

ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672

8795 HOUSE STATE AFFAIRS

opinion at this time. I will support repeal of this requirement by the Legislature and (prior to legislative action) if an applicant raises concern in providing this information with his/her application, an Attorney General's opinion will be requested.

AS 08.72.181 - Your recommended findings indicate that this renewal statute should also be considered in conjunction with the above comments, however, there is no specific discussion regarding your concerns with this authority.

The department does not strongly recommend amendments to this authority; however, it may be appropriate to repeal the exemption for payment of renewal fees by active military licensees. License fees are set to commensurate with the costs of implementing the licensing program. Whenever certain persons are exempted, the burden to cover the costs for those individuals falls to the other licensees who maintain licensure in the state.

Scope of Practice - The scope of practice and delegation of dispensing does need to be clarified by the Legislature. Currently, employees dispensing lenses in many of the Optometrists offices are doing so without benefit of licensure/registration though the Board of Dispensing Opticians. This continues to cause considerable discontent amongst the practitioners on both sides of the issue.

Recommendation No. 2

The Division of Occupational Licensing (OccLic) should enforce only those optometry application requirements set out in either statute or regulation.

We agree with your recommendation that applicants no longer be asked for a photograph at the time of application. Applications are developed in conjunction with the board. We believe this requirement was initially intended for use at the exam site in identifying exam candidates; however, the photos have not served this purpose for a number of years and, in fact, the board members are not given a copy of the photograph when they review the application for approval. Photographs are not necessary for exam identification, and we will recommend to the board that the applications be revised to drop this requirement.

Similarly, we concur that official transcripts from colleges or universities (other than official transcripts reflecting the optometry degree) are not necessary and will work with the board to revise the application accordingly. We suggest going a step further and recommending that AS 08.72.140(3) be repealed. If an applicant has a degree as a Doctor of

Mr. Randy S. Welker

-3-

November 30, 1995

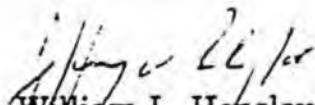
Optometry, ensuring four years of high school attendance (or the equivalent) is insignificant in determining the applicant's qualifications.

Recommendation No. 3

The Office of the Governor should appoint a public member to the board as soon as feasibly possible.

My department is not involved with board appointments; this recommendation will be passed along to the Governor's office for comment as applicable.

Sincerely,


William L. Hensley
Commissioner

WLH/BG/cw1653.ol

103095b

cc: Catherine Reardon, Director

FISCAL NOTE

No. 1

Bill Version: HB 405

(H) Publish Date: 1/16/96

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Revision Date: _____
 Title: An Act extending the termination date of the
Board of Optometry;....
 Sponsor: House Labor & Commerce
 Requestor: Representative James

Department: Commerce and Economic Development
 BRU: Occupational Licensing
 Component: Operations
 COMPONENT SERIAL NO. 1844

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	15.7	15.7	15.7	15.7	15.7	15.7
TRAVEL	2.8	2.8	2.8	2.8	2.8	2.8
CONTRACTUAL	4.5	4.5	4.5	4.5	4.5	4.5
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	23.0	23.0	23.0	23.0	23.0	23.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES	48.5	3.8	48.5	3.8	48.5	3.8
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other 1091 Designated PR	23.0	23.0	23.0	23.0	23.0	23.0
TOTAL	23.0	23.0	23.0	23.0	23.0	23.0

Estimate of any current year (FY 96) cost: \$ 27.0

POSITIONS

FULL-TIME					
PART-TIME					
TEMPORARY					

ANALYSIS: (Attach a separate page if necessary)

HB 405 extends the Board of Optometry to June 30, 2001. The costs identified above are included in the FY 97 operating budget and therefore, new funds are not required. Costs shown represent only Direct expenses of the board based on FY 95 activity. Administrative indirect expenses are also assessed annually per capita by the number of current licensees. FY 95 program costs (direct and administrative indirect) totalled \$27.0. Fees were adjusted in October 1994 to cover full costs of the program over a two-year period and will be reviewed again prior to the December 31, 1996 renewal.

Prepared by: Jennifer Strickler, Administrative Officer
 Division: Occupational Licensing
 Approved by Commissioner: William L. Hensley
 Agency: Commerce and Economic Development

Phone: 465-2144
 Date: January 10, 1996
 Date: 1-11-96

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(7)

HOUSE COMMITTEE REPORT

Date Referred to Committee: January 9, 1996

FURTHER REFERRALS:

1/16/96
Rules
Fin Ref Act
1/17/96

Date of Committee Action: 1-16-96

The STATE AFFAIRS Committee considered:

HE 405

HOUSE BILL NO. 405

EXTEND BOARD OF OPTOMETRISTS

"An Act extending the termination date of the Board of Examiners in Optometry; 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) CFD fiscal note(s) _____

zero fiscal note(s) _____ zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Janette James</i>	JAMES	✓			
<i>James S. Porter</i>	Porter			✓	
<i>Charles Green</i>	GREEN			✓	
<i>Ivan</i>	IUAN	✓			
<i>Caren Robinson</i>	ROBINSON	✓			
<i>Ed Willis</i>	Willis	✓			
<i>Scott Ogan</i>	Ogan			✓	
		(4)		(3)	

CHAIR'S SIGNATURE *Janette James*
James

HB

415

HB 415 - RELATING TO STREAMLINING STATE GOVERNMENT - SECTIONAL

Section	Department	Brief Description
1	Fish & Game	Allows the department to award grants related to the department's functions
2 - 4	Fish & Game	Allows vendors of sport fishing and hunting licenses and tags to retain the full 5% allowed for compensation for their services (see section 10)
5	Commerce & Economic Dev	Allows notices of action or legal proceedings against non-resident business owners for non-payment of taxes or fees be sent to last known address
6, 7	Health & Social Services	Allows the department granting authority for the Infant Learning Program within the Division of Public Health
8	Environmental Conservation Environmental Conservation	Repealers (AS 03.05.070) Eliminate requirements that the department report and care for animals suspected of rabies and the disposal of rabid animals (AS 17.07.010 - AS 17.07.200) Eliminates the requirements that the department regulate the vitamin and mineral content of flour and bread sold in the state
9	Commerce & Economic Dev Commerce & Economic Dev Commerce & Economic Dev Natural Resources	Repealers (AS 05.05.010 - AS 05.05.040 and AS 08.01.010(3)) Eliminates the Athletic Commission (AS 05.10.010 - AS 05.10.170) Eliminates the Boxing and Wrestling Commission (AS 08.02.011 and AS 08.01.010(32)) Eliminates the requirement that professional geologists be certified by the department (AS 46.15.190 - AS 46.15.240) Eliminates the Water Resources Board
10	Fish & Game	Repealers (AS 16.05.390(c) and (d)) Eliminates the calculation required to transmit remainder of vendor compensation for issuance of sport fishing and hunting licenses (see sections 2 - 4)

