
3 may apply for dealer registration plates. A plate issued under this subsection may be
4 used only on dealer-owned vehicles during the routine and normal course of the
5 dealer's business, excluding service vehicles, or for transporting an unregistered vehicle
6 from a port of entry to the dealer's facilities or from one dealer to another or, in the
7 case of a house trailer, from the retail facility to a trailer space. A vehicle permitted
8 to have dealer plates must be affixed with two plates issued under this subsection.

9 If the dealer sells or transfers the vehicle, the dealer plates may be used on the vehicle
10 by the new owner or transferee for a period of not more than five days after the sale
11 or transfer. The department may seize the dealer plates if it has reason to believe that
12 the plates are being used to defeat the purposes of, or are in violation of, this chapter.

13 * Sec. 6. AS 28.10.201(b) is amended to read:

14 (b) The owner of a vehicle described in AS 28.10.011 as being exempt from
15 registration and the owner of a snowmobile or off-highway vehicle may not apply for,
16 nor may the department issue, a certificate of title for such a vehicle. However, the
17 department may issue a certificate of title to the owner of a vehicle exempt from
18 registration under AS 28.10.011(3), (6), (7), or (11) [, OR (12)] only upon application
19 by that owner.

20 * Sec. 7. AS 28.10.411(f) is amended to read:

21 (f) A resident 65 years of age or older on January 1 of the year the vehicle is
22 registered is entitled to an exemption once each calendar year from the registration
23 fee required under this section for one motor vehicle subject to registration under
24 AS 28.10.421(b)(1), (2), (5), or (6). An exemption may not be granted except upon
25 written application for the exemption on a form prescribed by the department.

26 * Sec. 8. AS 28.10.421(a) is amended to read:

27 (a) Unless otherwise provided by law,

28 (1) the fees prescribed in this section shall be paid to the department
29 at the times provided under AS 28.10.108 and 28.10.111; and.

30 (2) an additional fee of \$10 shall be added to the registration fee
31 set out in this section for registration not conducted by mail; the department may

1 waive this additional fee for a good cause based on criteria established in
2 regulations adopted by the department.

3 * Sec. 9. AS 28.10.421(c) is amended to read:

4 (c) The annual registration fees under this subsection are imposed and are
5 based upon the actual unladen weight as established by the manufacturer's advertised
6 weight or upon the actual weight which the owner shall furnish, subject to the approval
7 of the commissioner or the commissioner's representative, for a vehicle, including a
8 motor vehicle pulling a trailer or semi-trailer, that is registered in the name of a
9 company or business, or is used or maintained for the transportation of passengers
10 for hire, excepting taxicabs and buses under (b) of this section, or for the transportation
11 of property for hire or for other commercial purposes [USE], including [A
12 COMMERCIAL VEHICLE SUCH AS] a trailer, semi-trailer, truck, wrecker, tow car,
13 hearse, ambulance, and tractor, as follows:

- 14 (1) up to and including 5,000 pounds \$51;
- 15 (2) more than 5,000 pounds to and including 12,000 pounds . . \$86;
- 16 (3) more than 12,000 pounds to and including 18,000 pounds \$156;
- 17 (4) more than 18,000 pounds \$221.

18 * Sec. 10. AS 28.10.431(b) is amended to read:

19 (b) The tax is levied upon motor vehicles subject to the license tax under
20 AS 28.10.411 and 28.10.421 [, NOT INCLUDING MOBILE HOMES,] and is based
21 upon the age of vehicles as determined by model year according to the following
22 schedule:

	Tax According to Age of Vehicle Since Model Year							
	1st	2nd	3rd	4th	5th	6th	7th	8th
								or over
26 Motor Vehicle								
27 (1) motorcycle	<u>\$ 11</u>	<u>\$ 9</u>	<u>\$ 8</u>	<u>\$ 7</u>	<u>\$ 5</u>	<u>\$ 4</u>	<u>\$ 3</u>	<u>\$ 3</u>
28	[\$ 8]	[\$ 7]	[\$ 6]	[\$ 5]	[\$ 4]	[\$ 3]	[\$ 2]	[\$ 2]
29 (2) vehicles speci-	<u>81</u>	<u>68</u>	<u>54</u>	<u>41</u>	<u>27</u>	<u>20</u>	<u>14</u>	<u>7</u>
30 fied in AS 28.10.-	[60]	[50]	[40]	[30]	[20]	[15]	[10]	[5]
31 421(b)(1)								

	WORK DRAFT			WORK DRAFT			WORK DRAFT			
1	(3) vehicles speci-	<u>81</u>	<u>68</u>	<u>54</u>	<u>41</u>	<u>27</u>	<u>20</u>	<u>14</u>	<u>7</u>	
2	fied in AS 28.10.-	[60]	[50]	[40]	[30]	[20]	[15]	[10]	[5]	
3	421(b)(3)									
4	(4) vehicles speci-									
5	fied in AS 28.10.-									
6	421(c)(1) - (4)									
7	5,000 pounds or	<u>81</u>	<u>68</u>	<u>54</u>	<u>41</u>	<u>27</u>	<u>20</u>	<u>14</u>	<u>7</u>	
8	less	[60]	[50]	[40]	[30]	[20]	[15]	[10]	[5]	
9	5,001 - 12,000	<u>135</u>	<u>108</u>	<u>81</u>	<u>68</u>	<u>54</u>	<u>41</u>	<u>27</u>	<u>14</u>	
10	pounds	[100]	[80]	[60]	[50]	[40]	[30]	[20]	[10]	
11	12,001 - 18,000	<u>203</u>	<u>162</u>	<u>135</u>	<u>108</u>	<u>81</u>	<u>54</u>	<u>41</u>	<u>27</u>	
12	pounds	[150]	[120]	[100]	[80]	[60]	[40]	[30]	[20]	
13	18,001 pounds	<u>270</u>	<u>216</u>	<u>176</u>	<u>135</u>	<u>108</u>	<u>81</u>	<u>54</u>	<u>27</u>	
14	or over	[200]	[160]	[130]	[100]	[80]	[60]	[40]	[20]	
15	(5) vehicles speci-	<u>135</u>	<u>108</u>	<u>81</u>	<u>68</u>	<u>54</u>	<u>41</u>	<u>27</u>	<u>14</u>	
16	fied in AS 28.10.-	[100]	[80]	[60]	[50]	[40]	[30]	[20]	[10]	
17	421(b)(4)									
18	(6) vehicles speci-	<u>11</u>	<u>9</u>	<u>8</u>	<u>7</u>	<u>5</u>	<u>4</u>	<u>3</u>	<u>3</u>	
19	fied in AS 28.10.-	[8]	[7]	[6]	[5]	[4]	[3]	[2]	[2]	
20	421(b)(6)									
21	(7) vehicles speci-	<u>81</u>	<u>68</u>	<u>54</u>	<u>41</u>	<u>27</u>	<u>20</u>	<u>14</u>	<u>7</u>	
22	fied in AS 28.10.-	[60]	[50]	[40]	[30]	[20]	[15]	[10]	[5]	
23	421(d)(9)									
24	(8) vehicles speci-	<u>81</u>	<u>68</u>	<u>54</u>	<u>41</u>	<u>27</u>	<u>20</u>	<u>14</u>	<u>7</u>	
25	fied in AS 28.10.-	[60]	[50]	[40]	[30]	[20]	[15]	[10]	[5]	
26	421(b)(2)									
27	(9) vehicles eligible	<u>54</u>								
28	for dealer plates	[40]								
29	under AS 28.10.-									
30	421(d)(10).									
31	* Sec. 11. AS 28.10.431(b) is repealed and reenacted to read:									

(b) The tax is levied upon motor vehicles subject to the license tax under AS 28.10.411 and 28.10.421 and is based upon the age of vehicles as determined by model year according to the following schedule:

Tax According to Age of Vehicle Since Model Year

	1st	2nd	3rd	4th	5th	6th	7th	8th or over
Motor Vehicle								
(1) motorcycle	\$ 14	\$ 12	\$ 10	\$ 9	\$ 7	\$ 5	\$ 3	\$ 3
(2) vehicles specified in AS 28.10.421(b)(1)	102	85	68	51	34	26	17	9
(3) vehicles specified in AS 28.10.421(b)(3)	102	85	68	51	34	26	17	9
(4) vehicles specified in AS 28.10.421(c)(1) - (4)								
5,000 pounds or less	102	85	68	51	34	26	17	9
5,001 - 12,000 pounds	170	136	102	85	68	51	34	17
12,001 - 18,000 pounds	255	204	170	136	102	68	51	34
18,001 pounds or over	340	272	221	170	136	102	68	51
(5) vehicles specified in AS 28.10.421(b)(4)	170	136	102	85	68	51	34	17
(6) vehicles specified in AS 28.10.421(b)(6)	14	12	10	9	7	5	3	3
(7) vehicles specified in AS 28.10.421(d)(9)	102	85	68	51	34	26	17	9
(8) vehicles specified in AS 28.10.421(b)(2)	102	85	68	51	34	26	17	9
(9) vehicles eligible for dealer plates under AS 28.10.421(d)(10).	68							

* Sec. 12. AS 28.10.431(e) is amended to read:

(e) The department shall refund money collected under this section, less eight

1 [FIVE] percent as collection costs, to a municipality for which the money was
2 collected, as determined by (1) the address of residence of an individual required to
3 pay the tax, or (2) the situs of the vehicle if the vehicle is not owned by an individual;
4 the tax situs is the location at which the motor vehicle is usually, normally, or
5 regularly kept or used. For the first year in which the tax is levied within a
6 municipality, the department may retain actual costs of collection of the tax within the
7 municipality as determined by the department.

8 * Sec. 13. AS 28.10.431 is amended by adding a new section to read:

9 (j) The Department of Labor shall adjust the schedule under (b) of this section
10 every three years to reflect changes in the transportation new vehicle segment of the
11 Consumer Price Index for all urban consumers for all items compiled by the Bureau
12 of Labor Statistics, United States Department of Labor for the second half of the
13 preceding calendar year. The semiannual index for the second half of 1994 is the
14 reference base index. The Department of Labor shall round each scheduled amount
15 adjusted under this subsection to the nearest dollar. The Department of Community
16 and Regional Affairs shall provide the revised schedule to each municipality in the
17 state that imposes a tax under this section and to the Department of Public Safety, and
18 shall make the schedule available to the public by February 28th of each year in which
19 the schedule is revised. A tax imposed under an adjusted schedule takes effect on
20 July 1 of the year in which the schedule is adjusted.

21 * Sec. 14. AS 28.10.495(c) is amended to read:

22 (c) Proof of disablement or medical handicap, for the purpose of this section,
23 shall be the same as that required for the purposes of [PROVIDED AS SPECIFIED
24 IN] AS 28.10.181(d).

25 * Sec. 15. AS 28.40.100(a)(21) is amended to read:

26 (21) "vehicle" means a device in, upon, or by which a person or
27 property may be transported or drawn upon or immediately over a highway or
28 vehicular way or area; "vehicle" does not include

29 (A) [EXCEPT] devices used exclusively upon stationary rails
30 or tracks;

31 (B) mobile homes;

- 1 * Sec. 16. AS 28.10.011(12), 28.10.181(k), 28.10.421(d)(12), and AS 28.22.011(a)(3) are
2 repealed.
- 3 * Sec. 17. Sections 1 - 9 and 14 - 16 this Act take effect July 1, 1993.
- 4 * Sec. 18. Sections 10 and 12 of this Act take effect January 1, 1994.
- 5 * Sec. 19. Section 11 of this Act takes effect January 1, 1995.
- 6 * Sec. 20. Section 13 of this Act takes effect January 1, 1998.

