

ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672

8783 HOUSE STATE AFFAIRS

1 (ii) determines, using best available data, that the
2 projected costs for the applicant's project in this state would exceed the
3 costs of the project in the competing state, taking into account the
4 probable effect of the competing state's incentive programs based on state,
5 local, private, and federal funds available to the competing state; and

6 (iii) finds that receiving the tax credit is a beneficial
7 factor in the applicant's decision to proceed with the project and not
8 receiving the tax credit will result in the applicant not creating new jobs
9 in the state;

10 (B) the applicant's project will, upon completion, provide a net
11 increase of at least 25 percent in the number of new employees employed by the
12 applicant; or

13 (C) the applicant's project is economically feasible and will, upon
14 completion, benefit the people of the state by increasing opportunities for
15 employment and strengthening the economy of the state, and significantly
16 expands existing facilities in the state;

17 (2) awarding the tax credit will result in a net increase in jobs, in value-
18 added manufacturing or processing industries, or in a net fiscal gain to this state, as
19 certified by the office of management and budget, using the best available data; and

20 (3) the credit is not prohibited by (g) of this section.

21 (d) A person is not entitled to claim the credit provided by this section for jobs
22 that the person relocates from one site in the state to another site in the state.
23 Determinations under this subsection shall be made by the membership of the authority.

24 (e) In negotiating the credit amount that should be awarded, the membership of
25 the authority shall take into consideration the following factors:

- 26 (1) the economy of the area where the proposed investment is to occur;
27 (2) the potential effect on the economy of the state;
28 (3) the magnitude of the cost differential between the state and the
29 competing state;
30 (4) the incremental payroll attributable to the project;
31 (5) the extent to which new or expanded value-added manufacturing or
32 processing will take place;

- 1 (6) the capital investment attributable to the project;
- 2 (7) the amount the average wage paid by the applicant exceeds the
- 3 average wage paid within the area in which the project will be located;
- 4 (8) the costs to the state with respect to the project; and
- 5 (9) the financial assistance that is otherwise provided by the state and the
- 6 municipalities in the affected area.

7 (f) The membership shall determine the amount and duration of a tax credit

8 awarded under this section. The credit amount may not exceed the lesser of

9 (1) the amount of the credit approved under (c) of this section, which

10 credit amount may not exceed five percent of the amount of gross wages payable as

11 compensation for new employees; or

12 (2) 25 percent of the tax due and payable by the taxpayer under this

13 chapter.

14 (g) The membership of the authority shall enter into an agreement with an

15 applicant that is awarded a credit under this section. The agreement must include

16 (1) a detailed description of the project that is the subject of the

17 agreement;

18 (2) the duration of the tax credit and the first taxable year for which the

19 credit may be claimed;

20 (3) the credit amount that will be allowed for each taxable year;

21 (4) a requirement that the taxpayer shall maintain operations at the

22 project location for at least two times the number of years as the term of the tax credit;

23 (5) a specific method for determining the number of new employees

24 employed during a taxable year who are performing jobs not previously performed by

25 an employee;

26 (6) a requirement that the taxpayer shall annually report to the authority

27 the number of new employees who are performing jobs not previously performed by an

28 employee and any other information the membership of the authority needs to perform

29 its duties under this section;

30 (7) a requirement that the membership of the authority is authorized to

31 verify with the appropriate state agencies the amounts reported under (6) of this

32 subsection and after doing so shall issue a certificate of verification to the taxpayer

1 stating that the amounts have been verified;

2 (8) a requirement that the taxpayer shall provide written notification to
3 the authority and the membership of the authority not more than 30 days after the
4 taxpayer makes or receives a proposal that would transfer the taxpayer's state tax liability
5 obligations to a successor taxpayer; and

6 (9) any other performance conditions that the membership of the
7 authority determines are appropriate.

8 (h) A taxpayer claiming a credit under this section shall submit to the department
9 a copy of the certificate of verification under (g) of this section for the taxable year.
10 However, failure to submit a copy of the certificate does not invalidate a claim for a
11 credit.

12 (i) Biennially, the authority shall provide for an evaluation of the tax credit
13 program authorized by this section. The evaluation must include an assessment of the
14 effectiveness of the program in creating new jobs in the state and of the revenue effect
15 of the program, and may include a review of the practices and experiences of other states
16 with similar programs. The membership of the authority shall submit a report on the
17 evaluation to the governor and the legislature.

18 (j) In this section,

19 (1) "credit amount" means the amount agreed to between the membership
20 of the authority and applicant under this section;

21 (2) "full-time employee" means an individual who is employed for
22 consideration for at least 35 hours each week or who renders any other standard of
23 service generally accepted by custom or specified by contract as full-time employment;

24 (3) "new employee"

25 (A) means

26 (i) a full-time employee employed by a taxpayer in the
27 project that is the subject of a tax credit agreement and who is first
28 employed by the taxpayer after the taxpayer enters into the tax credit
29 agreement;

30 (ii) notwithstanding (B)(i) of this paragraph, a new
31 employee who performs a job that was previously performed by an
32 employee who was treated under the agreement as a new employee and

1 was promoted by the taxpayer to another job;

2 (B) does not include

3 (i) an employee of the taxpayer who performs a job that
4 was previously performed by another employee if that job existed for at
5 least six months before hiring the new employee;

6 (ii) an employee of the taxpayer who was previously
7 employed in the state by a related member of the taxpayer and whose
8 employment was shifted to the taxpayer after the taxpayer entered into the
9 tax credit agreement; or

10 (iii) a child, grandchild, parent, or spouse, other than a
11 spouse who is legally separated from the individual, of any individual
12 who is an employee of the taxpayer and who has a direct or an indirect
13 ownership interest of at least five percent in the profits, capital, or value
14 of the taxpayer, as determined in accordance with 26 U.S.C. 1563.

15 * Sec. 3. This Act takes effect January 1, 1996.

HOUSE COMMITTEE REPORT

Date of Committee Action: April 6, 1995

The STATE AFFAIRS Committee considered:

HB 232

HOUSE BILL NO. 232

ECONOMIC DEVELOPMENT TAX CREDIT

"An Act establishing an economic development tax credit; and providing for an effective date."

recommends it be replaced with the following committee substitute CSHB 232 (STA) the same title a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____ APPROVES PREVIOUS: (Dept, Date) _____
 fiscal note(s) _____ fiscal note(s) _____

zero fiscal note(s) Reg, Comm zero fiscal note(s) _____
AIDEA

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>[Signature]</i>	<input checked="" type="checkbox"/>			
<i>[Signature]</i>	<input checked="" type="checkbox"/>			
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CHAIR'S SIGNATURE *[Signature]*

Alaska State Legislature
House of Representatives

COMMITTEE ASSIGNMENTS.

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MILITARY & VETERANS AFFAIRS. CHAIRMAN
COMMUNITY & REGIONAL AFFAIRS
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SESSION:
STATE CAPITOL
JUNEAU, AK 99801-1182
PHONE (907) 465-3777
FAX (907) 465-2819

TO: Representative Jeannette James, Chair
House State Affairs Committee

FROM: Representative Pete Kott

DATE: March 21, 1995

RE: House Bill 232

Please schedule HB 232 for a hearing in the House State Affairs Committee.

This legislation establishes an Economic Development Board in the Department of Commerce & Economic Development. The board has the responsibility of evaluating projects that involve facility expansion and increased employment and, when they meet established criteria, allow a tax credit against future Net Income Tax Liability.

This legislation should result in increased economic activity in Alaska and entice companies who have expansion plans to implement their plans in Alaska.

Thanks in advance for scheduling HB 232 for a hearing.



Representative Pete Kott



Alaska State Legislature
House of Representatives

COMMITTEE ASSIGNMENTS.

LABOR & COMMERCE, CHAIRMAN
MILITARY & VETERANS AFFAIRS, CHAIRMAN
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SPONSOR STATEMENT
HB 232

In the continuing effort to facilitate economic diversity in the State, House Bill 232 establishes the Economic Development Board in the Department of Commerce & Economic Development.

This board, whose membership is comprised of the Commissioner of Commerce, the Director of the Office of Budget & Management, the Commissioner of Revenue and two public members, has the authority to allow net income tax credits to taxpayers whose proposed project meets the criteria established in this legislation.

The legislation also makes provision for monitoring the project and calls on the Board to report on the performance of the program to the legislature.

I encourage your support for this legislation which provides an attractive incentive to foster economic development in the form of expanded business and employment in Alaska.



Representative Pete Kott



Alaska State Legislature House of Representatives

COMMITTEE ASSIGNMENTS

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SECTIONAL ANALYSIS CSHB 232(ECD)

- Sec. 1. - Amends Alaska Net Income Tax section of law defining the economic development tax credit but not allowing its use in conjunction with another tax credit program.
- Sec. 2. - Establishes an Economic Development Board in the Dept. of Commerce & Economic Development and defines its membership. It also establishes the criteria for qualifying for a tax credit and the administration of the program.
- Sec. 3. - Establishes the effective date of the act as January 1, 1996.



Representative Pete Kott



FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. HB 232

Revision Date: March 20, 1995
 Title: "An Act establishing an economic development tax credit; and providing for an effective date."
 Sponsor: Representative Kott
 Requestor: Representative Kott

Department: Commerce and Economic Development
 BRU: Economic Development
 Component: Economic Development
 COMPONENT SERIAL NO. 801

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL	5.0	5.0	5.0	5.0	5.0	5.0
CONTRACTUAL	25.0	25.0	25.0	25.0	25.0	25.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	30.0	30.0	30.0	30.0	30.0	30.0

CAPITAL EXPENDITURES	
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CHANGE IN REVENUES	
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FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 General Fund	30.0	30.0	30.0	30.0	30.0	30.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	30.0	30.0	30.0	30.0	30.0	30.0

Estimate of any current year (FY 95) cost: \$ 0.0

POSITIONS						
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This fiscal note includes \$5.0 in travel costs for the members of the Economic Development Board, \$5.0 in contractual services for public notices and board meeting costs, and \$20.0 in contractual services for economic and financial analyses of requests which come before the board.

Prepared by: William G. Paulick, Industrial Developer Phone: 465-3961
 Division: Economic Development Date: 3/20/95
 Approved by Commissioner: William L. Hensley Date: 3/20/95
 Agency: Commerce and Economic Development

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STATE OF ALASKA
 1995 LEGISLATIVE SESSION

FISCAL NOTE

BILL NOTE: HB 232

Revision Date: 3/20/95

Dept. Affected: Revenue

Title: Economic Development Tax Credit

BRU: Audit Operations

Component: Income and Excise Audit

Sponsor: Rep. Kott

Requestor: (H) ECD

COMPONENT SERIAL NO.

113

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	18.3	18.3	18.3	18.3	18.3	18.3
TRAVEL	1.0	1.0	1.0	1.0	1.0	1.0
CONTRACTUAL SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	19.3	19.3	19.3	19.3	19.3	19.3

CAPITAL

REVENUE FUND SOURCE: GF

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	19.3	19.3	19.3	19.3	19.3	19.3
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	19.3	19.3	19.3	19.3	19.3	19.3

POSITIONS:

FULL-TIME	0.25	0.25	0.25	0.25	0.25	0.25
PART-TIME						
TEMPORARY						

Estimate of current (FY96) Impact \$

0.0

ANALYSIS: (Attach a separate page if necessary)

(See Attached Analysis)

Prepared by: Robert N. Bartholomew, Deputy Director

Phone: 466-2320

Division: Income and Excise Audit

Date: 3/20/95

Approved by Commissioner: [Signature]

Date: 3/20/95

Agency: Department of Revenue

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Fiscal Note Analysis - Revised 3/20/95
HB 232 - Economic Development Tax Credit
Page 2 of 2

FISCAL ANALYSIS

Maximum Credit

The EDB determines the amount and duration of the credit to be awarded. A credit is not allowed for jobs that the taxpayer relocates from one site in the state to another site in the state. The credit may not exceed the lesser of 5% of the amount of gross wages payable as compensation to new employees or 25% of the tax due by the taxpayer under AS 44.20 (see technical correction below). The credit is in addition to all other credits that may be allowed under the corporation income tax provisions. The credit may be claimed for up to 10 consecutive taxable years after approval.

If Revenue determines that a taxpayer is not complying with the requirements of the agreement, a notice and hearing must be provided after which an enforcement action under AS 43.10 may be brought.

Operating Costs

In order to effectively implement this new program, considerable time and resources of impacted agencies would be needed for board activities and staff time to fulfill new requirements. Department of Revenue estimates the increase in operating costs to be \$19,250 which includes personal service costs of \$18,250. This work cannot be absorbed by existing staff during a time of continued budget reductions.

State Revenue Impact

Department of Revenue is unable to determine revenue impacts of this bill because it is not feasible to estimate the magnitude of projects eligible for credits under this bill and volume of applications that the EDB would receive for the credit.

Potential Legal Concerns

The United States Supreme Court has recently reaffirmed the fundamental principle that broad based taxes coupled with narrowly focused credits or exemptions favoring local interests offends the negative Commerce Clause of the United States Constitution. Thus, a tax credit targeted to a specific in-state activity, i.e. investment in an economic development project in Alaska, may be very vulnerable to a constitutional challenge.

Technical Correction

Page 4, lines 19 and 20 should be changed to replace "this chapter" with "AS 43.20" as there are no taxes due under AS 44.33.