TONY KNOWLES, GOVERNOR

OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET

P.O. BOX 110020
JUNEAU, ALASKA 99811-0020
PHONE: (907) 465-4660
FAX: (907) 465-3008

February 27, 1996

The Honorable Jeannette James
Chair, House State Affairs Committee
State Capitol
Juneau, Alaska 99801-1182

Dear Representative James:


By request of the Governor, HB 415 (An Act streamlining the functions of state government ...) was introduced and, subsequently, referred to your committee. On behalf of Governor Knowles, I respectfully request that this legislation be scheduled for a hearing.

As noted in the bill's transmittal letter of January 12, 1996, this measure represents the Governor's "...goal to streamline state government." This legislation deletes requirements to perform several duties that are not essential for the public health, safety, or welfare of its people. Further, it modifies various programs to increase efficiency.

This administration is committed to working with you, and your colleagues, on making government work smarter with less. The provisions in this bill address program activities that have no real benefit, are unproductive for business or are burdensome for state staff. I urge you to schedule this legislation.

Your attention to this request is greatly appreciated.

Sincerely,



Annalee McConnell
Director

cc: Representative Tcohey
Representative Bunde
Representative Green
Representative William
Representative Hanley
Representative Foster

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



Rev. 6/98

Central Microfilm Services
Department of Education
State of Alaska

HB 415 - RELATING TO STREAMLINING STATE GOVERNMENT - SECTIONAL

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HB 415 - RELATING TO STREAMLINING STATE GOVERNMENT - SECTIONAL

Section	Department	Brief Description
	Revenue	(AS 43.10.160, AS 43.10.180 - AS 43.10.200) Eliminates non-resident affidavit tax bond program
11		Transitional language
12 - 14		Effective dates

Proposed Amendments

#2	New	Administration	Calculates terminal leave payments based on annualized rate of pay
#1	New	Administration	Shortens the time limit on payment of warrants 1 year
#3	New	Commerce & Economic Dev and Revenue	Allows the department to collect taxes on insurance premiums more frequently than on an annual basis

TONY KNOWLES, GOVERNOR

OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET

P.O. BOX 110020
JUNEAU, ALASKA 99811-0020
PHONE: (907) 465-4660
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This administration is committed to working with you, and your colleagues, on making government work smarter with less. The provisions in this bill address program activities that have no real benefit, are unproductive for business or are burdensome for state staff. I urge you to schedule this legislation.

Your attention to this request is greatly appreciated.

Sincerely,



Annalee McConnell
Director

cc: Representative Toohey
Representative Bunde
Representative Green
Representative William
Representative Hanley
Representative Foster

FISCAL NOTE

No. 7
 Bill Version: HB 415
 (H) Publish Date: 1-12-96

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Revision Date: Original Dept Affected Natural Resources
 Title: Streamlining State Government BRU: Resource Development
 Component: Water Development
 Sponsor: Rules Committee
 Requestor: Governor Knowles Component Serial No. 916

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
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	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

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 (FY96) cost: \$ none

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

The Alaska Water Resources Board (Board) was established by Article 3 of Alaska Statute 46.15, the Water Use Act, which was enacted in 1966. The seven-member board was created to advise the Governor on all matters relating to the use, appropriation, and protection of water. The Board is appointed by the Governor and confirmed by the Legislature. Over the past 15 years the Board has tackled a broad range of water management issues including federal reserve water rights, basin wide adjudications, critical management areas, instream flow for fish and wildlife, and water quality concerns. Funding had always been provided to the Board through the Department of Natural Resources. Three years ago, it was decided to eliminate this funding for higher priority projects within the Department. The Board has not been funded over the past three years and has not met since October 1993. It is not anticipated that this Board will be funded in the future and without the funding there is no need to preserve Article 3 of AS 46.15, that requires tasks that are not being accomplished.

Prepared by: Jules Tileston, Director Phone: 269-8625
 Division: Mining & Water Date: 5-Jan-96
 Approved by Commissioner: [Signature] Date: 5-Jan-96
 Agency: Natural Resources

FISCAL NOTE

No. 6
 Version: HB 415
 (H) Publish Date: 1-12-96

STATE OF ALASKA
 1996 LEGISLATIVE SESSION

Revision Date: _____ Department: Commerce and Economic Development
 Title: An Act streamlining the functions of state BRU: Occupational Licensing
 government;.... Component: Operations
 Sponsor: Rules Committee
 Requestor: Governor COMPONENT SERIAL NO. 1844

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY00	FY 01	FY 02
PERSONAL SERVICES	(4.4)	(4.4)	(4.4)	(4.4)	(4.4)	(4.4)
TRAVEL	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
CONTRACTUAL	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	(5.3)	(5.3)	(5.3)	(5.3)	(5.3)	(5.3)

CAPITAL EXPENDITURES						
CHANGE IN REVENUES	(3.9)	(3.9)	(3.9)	(3.9)	(3.9)	(3.9)

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other: 1091 Designated PR	(5.3)	(5.3)	(5.3)	(5.3)	(5.3)	(5.3)
TOTAL	(5.3)	(5.3)	(5.3)	(5.3)	(5.3)	(5.3)

Estimate of any current year (FY 96) cost: \$ 5.3

POSITIONS

FULL-TIME					
PART-TIME					
TEMPORARY					

ANALYSIS: (Attach a separate page if necessary)

Section 8 repeals regulatory oversight statutes and statutory references under centralized licensing for the Athletic Commission (AS 05.05 and AS 05.10), and the certification of professional geologists (AS 08.02.011). The reduction identified in this fiscal note represent direct costs associated with these programs: Athletic Commission at \$3.6, and Professional Geologists at \$1.7. The reduction of revenue is based on fees generated in FY 95. Revenue of the Athletic Commission totalled \$1.4 and licenses are renewed annually. Revenue generated by certification of professional geologists totalled \$2.5 and are based on a one time charge with no expiration.