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO: CSHB 179

Revision Date: 3/15/93 Dept. Affected: Public Safety
 Title: "An Act relating to motor vehicles" BRU: Motor Vehicles
 Component: Field Services
 Sponsor: House Labor & Commerce
 Requestor: House Labor & Commerce COMPONENT SERIAL NO. 502

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

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	82.0	109.5	109.5	109.5	109.5	109.5
TRAVEL						
CONTRACTUAL	115.1	61.6	51.6	61.6	61.6	61.6
SUPPLIES						
EQUIPMENT	15.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	212.1	171.1	171.1	171.1	171.1	171.1
CAPITAL						
REVENUE FUND	2965.0	3319.5	3458.8	3458.8	* 3458.8	* 3458.8
SOURCE: 1005						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	212.1	171.1	171.1	171.1	171.1	171.1
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	212.1	171.1	171.1	171.1	171.1	171.1

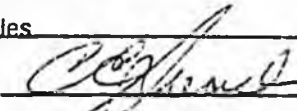
POSITIONS:

FULL-TIME	3	3	3	3	3	3
PART-TIME						
TEMPORARY						

Estimate of current year (FY 93) impact: \$ none

ANALYSIS: (Attach a separate page if necessary.)

* FY 98 and FY 99 revenue figures do not include the municipal motor vehicle registration tax increase based on the consumer price index determined by the Dept. of Labor.

Prepared By: Juanita Hensley Phone: 465-4361
 Division: Motor Vehicles Date: 3/15/93
 Approved by Commissioner:  Date: 3/15/93
 Agency: Richard L. Burton, Dept. of Public Safety

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SECTION 1

This is a technical amendment to reflect the current computer technology in use. The Department of Public Safety uses a relational database in the Alaska Public Safety Information Network (APSIN). With this type of database there is no separate file or database that could be called "the vehicle register". The creation of such a list for sale to user has historically been done for more than 20 years and this amendment clarifies this sale as an electronic service. This protects over \$100,000 in revenue from those vendors who argue that this list should be provided at no charge. There is no fiscal since this amendment clarifies the current situation.

SECTION 2

This Section clarifies Section 1.

SECTION 3

This section allows the Division to design special plates and charge a one-time fee of \$30.00 for their issuance. This is similar to the existing fee structure for personalized plates and these fees would be in addition to the normal registration fees and taxes. This analysis assumes that 10,000 plates would be issued annually.

Contractual cost - 10,000 plates @ \$6	\$60,000
Revenue - 10,000 plate fees @ \$30	\$300,000

SECTION 4

This section would place Alaska in compliance with uniform federal regulatory guidelines for the issuance of handicap plates. These standards limit the plates and the use of special parking places to those persons with mobility handicaps. Current Alaska law allows those with other than mobility handicaps to obtain the plates. Revenue estimates are based on the assumption that 15% or 480 of the 3200 persons with these plates would not qualify and would have to pay regular fees.

Revenue - 480 registrations @ \$35	\$16,800
------------------------------------	----------

SECTION 5

This amendment closes a loop hole in the current law that allows dealers to misuse the dealer plate and prevents further loss of revenue. Since only one dealer was known to have misused the plates the additional revenue will be negligible.

SECTION 6

This amendment takes away the authority to issue vehicle titles to mobile homes. In almost all cases the mobile homes are permanently mounted in trailer parks and should be classed as real property. A title is usually only required when the mobile home is financed because the banks feel getting a vehicle title is easier than filing a UCC lien or a real property lien. Since the title is optional the division usually cannot guarantee ownership since there is no clear chain of documents normally associated with vehicle ownership. There would be a small loss of revenue from the approximately 150 titles issued each year.

Revenue - 150 title and lien fees @ \$10 (\$1,500)

SECTION 7

This amendment improves efficiency by removing ambiguity associated with senior citizen exemptions and eliminating associated problems. Many senior citizens buy and sell several vehicles during the year and try to claim exemptions on each one. The statute only allows one exemption per year. There is no fiscal impact.