HB 232 - 9-LS0323\O
AMENDMENTS

#1

- Pg. 2, Ln. 28: Following "membership"
Insert "of the authority"
- Pg. 3, Ln. 6: Delete "[major]"
Insert "beneficial"
- Pg. 3, Ln. 12: Delete "[sound]"
Insert "feasible"
- Pg. 3, Ln. 22: Following "membership"
Insert "of the authority"
- Pg. 3, Ln. 23: Following "the" and prior to "authority"
Insert "membership of the"
- Pg. 3, Ln. 25: Delete "[projected]"
Insert "proposed"
- Pg. 4, Ln. 13: Following "membership"
Insert "of the authority"
- Pg. 4, Ln. 27: Following "membership"
Insert "of the authority"
- Pg. 4, Ln. 29: Following "membership"
Insert "of the authority"
- Pg. 5, Ln. 2: Following "membership"
Insert "of the authority"
- Pg. 5, Ln. 5: Following "membership"
Insert "of the authority"
- Pg. 5, Ln. 15: Following "membership"
Insert "of the authority"
- Pg. 5, Ln. 18: Following "membership"
Insert "of the authority"

HB 232 - 9-LS0323\0
AMENDMENTS

For Jack Chenoweth
From Sam Griswold
Rm 102 #3743

Attn. Karen

2029

- Pg. 2, Ln. 28: Following "membership"
Insert "of the authority"
- Pg. 3, Ln. 6: Delete "[major]"
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- Pg. 4, Ln. 29: Following "membership"
Insert "of the authority"
- Pg. 5, Ln. 2: Following "membership"
Insert "of the authority"
- Pg. 5, Ln. 5: Following "membership"
Insert "of the authority"
- Pg. 5, Ln. 15: Following "membership"
Insert "of the authority"
- Pg. 5, Ln. 18: Following "membership"
Insert "of the authority"

9-LS0323VO ✓
Chenoweth
4/6/95

CS FOR HOUSE BILL NO. 232()

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVE KOTT

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing an economic development tax credit; and providing for an
2 effective date."

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

4 * Section 1. AS 43.20 is amended by adding a new section to read:

5 Sec. 43.20.043. ECONOMIC DEVELOPMENT TAX CREDIT. (a) Subject to
6 the conditions set out in this section, and in addition to any other credit authorized to the
7 taxpayer by this chapter, a taxpayer may apply as a credit against the state tax liability
8 that may be imposed on the taxpayer under this chapter for a taxable year after
9 December 31, 1995, the amount approved as a credit by the Alaska Industrial
10 Development and Export Authority under AS 44.88.088 for that taxable year.

11 (b) The credit allowed by this section may not

12 (1) exceed the amount approved as a credit by the Alaska Industrial
13 Development and Export Authority under AS 44.88.088;

14 (2) be awarded for more than 10 consecutive taxable years after approval;

1 and

2 (3) be used in a tax year by a taxpayer in conjunction with any other tax
3 credit program.

4 (c) If the commissioner determines that a taxpayer who has received a credit
5 under this section is not complying with the requirements of the tax credit agreement or
6 all of the provisions of this section and AS 44.88.088, the commissioner shall, after
7 giving the taxpayer an opportunity to explain the noncompliance, begin an enforcement
8 action against the taxpayer under AS 43.10.

9 (d) On or before March 31 each year, the commissioner shall submit a report to
10 the Alaska Industrial Development and Export Authority on the tax credit program under
11 this section. The report must include information on the number of agreements that were
12 entered into under AS 44.88.088 during the preceding calendar year, a description of the
13 project that is the subject of each agreement, a summary of the status of projects under
14 agreements entered into before the preceding calendar year, and the sum of the credits
15 awarded under this section.

16 * Sec. 2. AS 44.88 is amended by adding a new section to article 3 to read:

17 Sec. 44.88.088. ECONOMIC DEVELOPMENT TAX CREDIT. (a) The
18 membership of the authority may make economic development tax credit awards under
19 this section to foster job creation or to expand value-added manufacturing or processing
20 industries in the state. The credit may only be claimed for the taxable years specified
21 in the taxpayer's tax credit agreement and may not be applied retrospectively.

22 (b) A person that proposes a project to create new jobs or to expand value-added
23 manufacturing or processing industries in the state may apply to the authority to enter
24 into an agreement for a tax credit under this section. The authority shall prescribe the
25 form of the application.

26 (c) After receipt of an application, the authority shall negotiate with the applicant
27 and may enter into an agreement with the applicant for a credit under this section if the
28 membership determines that

29 (1) the applicant's project satisfies at least one of the following:

30 (A) the authority

31 (i) verifies that at least one other state is being considered
32 for the project;

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(ii) determines, using best available data, that the projected costs for the applicant's project in this state would exceed the costs of the project in the competing state, taking into account the probable effect of the competing state's incentive programs based on state, local, private, and federal funds available to the competing state; and

(iii) finds that receiving the tax credit is a major factor in the applicant's decision to proceed with the project and not receiving the tax credit will result in the applicant not creating new jobs in the state;

(B) the applicant's project will, upon completion, provide a net increase of at least 25 percent in the number of new employees employed by the applicant; or

(C) the applicant's project is economically sound and will, upon completion, benefit the people of the state by increasing opportunities for employment and strengthening the economy of the state, and significantly expands existing facilities in the state;

(2) awarding the tax credit will result in a net increase in jobs, in value-added manufacturing or processing industries, or in a net fiscal gain to this state, as certified by the office of management and budget, using the best available data; and

(3) the credit is not prohibited by (g) of this section.

(d) A person is not entitled to claim the credit provided by this section for jobs that the person relocates from one site in the state to another site in the state. Determinations under this subsection shall be made by the membership.

(e) In negotiating the credit amount that should be awarded, the authority shall take into consideration the following factors:

(1) the economy of the area where the projected investment is to occur;

(2) the potential effect on the economy of the state;

(3) the magnitude of the cost differential between the state and the competing state;

(4) the incremental payroll attributable to the project;

(5) the extent to which new or expanded value-added manufacturing or processing will take place;

(6) the capital investment attributable to the project;

1 (7) the amount the average wage paid by the applicant exceeds the
2 average wage paid within the area in which the project will be located;

3 (8) the costs to the state with respect to the project; and

4 (9) the financial assistance that is otherwise provided by the state and the
5 municipalities in the affected area.

6 (f) The membership shall determine the amount and duration of a tax credit
7 awarded under this section. The credit amount may not exceed the lesser of

8 (1) the amount of the credit approved under (c) of this section, which
9 credit amount may not exceed five percent of the amount of gross wages payable as
10 compensation for new employees; or

11 (2) 25 percent of the tax due and payable by the taxpayer under this
12 chapter.

13 (g) The membership shall enter into an agreement with an applicant that is
14 awarded a credit under this section. The agreement must include

15 (1) a detailed description of the project that is the subject of the
16 agreement;

17 (2) the duration of the tax credit and the first taxable year for which the
18 credit may be claimed;

19 (3) the credit amount that will be allowed for each taxable year;

20 (4) a requirement that the taxpayer shall maintain operations at the
21 project location for at least two times the number of years as the term of the tax credit;

22 (5) a specific method for determining the number of new employees
23 employed during a taxable year who are performing jobs not previously performed by
24 an employee;

25 (6) a requirement that the taxpayer shall annually report to the authority
26 the number of new employees who are performing jobs not previously performed by an
27 employee and any other information the membership needs to perform its duties under
28 this section;

29 (7) a requirement that the membership is authorized to verify with the
30 appropriate state agencies the amounts reported under (6) of this subsection and after
31 doing so shall issue a certificate of verification to the taxpayer stating that the amounts
32 have been verified;

1 (8) a requirement that the taxpayer shall provide written notification to
2 the authority and the membership not more than 30 days after the taxpayer makes or
3 receives a proposal that would transfer the taxpayer's state tax liability obligations to a
4 successor taxpayer; and

5 (9) any other performance conditions that the membership determines are
6 appropriate.

7 (h) A taxpayer claiming a credit under this section shall submit to the department
8 a copy of the certificate of verification under (g) of this section for the taxable year.
9 However, failure to submit a copy of the certificate does not invalidate a claim for a
10 credit.

11 (i) Biennially, the authority shall provide for an evaluation of the tax credit
12 program authorized by this section. The evaluation must include an assessment of the
13 effectiveness of the program in creating new jobs in the state and of the revenue effect
14 of the program, and may include a review of the practices and experiences of other states
15 with similar programs. The membership shall submit a report on the evaluation to the
16 governor and the legislature.

17 (j) In this section,

18 (1) "credit amount" means the amount agreed to between the membership
19 and applicant under this section;

20 (2) "full-time employee" means an individual who is employed for
21 consideration for at least 35 hours each week or who renders any other standard of
22 service generally accepted by custom or specified by contract as full-time employment;

23 (3) "new employee"

24 (A) means

25 (i) a full-time employee employed by a taxpayer in the
26 project that is the subject of a tax credit agreement and who is first
27 employed by the taxpayer after the taxpayer enters into the tax credit
28 agreement;

29 (ii) notwithstanding (B)(i) of this paragraph, a new
30 employee who performs a job that was previously performed by an
31 employee who was treated under the agreement as a new employee and
32 was promoted by the taxpayer to another job;

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(B) does not include

(i) an employee of the taxpayer who performs a job that was previously performed by another employee if that job existed for at least six months before hiring the new employee;

(ii) an employee of the taxpayer who was previously employed in the state by a related member of the taxpayer and whose employment was shifted to the taxpayer after the taxpayer entered into the tax credit agreement; or

(iii) a child, grandchild, parent, or spouse, other than a spouse who is legally separated from the individual, of any individual who is an employee of the taxpayer and who has a direct or an indirect ownership interest of at least five percent in the profits, capital, or value of the taxpayer, as determined in accordance with 26 U.S.C. 1563.

* Sec. 3. This Act takes effect January 1, 1996.

HB

234

TONY KNOWLES
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

P O Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500
Fax (907) 465-3532

March 6, 1995

The Honorable Gail Phillips
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Speaker Phillips:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to administrative adjudication under the Administrative Procedure Act (APA).

This bill would make changes to the APA in order to streamline, and cut costs of, administrative adjudication. Technical amendments to the affected sections are also made in the bill for clarification and simplification. The changes made in this bill will assist in reducing costs and providing more clarity to participants in administrative adjudications.

Sections 1, 2, and 9 of the bill allow the use of certified, rather than registered mail. The latter is more expensive and provides no better notice than the former. Registered mail costs \$2 more than certified, and is metal-tagged to allow for easier tracing if it is lost in transit; it is more appropriately used when the actual contents of the mail are valuable or irreplaceable. Section 1 of the bill also provides for service of a statement of issues by mailing to the last address provided by the applicant.

Under existing AS 44.62.410(a), the place of a hearing is determined by the senate districts as they existed in 1959 (i.e., Southeastern Senate District). In a note following that statute, the revisor of statutes has noted that those old senate districts are somewhat similar to the boundaries of judicial districts established under AS 22.10.010. Section 3 of the bill amends AS 44.62.410(a) to change the terminology to instead refer to the comparable judicial district.

Section 4 of the bill provides for routine telephonic participation in hearings. Current law gives any party veto power over telephonic hearings. In this electronic age, telephonic

participation should be routinely allowed absent some due process reason compelling personal attendance. This change will allow substantial savings to the state and respondents.

In sec. 5 of the bill, reimbursement for witness subsistence expenses is raised from \$15 a day, set in 1959, to the compensation amount paid to state employees. The new rate was chosen because court rules for witness travel compensation require compensation at "the rate allowed state employees." In sec. 5, the source of that rate is identified. Sections 5 and 6 of the bill contain technical changes to make other witness fee provisions of AS 44.62.430 more understandable.

Section 7 of the bill provides express authorization for discovery. Presently, the APA provides a limited and cumbersome process for taking depositions, and no other discovery is authorized.

Section 8 of the bill provides an express statement of the burden and standard of proof. A consistent standard is needed because hearing officers are now assigning varying standards of proof: either the "preponderance of the evidence" standard or the "clear and convincing evidence" standard. The "preponderance of the evidence" standard is the most appropriate. In Amerada Hess Pipeline v. Alaska Public Utilities Commission, 711 P.2d 1170, 1179 n.14 (Alaska 1986), the Alaska Supreme Court held that "[a] party in an administrative proceeding can assume that preponderance of the evidence is the standard of proof unless otherwise stated."

The "clear and convincing" standard of proof is rarely used by the Alaska courts. At common law, this higher standard was used in cases involving fraud; oral contracts to make a will; specific performance on an oral contract; and proceedings to modify written transactions. However, Alaska has departed from the common law so that no more than a preponderance of the evidence is necessary to establish fraud. Dairy Queen v. Travelers Indemnity, 748 P.2d 1169 (Alaska 1988); Gabaig v. Gabaig, 717 P.2d 835, 839 n. 4 (Alaska 1986); Saxton v. Harris, 395 P.2d 71, 72 (Alaska 1964). In Cavanah v. Martin, 590 P.2d 41 (Alaska 1979), the court reversed a lower court decision that required clear and convincing proof of a claim against an estate, holding that such claims need only be proved by a preponderance of the evidence.

A judicial determination to waive children's court jurisdiction over a juvenile, and to subject the juvenile to adult criminal court jurisdiction, is based on a preponderance of the evidence standard of proof. W.M.F. v. State, 723 P.2d 1298 (Alaska 1986). In Avery v. State, the court held that the use of a preponderance standard was appropriate in a parole revocation hearing. 616 P.2d 872, 874 (Alaska 1980). In order to adjudicate a child as a

The Honorable Gail Phillips
Page 3

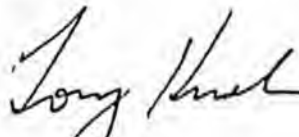
child in need of aid (which generally results in state custody over the child for a period of years), the preponderance standard applies. Children's Rule 15(c). The clear and convincing standard does not apply unless the court is also terminating parental rights.
Id.

The Alaska Supreme Court has held that the use of the preponderance standard, rather than the clear and convincing standard was proper in attorney discipline cases. In re Walton, 676 P.2d 1078, 1085 n. 11 (Alaska 1983); In re Robson, 575 P.2d 771 (Alaska 1978); cf. In re Hanson, 532 P.2d 303 (Alaska 1975) ("clear and convincing" standard applied to judicial discipline case).

Section 10 of the bill clarifies the time period for requesting reconsideration of an agency decision. Some respondents (including those represented by attorneys) have viewed AS 44.62.540(a) as allowing a full 30 days to file a petition for reconsideration, giving no time for the agency to review the petition and determine whether to order reconsideration. The amended language will clearly inform a respondent of the limited time in which he or she may file a petition for reconsideration. The amended language was taken from comparable court rules. See Civil Rule 77(k) and App. Rule 506(b).

I urge your favorable action on this bill.