Prepared by: Jennifer Strickler, Administrative Officer
 Division: Occupational Licensing
 Approved by Commissioner: William L. Hensley
 Agency: Commerce and Economic Development

Phone: 465-2144
 Date: January 9, 1996
 Date: 1-9-96

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FISCAL NOTE

J. 5
 Bill Version: HB 415
 (H) Publish Date: 1-1296

STATE OF ALASKA
 1996 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Fish and Game
 Title: An Act streamlining the functions of state BRU: Administration and Support
government. Component: Administrative Services
 Sponsor: Rules Committee
 Requester: Governor COMPONENT SERIAL NO. 479

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	(720.0)	(720.0)	(720.0)	(720.0)	(720.0)	(720.0)
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	(720.0)	(720.0)	(720.0)	(720.0)	(720.0)	(720.0)

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	(720.0)	(720.0)	(720.0)	(720.0)	(720.0)	(720.0)
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
1024 Fish and Game Fund	(720.0)	(720.0)	(720.0)	(720.0)	(720.0)	(720.0)
TOTAL	(720.0)	(720.0)	(720.0)	(720.0)	(720.0)	(720.0)

Estimate of any current year (FY96) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This bill will alter the way in which fish and game license vendor compensation is paid. Currently, the vendor withholds 5% of revenue generated from the sale of sport licenses as commission. The department also pays each vendor an additional \$1 per item sold on a quarterly basis. The amount of additional vendor compensation has been increasing for several years, requiring the department to request increases to its budget. This bill will allow vendors to withhold their additional vendor compensation along with their 5% commission. This will result in a reduction of revenue to the fish and game fund and an equal reduction in expenditures to be charged against the fund. This change will streamline the process for paying vendor compensation while having a net zero affect on the fish and game fund. This bill will affect approximately 1000 of the department's 1400 license vendors. It will still be necessary to make manual payments of up to \$50 to approximately 400 vendors that sell less than 50 licenses per year. The department will continue to report all compensation in the state accounting system and to vendors and the Internal Revenue Service on a form 1099.

Prepared by: Kevin Brooks *Kevin Brooks* Phone: 465-5999
 Division: Administrative Services Date: 1/9/96
 Approved by Commissioner: Frank Rue *Frank Rue* Date: 1/9/96
 Agency: Fish and Game

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FISCAL NOTE

No. 4
 Bill Version: HB 415
 (H) Publish Date: 1-12-96

**STATE OF ALASKA
 1996 LEGISLATIVE SESSION**

Revision Date: _____
 Title: Streamlining Bill
 Sponsor: Rules Committee
 Requestor: Governor

Department Affected: Environmental Conservation
 BRU: Environmental Health
 Component: Seafood and Sanitation Inspections

COMPONENT SERIAL NO. 1936

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 01
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
UTILITIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE

General Receipts	0.0	0.0	0.0	0.0	0.0	0.0
State Match	0.0	0.0	0.0	0.0	0.0	0.0
FOFOF	0.0	0.0	0.0	0.0	0.0	0.0
FOOS CIV/Program Receipt	0.0	0.0	0.0	0.0	0.0	0.0
FOOS CFMHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ 0.0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)
 No fiscal impact.

Bill repeals statutory requirement that department regulate rabies reporting and animal constraint with no threat to the public health and safety. The Department of Health and Social Services and local governments will continue rabies control efforts.

Bill also repeals the department's authority to administer flour and bread standards. The federal government sets standards for flour and bread which makes state standards unnecessary.

Prepared by: Larry Jones *Lawrence Jones*
 Division: Director, Division of Administrative Services

Phone: 465-5010
 Date: 1/9/96

Approved by Commissioner: *Lawrence Jones for*
 Agency: Department of Environmental Conservation

Date: 1/9/96

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STATE OF ALASKA
1996 LEGISLATIVE SESSION

No. 3
Bill Version: HB 415
(H) Publish Date: 1-12-96

Revision Date: _____ Dept. Affected: Health and Social Services
Title: Streamlining Bill BRU: State Health Services
Sponsor: Rules Committee Component: Maternal, Child, & Family Hlth
Requestor: Tony Knowles, Governor COMPONENT SERIAL NO. 290
See also (SN#): _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY96	FY99	FY00	FY01	FY02
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						
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CHANGES IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

There will be zero fiscal impact with these changes. Without the changes the department will need to develop a contracting mechanism which would involve extensive amounts of time and effort by program staff and providers.

Prepared by: Peter M. Nakamura, MD, MPH *P. Nakamura*
Division: Public Health
Approved by Com: Karen Perdue, Commissioner *K. Perdue*
Agency: Department of Health & Social Services

Phone: 465-3090
Date: 01/09/96
Date: 1/9/96

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STATE OF ALASKA
1996 LEGISLATIVE SESSION

No. 2
Bill Version: HB 415
(H) Publish Date: 1-12-96

Revision Date: _____ Dept. Affected: Health and Social Services
Title: Streamlining Bill BRU: State Health Services
Component: Epidemiology
Sponsor: Rules Committee COMPONENT SERIAL NO. 296
Requestor: Tony Knowles, Governor See also (SN#): _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
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						
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CHANGES IN REVENUES ()						
-------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

No Fiscal Impact.

Prepared by: Peter M. Nakamura, MD, MPH *Peter Nakamura*
Division: Public Health

Phone: 465-3090
Date: 01/09/96

Approved by Com: *Karen Perdue*
Agency: Karen Perdue, Commissioner
Department of Health & Social Services

Date: 1/9/96

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
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Revision Date: _____ Dept. Affected: Revenue
 Title: Streamlining State Government BRU: Audit Operations
 Component: Income and Excise Audit
 Sponsor: Rules Committee
 Requestor: Governor COMPONENT SERIAL NO. 113

Expenditures/Revenues: (Thousands of Dollars)

	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
OPERATING EXPENDITURES						
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 ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost \$ 0

POSITIONS:

FULL-TIME					
PART-TIME					
TEMPORARY					

ANALYSIS: (Attach a separate page if necessary)

Section 9 of this bill repeals the Non-Resident Affidavit Tax Bond program. This will eliminate staff time spent on processing non-essential sworn affidavits and tax bonds required to be filed by non-resident corporations. Staff time freed up will be used to enhance our tax compliance programs (i.e. corporation, motor fuel and fisheries). The state will no longer receive interest earned on the cash bonds paid to the state. This loss of approximately \$100,000 will be more than offset by increased revenues from our compliance unit.