SECTION 8

Historically only 25-30% of vehicle owners use the mail to renew vehicle registrations. The remainder, over 300,000, come in person to a DMV office adding to the long lines when there is no need to do so. This section charges an additional \$10 for those who do not use the mail service. This approach was taken over giving a discount to those who use the mail because it is a revenue generator rather than a revenue loss. It places the cost directly on those who are creating the efficiency loss. Even with this incentive it is estimated that 200,000 owners will still come in person to renew their vehicles.

Revenue - 200,000 @ \$10 \$2,000,000

SECTION 9

Many businesses are registering their vehicles in the non-commercial categories claiming they are not used for business but are used for such things as personal transportation. This eliminates this loop hole and requires them to pay commercial fees. The biggest category affected will be passenger cars and rental vehicles which have been rented for non-commercial transportation. The average difference in registration fees will be \$16 for approximately 25,000 vehicles.

Revenue - 25,000 vehicles @ \$16 \$400,000

SECTION 10 THROUGH 13

This section changes the Municipal Vehicle Registration Tax amounts. The first two years increase will be 35% each year to equal the increase in the Anchorage area CPI since the program first began in 1978. After the first two years, adjustments to the tax schedule based upon the Federal Consumer Price Index will be made at three-year intervals by the Alaska Department of Labor.

Additional work must be performed to change the computer programs to reflect the new rates and in training the employees on the new rate structure. This work alone is not enough to justify a full-time position, but absorbing it will adversely affect other administrative functions.

Approximately 480,000 vehicles, or 81% of the total number of registered vehicles, are in areas subject to the tax. Any increase in fees increases the workload in public service offices of the Division, since DMV employees collecting the tax will receive public complaints, which take time and result in increased delays for the others in line. The public sees this as a state tax and not a local municipal property tax. Frequent changes to the fee increase processing time, because employees will not be as familiar with the fees. There are only 17 different registration fees, but there are 89 different categories for the registration tax.

Based on DMV's experience, increases of this nature will impact workloads 3-5%. As a result, DMV will increase the field office staffing by 3% or 3 PFT positions. Under the proposed bill, DMV's retention of funds to cover collection costs would be increased from 5% to 8%, subject to appropriation by the legislature. The increase is adequate to cover the increased cost of administering the program.

The increase in revenue for DMV retention, above the FY 94 current rate calculations, is as follows:

FY94	FY95	FY96	FY97	FY98	FY 99
214.6	569.1	708.4	708.4	708.4*	708.4*

* FY 98 & FY 99 revenue figures do not include the MVRT increase based on the Consumer Price Index.

Detailed costs for Sections 10 through 13 are as follows:

Personal Services	FY94 (9mos.)	FY95
3 Motor Vehicle Rep I/II positions	\$ 82.0	\$109.5
Contractual	\$ 55.1	\$ 1.6
Mail-out registration forms		
Regular registration forms		
Computer line charges		
Equipment	\$ 15.0	
3 Computer work stations		
	TOTAL	\$152.1
		\$111.1

SECTION 14

This Section clarifies Section 4.

SECTION 15

This amendment further clarifies the definition of mobile homes (see related SECTION 6.)

Position Title Motor Vehicle Representative I/II		Number of Positions 3	Range/Step 8/9	Bargaining Unit GGU
Time Status PFT	Staff Months 9 (1st year)	Location Statewide	Election District Statewide	
Type of Expenditure		Amount		
1	2	3		
Salary*	54.7			
Benefits*	27.3			
Premium Pay (Included in Above)				
Other				
Total Personal Services		82.0		
Travel				
Contractual		55.1		
Commodities				
Equipment		15.0		
Other				
Total Cost		152.1		
Funding Source For Total Cost				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004			
Program Receipts/GF	1005	152.1		
I-A Receipts	1007			
CIP Receipts	1061			
Other				
* Personal Services Salary and Benefits Costs are from PACS calculations.				