Sincerely,



Tony Knowles
Governor

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. _____

Revision Date: _____ Dept. Affected: Department of Law
 Title: "An Act relating to administrative adjudication
under the Administrative Procedure Act." BRU: Legal Services
 Sponsor: Rules by Request of the Governor Component: Operations
 Requester: Governor's Office/OMB COMPONENT SERIAL NO. 0093

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (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	0.0	0.0	0.0

Estimate of any current year (FY95) cost: \$ 0093

POSITIONS

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This bill would make changes to the Administrative Procedure Act (APA) in order to streamline, and cut costs of, administrative adjudication. Technical amendments to the affected sections are also made in the bill for clarification and simplification. The changes made in this bill will assist in reducing costs and providing more clarity to participants in administrative adjudications.

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Prepared by: Richard I. Pegues, Director Phone: 465-3672
 Division: Administrative Services Division Date: 2/23/95
 Approved by Commissioner: Bruce M. Botelho, Attorney General Date: 2/23/95
 Agency: Department of Law

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FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO.

ANALYSIS CONTINUATION:

to the comparable judicial district.

Section 4 of the bill provides for routine telephonic participation in hearings. Current law gives any party veto power over telephonic hearings. In this electronic age, telephonic participation should be routinely allowed absent some due process reason compelling personal attendance. This change will allow substantial savings to the state and respondents.

Sections 5 and 6 of the bill contain technical changes to make the witness fee provisions of AS 44.62.430 more understandable. For example, AS 44.62.430(c)(1) authorizes "fees," but does not state how to calculate the amount. The statute taken as a whole indicates an intention to use the court fee structure. Existing AS 44.62.430(c)(2), relating to travel expenses, is amended by sec. 5 of the bill to directly refer the reader to the state reimbursement rates used for the majority of state employees.

Section 7 of the bill provides express authorization for discovery. Presently, the APA provides a limited and cumbersome process for taking depositions, and no other discovery is authorized.

Section 8 of the bill provides an express statement of the burden and standard of proof. A consistent standard is needed because hearing officers are now assigning varying standards of proof: either the "preponderance of the evidence" standard or the "clear and convincing evidence" standard. The "preponderance of the evidence" standard is the most appropriate. In Amerada Hess Pipeline v. Alaska Public Utilities Commission, 711 P.2d 1170, 1179 n.14 (Alaska 1986), the Alaska Supreme Court held that "[a] party in an administrative proceeding can assume that preponderance of the evidence is the standard of proof unless otherwise stated."

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The changes included in the bill will reduce costs for state agencies and the public, and clarify and simplify certain sections of the APA. In an era of rising costs and falling revenues this is an important improvement in how the state conducts its business. To the extent that the Department of Law represents state agencies in administrative adjudications the bill will help contain the department's costs.

03/18/95 11:26:56 LEGISLATIVE TELECONFERENCE NETWORK SYSTEM
MESSAGE FROM: LIOCJAS IN ANCHORAGE

LTN1120
JNU

RE TCN: 50419 SCHEDULED FOR: 03/18/95 10:00 TO 12:00
SPONSOR: HOUSE STATE AFFAIRS PURPOSE: PUBLIC HEARING

MESSAGE TEXT: THERESA WILLIAMS IS ON FOR HB 234.

HB

239

HOUSE COMMITTEE REPORT

(7)

Date Referred: March 8, 1995

FURTHER REFERRALS:

Date of Committee Action: March 23, 1995

The STATE AFFAIRS Committee considered:

HB 239

HOUSE BILL NO. 239

DRAGONFLY AS STATE INSECT

"An Act declaring the dragonfly as the official state insect."

recommends it be replaced with the following committee substitute CS HB 239 (STA) the same title a new title

additional referral to _____ Committee

attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____

APPROVES PREVIOUS: (Dept/Date) _____

fiscal note(s) _____

fiscal note(s) _____

zero fiscal note(s) _____

zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Jeannette James</i>	✓			
<i>Brian P. Fortge</i>	✓			
<i>Joseph R. [unclear]</i>	✓			
<i>Carol K. Robinson</i>	✓			
<i>Ed Willis</i>	✓			
<i>Dale D. [unclear]</i>	✓			

CHAIR'S SIGNATURE *Jeannette James*

9-LS0861C
Bannister
3/17/95

CS FOR HOUSE BILL NO. 239(STA)
IN THE LEGISLATURE OF THE STATE OF ALASKA
NINETEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVE NICHOLIA

A BILL

FOR AN ACT ENTITLED

1 "An Act declaring the four spot skimmer dragonfly as the official state insect."

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 * Section 1. AS 44.09 is amended by adding a new section to read:

4 Sec. 44.09.130. STATE INSECT. The four spot skimmer dragonfly is the
5 official state insect.

House District 36

Alatna
Alcan
Alkaskag
Aniak
Anvik
Arctic Village
Beaver
Betles
Birch Creek
Canyon Village
Central
Chalkyitsik
Chicken
Chistochina
Chitina
Chuathbaluk
Circle
Circle Hot Springs
Coldfoot
Copper Center
Copperville
Crooked Creek
Dot Lake
Dry Creek
Eagle
Eagle Village
Evansville
Fort Yukon
Gakona
Galena
Grayling
Gulkana
Healy Lake
Holy Cross
Hughes
Huslia
Kaltag
Koyukuk
Livengood
Lake Minchumina
Lower Kalskag
Manley
Marshall
McCarthy
McGrath
Medfra
Mentasta
Minto
Nabesna
Nenana
Nikolai
Northway
Nulato
Pilot Station
Rampart
Red Devil
Ruby
Russian Mission
Shageluk
Slana
Sleetmote
Stevens Village
Stony River
Takotna
Tanacross
Tanana
Telida
Tetlin
Tok
Tuluksak
Tyonek
Upper Kalskag
Venetie
Wiseman

Representative Irene K. Nicholia

State Capitol • Juneau, Alaska 99801
Phone: 465-4527 FAX: 465-2294

Resources
Community and Regional Affairs
International Trade and Tourism

MEMORANDUM

TO: Representative Jeannette James, Chair
House State Affairs Committee

FROM: Representative Irene Nicholia *Irene*

DATE: March 13, 1995

RE: Scheduling of HB 239

I would like to request a hearing on House Bill 239, declaring the dragonfly as the official state insect, in the House State Affairs Committee.

This project began in 1992 as an inquiry into the legislative process. The group of students from Aniak, Alaska have put in a great deal of time and effort into nominating, polling, and tallying the results from students across the state. The final step in this process is lobbying for legislative approval.

This team of junior lobbyists has been working diligently to raise enough funds to come to Juneau during the week of April 10th. I am sure they would appreciate being able to observe the House State Affairs Committee deliberate this issue. Please take this time frame into consideration when scheduling HB 239.

Thank you.

- Alatna
- Alcan
- Alakaket
- Aniak
- Anvik
- Arctic Village
- Beaver
- Bettles
- Birch Creek
- Canyon Village
- Central
- Chalkyitsik
- Chicken
- Chistochina
- Chitina
- Chuathbaluk
- Circle
- Circle Hot Springs
- Coldfoot
- Copper Center
- Copperville
- Cracked Creek
- Dot Lake
- Dry Creek
- Eagle
- Eagle Village
- Evansville
- Fort Yukon
- Gakona
- Galena
- Grayling
- Gulkana
- Healy Lake
- Holy Cross
- Hughes
- Hustla
- Katag
- Koyukuk
- Lime Village
- Livengood
- Lake Minchumina
- Lower Kalskag
- Manley
- Marshall
- McCarthy
- McGrath
- Medfra
- Mentasta
- Minto
- Nabesna
- Nenana
- Nikolai
- Northway
- Nulato
- Pilot Station
- Rampart
- Red Devil
- Ruby
- Russian Mission
- Shageluk
- Slana
- Sleetmute
- Stevens Village
- Stony River
- Takotna
- Tanacross
- Tanana
- Telida
- Tetlin
- Tok
- Tulksak
- Tyonek
- Upper Kalskag
- Venette
- Wiseman

Representative Irene K. Nicholia

State Capitol • Juneau, Alaska 99801
Phone: 465-4527 FAX: 465-2294

House Bill 239

*Resources
Community and Regional Affairs
International Trade and Tourism*

SPONSOR STATEMENT

House Bill 239 amends AS 44.09 to designate the dragonfly as the official state insect. This suggestion was first brought to the attention of the legislature by a group of students from Aniak, Alaska.

The students from Auntie Mary Nicoli Elementary School began requesting nominations for the official state insect in 1992. Along with the nomination for the dragonfly--sponsored by both the Auntie Mary Nicoli students and the students at Marie Drake School in Juneau--were nominations for the Unmarked Slender Mosquito, the Mourning Cloak Butterfly, and the Bumble Bee. When the nomination process had come to a close, ballots were sent to every public school in the state. The results of the election were as follows:

- Four Spot Skimmer Dragonfly--3941 votes
- Unmarked Slender Mosquito--3073 votes
- Mourning Cloak Butterfly--2990 votes
- Bumble Bee--1492 votes

Thus, the Four Spot Skimmer Dragonfly won the nomination with an 868 vote margin.

Many Alaskans may feel that the mosquito would be a more appropriate candidate for state insect, given the overwhelmingly large population of mosquitos that inhabits our state during the summer months. However, upon further consideration of the matter, the dragonfly seems a more logical choice. First, the Four Spot Skimmer Dragonfly is one of the many predators of the mosquito--those of us who have spent many hours in the Alaskan wilderness can appreciate the importance of this fact. Not only does the dragonfly help with the population control of the states most annoying pest, it is one of the largest insects in this, the largest state. Third, the dragonfly's ability to hover and fly forward and backward reminds us of the skillful maneuvering of the bush pilots in Alaska. Last of all, two large compound eyes allow the dragonfly to reflect the many facets of Alaskan life and the diversity that exists within our state.

All of these factors make the dragonfly the most appropriate candidate for the category of official state insect. Please consider the recommendation of our young people and vote the Four Spot Skimmer Dragonfly into this most worthy position.

I strongly urge you to support this measure.

Voice of The Times

Dragonfly will make a nifty state bug

By PAUL JENKINS

Ya gotta hate it when a pesky liberal does something right. It ain't natural. The bug deal kicking around in the Senate Resources Committee. At first, it appeared Sen. Georgianna Lincoln was just begging for trouble when she introduced SB97, a measure to make a dragonfly the state insect.

There's tort reform to worry about. There's the looming fiscal crisis. If that's not enough, there's the term limits fracas. And Ms. Lincoln, a Democrat from Rampart, wants to waste time on adopting a state insect? This is the best Democrats can do? A bug bill?

Then, ya find out she's doing it because something like 11,496 school kids from all over Alaska voted to make the four spot skimmer dragonfly the state's official insect. Through oversight or design, Alaska at present finds itself without an official bug, unless you count the

Anchorage Daily News: I submit that no state worth a hoot should be without a real bug on its roster of official stuff. Several states lists grasses, dogs, horses, even nuts. Arizona even has official neckwear, the bolo tie. The only things Alaska can pony up for a list is a flower, a tree, a bird, a song, a gem, a marine mammal, a fossil, a mineral and a sport. But no bug. It ain't respectable.



Jenkins

Apparently, kids in schools across the state thought so, too. During a special election that started in 1992, kids sent their votes for a state bug to the Auntie Mary Nicoli Elementary School in Aniak for tabulation. The Aniak school and the Auke Bay School in Juneau nominated the four spot skimmer dragonfly that eventually tallied 3,941 votes. The unmarked slender mosquito, received 3,073; the mourning cloak butterfly, 2,990, and the bumblebee, 1,492.

Frankly, I'd have gone with the mosquito, which lost by a lousy 868 votes. There, probably ought to be an Alaska Public Offices Commission investigation or a recount supervised by the Division of Elections, like every other election in this state. But, hey, the kids apparently wanted the results sometime this year and without the ensuing lawsuits.



In the long run, I suppose, the dragonfly should work out well as a state insect. It can hover, then move forward and backwards, like a lot of our politicians. Additionally, it's strong. It's fast. It's a hunter. It's capable of amazing aerobatics. And it eats mosquitoes. Anything that eats mosquitoes is good. Of course, anything that eats more mosquitoes is even better.

The kids at Aniak sent the vote tallies along to Lincoln, who introduced her legislation in the Senate. They say they hope the bill will "fly" through the Legislature. The Aniak kids, fifth- through eighth-graders calling themselves the Dragonfly Lobby Team, have raised money to visit Juneau in early April, when the measure is scheduled to come up.

And it should pass. Lawmakers should put aside their partisan differences and do the right thing, or risk ticking off herds of kids with fax machines, telephones and computers. Besides, Alaska needs to take its rightful place among sovereign states with official bugs. We will be the only state with a dragonfly. We will have a bug and Texas won't. And we will be the first state to adopt an official bug in the 1990s.

To date, there are something like 17 states with official insects. Most of their bugs, I gotta tell ya, are wimpy. Of the 17, 13 went with honeybees or ladybugs, showing a certain lack of imagination even

if honeybees and ladybugs do good work. Arkansas, Mississippi, Missouri, Nebraska, New Jersey, North Carolina, South Dakota, Vermont and Wisconsin all went with the honeybee. All adopted the bee between 1973 and 1985, indicating more than a decade of hard lobbying by bee lovers. And, for the record, Utah's state emblem is a beehive.

Delaware, Massachusetts, New York and Ohio went with the ladybug, and they all did it between 1974 and 1989. Connecticut picked the praying mantis in 1977; Illinois, the monarch butterfly in 1975; and Maryland, the Baltimore checkspot butterfly in 1973.

Then, there's New Mexico, where men are men and the official vegetable is chili and frijol. I'm not kidding. The official cookie, by the way, is something called a bizcochito. Its official bug is the Tarantula Hawk Wasp, adopted in 1989. Impressive. I don't know what these critters do, but, just based on the name, I believe I'd buy one a bizcochito and call it "sir" if I got close.

That aside, when Lincoln's bug bill is a done deal, kids all over the state who took part in the voting will see that people, working together actually can make something happen.

And all in all, even if they passed over the venerable mosquito, that ain't so bad.