Prepared by: Robert N. Bartholomew *Robt Bartholomew*
 Division: Income & Excise Audit
 Approved by Commissioner: *[Signature]*
 Agency: Department of Revenue

Phone: 465-2320
 Date: 1/9/96
 Date: 1/9/96

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information call the Governor's Legislative Office

HB 415

TONY KNOWLES
GOVERNOR



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

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 12, 1996

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

Dear Speaker Phillips:

I am offering this bill as part of my administration's goal to streamline state government. This legislation deletes requirements to perform several duties that are not essential for the public health, safety, or welfare and modifies some programs to increase efficiency.

This bill involves several state agencies and a wide variety of programs. The following is a brief description of the legislation. Departments will offer more complete analyses during the committee hearings.

Section 1 of the bill would add a new provision authorizing the commissioner of Fish and Game to directly award grants that serve some of that department's core missions--protecting, maintaining, improving, and extending public access to fish, game, and aquatic plant resources of Alaska. Currently, the department does not have authority to award grants and must channel money through other agencies. This causes delay and adds administrative cost.

Sections 2 - 4, and part of sec. 10 of the bill, would simplify the procedures regarding compensation for vendors who sell sport fishing and hunting licenses and tags on behalf of the state. Currently vendors keep some of the fees they collect as partial payment for their services and pass the balance on to the state. The state then reimburses the vendors for the rest of the compensation due to them. This proposal eliminates that last step by letting vendors calculate total payment due them up front and passing only the balance of the fees to the state.

The Honorable Gail Phillips

January 12, 1996

Page 2

Sections 6 and 7 of the bill would allow the Department of Health and Social Services to award grants rather than contracts for its infant learning program which provides services for developmentally delayed or disabled children. The grant process should increase efficiencies within the department.

Section 8 of the bill repeals the Department of Environmental Conservation's requirement to regulate rabies reporting and animal constraint. This can be done with no threat to the public health and safety because of continued rabies control efforts by the Department of Health and Social Services coupled with local governments, which routinely exercise animal control powers. In the unorganized borough, the Indian Health Service and village public safety officers fill this local role.

Section 8 also repeals DEC's authority to administer flour and bread standards, which have not been substantially revised since 1949. The federal government sets standards for flour and bread, making state standards unnecessary. Moreover, DEC already has authority to establish certain standards for food.

Section 9 of the bill would repeal a number of statutes. It would first abolish the Athletic Commission and the Department of Commerce and Economic Development's regulatory oversight of professional boxing and wrestling. Professional boxing and wrestling matches are very infrequent in Alaska. Therefore, the license fees which are set in statute would have to be raised significantly in order to cover the cost of adequate oversight. Currently, the fees are much too low to allow the board and department to comply with their statutory responsibility.

Section 9 would also repeal a requirement that the commissioner of commerce and economic development certify an applicant as a professional geologist if the applicant is already certified by the American Institute of Professional Geologists. This state certification requirement merely places a duty on the commissioner without providing an additional benefit to the public safety or welfare.

Finally, sec. 9 would abolish the Water Resources Board. The board has not convened or conducted any business in the last few years for lack of legislative financing. Although the Department of Natural Resources will not assume all of the board's functions, it can and will advise the governor on major water policy issues when the need arises. Thus, the elimination of the board will not unreasonably diminish the ability of the state to address matters relating to water appropriations and use.

The Honorable Gail Phillips

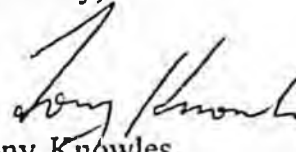
January 12, 1996

Page 3

A part of sec. 10 of the bill would repeal a requirement that nonresident businesses annually file information on sworn affidavits and tax bonds before conducting business in the state. This requirement was placed on nonresident businesses in 1955 when few of them had offices or property in the state. That made it difficult to enforce payment of taxes and license fees. But that is no longer the case. The bonding requirement, unique to Alaska, creates an unfriendly business environment in the state. The program provides no benefit, is unproductive for business, and burdensome for state staff. I recommend that it be repealed.

I urge your prompt consideration and passage of this bill that streamlines and improves the operations of state government.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tony Knowles".

Tony Knowles
Governor

AMENDMENT

1

OFFERED IN THE HOUSE

TO: HB 415

Page 1, line 9, following "Water Resources Board;":

Insert "relating to the time limitation on payment of state warrants;"

Page 2, following line 28:

Insert a new bill section to read:

"* Sec. 5. AS 37.05.180 is repealed and reenacted to read:

Sec. 37.05.180. TIME LIMITATION ON PAYMENT OF WARRANTS. A warrant upon the state treasury may not be paid unless presented to the Department of Revenue within one year after the date of its issuance. Money that was not paid because a warrant for its payment was not timely presented may not be transferred to another fund except as otherwise specifically provided by law."

Renumber the following bill sections accordingly.

Page 4, line 5:

Delete "secs. 13 and 14"

Insert "secs. 15 and 16"

Page 4, following line 9:

Insert a new bill section to read:

"* **Sec. 13. APPLICABILITY.** The provisions of AS 37.05.180, as repealed and reenacted by sec. 5 of this Act, apply to a state warrant issued on or after the effective date of sec. 5 of this Act."

Renumber the following bill sections accordingly.