Justification
The adoption of this legislation is estimated to impact the workload of the Division by 3-5%. Approximately 355,000 vehicles, or 66% of the total number of vehicles are in areas subject to the tax. Any increase in fees increases the workload in the public service offices of the Division, since DMV employees collecting the tax will receive the public complaints. Also, frequent changes to fees increases processing time, because employees will not be familiar with the fees. For example, there are only 17 different registration fees, but there are 89 different categories for the registration tax.

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety

BRU Motor Vehicles

COMPONENT Field Services

FY 94

Page 7 of 7

Revised Date

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO: HB 179

Revision Date: _____ Dept. Affected: Public Safety
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 Component: Field Services
 Sponsor: House Labor & Commerce
 Requestor: House Labor & Commerce COMPONENT SERIAL NO. 502

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

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	60.0	60.0	60.0	60.0	60.0	60.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	60.0	60.0	60.0	60.0	60.0	60.0

CAPITAL						
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REVENUE FUND SOURCE: 1005	2750.4	2750.4	2750.4	2750.4	2750.4	2750.4
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FUNDING: (Thousands of Dollars)

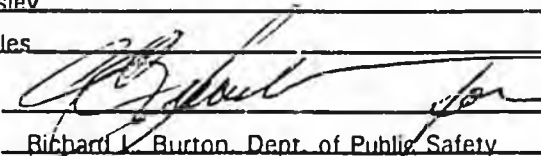
1002 Federal Receipts						
1003 GF Match						
1004 GF	60.0	60.0	60.0	60.0	60.0	60.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	60.0	60.0	60.0	60.0	60.0	60.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY 93) impact: \$ none

ANALYSIS: (Attach a separate page if necessary.)
SEE ATTACHED

Prepared By: Juanita Henslev Phone: 465-4361
 Division: Motor Vehicles Date: 3/5/93
 Approved by Commissioner:  Date: 3/5/93
 Agency: Richard L. Burton, Dept. of Public Safety

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Revenue - 200,000 @ \$10 \$2,000,000

HB 65/SB 99 - Revenues and Expenditures

Section	Dept	Program	Revenues		Savings to GF	Cost
			GF	OF		
36-38	Education	Postsecondary Education Commission: 1% loan guarantee fee on scholarship loan program		500.0		
39-43	Education	Postsecondary Education Commission: 1% loan guarantee fee on other loan programs		13.0		
44	Labor	Ability to charge fees for special boiler and pressure vessel inspector commissions	0.4			
46	Labor	Increase fees for plumbers and electricians	118.5			
47	Pub Safety	Enable Polico Standards Council to collect fees for certification on non-state police and correctional officers and instructors	8.5			
48	Labor	Increase fee for employment agency permits	0.7			
49	Admin	Delete Office of Public Advocacy's requirement to provide guardian ad litem in child custody proceedings			-100.0	
51	Pub Safety	Enable issuance of vehicle license plates depicting Alaska wildlife	300.0			
52	Pub Safety	Change eligibility for free vehicle registration and license plates for disabled persons	16.8			
54	Pub Safety	Deletes mobile homes from vehicles subject to registration	-1.5			
56	Pub Safety	Additional vehicle registration for "walk in" registrants	2,000.0			
57	Pub Safety	Clarifies requirement that companies and businesses register vehicle in a company of business name	400.0			
59	Admin	Amends definition of program receipts to not include monies the state receives from the state's health insurance carrier to administer the health insurance program; would be categorized as "system benefits receipts"			683.0	
65	DEC	Allows DEC to charge fees for other activities	700.0			
66	DEC	Authorizes DEC to set fees for indirect costs of air quality program (currently only charges for direct services)	3,747.1			1,882.0
67	DISS	Adds to Medicaid children eligible for adoption assistance because of special medical or rehabilitative needs			17.7	
70	Pub Safety	Repeals special class of "occasional users of highways" thereby requiring these vehicles to be licensed as regular vehicles	35.1			
71	DNR	Enables parks to charge fees for a number of services	150.0			76.0
Total			7,475.6	513.0	600.7	1,958.0