Paul Jenkins is an editor of The Anchorage Times.

DRAGONFLY LOBBY TEAM
Auntie Mary Nicoli Elementary School
P.O. Box 26
Aniak, AK 99557

Representative Irene Nicholia
State Capital
Juneau, AK 99801-1182

Dear Representative Nicholia:

We are the members of the Dragonfly Lobby Team from Aniak, Alaska. There are eight students on our team, ranging from fifth to eighth grades. Our insect team coach is Ruth Bradford and our science teacher is Larry Bradford. We have worked on this project, along with many other students, since 1992 when we requested nominations, to the present, in our quest for an official state insect for Alaska. As you can see from the enclosed information, we were as busy as mosquitoes, and as determined as dragonflies to work out every detail. Now that the votes are in, we are asking your help in bringing the Four Spot Dragonfly before the State Congress for a vote.

The eight members of our lobby team, coach, and chaperone are planning a trip to Juneau in April or May to lobby for the proposed dragonfly. The members of the team have earned money to pay for the trip and are looking forward to seeing our legislators at work. It is our hope that we could present our proposal to a committee, or watch as it is presented on the floor. We need your help in determining a realistic timeline.

We sincerely appreciate your support.

Sincerely yours;

Ruth Bradford
Ruth Bradford, DLT Coach
Larry Bradford
Larry Bradford, Science Teacher

Melanie Mattes, *Dana Siehl*, *Claudia Aluia, Chaperone*, *Andreas Fursty*,
Bruce Clift, *Derek Aluia*, *Rachael Brooks*,
DeeDee Bush, *Rainy Dink*

enc: Adopt A State Insect
Student comments
cc: Senator Georgeanna Lincoln
Representative Gene Kubina

Let's Adopt A State Insect!

Have you ever been walking beside a stream or lake and had a streamlined, olive and yellow creature dart up to you, pause in mid-air checking you out with its bulgy eyes, then go into reverse and disappear into the willows? What was it? A miniature helicopter? No. A science fiction character? No. The answer is the Four Spot Skimmer Dragonfly, the insect that 3,941 students in schools from the Aleutians to the North Slope voted as their choice to become the official state insect of Alaska. The dragonfly was nominated by Auntie Mary Nicoli Elementary School in Aniak and Auke Bay School in Juneau in the spring of 1993.

Ballots were sent to every public school in the state and the votes came pouring in during the school year of 1993-94. The students of Auntie Mary Nicoli Elementary School counted and tallied the votes, locating each responding school on a map of Alaska and marking the town or village with a dot. The vote was:

Four Spot Skimmer Dragonfly- 3941

Unmarked Slender Mosquito- 3073

Mourning Cloak Butterfly- 2990

Bumble Bee- 1492

Election results showed that students in city schools tended to vote for the mosquito, perhaps because people in urban areas are more impressed by the importance of the mosquito in the food chain, and are not bothered by the pests as much as those living in rural areas. Elementary, junior high, and high school students voted decidedly with a margin of 868 votes for the dragonfly, which preys upon the pesky mosquito. The election returns reflect enthusiastic participation by students all over the state.

The Four Spot Skimmer Dragonfly is an excellent choice for the largest state in America. Its four membranous wings span 2 and 3/4 to 3 and 1/8 inches. It has the ability to hover and fly forward and backward, just like the helicopters that maneuver in and out of otherwise inaccessible areas of bush Alaska.

The body of the Four Spot Skimmer Dragonfly is olive brown with a yellow stripe on each side and a yellow stripe on the leading edge of each wing. The colors represent the long nights of Alaskan winters. The yellow stripes are like the searching headlights of vehicles, and the sure promise of the returning sun over the spring horizon. The face is yellow with two large compound eyes, with which the dragonfly sees kaleidoscopic images, reminding us of the many facets of Alaskan history and culture. From the beginning of its life, the dragonfly is a symbol of strength. The male guards the female from other males while the female rests on a twig or leaf then drops her eggs one at a time into or close to the water. The larvae prey upon water insects, tadpoles, or even small fish. They make lightning fast jabs with their lower lip in order to enjoy a tasty meal.

According to Dr. Mark Oswood, Professor of Aquatic Biology at the University of Alaska, Fairbanks, "The dragonfly is an elegant organism. Its beauty puts it right in there with butterflies. It is an incredible aerial acrobat. It probably lives more than one year in the larvae stage and spends the winter in the frozen mud. It emerges as an adult during the second summer."

The fact that adult dragonflies have chewing mouth parts and feed on other flying insects like mosquitoes is perhaps the main reason for the dragonfly's victory over the Slender Unmarked Mosquito. It is a born hunter, a true Alaskan.

No matter how large or small the village or city or the geographical location of the school, students found a new interest in the importance of insects to life as it is in Alaska. They campaigned in their schools, studied the pros and cons of each nominee, and carried out the democratic process by expressing their choice with a vote. 11,496 students across the state are now waiting to see the final result of that election. It is now up to our legislators: Senator Georgeanna Lincoln, Representative Irene Nicholia, and Representative Gene Kubina to present the bill in the House and Senate.

Eight students have been chosen to go to Juneau in April to lobby for the Four Spot Skimmer Dragonfly. They are currently earning their way by making and selling delicious baked goodies and raffling a variety of crafts and items that have been donated.

Can students make a difference in government? Yes! Can students make things happen in the real world? Yes! And we will soon have the Four Spot Skimmer Dragonfly adopted as the official Alaska state insect to prove that students can make changes using true Alaskan diligence!

LET'S ADOPT THE FOUR SPOT SKIMMER DRAGONFLY FOR ALASKA!

COMMENTS MADE BY STUDENTS ABOUT THE ELECTION

Fred Ipalook Elementary, Barrow: The 5th grade surveyed the whole school to get our total vote.

Chiniak School: Our kids are mostly afraid of bumblebees. Dragonflies are common on our beaches.

Blackwell School, Anvik: Thank you for sharing with us.

Campbell Elementary, Anchorage: We enjoyed participating.

Andreafski High School and Elicarvicuar Elementary, St. Mary's: We enjoyed this project. The students in grades 5 and 6 campaigned for the four different insects. They made a presentation to grades Kindergarten through grade four.

Sand Point School, Sandpoint: We had a nice election. 88% of the student body voted. We made slogans: Vote for the bumble bee, just remember where your honey comes from!
Vote for someone you know, vote for the mosquito!

Glacier Valley Student Council: We held a school vote. Thank you for making us a part of your project.

Port Protection School: I think the Dragonfly should be the state insect because it has compound eyes to see far and it can fly all sorts of directions and can hover. My personal reason is because it eats small insects like mosquitoes. Mosquitoes bug me a lot. Anthony Dallas.

Beluga School, Beluga: Thank you for letting us participate.

Main Elementary, Kodiak: We had almost 100% participation and our students are very excited to find out the results.

Valdez High School: Thanks for letting us have input.

Cooper Landing student notes:

I like the dragonfly because they are useful and look neat. Austin

I chose the 4 Spot dragonfly because they eat the nasty bugs and are pretty. Terrin H.

Dragonflies keep the insect population down and they do not hurt people. Jeremy Ellis

Aniak Schools: Comments by the Dragonfly Lobby Team members:

The dragonfly has been around since prehistoric times. They outlived the dinosaurs which shows that Alaska has a history of more than just snow and ice.

by Bruck Clift, 7th grade

The dragonfly is quite unique because it is colorful and larger than most flying insects. Unfortunately there are not enough to destroy all the mosquitoes in rural Alaska!

by Rainy Diehl, 8th grade

I voted for the dragonfly because I don't like mosquitoes. During the summer Alaska is a beautiful place to be. It would be even better with FEWER MOSQUITOES!

by Dana Diehl, 6th grade

I fly high, I'm a Four Spot Skimmer Dragonfly,
Watch me soar through the sky,
I represent Alaska, cause I'm an awesome guy.
I'll eat mosquitoes, 'til the day I die.

by Deidre Bush, 8th grade

I like the mosquito but it is a pest,
All it does is bite you.
I like the dragonfly
It eats the pests.
Dragonflies represent Alaska the best.

by Rachael Boelens, 7th grade

The dragonfly is long, slender, and graceful. It eats mosquitoes and was the choice of most Alaskan students. I believe the dragonfly deserves to be our state insect.

by Andrea Gusty, 6th grade

Winter in Alaska is COLD. Any insect as big and beautiful as the dragonfly that can survive Alaska's cold deserves to be the state insect.

by Derek Aluia, 7th grade

The committee and I worked hard on this project. We stuffed hundreds of envelopes, counted votes, baked, earned money for postage and the lobby team trip to Juneau. We're not about to stop working until the dragonfly is the official state insect!

by Melanie Matter, 5th grade.

HB

241



Alaska State Legislature
House of Representatives

REPRESENTATIVE CON BUNDE
CO-CHAIR HEALTH, EDUCATION
& SOCIAL SERVICES
VICE-CHAIR RULES

DURING SESSION:
STATE CAPITOL, ROOM 108
JUNEAU, ALASKA 99801-1182
1 (907) 465-4843

DURING INTERIM:
716 WEST 4th AVENUE
ANCHORAGE, ALASKA 99501-2133
1 (907) 258-8168

SPONSOR STATEMENT HB 241

Nationally, the trend to increase the accountability of candidates and legislators is taking hold. Citizens who contribute to campaigns, non-profit organizations, and other causes want to know where and how their money is expended. HB 241 will increase the accountability of candidates funds and facilitate increased public trust. This bill provides new choices for the disposal of surplus campaign funds that are not currently available to a candidate who decides not to run for public office anymore.

Contributions given to candidates before, during and after campaigns are given by people who want that candidates representation. Campaign funds are raised year after year by candidates, often from the same group of supporters. The result is a surplus of funds that can be used in future campaigns or taken as personal income. However, when a person decides to deactivate the campaign the disposal of the surplus funds is of interest to the public, especially those who have contributed to a campaign. HB 241 provides for surplus funds to be given to charity, repaid to the contributors, contributed to another candidate, political party or a group supporting a ballot proposition or question, or contributed to the general fund.

This legislation changes what has historically been allowed regarding the disposal of surplus funds. The use of campaign funds as personal income or office allowance funds will not be an available choice for the disposal of campaign funds. The public is willing to contribute to the support of candidates for public office. However, when a candidate is no longer a candidate, the public should feel as secure with disposition of surplus funds as they were when they contributed money to a campaign for public office. This legislation takes a step in that direction, it increases our accountability and raises public trust in their elected officials. I urge your positive consideration of this legislation.



Alaska State Legislature
House of Representatives

DATE: 4-11-95

SUBJECT OF MEETING:

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
Popok Miles	APOC	MS 0222			465-4865	(Y) N	HB 241 ✓
Dan Fauste	DHFC				564-9326	Y N	SB 92 ✓
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	

9-LS0847G ✓
Cramer
4/4/95

CS FOR HOUSE BILL NO. 241()

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY

Offered:

Referred:

Sponsor(s): REPRESENTATIVES BUNDE, Rokeberg

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the use of a candidate's campaign account and to assets
2 owned by a campaign."

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

4 * Section 1. AS 15.13 is amended by adding a new section to read:

5 Sec. 15.13.105. USE OF BALANCE OF A CANDIDATE'S CAMPAIGN
6 ACCOUNT AND DISPOSITION OF ASSETS. (a) A candidate may not take money
7 from the surplus balance of the candidate's campaign account as personal income.

8 (b) The disbursement of a surplus balance of a candidate's campaign account
9 shall be reported to the commission on the next required report.

10 (c) A candidate disbursing the surplus balance in the candidate's campaign
11 account may only

12 (1) give the money to charity;

13 (2) repay contributors to the candidate's campaign; a repayment under
14 this paragraph may not exceed the amount of the initial contribution from the

1 contributor;

2 (3) repay the candidate, if the candidate made contributions to the
3 campaign, but only in the amount that does not exceed the contributions the candidate
4 made; a candidate may repay a contribution the candidate made during a prior
5 campaign for the same or a different state or municipal office if the contribution has
6 not yet been repaid;

7 (4) leave the money in a campaign account until the next time the
8 candidate campaigns for elective office; however, any interest realized from a surplus
9 in a campaign account shall remain in the account and be reported on the first report
10 required of the candidate when the candidate is again a candidate for elective office;

11 (5) contribute the money to another candidate or a group controlled by
12 a candidate, subject to the limitation of AS 15.13.070, to a political party, or to a
13 group supporting a ballot proposition or question;

14 (6) spend the money on costs associated with contesting the outcome
15 of an election or a ballot recount;

16 (7) spend the money on costs associated with a legal action to qualify
17 for placement on the ballot; or

18 (8) contribute the money to the state general fund.

19 (d) If a campaign acquires furniture, office equipment, or other assets of a
20 similar nature during the course of a campaign, either by purchase or donation to the
21 campaign, and if the cumulative value at the time of acquisition of the assets acquired
22 exceeded \$5,000, the campaign shall make the reports required by this subsection. The
23 campaign shall report the disposal of any item worth at least \$1,000 at the time of
24 acquisition as part of the campaign's next required report. As part of the year-end
25 report, the campaign shall report the current location of any item worth at least \$1,000
26 at the time of acquisition that has not been otherwise disposed of by the campaign.

Stopping *profit*

Cashing in campaign contributions for personal pleasures is no longer allowed in most states.

by Carol Williams

It's nobody's business if you dig into your own pocket for a car or a European vacation.

But what if, instead of using personal funds, you happen to have run for public office and you used surplus campaign funds instead? Is it still nobody's business?

Across the country, candidates have used leftover campaign funds to pay for personal expenses such as condominiums, country club memberships and even groceries. Such spending has been documented numerous times with receipts and expenditure reports. And it raises the obvious question: Is this right?

When most state campaign finance laws were enacted in the 1970s, the issue of surplus funds was not given much thought. Among the earliest states to place restrictions on surplus funds were Iowa in 1973 and Illinois in 1974. Later, the disposition of surplus funds began to come into question in other states. Many states started to grapple with the problem of how to regulate and control the use of this extra money.

In the resurgence of campaign reforms in the late 1980s and early 1990s, 44 states enacted laws to restrict or control the use of surplus campaign funds.