Page 4, line 10:

Delete "Sections 8 and 11"

Insert "Sections 9 and 12"

Page 4, line 11:

Delete "Sections 1, 6, 7, and 9"

Insert "Sections 1, 5, 7, 8, 10, and 13"

Page 4, line 12:

Delete "Sections 2, 3, 4, 5, and 10"

Insert "Sections 2, 3, 4, 6, and 11"

AMENDMENT # 2

OFFERED IN THE HOUSE

TO: HB 415

Page 1, line 4:

Following "compensation;";

Insert "simplifying calculations of terminal leave payments for a state officer or employee;"

Page 2, following line 28:

Insert a new bill section to read:

** Sec. 5. AS 39.20.250(a) is amended to read:

(a) Terminal leave for unused personal leave shall be allowed upon separation from service. The payment equals the personal leave balance at the time of separation multiplied by the officer's or employee's annualized hourly rate of pay [COMPENSATION THAT THE OFFICER OR EMPLOYEE WOULD HAVE RECEIVED IF THE OFFICER OR EMPLOYEE HAD REMAINED IN THE SERVICE UNTIL THE EXPIRATION OF THE PERIOD OF UNUSED PERSONAL LEAVE]. A payment of terminal leave to an employee shall be made as a lump sum payment [OR IN INSTALLMENTS OVER A PERIOD OF TIME, AS THE EMPLOYEE ELECTS]."

Renumber the following bill sections accordingly.

Page 3, line 28:

Delete "and 17.07.200"

Insert "17.07.200; and AS 39.20.250(b)"

Page 4, line 5:

Delete "secs. 13 and 14"

Insert "secs. 14 and 15"

Page 4, line 10:

Delete "Sections 8 and 11"

Insert "Sections 5, 9, and 12"

Page 4, line 11:

Delete "Sections 1, 6, 7, and 9"

Insert "Sections 1, 7, 8, and 10"

Page 4, line 12:

Delete "Sections 2, 3, 4, 5, and 10"

Insert "Sections, 2, 3, 4, 6, and 11"

OFFERED IN THE HOUSE

TO: HB 415

Page 1, line 9, following "Water Resources Board;":

Insert "relating to the timing and method of payment and reporting for certain taxes on insurance premiums;"

Page 2, following line 28:

Insert new bill sections to read:

"* Sec. 5. AS 21.09.210(b) is amended to read:

(b) Each insurer, and each formerly authorized insurer with respect to premiums received while an authorized insurer in this state, shall pay a tax on the total direct premium income received during the year ending on the preceding December 31 and paid for the insurance of property or risks resident or located in the state other than wet marine and transportation insurance, after deducting from the total direct premium income the applicable cancellations, returned premiums, the unabsorbed portion of any deposit premium, all policy dividends, unabsorbed premiums refunded to policyholders, refunds, savings, savings coupons, and other similar returns paid or credited to policyholders with respect to their policies. No deductions may be made of cash surrender value of policies. Considerations received on annuity contracts are not included in the direct premium income and are not subject to tax. The tax shall be paid to the director at least annually

on the dates specified by the director and by the electronic or other payment method designated by the director. The tax [OR BEFORE MARCH 1, AND] is computed at the rate of

(1) for domestic and foreign insurers, except hospital and medical service corporations, 2.7 percent;

(2) for hospital and medical service corporations, six percent of their gross premiums less claims paid.

* Sec. 6. AS 21.09.210(d) is amended to read:

(d) An authorized insurer shall, with respect to all wet marine and transportation contracts written in this state during the preceding calendar year, on or before March 1 of each year, pay to the director a tax of three-quarters of one percent on its gross underwriting profit. The director shall specify the dates that payment is due and the electronic or other method by which payment is to be made. The gross underwriting profit is computed by deducting from the net premiums on wet marine and transportation insurance contracts, the net losses paid during the calendar year under the contracts. In the case of an insurer issuing participating contracts, the gross underwriting profit may not include, for computation of the tax prescribed by this section, the amounts refunded or paid as participation dividends by the insurers to the holders of the contracts. In this subsection,

(1) "net losses" means gross losses less salvage and recoveries on reinsurance ceded;

(2) "net premiums" means gross premiums less all return premiums and

premiums for reinsurance.

* Sec. 7. AS 21.34.180(b) is amended to read:

(b) The surplus lines tax [IS DUE ON THE SECOND DAY OF MARCH FOLLOWING THE CALENDAR YEAR IN WHICH THE PREMIUM IS WRITTEN. THE TAX] shall be paid by the electronic or other method and on the due dates specified by the director. The tax shall be [TO AND] reported on forms prescribed by the director, or upon the director's order paid to and reported on forms prescribed by the surplus lines association.

* Sec. 8. AS 21.34.190(a) is amended to read:

(a) The fee for filing the statement under AS 21.34.180(b) is an amount equal to one percent on gross premium charged less any return premiums as reported on the statement [DURING THE PRECEDING CALENDAR YEAR]. The surplus lines broker shall pay the fee at the time of filing of the statement.

* Sec. 9. AS 21.66.110(a) is amended to read:

(a) Each [ANNUALLY EACH] title insurance company shall pay [ON OR BEFORE MARCH 1,] a tax of one percent of the amount of gross title insurance premiums received by it including as premium income received from guaranteed certificates of title and other guarantees of title [DURING THE PRECEDING CALENDAR YEAR] covering property in this state, as shown by its electronic or other [ANNUAL] statement to the director. The director shall specify the due dates and the electronic or other method of payment."

Renumber the following bill sections accordingly.

Page 4, following line 4:

Insert a new bill section to read:

"* Sec. 16. TRANSITION: PAYMENT AND REPORTING FOR TAXES ON INSURANCE PREMIUMS FOR CALENDAR YEAR 1996. Notwithstanding the amendments made by secs. 5 - 9 of this Act, payment of and reporting for fees and taxes for calendar year 1996 as required under AS 21.09.210(b), 21.09.210(d), AS 21.34.180(b), 21.34.190(a), and AS 21.66.110(a) as those statutes read on the day before the effective date of secs. 5 - 9 of this Act, shall be made as required under those statutes, and regulations adopted under those statutes, as they read on the day before the effective date of secs. 5 - 9 of this Act."

Renumber the following bill sections accordingly.