Attachment IV

REGISTRATION CATEGORIES WITH REDUCED FEES

H3 179

CLASS	DESCRIPTION	COUNT	REDUCED FEE	NORMAL FEE	REVENUE LOSS
STATE AND LOCAL GOVERNMENT VEHICLES					
1G	GOVT EX - PASS	619	\$5.00	\$35.00	\$19,570.00
1H	STATE - PASS	298	\$0.00	\$35.00	\$10,435.00
1M	GOVT PERS - PASS	16	\$5.00	\$35.00	\$480.00
2G	GOVT EX - MC	2	\$5.00	\$20.00	\$30.00
4G	GOVT EX - PICKUP	2003	\$5.00	\$40.00	\$70,105.00
4H	STATE PICKUP	203	\$0.00	\$40.00	\$8,120.00
5G	GOVT EX - BUS	68	\$5.00	\$155.00	\$8,900.00
5H	STATE - BUS	2	\$0.00	\$155.00	\$310.00
				SUB TOTAL	\$117,980.00
ALL OTHERS					
62	OCCASIONAL USE	1664	\$16.00	\$35.00	\$33,280.00
81	PRIS OF WAR - PASS	25	\$0.00	\$35.00	\$875.00
82	PRIS OF WAR - PICKUP	13	\$0.00	\$40.00	\$520.00
83	PEARL HARBOR - PASS	30	\$0.00	\$35.00	\$1,050.00
84	PEARL HARBOR - PICKUP	5	\$0.00	\$40.00	\$200.00
12	DISABLED VET	428	\$0.00	\$35.00	\$14,910.00
13	HANDICAPPED	3412	\$0.00	\$35.00	\$119,420.00
1F	CALL LETTER - PASS	244	\$0.00	\$35.00	\$8,540.00
1P	CHAR EXEMPT - PASS	1057	\$5.00	\$35.00	\$31,710.00
4F	CALL LETTER - PICKUP	173	\$0.00	\$40.00	\$6,920.00
4P	CHAR EXEMPT - PICKUP	1135	\$5.00	\$40.00	\$38,725.00
5P	CHAR EX - BUS	188	\$5.00	\$155.00	\$28,200.00
	SENIOR CITIZEN	14000	\$0.00	\$35.00	\$490,000.00
				SUB TOTAL	\$775,350.00
GRAND TOTAL					\$893,330.00

Librarian

Table 1: Local Policy on Taxation of Motor Vehicles

Municipality	Form of Taxation
Municipality of Anchorage	State-collected ^a
Bristol Bay Borough	Full and true value ^b
Cordova	Exempt ^c
Craig	Exempt
Dillingham	Exempt
Eagle	Exempt
Fairbanks North Star Borough	Exempt
Haines Borough	Exempt
City and Borough of Juneau	Exempt
Kenai Peninsula Borough	State-collected
Ketchikan Gateway Borough	State-collected
Kodiak Island Borough	State-collected
Matanuska-Susitna Borough	State-collected
Nenana	State-collected
Nome	State-collected
North Slope Borough	Full and true value
Pelican	Exempt
Petersburg	State-collected
Skagway	Exempt
City and Borough of Sitka	Exempt
Unalaska	Exempt
Valdez	Exempt
Whittier	State-collected
Wrangell	Exempt
Yakutat	Exempt

^a Collected by the state on behalf of municipality under AS 28.10.431.

^b Taxed by the municipality at full and true value.

^c Exempt from municipal taxation.

Source: *Alaska Taxable, 1991*

Legislation revising AS 28.10.431, Annual Motor Vehicle Registration Tax, should be approved to more accurately and equitably reflect the value of motor vehicles, make additional local revenues available from this source, and allow for annual adjustments. The revenue received as a result of an adjustment in rates will more than compensate the state for the administration of the program.