Among those acting was Kansas, which enacted restrictions on the disposition of these funds in 1989.

Carol Williams is executive director of the Kansas Commission on Governmental Standards and Conduct.

Until then it was common to find candidates writing themselves checks for thousands of dollars from their campaign's surplus. Since 1989, a candidate in Kansas has only four options when disbursing surplus campaign funds.

In Kansas, as in many states, the restrictions have a common thread. Most states permit surplus funds to be returned in some pre-determined ratio to the original contributor, some allow for the money to be donated to a charitable cause, given to the candidate's party or returned to the state general fund.

Some states, like Indiana, Hawaii, Louisiana and New Jersey permit surplus funds to be contributed to other candidates. However, other states prohibit this because this type of expenditure goes beyond the scope of the contributor's intent. Individuals contributing to a candidate might be aghast that their money has gone

to a candidate they may oppose.

The Council on Governmental Ethics Laws, an international professional organization for agencies and individuals with responsibilities in governmental ethics, elections, campaign finance, freedom of information and lobbying-law regulation, in 1991 adopted *A Model Law for Campaign Finance, Ethics and Lobbying Regulation*. This document is intended to guide jurisdictions seeking to change their system of regulating governmental ethics and elections.

The model law lists three options for disposal of surplus funds. Candidates can give surpluses to the state's general fund, return money to contributors on a pro rata basis, or candidates can transfer funds to their state or local political party. While no state has adopted the model law intact, some have adapted portions.

In 1994, candidates in only six states (Alaska, Idaho, Mississippi, Montana, North Dakota and South Dakota) have no limits on disposal of surplus campaign funds.

In effect, the majority of states have tried to erase the image of the unscrupulous politician who says he will donate his leftover campaign money to his favorite charity: himself. And with an electorate that becomes more disenchanted with every scandal, this higher road is a good step toward repairing the trust between the politicians and the people. □

Use of surplus funds by candidates after an election

<i>Types of Use</i>	<i>Number of States</i>
Transfer to a political organization	4
Transfer to a political committee	6
Reimburse candidate for candidate's contributions	7
Pay officeholder expenses	13
Transfer to the state's general revenue fund or other state funds	13
Transfer to another candidate's committee	14
Spend on a future campaign	16
Transfer to a political party committee	25
Return to contributors	28
Give to charity	29

Source: *The Book of the States, 1994-95*, The Council of State Governments, 1994.

TABLE 24
DISPOSAL OF SURPLUS FUNDS
(As of 1992)

	Must Report Expenditures	No Limitations	Permitted Uses:										Other
			Contribute to		Defray Expenses			Finance One's Future Campaign					
			Charity	Another Candidate	To Take Office	While In Office	From Previous Election	Repay Personal Campaign Loan	Same Office	Another Office	Re/und to Contributors	Pay to One's Party Committee	
Alabama Secretary of State's Office	—	—	✓	✓	✓	✓	✓	✓	✓	✓	—	—	—
Alaska Alaska Public Offices Commission	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	—
Arkansas Arkansas Ethics Commission	✓	—	—	—	✓	✓	✓	✓	✓	—	✓	✓	—
Arizona Secretary of State's Office *	—	—	—	—	—	—	—	—	—	—	—	—	—
California California Fair Political Practices Commission	✓	✓	✓	—	✓	✓	✓	✓	—	—	✓	✓	—
Colorado Secretary of State's Office	—	—	—	—	—	—	—	—	—	—	—	—	—
Connecticut Connecticut State Elections Enforcement Commission Secretary of State's Office	✓ —	— —	✓ ✓	— —	✓ ✓	— —	— —	✓ ✓	— —	— —	✓ ✓	✓ ✓	— —
Delaware Commissioner of Elections Delaware Senate	✓ ✓	— —	✓ ✓	— —	— ✓	— ✓	— ✓	✓ ✓	✓ ✓	✓ ✓	— —	✓ ✓	— —
Florida Florida Department of State, Division of Elections	—	✓	—	—	—	—	—	—	—	—	—	—	—
Georgia State Ethics Commission	✓	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	—
Hawaii Campaign Spending Commission	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	—
Iaho Secretary of State's Office	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	—
Illinois Board of Ethics, City of Chicago + Illinois State Board of Elections	— —	— ✓	— ✓	— ✓	— —	— —	— —	— —	— —	— —	— —	— —	— —

See footnotes at end of table

TABLE 24 - DISPOSAL OF SURPLUS FUNDS - Continued

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	Must Report Expenditures	No Limitations	Permitted Uses:										Other
			Charity	Another Candidate	To Take Office	Write In Office	Defer Expenses		Finance One's Future Campaign			Pay to One's Party Committee	
							From Previous Election	Repay Personal Campaign Loan	Same Office	Another Office	Refund to Contributor		
Indiana Indiana State Election Board	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	—
Iowa Iowa Campaign Finance Disclosure Commission	✓	—	✓	✓	—	—	✓	—	✓	✓	✓	✓	State of Iowa General Fund
Kansas Kansas Commission on Governmental Standards & Conduct	✓	—	✓	—	—	✓	—	✓	✓	✓	✓	✓	(a)
Louisiana Louisiana Ethics Administration Program Secretary of State's Office	✓ —	— —	✓ —	✓ —	✓ —	✓ —	— —	✓ —	✓ —	✓ —	✓ —	✓ —	— —
Nevada Commission on Governmental Ethics & Election Practices	—	—	—	✓	—	—	✓	✓	✓	✓	✓	✓	Gift to state
Massachusetts Office of Campaign and Political Finance	✓	—	✓	✓	—	✓	✓	✓	✓	✓	—	—	—
Michigan Michigan Department of State, Bureau of Elections	✓	—	✓	—	—	✓	—	✓ (b)	✓	✓ (c)	✓	✓	—
Minnesota Minnesota Ethical Practices Board	✓	—	✓	✓	—	✓	✓	✓	✓	—	✓	✓	(d)
Mississippi Secretary of State's Office	—	✓	—	—	—	—	—	—	—	—	—	—	—
Missouri Secretary of State's Office, Campaign Reporting Division	✓	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	—
Montana Commissioner of Political Practices	—	✓	—	—	—	—	—	—	—	—	—	—	—

See footnotes at end of table

TABLE 24 - DISPOSAL OF SURPLUS FUNDS - Continued

P. 04

Permitted Uses:

Must Report Expenditures	No Limitations	Contribute to		Defray Expenses			Finance One's Future Campaign			Pay to One's Party Committee	Other
		Charity	Another Candidate	To Take Office	While in Office	From Previous Election	Repay Personal Campaign Loan	Same Office	Another Office		

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Nebraska Nebraska Accountability & Disclosure Commission	✓	—	✓	✓	—	✓	✓	✓	✓	✓	✓	—
Nevada Secretary of State's Office	✓	—	✓	✓	✓	✓	—	✓	✓	✓	✓	—
New Hampshire Secretary of State's Office	—	—	—	—	—	—	—	—	—	—	—	—
New Jersey New Jersey Election Law Enforcement Commission	✓	—	✓	✓	—	✓	✓	✓	✓	✓	✓	—
New York New York State Board of Elections	—	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	—
North Carolina Secretary of State	—	—	—	—	—	—	—	—	—	—	—	—
North Dakota Secretary of State's Office	—	✓	—	—	—	—	—	—	—	—	—	No laws on disposal of funds
Ohio Secretary of State's Office	✓	—	✓	✓	✓	✓	✓	✓	✓	—	✓	—
Oklahoma Ethics Commission of the State of Oklahoma	✓	—	✓	✓	✓	✓	—	✓	✓	✓	✓	Political activity, Campaign activity
Pennsylvania Department of State, Bureau of Elections	✓	—	—	✓	—	✓	✓	✓	✓	✓	✓	—
Rhode Island Rhode Island State Board of Elections	✓	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	—
South Carolina State Ethics Commission	—	—	✓	—	—	✓	✓	✓	—	✓	—	—
South Dakota Secretary of State's Office	—	✓	—	—	—	—	—	—	—	—	—	No restrictions

See footnotes at end of table

TABLE 24 - DISPOSAL OF SURPLUS FUNDS - Continued

	Must Report Expenditures	No Limitations	Permitted Uses:										
			Contribute to		Defray Expenses			Finance One's Future Campaign					
			Charity	Another Candidate	To Take Office	While in Office	From Previous Election	Repay Personal Campaign Loan	Same Office	Another Office	Refund to Contributors	Pay to One's Party Committee	Other
Tennessee Registry of Election Finance	-	✓	-	-	-	-	-	-	-	-	-	-	-
Texas Texas Ethics Commission	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Utah Lieutenant Governor's Office	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Vermont Secretary of State's Office *	-	-	-	-	-	-	-	-	-	-	-	-	-
Virginia Office of the Attorney General	✓	-	✓	✓	✓	✓	-	✓	✓	✓	✓	✓	-
Washington Washington State Public Disclosure Commission	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	To state treasury
West Virginia Secretary of State's Office	✓	-	-	✓	-	-	-	✓	✓	✓	✓	✓	-
Wisconsin Wisconsin Election Board	✓	-	✓	✓	-	-	-	-	✓	✓	-	✓	-
Wyoming Secretary of State's Office *	-	-	-	-	-	-	-	-	-	-	-	-	-
Puerto Rico State Elections Commission, Commonwealth of Puerto Rico	-	-	-	-	-	-	-	✓	✓	✓	-	-	-
United States (Federal) Federal Election Commission	-	-	-	-	-	-	-	-	-	-	-	-	-
Alberta Chief Electoral Officer's Office	-	-	✓	✓	-	-	-	-	-	-	-	-	Party, Constituency Association
British Columbia Elections British Columbia *	-	-	-	-	-	-	-	-	-	-	-	-	-
Manitoba Elections Manitoba *	-	-	-	-	-	-	-	-	-	-	-	-	-

See footnotes at end of table

TABLE 24 - DISPOSAL OF SURPLUS FUNDS - Continued

Permitted Uses

	Must Report Expenses	No Limitations	Contribute to						Defray Expenses			Finance One's Future Campaign			Pay to One's Party Committee	Other
			Charity	Another Candidate	To Take Office	While in Office	From Previous Election	Repay Personal Campaign Loan	Same Office	Another Office	Refund to Contributors					
Nova Scotia Elections Office	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	Candidate's party, Minister of Finance
Ontario Commission on Election Finances	—	—	—	—	—	—	—	—	—	—	—	—	—	✓	—	Pay to Committee
Prince Edward Island Chief Electoral Officer's Office *	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Quebec Chief Electoral Officer's Office	—	—	✓	—	—	—	—	—	—	—	✓	—	—	—	—	—
Saskatchewan Chief Electoral Officer's Office	—	✓ (b)	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Canada (Federal) Elections Canada	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	Registered party or constituency association (g)

KEY:
 * City, county or other local jurisdiction
 * Agencies which did not complete this section of the survey.
 ✓ Application exists
 — Application does not exist

- (a) Surplus funds can be returned to original contributors.
- (b) If previously reported as a bar.
- (c) Contribution for the other office must be higher.
- (d) General Account-State Election Campaign Fund.
- (e) Restricted for statewide officeholders.
- (f) Each political party has its own policy and advises candidates accordingly.
- (g) If candidate is sponsored, or to the public treasury if an independent.

Council on Governmental Ethics Laws / The Council of State Governments 1991

From:
ALASKA LEGISLATIVE
RESEARCH AGENCY

THE BOOK OF THE STATES

1994-95 EDITION

VOLUME 30

The Council of State Governments
Lexington, Kentucky



Table 5.13
CAMPAIGN FINANCE LAWS: LIMITATIONS ON EXPENDITURES
(As of January 1992)

<i>State or other jurisdiction</i>	<i>Who may make expenditures</i>	<i>Total expenditures allowed</i>	<i>Expenditures prior to first filing</i>	<i>For certain purposes</i>	<i>Use of surplus funds (a)</i>
Alabama (b)	Only committee named and designated by candidate	---	---	---	Unlimited as to officeholder expenses, contributions to charity, transfers to another committee, or uses for other lawful purposes.
Alaska	Candidate, treasurer, or deputy treasurer	---	No expenditures permitted before filing date except for personal travel expenses and public opinion polls/surveys.	---	May be given to charity, used to repay contributors, spent on a future campaign, used to repay candidate or used as income, contributed to another committee, or transferred to office allowance fund. Surplus funds may be taken as income by candidate.
Arizona	---	---	No expenditures permitted until registration form is properly filed.	---	May be retained for a future campaign; returned to contributors; donated to a party committee, charitable organization, political organization, or other candidate (after 12/31/92 may not be donated to another candidate's committee or used for candidate's personal use).
Arkansas	---	---	---	---	After setting aside any funds needed to pay debts, and an amount equal to the yearly salary for the office sought, surplus funds must either be turned over to the state treasurer for the benefit of the general revenue fund, to an organized political party, or to contributors to the candidate's campaign (c).
California (b)	---	---	---	Must be directly related to political, legislative, or governmental purpose if candidate or elected officer receives substantial personal benefit. Certain expenditures must be directly related regardless of benefit received.	May be used for debts or charitable contributions; contributed to a political party, candidate for federal office or ballot measure; contributed to an out-of-state campaign; or used to defray certain legal or professional expenses associated with the election and aftermath. Personal use of funds by candidate generally prohibited; must be directly related to political, legislative, or governmental purpose if candidate or elected officer receives substantial personal benefit. Certain expenditures must be directly related regardless of benefit received.

See footnotes at end of table.