Page 4, line 5:

Delete "secs. 13 and 14"

Insert "secs. 19 and 20"

Page 4, line 10:

Delete "Sections 8 and 11"

Insert "Sections 13 and 17"

Page 4, line 11:

Delete "Sections 1, 6, 7, and 9"

Insert "Sections 1, 11, 12, and 14"

Page 4, line 12:

Delete "Sections 2, 3, 4, 5, and 10"

Insert "Sections 2 - 10, 15, and 16"

Amendment

#4
~~Repeal~~
passed

HB 415

Page 4, Line 6

After "adopt"

Insert "or repeal"

Rep James

HEB

416

MEMORANDUM RECEIVED

State of Alaska
Department of Law

APR 08 1996

TO: Nancy Slagle
Director
Division of Budget Review
Office of Budget and Management
Office of the Governor

DATE: April 5, 1996

BUDGET REVIEW NO.:

TEL. NO.: 465-2127

SUBJECT: Whether there are single subject problems with the governor's omnibus fee bills, HB 416 and SB 216

FROM: John B. Gaguine *JBG*
Assistant Attorney General
Governmental Affairs - Juneau

You have informed us that the staff of the House State Affairs Committee have expressed concerns that the governor's omnibus fee bill, HB 416,¹ might violate article II, section 13 of the Alaska constitution, which requires that "[e]very bill shall be confined to one subject." For that reason you have asked us to give you an opinion on this question. It is our opinion that under the precedents of the Alaska Supreme Court, the fee bill passes constitutional muster. Moreover, we believe that even if that court were to overrule some of those precedents and adopt a more stringent single-subject test, the fee bill would still be found constitutional.

The Alaska Supreme Court has given a very broad interpretation to "one subject" in the constitutional provision, and has never found that a legislative enactment or an initiative has violated that provision. See e.g., State v. First Nat'l Bank of Anchorage, 660 P.2d 406, 414-15 (Alaska 1982) (upholding bill against single-subject attack because all the bill's provisions concerned "land"); Yute Air Alaska, Inc. v. McAlpine, 698 P.2d 1173 (Alaska 1985) (upholding bill against single-subject attack because all the bill's provisions concerned "transportation"). Under these precedents, the fee bill would obviously pass muster.

However, the Supreme Court in both First Nat'l Bank and Yute, its two most recent decisions on the single-subject rule, has questioned the breadth of its interpretation.² It is thus distinctly possible that the court will not be so deferential to the legislature in the next single-subject challenge that it hears.³ But we believe that the fee bill would be found constitutional even under a stricter test. Although we have not found any relevant authority from other states on this question, we believe that the Alaska courts would find that proposals to increase state revenues by raising fees

¹ An identical version of the fee bill was introduced in the Senate as SB 216.

² Former Justices Moore and Burke would have gone further in Yute, and would have invalidated the enactment there on single-subject grounds.

³ We note, though, that the first reason that the Yute majority (all three of whom are still on the court) gave for not overruling the prior single-subject cases was that "it is not at all clear that there are workable stricter standards." Id. at 1180. Presumably this is still the case.

TONY KNOWLES
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

HB 416
P O Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500
Fax (907) 465-3532

January 12, 1996

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

HB 416

Dear Speaker Phillips:

As we work to close Alaska's budget gap, my fiscal plan combines spending cuts with increases in certain fees and taxes. This fee bill asks users of state services to take responsibility and help cover the costs of the agencies that serve them.

Section 1 of the bill would grant to the Real Estate Commission the power to charge the real estate surety fund for claim hearing costs as they are incurred. Presently, the commission must await the conclusion of a hearing before charging the fund. Because these costs may have been incurred during a fiscal year that has since been "closed out," the costs often cannot be reimbursed from the surety fund. In addition, this section would delete a misleading statutory reference to clarify that only the costs of surety fund claim hearings, and not the costs of all disciplinary hearings, may be charged to the fund.

Section 2 would allow the Alaska Commission on Postsecondary Education to charge fees for processing educational institutions' applications for authorization to operate, along with application fees for the institutions' agent permits.

Section 3 of the bill would authorize the State Commission for Human Rights to establish and charge fees for educational and training services and for information and materials the commission provides to the public. This amendment would help the commission cover costs associated with its education efforts to eliminate discrimination.

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



Rev. 6/98

Central Microfilm Services
Department of Education
State of Alaska

MEMORANDUM RECEIVED

State of Alaska
Department of Law

APR 08 1996

DATE: April 5, 1996

TO: Nancy Slagle
Director
Division of Budget Review
Office of Budget and Management
Office of the Governor

BUDGET REVIEW NO.:

TEL. NO.: 465-2127

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Assistant Attorney General
Governmental Affairs - Juneau

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The Alaska Supreme Court has given a very broad interpretation to "one subject" in the constitutional provision, and has never found that a legislative enactment or an initiative has violated that provision. See e.g., State v. First Nat'l Bank of Anchorage, 660 P.2d 406, 414-15 (Alaska 1982) (upholding bill against single-subject attack because all the bill's provisions concerned "land"); Yute Air Alaska, Inc. v. McAlpine, 698 P.2d 1173 (Alaska 1985) (upholding bill against single-subject attack because all the bill's provisions concerned "transportation"). Under these precedents, the fee bill would obviously pass muster.

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Nancy Slagle

April 5, 1996

Page 2

properly belong together, even though the bill sections raising the fees affect several different titles of the state statutes. As the Yute majority observed, "Many laws embracing a single subject direct more than on governmental department to act." 698 P.2d at 1181.

Please feel free to contact us if you have any questions about this memorandum.

JBG:clh

cc: Pat Pourchot
Legislative Director
Office of the Governor

Bruce Botelho
Attorney General

Barbara Ritchie
Deputy Attorney General

Deborah Behr
Legislative Attorney
Dept. of Law

Chrystal Smith
Legal Administrator
Dept. of Law

TONY KNOWLES
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

HB 416
P.O. Box 110001
Juneau, Alaska 99811-0001
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January 12, 1996

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

HB 416

Dear Speaker Phillips:

As we work to close Alaska's budget gap, my fiscal plan combines spending cuts with increases in certain fees and taxes. This fee bill asks users of state services to take responsibility and help cover the costs of the agencies that serve them.

Section 1 of the bill would grant to the Real Estate Commission the power to charge the real estate surety fund for claim hearing costs as they are incurred. Presently, the commission must await the conclusion of a hearing before charging the fund. Because these costs may have been incurred during a fiscal year that has since been "closed out," the costs often cannot be reimbursed from the surety fund. In addition, this section would delete a misleading statutory reference to clarify that only the costs of surety fund claim hearings, and not the costs of all disciplinary hearings, may be charged to the fund.