LIMITATIONS ON EXPENDITURES—Continued

State or other jurisdiction	Who may make expenditures	Total expenditures allowed	Expenditures prior to first filing	For certain purposes	Use of surplus funds (a)
Colorado (b) . . . . .	.....	...	...	Must be reasonably related to an election, voter registration, or political education. May not be used to encourage another candidate's withdrawal from race.	May be contributed to a nonprofit or charitable organization, or to the state or a political subdivision of the state, but not to a political party or to a candidate.
Connecticut (b)	Treasurer or those authorized by treasurer.	...	No expenditures permitted until treasurer and campaign depository have been designated.	Polls, meeting halls, rally expenses, printing and advertising, professional service fees, travel, staff salaries, rent, supplies, voter transportation, communications, petition-related expenses, and other expenses permitted by the commission.	Surplus may be donated to another committee (except one established to further the candidate's future campaigns), distributed pro rata to contributors, or used for transition expenses. Ballot question committees may also distribute surplus to government agencies or tax-exempt organizations. Personal use of funds by candidate prohibited.
Delaware	Candidate committee	...	...	Staff salaries, travel expenses, filing fees, communications and printing, food, office supplies, voter lists and canvasses, poll watchers, rent, advertising, rallies, legal counsel.	May be contributed to a tax-exempt religious, charitable, educational, or scientific organization, volunteer fire department, or a successful committee.
Florida (b) . . . . .	...	Public financed candidates and those agreeing to voluntary limits: \$5 million for governor and lt. governor; \$2 million for cabinet. Limits may be increased under certain circumstances.	...	Expenditures may only be used to influence the results of an election.	Funds remaining after an election are to be used to pay remaining obligations incurred prior to or on election day. Surplus funds may be used to reimburse a candidate for candidate's contributions; transferred to a public officeholder account in various amounts dependent upon office; returned pro rata to contributors; given to a candidate's political party; donated to a nonprofit or charitable organization; or given to the state for the general fund or the election campaign financing trust fund (by a state candidate) or political subdivision (by a local candidate). Personal use of funds by candidate permitted if disclosed at the time of first filing.
Georgia . . . . .	.....	...	...	May only be used to defray ordinary and necessary campaign expenses.	Personal use of funds by candidate prohibited.
Hawaii	Only campaign treasurer or deputy treasurer.	Voluntary election year limits: governor—\$1.25 x qualified voters; lt. governor—70¢ x qualified voters; mayor—\$1.00 x qualified voters; House/Senate/council/prosecutor—70¢ x qualified voters; others—10¢ x qualified voters.	...	Must be related to a campaign purpose, including donations to community, youth, social or recreational organizations; reports, surveys, and polls.	Surplus may be used for fundraising, candidate-sponsored, politically related activity, ordinary and necessary officeholder expenses; donations to any community service, scientific, education, youth, recreation, charitable, or literary organization. Personal use of funds by candidate prohibited.

LIMITATIONS ON EXPENDITURES—Continued

<i>State or other jurisdiction</i>	<i>Who may make expenditures</i>	<i>Total expenditures allowed</i>	<i>Expenditures prior to first filing</i>	<i>For certain purposes</i>	<i>Use of surplus funds (a)</i>
Idaho .....	.....	.....	.....	.....	.....
Illinois.....	Must be authorized by chair, treasurer, or their designated agents.	.....	.....	Only for nomination or election or retention of a person in public office or in connection with a public policy question.	.....
Indiana.....	Only treasurer may make expenditures.	.....	.....	Must be used for campaign, for continuing political activity, activity related to service in an elected office, or contributions to party committees or other candidate committees.	May be transferred to political committees or state election board, unless otherwise provided in committee statement of organization. Personal use of funds by candidate prohibited.
Iowa.....	.....	.....	.....	Generally prohibited. Public funds may only be used for legitimate campaign purposes in general elections, including salaries, rent, advertising, supplies, travel, campaign paraphernalia, contributions to other candidates or committees, and the like.	Public funds may not be used to lease or purchase any item whose benefits extend beyond the time in which the funds must be spent. Campaign funds may not generally be used to pay civil/criminal penalties; personal debts or expenses; for personal services unrelated to the campaign; most motor vehicle leases and payments; professional organization and most service organization memberships; mortgage or rental payments for the candidate; meals, groceries, and other food not for campaign uses; payments clearly in excess of the fair market value of the service or item. Personal use of funds by candidate prohibited.
Kansas.....	Must be by or through treasurer.	.....	No expenditures permitted until registration form properly filed.	Must be for legitimate campaign or officeholding expenses.	Personal use of funds by candidate prohibited.
Kentucky (b).....	Treasurer must make or authorize all expenditures on behalf of a candidate.	.....	No expenditures permitted until primary campaign depository is designated.	Political parties receiving tax money may use these funds to support their party's candidates in a general election, and for administrative costs of maintaining a party headquarters.	Any unexpended balance may be returned pro rata to all contributors, transferred to the candidate's party executive committee, retained for election to the same office, or escheat to the state treasury.
Louisiana (b).....	.....	.....	No expenditures aggregating in excess of \$500 may be made by a political committee until statement of organization is properly filed.	Must be related to a political campaign or holding of office.	May be returned pro rata to contributors; given to a charitable organization; spent for or against a candidate, political party, or a proposition; used in future political campaigns; or activity related to a future campaign. Personal use of funds by candidate prohibited except to replace items stolen, lost, or damaged in connection with a campaign.

See footnotes at end of table.

LIMITATIONS ON EXPENDITURES—Continued

<i>State or other jurisdiction</i>	<i>Who may make expenditures</i>	<i>Total expenditures allowed</i>	<i>Expenditures prior to first filing</i>	<i>For certain purposes</i>	<i>Use of surplus funds (a)</i>
Maine		PAC is limited to expenditures of \$5,000 per candidate or political committee in any election.			Returned pro rata to contributors, used for the candidate's future campaigns or transferred to other committees.
Maryland	Public funds may only be spent upon authority of candidate or treasurer. Other expenditures must be made through treasurer.	Publicly financed candidates for governor/li. governor limited to 20% of qualified voters.	No expenditures permitted until registration form is properly filed.	Public contributions may only be used to further the candidate's nomination or election, for legal purposes, and for expenses not incurred later than 30 days after the election.	Surplus public funds must be repaid not later than 60 days after the election for which the funds are granted. Other surplus funds must be returned on a pro rata basis to contributors; paid to a party central committee; donated to a local board of education, recognized non-profit educational or charitable organization, or given to a higher education institution for scholarships.
Massachusetts (b)					
Michigan (b)	An expenditure may only be made with the authorization of the treasurer or the treasurer's designee.	Gubernatorial candidates who accept public funds limited to \$1.5 million per election; except up to \$300,000 more can be spent to solicit contributions, and additional expenditures are authorized in response to editorials, endorsements, etc.		Public funds may only be spent on services, facilities, materials, or other things of value to further the candidate's election during the election year.	Surplus public funds must be promptly repaid and may not be used in a subsequent election. Other funds may be transferred to another committee (with restrictions), party, or tax exempt charitable institution or returned to contributors. Public funds cannot be used to pay a candidate.
Minnesota (b)	Must be authorized by treasurer or deputy treasurer of the committee or fund.	Candidates accepting public subsidies are limited as follows in election years (to be adjusted each election year based on Consumer Price Index): governor/li. governor: \$1,626,691; attorney general: \$271,116; other statewide office: \$135,359; state Senate: \$40,660; state representative: \$20,335. Limits in non election years are 25% of applicable election year limits.		Limited to salaries, wages, and fees; communications, mailing, and transportation and travel; advertising and printing; office space and furnishings; supplies; and other expenses reasonably related to the election.	
Mississippi					
Missouri (b)	All expenditures must be made by or through the treasurer				May only be used to defray campaign or officeholder expenses, returned pro rata to contributors, or contributed to a political or charitable organization or candidate committee. Personal use of funds by candidate prohibited.
Montana (b)	Campaign treasurers and deputy campaign treasurers.				

LIMITATIONS ON EXPENDITURES—Continued

State or other jurisdiction	Who may make expenditures	Total expenditures allowed	Expenditures prior to first filing	For certain purposes	Use of surplus funds (a)
Nebraska (b)	Treasurers or treasurers' designees; however, candidates and their agents are also permitted to make expenditures.		Expenditure may not be made by a committee raising, receiving, or disbursing more than \$2,000 in a calendar year until it files a statement of organization and has a treasurer.	A committee other than a political party may not expend or transfer funds except for goods, materials, services, or facilities to assist or oppose a candidate for a ballot question.	After an election, a committee may expend or transfer funds for continued operation of campaign offices; social events for workers, volunteers, and constituents; obtaining public input and opinion; repayment of campaign loans; newsletters and other political communications; gifts of acknowledgment; and officeholder-related meals, lodging and travel. After termination of a candidate committee, unexpended funds may be transferred to another candidate committee, a political party committee, or a tax exempt charitable organization, or returned to contributors. A committee may not make expenditures for the payment of a candidate's clothes, or medical or dental expenses; mortgage or rental payments for the candidate's permanent residence; installment payments for an auto owned by the candidate; satisfaction of personal debts (excluding reportable campaign loans); or personal services (such as legal or accounting services).
Nevada					Elected and defeated candidates and non-candidate officeholders are required to dispose of unspent contributions in a statutorily authorized manner, including return to contributors, contribution for political purpose, and donation to tax exempt nonprofit entity. Elected candidates may use for present or future campaign expenses or public office expenses. Personal use of funds by candidate prohibited.
New Hampshire	Candidate or candidate's fiscal agent.	Candidate may agree to limit campaign expenditures made by candidate and by committees, political party and immediate family on candidate's behalf in a primary or general election in accordance with a maximum expenditure schedule.	Before nonparty political committee may make expenditures, a registration statement must be filed, and if the political committee is organized to support a candidate, written consent of the candidate or candidate's fiscal agent must have been secured and filed. Political committee making independent expenditures must declare in registration statement it will abide by \$1,000 expenditure limit per candidate per election.		

See footnotes at end of table.

LIMITATIONS ON EXPENDITURES—Continued

<i>State or other jurisdiction</i>	<i>Who may make expenditures</i>	<i>Total expenditures allowed</i>	<i>Expenditures prior to first filing</i>	<i>For certain purposes</i>	<i>Use of surplus funds (a)</i>
New Jersey.....	Treasurer or deputy treasurer of a candidate, political party committee, political committee, and continuing political committee.	Maximum amount to aid candidate for governor (excluding travel expenses) in 1989 primary: \$2.2 million; in 1989 general election: \$5 million. Spending limits are subject to adjustment prior to gubernatorial election year to reflect changes in campaign costs. Gubernatorial candidate receiving public funding is limited to \$25,000 in primary and \$25,000 in general election from candidate's personal funds.	.....	.....	.....
New Mexico.....	Treasurer of candidate or political committee.	Treasurer must be appointed before candidate or political committee may make an expenditure.	.....	.....	Judicial candidates must return unused funds to contributors or donate to charitable organization.
New York (b).....	Treasurer of candidate or political committee.	.....	Expenditures may not be made by a political committee until the designation of a treasurer and depository have been filed.	Contributions may be expended for any lawful purpose.	May be used for any lawful purpose, including transfer to political party committee, return to donor, or holding for use in subsequent campaign. Contributions may not be converted to personal use of candidate not related to political campaign or holding public office or party position.
North Carolina (b).....	Except for independent expenditures, candidate-related expenditures may be made only through the treasurer or assistant treasurer of a candidate or political committee.	Candidates for state constitutional office in general election who qualify for and receive public matching funds are subject to expenditure limit depending on office involved.	Except for independent expenditures, candidate-related expenditures may not be made until a treasurer is appointed and certified.	.....	.....
North Dakota.....	.....	.....	.....	.....	.....
Ohio (b).....	For a campaign committee, only the campaign treasurer and deputy campaign treasurer.	.....	Candidate must designate a treasurer before candidate's campaign committee may receive contributions or make expenditures.	Candidate expenditures must be legitimate, verifiable, ordinary, and necessary.	Personal use of funds by candidate prohibited.
Oklahoma.....	Agents and subagents in the case of candidates/candidate committees and other committees.	.....	.....	Candidates may use contributions only to defray campaign expenditures or ordinary and necessary expenses incurred in connection with duties of public officeholder.	Excess funds of candidate/candidate committee available within 48 months of general election must be disposed of by return to contributors, donation to another campaign or political party, donation to charitable organization, or retention for a future campaign. Personal use of funds by candidate prohibited.
Oregon (b).....	Expenditures must be made by or through the treasurer of a political committee.	No expenditure may be made until the political committee appoints and certifies the treasurer.	.....	.....	.....

LIMITATIONS ON EXPENDITURES—Continued

State or other jurisdiction	Who may make expenditures	Total expenditures allowed	Expenditures prior to first filing	For certain purposes	Use of surplus funds (a)
Pennsylvania (b)	For a political committee, the treasurer.	...	No expenditure may be made by a political committee until a chair and treasurer have been appointed.	No candidate, political committee chair, or treasurer may make an expenditure except as provided by law.	After financial activity is terminated, residual funds may be used for lawful expenditures, or returned pro rata to contributors. Judicial candidate should not use contributions for private benefit.
Rhode Island	Campaign treasurer or deputy campaign treasurer.	Unlimited, except for gubernatorial candidate who accepts public funding.	No expenditures may be made before the appointment of a treasurer and the filing of such designation.	...	Judicial office candidate should not use contributions for private benefit.
South Carolina (b)	Candidates or duly authorized officer of a committee.	...	...	...	Disposition of excess funds of a candidate or committee is restricted to specific recipients and uses. Personal use of funds by candidate prohibited.
South Dakota	...	...	...	Necessary expenditure of money for ordinary or usual expense of conducting a political campaign unless expressly forbidden.	Judicial office candidate should not use for private benefit.
Tennessee	Political treasurer of candidate and political campaign committee.	...	Candidate and political committee are required to certify name and address of political treasurer before making an expenditure in an election.	Clerical/office force; dissemination of literature; public speakers; newspaper announcements of candidacy; and transportation of voters unable to go to the polls.	Judicial office candidate should not use for private benefit.
Texas	Candidate for candidate's own election; political committee; campaign treasurer or assistant campaign treasurer acting in an official capacity; and an individual who makes independent, unreimbursed expenditures.	...	No expenditure may be made or authorized unless a campaign treasurer appointment is in effect. Campaign treasurer appointment of a political committee must be filed by 30th day before making or authorizing expenditures affecting a candidate for statewide office, multi-county district office, state senator or representative, or state board of education.	Use of public funds for political advertising prohibited. Payment from contributions for personal services of candidate, officeholder, or family restricted. Reimbursement of personal funds for expenditures by and repayment of loans made by relatives of a candidate to a candidate or officeholder limited to an aggregate of \$500,000 per election for governor and \$250,000 per election for other statewide office.	Contributions may not be converted to the personal use of a candidate or officeholder. Specific purpose political committee also may not convert contributions to the personal use of a former candidate or officeholder. Expenditures from personal funds may be reimbursed from contributions.
Utah	Candidate and the secretary of a personal campaign committee in the case of a candidate for state executive office. A committee member may not make an expenditure over \$1,000 without written authorization by candidate or committee secretary.	...	State office candidate must file a statement of appointment of personal campaign committee before the committee may make expenditures.	Expenditures prohibited by law may not be made.	Judicial candidates may not use contributions for candidate's private benefit.

See footnotes at end of table.

LIMITATIONS ON EXPENDITURES—Continued

<i>State or other jurisdiction</i>	<i>Who may make expenditures</i>	<i>Total expenditures allowed</i>	<i>Expenditures prior to first filing</i>	<i>For certain purposes</i>	<i>Use of surplus funds (a)</i>
Vermont (b)	Designated treasurer.	...	...	Existing surplus may be contributed and existing debts assigned to new fund.	Conversion of surplus funds to personal use of candidate is prohibited, but the candidate may use such funds to reduce personal campaign debts.
Virginia (b) . . . . .	...	...	Candidate must appoint one campaign treasurer not later than upon acceptance of a contribution, expenditure of any funds, or qualification as a candidate, whichever comes first.	Prohibited.	After filing of final report, surplus funds may be used in a succeeding election; returned to contributors; donated to a Section 170 organization; contributed to other candidates or committees, including a political party committee; or used to defray unreimbursable elective office expense of candidate. Personal use of funds by candidate prohibited.
Washington (b)	Campaign treasurer, candidate, or person on authority of campaign treasurer or candidate.	...	...	...	May be disposed of by return to the contributors in an amount not to exceed the original contributions, transfer to the candidate's personal account for reimbursement for lost earnings during the campaign, donation to a charitable organization, transmittal to the state, or retention for a future campaign, political activity, or community activity, or for non-reimbursable public office related expenditures. Contributions may be transferred to the personal account of a candidate or expended for candidate's personal use for reimbursement for loans to cover lost earnings while campaigning or performing services for the political committee and for direct out-of-pocket expenses for repayment of loans made to political committee.
West Virginia (b)	Candidates, financial agents, and political committee treasurers.	...	No person may act as treasurer or financial agent before filing designation. Political party may not disburse money for election expenses unless treasurer is appointed.	Generally, lawful payments for political expenses; rent, maintenance, and furnishing of political headquarters or office; payment of support staff; political advertising and advertising agency services; public meeting-related expenses; travel, lodging and administrative expenses; nominating petition costs; prevention of unlawful registration of voters; voter transportation; and public polls.	Excess campaign assets may be disposed of by transfer to new candidate committee; contribution to political party committee or candidate; or returned to contributors on a pro rata basis. Personal use of funds by candidate prohibited, except for reimbursement of election expenses. Use of excess campaign assets for personal economic benefit is prohibited.

LIMITATIONS ON EXPENDITURES—Continued

State or other jurisdiction	Who may make expenditures	Total expenditures allowed	Expenditures prior to first filing	For certain purposes	Use of surplus funds (a)
Wisconsin (b)	Treasurer of a candidate, political committee, political group, or individual.	State office candidates who receive election campaign fund grant may not expend more for a campaign than amount specified in the authorized disbursement schedule unless opponents not accepting grant do not agree to comply with the limit voluntarily.	Disbursements may not be made by candidate or personal campaign committee, political committee, political group, or individual before registration statement is filed and campaign depository account established.	Expenditures may be made for any lawful purpose. Contributions must be used for a political purpose.	---
Wyoming	---	---	---	---	Candidate for judicial office may not use contributions for private benefit of candidate.
Dist. of Columbia (b)	Only the chair, treasurer, or designated agents may make an expenditure.	---	---	---	May be donated to a political party for political purposes; returned to donors; transferred to a scientific, technical, or literacy or educational organization; or used for constituent services with certain limits.

Source: Edward D. Feigenbaum and James A. Palmer, *Campaign Finance Law 92*. (Washington, D.C.: National Clearinghouse on Election Administration, Federal Election Commission, 1992); 1994 information will be available from the FEC in August 1994.

Note: For detailed legal requirements, state statutes should be consulted.

Key:

— No reference in the law.

(a) Post election.

(b) Restrictions on cash expenditures. California, Colorado and New York (otherwise by check) may not exceed \$100. Arkansas (except for properly receipted filing fees), Massachusetts, Michigan, Nebraska, North Carolina (for non-media expenses excluding postage), Oregon and Washington (if no receipt) may not exceed \$50. Alabama and Connecticut may not exceed \$100 from petty cash. Florida, must be less than \$30 petty cash, and may not be used to pay for the purchase of time, space, or services from the communications media. In Kentucky expenditures of \$25 or more must be made by check. In Louisiana cash expenditures of up to \$100 may be made from petty cash for items other than personal services and voter transportation if complete records are maintained. In Minnesota petty cash expenditures limited to \$100 per week for statewide elections; \$20 per week for legislative elections. In Missouri single cash

expenditures from petty cash fund may not exceed \$50; aggregate calendar year expenditures may not exceed the lesser of ten percent of the committee's total calendar year expenditures. Montana, petty cash fund may pay for office supplies, transportation expenses, postage stamps, and other necessities of less than \$25, but may not be used for purchase of time, space, or services from any communications medium. In Ohio, permitted; if over \$25, must be vouched for by a receipted bill. In Pennsylvania vouchers for all expenditures over \$25 must be retained. In South Carolina, expenditures over \$25 must be by written instrument - petty cash fund may not exceed \$100 and independent cash expenditure may not exceed \$25. In Vermont expenditures by a candidate who has made expenditures or received contributions of \$500 or more and by a political committee must be paid by the treasurer by check from a single checking account. In Virginia, petty cash expenditures of less than \$25 permitted; otherwise only by check. In West Virginia payments to campaign election workers and paid staff must be by check. In Wisconsin prohibited; disbursements must be made by negotiable instrument. District of Columbia must be \$50 or less to any one person in connection with a single transaction and must be fully documented.

(c) Unopposed candidate may not take any campaign funds for personal use or for income for spouse or dependent children after the date of winning the nomination (or if opposed in the primary but not in the general election, after the date of winning the nomination).

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. HB 241

Revision Date: _____
 Title: "An Act relating to the use of candidate's campaign account..."
 Sponsor: Rep. Bunde
 Requestor: (H) STA

Department Affected: Administration
 BRU: Alaska Public Offices Commission
 Component: Alaska Public Offices Commission

COMPONENT SERIAL NO. 70

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES	0.2					
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.2	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0	0	0	0	0	0
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CHANGE IN REVENUES ()	0	0	0	0	0	0
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FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.2					
1005 GF/Program Receipts						
1006 GF/MHTIA						
OTHER						
TOTAL	0.2	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 95) cost: \$ -0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

Funds will be used for the costs, postage, and envelopes of a mailing to municipal and state "candidates" with remaining campaign funds to inform them of changes in the statute with regard to disposition of surplus campaign funds.

Prepared by: Karen Boorman, Executive Director
 Division: Alaska Public Offices Commission

Phone: 276-4176
 Date: _____

Approved by Commissioner: Mark Boyer
 Agency: Department of Administration

Date: 3/31/95

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HB

243

HOUSE LABOR AND COMMERCE COMMITTEE

ALASKA STATE LEGISLATURE

STATE CAPITOL, JUNEAU, AK 99801-1182
(907) 465-4954



TO: Representative Jeannette James
Chair
House State Affairs

FROM: Representative Pete Kott
Chair

RE: HB 243

DATE: March 10, 1995

I request that HB 243, a copy of which is attached hereto, be scheduled for a committee hearing at the earliest convenient date. This bill brings the practice of landscape architecture within the regulatory jurisdiction of the State Board of Registration for Architects, Engineers, and Land Surveyors.

I have requested appropriate fiscal notes and will forward them to you upon receipt. Moreover, early next week I will supplement this request with a sponsor statement and a sectional analysis.

Thank you in advance for your prompt consideration of this matter. Should you have any questions, or if I can be of any assistance, please do not hesitate to contact me.

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 99801-7105

MEMORANDUM

March 10, 1995

SUBJECT: Sectional Summary of HB 243. (An Act relating to licensure of landscape architects.)

TO: Representative Pete Kott
Attn: George Dozier

FROM: Terri Lauterbach *TML*
Legislative Counsel

This memo is a sectional summary of the above-described bill. Please let me know if you have further questions.

Sections 1 - 33.

These sections make the changes necessary in AS 08 so that the current Board of Registration for Architects, Engineers, and Land Surveyors would have the authority to regulate landscape architects. Under sec. 3, a landscape architect would be added as a nonvoting member of the board. Under sec. 5, the landscape architect would **not** be entitled to per diem or travel expenses. The "practice of landscape architecture" is defined in sec. 32.

Sections 34 - 35.

These sections make the changes necessary outside of AS 08 to change the name of the board.

Sections 36 - 37.

These sections are transitional provisions.

TML:klb:glc
95-140.klb

HOUSE LABOR AND COMMERCE COMMITTEE

ALASKA STATE LEGISLATURE

STATE CAPITOL, JUNEAU, AK 99801-1182
(907) 465-4954



SPONSOR STATEMENT HB 243

Architects, engineers, and land surveyors, because of the nature of their work, are in the position to do a lot of good for the public when they perform competently. By the same token, if they do not perform competently, they can cause much suffering and financial loss to the public. Accordingly, it is vitally important to the state that only competent persons are allowed to work in these professions. In recognition of that fact, Alaska created the State Board of Registration for Architects, Engineer, and Land Surveyors. It charged this board with the responsibility of licensure and discipline of these professionals. State law also makes it illegal to practice the affected professions without being registered by the Board.

Currently, landscape architects are not within the Board's jurisdiction. HB 243, should it become law, would accomplish that end and subject landscape architects to the same licensure and disciplinary procedures as currently exist with respect to architects, engineers, and land surveyors.

Landscape architects perform tasks pertaining to the use of exterior spaces. This can involve parks, playgrounds, trails, scenic vistas, plazas, etc. To perform their job, landscape architects must be knowledgeable in a wide variety of different topics, including universal design standards, erosion control, environmental laws, irrigation, slip resistance, insecticides, and drainage. Obviously, when performed in a shoddy manner, landscape architecture constitutes a danger to public welfare and safety.

It is respectfully submitted that the same rationale which supports the regulation of architects, engineers, and land surveyors requires a similar approach with respect to landscape architects. This fact is recognized by 45 of our sister states, which license landscape architects. Your support of this bill will enhance the safety and welfare of Alaskans. I therefore commend it to you.

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. HB 243

Revision Date: <u>March 16, 1995</u>	Department: <u>Commerce and Economic Development</u>
Title: <u>An Act relating to licensure of landscape architects.</u>	BRU: <u>Occupational Licensing</u>
Sponsor: <u>House Labor & Commerce</u>	Component: <u>Operations</u>
Requestor: <u>House Labor & Commerce</u>	COMPONENT SERIAL #: <u>1844</u>

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	10.4	10.4	0.0	0.0	0.0	0.0
TRAVEL	3.8	3.8	3.8	3.8	3.8	3.8
CONTRACTUAL	6.5	4.0	4.0	4.0	4.0	4.0
SUPPLIES	1.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	21.7	19.2	8.8	8.8	8.8	8.8

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES	40.9	0.0	17.6	0.0	17.6	0.0
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FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts	21.7	19.2	8.8	8.8	8.8	8.8
1006 GF/MHTIA						
Other						
TOTAL	21.7	19.2	8.8	8.8	8.8	8.8

Estimate of any current year (FY 95) cost: \$ 0.0

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

This fiscal note for HB 243 shows costs assuming the registration of landscape architects will be accomplished by adding one non-voting board member to the Board of Registration for Architects, Engineers, and Land Surveyors, assuming the examination will be administered twice each year, and no out-of-state travel provided. Also, no funding for investigative expenses are requested in this fiscal note. However, if numerous complaints are received, funding for investigative costs will be required in the future. (Continued on attached)

Prepared by:	Jennifer Strickler, Admin. Officer	Phone: 465-2144
Division:	Occupational Licensing	Date: 3/16/95
Approved by Commissioner:	William L. Hensley	Date: 3/16/95
Agency:	Commerce and Economic Development	

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FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. HB 243

ANALYSIS: (Continued)

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT FISCAL NOTE CALCULATIONS FOR HB 243

PERSONAL SERVICES

\$10.4

The Board of Registration for Architects, Engineers and Land Surveyors is presently understaffed. This fiscal note assumes that the duties for examination and registration of landscape architects will require at least one-fourth of a Licensing Examiner's position, Range 12, (\$10.4) for the first two years to implement the program.

TRAVEL

\$3.8

Staff travel identified below will be required for board meetings and examinations:

TRAVEL TO BOARD MEETINGS FOR STAFF, \$ 2.2

The board meets four times each year. The travel costs are based on the airfare and per diem for one additional staff person to travel to three meetings.

STAFF TRAVEL TO ADMINISTER EXAMINATIONS, \$1.6

The staff travel costs are based on the airfare and per diem for one staff person to travel from Juneau to Anchorage for two three-day examinations (\$.8 each) annually to proctor the examinations and provide examination security.

CONTRACTUAL SERVICES

\$ 6.5

The division is anticipating the charge for the national examination for landscape architect registration can be paid by the applicant directly to the examination agency. If the examination agency will not allow direct payment, additional funding of \$41.0 (\$20.5 per exam) will be required for examining at least 50 applicants at each exam. *(Note: The \$41.0 is not included in this fiscal note request since the division is anticipating payments to be made directly by the applicant to the examining agency.)*

Contractual services cover printing, postage, communications, and advertising costs (3.3); three days' room rental for examination administration (1.8); and membership fees to belong to the national organization for landscape architect registration (1.4). It is estimated that there will be higher costs in the initial year for regulations projects and examinations. In the following years it is estimated that the expenditures for contractual services may be reduced to \$4.0 due to decreased costs to develop regulations and lower room rental costs to examine fewer numbers of applicants.