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The Honorable Gail Phillips

January 12, 1996

Page 2

Section 4 of the bill would establish an administrative fee for self-insured employers under the Alaska Workers' Compensation Act. Most employers currently pay a portion of the cost of running the state workers' compensation program through their insurance premium tax. Self-insured employers, however, are receiving the same state services but are not currently contributing to the cost of running the system. Under this bill, employers would share in those costs.

Section 5 would change the biennial fee for a business license from \$50 to \$75. This would mark the first fee increase since statehood.

Section 6 of the bill would allow the Division of Governmental Coordination in the Office of the Governor to adopt regulations to charge for services related to federal consistency determinations and certifications under the Coastal Zone Management Act.

Section 7 of the bill would authorize the Department of Military and Veterans' Affairs to adopt regulations setting reasonable fees for classes and seminars on emergency response procedures.

Section 8 of the bill would authorize the Department of Environmental Conservation to adopt regulations setting fees for the regulation of pesticides and broadcast chemicals and for the review of subdivision plans for sewage waste disposal or treatment.

This legislation, coupled with my spending plan, is a step toward closing Alaska's budget gap. I urge your prompt consideration and passage of this bill.

Sincerely,



Tony Knowles
Governor

11/28/95

1994 SELF-INSURED WC PAYMENTS AT 4% BY YEAR

SELF-INSURED EMPLOYER	1994	4% of 94 payments	1993	4% of 93 payments	1992	4% of 92 payments	1991	4% of 91 payments	1990	4% of 90 payments	1989	4% of 89 payments
1 ALASKOM INC.	279,518	11,181	220,698	8,828	282,517	11,301	320,353	12,814	397,105	15,884	239,079	9,561
2 ALASKA AIRLINES, INC.	1,032,454	41,298	1,022,114	40,885	846,612	33,864	796,129	31,845	771,787	30,871	1,009,872	40,395
3 ALASKA RAILROAD CORP.	416,743	16,670	376,636	15,065	496,042	19,842	396,269	15,851	898,415	35,937	637,380	25,495
4 ALYESKA PIPELINE SERVICE	460,061	18,402	590,801	23,632	662,048	26,482	399,032	15,961	424,597	16,984	311,825	12,170
5 ANICO PRODUCTION	No payment		No payment		No payment		No payment		31,160	1,246	No payment	
6 ANCHORAGE DAILY NEWS INC	146,370	5,855	New									
7 ANCHORAGE SCHOOL DISTRICT	1,460,149	→ 58,406	1,743,052	69,722	1,627,289	65,092	1,360,704	54,428	1,180,165	47,207	1,901,768	76,071
8 CARR GOTTSTEIN FOODS CO.	1,367,237	54,689	1,670,159	66,806	1,272,136	50,885	1,226,688	49,068	1,252,361	50,094	1,700,274	68,011
9 CHEVRON CORPORATION	103,202	4,128	31,047	1,242	40,021	1,601	279,982	11,199	146,428	5,857	32,079	1,284
10 CITY OF FAIRBANKS	532,421	→ 21,297	430,752	17,230	807,418	32,297	806,719	32,269	956,724	38,269	637,315	25,494
11 COLUMBIA HEALTHCARE CORP	956,492	38,260	201,144	8,046	381,743	15,270	191,605	7,664	269,658	10,786	54,755	2,190
12 CONSOLIDATED FREIGHTWAYS	124,775	4,991	38,910	1,556	5,982	239	38,665	1,547	15,739	630	4,795	192
13 CONTINENTAL BAKING CO.	329,886	13,195	176,333	7,053	199,183	7,967	188,127	7,525	68,800	2,752	101,558	4,062
14 FAIRBANKS, NORTH STAR	528,870	→ 21,155	704,398	28,176	1,863,960	74,558	618,712	24,748	522,386	20,895	348,761	13,950
15 FEDERAL EXPRESS CORP.	1,013,730	41,749	514,323	20,573	438,507	17,540	321,384	12,855	New			
16 HOLLAND AMERICA LINE	211,364	8,455	121,042	4,842	234,848	9,394	New					
17 KURTLE SEAFOOD	369,669	14,787	204,571	8,183	New							
18 KUREBAU, CITY & BOROUGH	723,198	→ 28,928	962,982	38,519	909,852	36,394	632,741	25,310	489,507	19,580	261,171	10,455
19 LOUISIANA - PACIFIC CORP	1,212,426	48,497	1,110,410	44,416	1,310,244	52,410	1,278,322	51,133	1,042,358	41,694	737,745	29,510
20 MARATHON OIL COMPANY	19,226	769	70,454	2,818	64,397	2,576	58,196	2,328	8,518	341	85,952	3,448
21 MATANUSKA-SUSTINA SCHOOL DISTRICT	27,625	→ 1,105	New									
22 MUNICIPALITY OF ANCHORAGE	2,148,957	→ 85,958	2,093,953	83,758	2,479,017	99,161	2,890,913	115,637	552,570	22,103	3,312,191	132,488
23 NABORS PETROLEUM SERVICE	514,106	21,764	466,640	18,666	356,268	14,251	289,340	11,574	321,225	12,849	569,117	22,771
24 NORTH SLOPE BOROUGH	795,326	→ 31,813	856,511	34,260	761,158	30,446	429,364	17,175	273,617	10,946	271,994	10,880
25 SALEWAY STORES INC.	468,137	18,725	1,338,104	53,524	500,905	20,036	370,028	14,801	470,159	18,806	311,610	12,461
26 SEA LAND INDUSTRIES	524,092	20,964	286,396	11,456	370,348	14,814	262,215	10,489	164,253	6,570	207,008	8,280
27 UNION OIL CO.	No report		No report		361,365	14,455	338,750	13,550	201,762	8,070	358,350	14,331
28 UNIVERSITY OF ALASKA	955,435	→ 38,217	898,274	35,931	931,916	37,277	795,795	31,832	529,375	21,175	1,128,069	45,124
	16,781,469	671,259	16,129,704	645,188	17,203,776	688,151	14,290,033	571,601	10,988,699	439,548	14,223,100	568,921