SUPPLIES

\$ 1.0

TOTAL:

\$ 21.7

REVENUE/FUND SOURCE: In accordance with AS 08.01.065, all licensees are required to pay for the costs of regulating their profession. The revenue shown anticipates licensing fees to cover all costs associated with registration for landscape architects. If the number of potential registrants under this bill are few, for example 50, licensing fees must be set at \$818.00 biennially (\$409.00 per year) to fully cover its costs. If more individuals seek registration, individual licensing fees would be lower. Under the self-sufficiency mandate by statute, licensing fees will than be reviewed prior to the license renewal (in two years) and adjusted accordingly. This program is intended to be funded entirely by general fund/program receipts from fees.

HB

269

Revision Date: _____ Dept. Affected: Revenue
 Title: Tax Credit: Gifts to Public Broadcasting BRU: Audit Operations
 Component: Income and Excise Audit
 Sponsor: Rep. Ivan, Bunde
 Requestor: (H) STA COMPONENT SERIAL NO. 113

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

REVENUE FUND SOURCE: GF	0.0	(3,578.0)	(3,578.0)	(3,578.0)	(3,578.0)	(3,578.0)
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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	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current (FY95) impact \$ 0.0

ANALYSIS: (Attach a separate page if necessary)

(See Attached Analysis)

Prepared by: Robert N. Bartholomew, Deputy Director *Robert N. Bartholomew* Phone: 465-2320
 Division: Income and Excise Audit Date: 3/24/95
 Approved by Commissioner: *[Signature]* Date: 3/24/95
 Agency: Department of Revenue

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Bill Analysis

This bill would expand Alaska education credit statutes which provide for a tax credit for contributions made to an Alaska university or college as follows:

- **Expanded Base:** Taxpayers would be allowed to claim a credit for contributions to an Alaska public radio or television network in addition to a university or college.
- **Increased Credit:** The maximum credit would increase by \$300,000, from the current \$150,000 to \$450,000.

HB 269, in its current form, does not necessarily foster the bill's intent of providing an incentive for businesses to make contributions to public radio and television networks because the bill does not segregate requirements for public radio and television network contributions from Alaska education contributions. Rather, public radio and television credit language is incorporated into existing sections for Alaska education credits and therefore, it would be at a taxpayer's discretion to pick and choose between Alaska education or public radio and television contributions. Under this bill, it is possible for a taxpayer to claim the maximum credit from contributions to only an Alaska university or college. The department recommends that the bill be amended if this result is contrary to the legislative intent.

A tax credit claimed under this bill could be applied against a taxpayer's tax liability under the following tax types: corporation income (AS 43.20), oil and gas production (AS 43.55), oil and gas property (AS 43.56), mining license (AS 43.65), and fisheries business (AS 43.75). The credit claimed under one of the tax types may not be claimed as a credit under another tax type and when combined, may not exceed \$450,000.

For income tax purposes under AS 43.20, a contribution claimed as a credit may not also be taken as a charitable contribution deduction.

For purposes of production, property, and fisheries business credits, a contribution might qualify for the credit but would not qualify as a deduction because they are not income based. A contribution that qualifies for a credit under those provisions and AS 43.65 may, however, also qualify as a deduction for the same period for income tax purposes.

The mining tax in AS 43.65 is determined by reference to the income from the mining property and the statute is silent whether both a credit and a deduction against the same tax is allowed. The Division has interpreted AS 43.65 as precluding a deduction for charitable contributions. That interpretation has been disputed and is proceeding through the administrative appeal process.

The department recommends that the bill express the legislative intent regarding whether contributions may be claimed as both credits and deductions against the same and other tax types.

This legislation would apply to tax years beginning after December 31, 1995.

Operating Costs

Department of Revenue does not anticipate any additional costs for administering the tax credit program under this bill. The Department would update its returns to allow for taxpayers to claim a credit for contributions to public radio and television networks.

Revenue

Total education credits claimed during FY 94 were approximately \$944,000. Assuming that there would be a direct correlation between credits claimed in FY 94 and the 200% rate of increase in the maximum credit allowed under this bill (from \$150,000 to \$450,000), the state would expect credits to increase by 200% or \$1,888,000.

According to data compiled from most recent reports submitted to Department of Administration's Public Broadcasting Commission, corporation contributions to public radio and television including the Alaska Public Radio Network (APRN) during the fiscal year ended June 30, 1993 were approximately \$1,690,000. Assuming that individual corporation contributions to public radio and television remain the same as for FY 93 and that corporations also make Alaska education contributions greater the \$100,000, credits under this bill would increase by \$1,690,000 (100% of \$1,690,000).

Given the assumptions above, the combined revenue impact of this bill would be a reduction in General Fund revenue of **\$3,578,000** (\$1,888,000 + \$1,690,000).

This bill would apply to tax years beginning after December 31, 1995. Since corporation, fisheries business, and mining license taxpayers file annual returns, the first returns for which a credit could be claimed (calendar year 1996) will not be due until April 1997. Accordingly, any revenue reduction from this bill would not be realized until FY 97.

FISCAL USE COMMITTEE REPORT

(7) Date Referred: March 20, 1995 FURTHER REFERRALS: Finance

Date of Committee Action March 30

The STATE AFFAIRS Committee considered: HB 269

HOUSE BILL NO. 269 TAX CREDIT: GIFTS TO PUBLIC BROADCASTING

"An Act relating to credits against certain taxes for contributions to certain public educational radio and television networks and stations and to endowments for public educational radio and television networks; and providing for an effective date."

recommends it be replaced with the following committee substitute _____ [] the same title [] a new title

[] additional referral to _____ Committee
 [] attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) APPROVES PREVIOUS: (Dept/Date)
 [] fiscal note(s) _____ [] fiscal note(s) _____
 [] zero fiscal note(s) Revenue [] zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Jeanette James</i>	✓			
<i>Bob Williams</i>	✓			
<i>Caren Robinson</i>	✓			
<i>Lu Ann</i>	✓			
<i>Scott Damm</i>	✓			
<i>Paul R. Porter</i>	✓			

CHAIR'S SIGNATURE Jeanette James

Alaska State House of Representatives
House District 39



Session
Alaska State Capital
Juneau, Alaska 99801-1182
Phone: (907) 465-4942

Interim
P.O. Box 137
Akiak, Alaska 99552
Phone: (907) 765-7526

Representative Ivan M. Ivan

MEMORANDUM

TO: Representative Jeannette James, Chair
House State Affairs Committee

FROM: Representative Ivan M. Ivan *Ivan*

DATE: March 20 1995

RE: Request for Scheduling of House Bill 269

I respectfully request the scheduling of House Bill 269: Tax Credit: Gifts to Public Broadcasting, before the House State Affairs Committee at your earliest possible convenience.

This bill would provide for a tax credit for contributions made to instate public educational radio and television networks and stations. The credit is limited to \$500,000; 50% of the first \$100,000 in contributions and 100% of contributions over \$100,000, not to exceed a total of \$500,000.

With cuts to public broadcasting proposed this session, I believe it is imperative we present options to entities such as public broadcasting to make up for any general fund reductions. The tax credit provides one of those options.

Thank you for your consideration of my request. Backup material for this bill will be forthcoming. Please contact my aide, Tom Wright, if you require further information or if you have any questions.

IMI/tw

9-LS0937G
Chenoweth
3/24/95

CS FOR HOUSE BILL NO. 269()
IN THE LEGISLATURE OF THE STATE OF ALASKA
NINETEENTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES IVAN, Bunde

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to credits against certain taxes for contributions to certain public
2 educational radio and television networks and stations and to endowments for
3 public educational radio and television networks and stations, and increasing the
4 amounts that may be claimed as credits against certain state taxes; and providing
5 for an effective date."

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

7 * Section 1. PURPOSE. This Act extends the credits authorized by ch. 58, SLA 1987,
8 ch. 71, SLA 1991, and ch. 21, SLA 1994, against each of the following state taxes for
9 contributions made to instate public educational radio and television networks and stations and
10 to endowments established to benefit those public educational radio and television stations:

11 (1) the insurance premium tax (AS 21.09.210) and the tax on title insurance
12 premiums (AS 21.66.110);

13 (2) Alaska Net Income Tax (AS 43.20);

14 (3) Oil and Gas Properties Production Tax (AS 43.55);

1 (4) Oil and Gas Exploration, Production, and Pipeline Transportation Property
2 Tax (AS 43.56);

3 (5) Mining License Tax (AS 43.65);

4 (6) Fisheries Taxes (AS 43.75).

5 * Sec. 2. AS 21.89.070(a) is amended to read:

6 (a) Subject to (c) of this section, a [A] taxpayer is allowed as a credit against
7 the tax due under AS 21.09.210 or AS 21.66.110 the taxpayer's [FOR] cash
8 contributions for direct instruction, research, and educational support purposes, including
9 library and museum acquisitions, and contributions to endowment, that are accepted by
10 a nonprofit, public or private, Alaska two-year or four-year college or university
11 accredited by a regional accreditation association or that are accepted by an Alaska
12 university foundation that supports a university or college that could receive a
13 contribution for which a taxpayer may obtain a credit under this section, and the
14 taxpayer's cash contributions accepted by a nonprofit, noncommercial public Alaska
15 educational radio or television network or station and contributions to endowments
16 established to benefit those networks and stations. The amount of the credit is the
17 lesser of

18 (1) an amount equal to

19 (A) 50 percent of contributions of not more than \$100,000; and

20 (B) 100 percent of the next \$400,000 [\$100,000] of contributions;

21 or

22 (2) 50 percent of the taxpayer's tax liability under this title.

23 * Sec. 3. AS 21.89.070(c) is amended to read:

24 (c) In each tax year, contributions [A CONTRIBUTION] claimed as a credit
25 under this section

26 (1) may not be claimed as a credit under more than one provision of this
27 title; and

28 (2) may not, when combined with credits taken during the taxpayer's tax
29 year under AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, or AS 43.75.018,
30 exceed \$450,000 [\$150,000].

31 * Sec. 4. AS 43.20.014(a) is amended to read:

32 (a) Subject to (d) of this section, for [FOR] cash contributions accepted for

1 direct instruction, research, and educational support purposes, including library and
2 museum acquisitions, and contributions to endowment, by an Alaska university
3 foundation or by a nonprofit, public or private, Alaska two-year or four-year college
4 accredited by a regional accreditation association, and for contributions accepted by
5 a nonprofit, noncommercial public Alaska educational radio or television network
6 or station and contributions to endowments established to benefit those stations,
7 a taxpayer is allowed as a credit against the tax due under this chapter

8 (1) 50 percent of contributions of not more than \$100,000; and

9 (2) 100 percent of the next \$400,000 [\$100,000] of contributions.

10 * Sec. 5. AS 43.20.014(d) is amended to read:

11 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a credit
12 under this section

13 (1) may not be claimed as a credit under another provision of this title;

14 (2) may not also be allowed as a deduction under 26 U.S.C. 170 against
15 the tax imposed by this chapter; and

16 (3) may not, when combined with credits taken during the taxpayer's
17 tax year under AS 21.89.070, AS 43.55.019, AS 43.56.018, AS 43.65.018, or
18 AS 43.75.018, exceed \$450,000 [\$150,000].

19 * Sec. 6. AS 43.55.019(a) is amended to read:

20 (a) Subject to (d) of this section, for [FOR] cash contributions accepted for
21 direct instruction, research, and educational support purposes, including library and
22 museum acquisitions, and contributions to endowment, by an Alaska university
23 foundation or by a nonprofit, public or private, Alaska two-year or four-year college
24 accredited by a regional accreditation association, and for contributions accepted by
25 a nonprofit, noncommercial public Alaska educational radio or television network
26 or station and contributions to endowments established to benefit those stations,

27 a producer of oil or gas is allowed as a credit against the tax due under this chapter

28 (1) 50 percent of contributions of not more than \$100,000; and

29 (2) 100 percent of the next \$400,000 [\$100,000] of contributions.

30 * Sec. 7. AS 43.55.019(d) is amended to read:

31 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a credit

1 under this section may not

2 (1) be claimed as a credit under another provision of this title; and

3 (2) when combined with credits taken during the taxpayer's tax year
4 under AS 21.89.070, AS 43.20.014, AS 43.56.018, AS 43.65.018, or AS 43.75.018,
5 exceed \$450,000 [\$150,000].

6 * Sec. 8. AS 43.56.018(a) is amended to read:

7 (a) Subject to (d) of this section, for [FOR] cash contributions accepted for
8 direct instruction, research, and educational support purposes, including library and
9 museum acquisitions, and contributions to endowment, by an Alaska university
10 foundation or by a nonprofit, public or private, Alaska two-year or four-year college
11 accredited by a regional accreditation association, and for contributions accepted by
12 a nonprofit, noncommercial public Alaska educational radio or television network
13 or station and contributions to endowments established to benefit those stations,
14 the owner of property taxable under this chapter is allowed as a credit against the tax
15 due under this chapter

16 (1) 50 percent of contributions of not more than \$100,000; and

17 (2) 100 percent of the next \$400,000 [\$100,000] of contributions.

18 * Sec. 9. AS 43.56.018(d) is amended to read:

19 (d) In each tax year, contributions [A CONTRIBUTION] claimed as a credit
20 under this section may not

21 (1) be claimed as a credit under another provision of this title; and

22 (2) when combined with credits taken during the taxpayer's tax year
23 under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.65.018, or AS 43.75.018,
24 exceed \$450,000 [\$150,000].

25 * Sec. 10. AS 43.65.018(a) is amended to read:

26 (a) Subject to (d) of this section, for [FOR] cash contributions accepted for
27 direct instruction, research, and educational support purposes, including library and
28 museum acquisitions, and contributions to endowment, by an Alaska university
29 foundation or by a nonprofit, public or private, Alaska two-year or four-year college
30 accredited by a regional accreditation association, and for contributions accepted by
31 a nonprofit, noncommercial public Alaska educational radio or television network