HB 416 - RELATING TO FEES CHARGED BY STATE AGENCIES - SECTIONAL

Section	Department	Brief Description	Revenues	
			FY97	Future Years
1	Commerce & Economic Dev	Allows the department to charge costs of hearings related to the real estate surety fund on an ongoing basis. This clarifies and simplifies the real estate surety fund statutes by allowing all hearing costs to be charged to the real estate surety fund.	3.0	
2	Education	Allows the department to set fees by regulation for applications to operate and for agents' permits related to postsecondary education institutions This will allow the corporation to cover costs of this process by allocating these costs across the regulated population. Charges will be based on a sliding scale tied to the tuition/fee revenues of each institution and will set minimums and maximums.	62.5	123.2
3	Governor	Allows the Human Rights Commission to charge fees for education and training services and for materials provided to the public The Commission has had to direct more of its limited resources towards enforcement and less to training in recent years. This section will allow the Commission to charge for training to deal with this unmet need. <i>Request technical amendment to language.</i>	5.1	
4	Labor	Requires self-insured employers to pay a fee to cover the costs of activities related to Workers' Compensation claims processing 4% user fee on all workers compensation costs paid during the previous calendar year. This is similar to the premium tax paid by employers' for WC policies. This fee would cover the cost of processing & hearings on claim disputes before the commission.	671.3	
5	Commerce & Economic Dev	Increases business license fees charged by Occupational Licensing from \$25 per year to \$75 every 2 years The business license fees have not been changed since statehood. The increased revenues will help close the fiscal gap. Occupational licensing collects the current fees on a biannual basis.	841.3	
6	Governor	Allows the Division of Governmental Coordination to charge fees for federal consistency determinations under the Alaska Coastal Management Program.	0.0	32.5

Section	Department	Brief Description	Revenues		
			FY97	Future Years	
		Consistency review process provides a consolidated state response to coastal development projects and related state and federal permit applications. This will allow DGC to charge industry for large and medium size projects. The funds will be used to assemble a team to facilitate early design and review of particular projects. Projects could include forest products manufacturing facilities, oil & gas development projects and mine development in the coastal areas.			
7	Military & Veterans' Affairs	Allows the department to charge fees for emergency management response training Municipalities, non-profits and for-profit organizations are interested in receiving training on emergency preparedness. The fees will cover travel and facility rental necessary to conduct the training. The trainer is funded from federal FEMA funds.	0.0	4.0	
8	Environmental Conservation	Allows the department to charge fees for pesticide and broadcast chemical use and for review of subdivision plans for sewage waste disposal or treatment facilities The department will set and collect fees for review of subdivision plans for sewage disposal or treatment. The fees will replace GF transferred from the domestic wastewater program. This will fund technical staff conducting reviews and supporting costs.	320.0		
9 & 10		Transitional language			
11 - 13		Effective dates			
			TOTAL	1,903.2	159.7

Proposed Amendments

New	Transportation & Public Facilities	Allows the department to charge for the use of state marine or harbor facilities and requires municipalities that lease state marine or harbor facilities to charge comparable fees and account for those fees separately.
New	Natural Resources	Allows the department to charge a fee for direct costs of evaluating or auditing an application for exploration credits for mine development.

AMENDMENT

3. inserted in the title

To: HB 416

#1

Passed

renumbered

14
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21

• Sec. 16 AS 27.30 is amended by adding a new section to read:

Sec. 27.30.095. FEES. The commissioner may charge a fee for direct costs incurred by the department in evaluating or auditing an application to certify the credit authorized under AS 27.30.010, including the cost of contractors selected by the commissioner to assist in the evaluation or audit. The fee may not exceed \$500 for each application covering one or more years if the amount claimed in the application is \$1,000,000 or less. The fee may not exceed \$1,000 for each application covering one or more years if the amount claimed is more than \$1,000,000."

AMENDMENT

OFFERED IN THE HOUSE

TO: HB 416

Page 1, line 8:

Following "chemicals,":

Delete "and"

#2
passed

Following "treatment":

Insert ", and state marine and harbor facilities and the lease of those facilities"

Page 3, following line 6:

Insert a new bill section to read:

"* Sec. 5. AS 35.10 is amended by adding a new section to article 2 to read:

Sec. 35.10.121. MARINE AND HARBOR FACILITY FEES. (a) The department may establish fees, by regulation, for the use of state marine or harbor facilities that provide for ^{all} ~~the~~ reasonable costs of management, operation, maintenance, and replacement of those facilities.

(b) A municipality that leases a state marine or harbor facility under AS 35.10.120 shall, by ordinance and in accordance with the lease, establish and collect reasonable fees for the use of those facilities. At minimum, the fees may not

be less than the fees established by the department for that type of facility under (a) of this section. The municipality shall establish, by ordinance, a separate account into which those fees shall be deposited. The municipality shall disburse money from the account in accordance with the lease and applicable law."

Renumber the following bill sections accordingly.

Page 4, line 21:

Delete "secs. 2 - 8"

Insert "secs. 2 - 9"

Page 4, line 23:

Delete "secs. 2 - 8"

Insert "secs. 2 - 9"

Page 5, line 5:

Delete "Section 9"

Insert "Section 10"

Page 5, line 6:

Delete "Sections 1 - 3, 6 - 8, and 10"

Insert "Sections 1 - 3, 5, 7 - 9, and 11"

Page 5, line 7:

Delete "Sections 4 and 5"

Insert "Sections 4 and 6"

FISCAL NOTE

No. 8
 Bill Version: HB 416
 (H) Publish Date: 1-12-96

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Revision Date: _____

Title: Governor's Fees Bill

Sponsor: Rules Committee

Requester: Governor Knowles

Department Affected: Revenue

BRU: Alaska Student Aid Corporation

Component: Program Administration

COMPONENT SERIAL NO. 2111

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

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

CHANGE IN REVENUES	62.5*	123.2	125.6	128.2	131.0	133.6
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY96) impact: \$ -0-

ANALYSIS: (Attach a separate page if necessary.) * estimated revenue upon implementation in January, 1997. Currently these authorization-related activities are performed by 2.5 staff at a cost to the Alaska Student Loan Corporation of approximately \$125,000 each year. Through this bill, the Corporation would have the authority to develop a method of allocating these costs across the regulated population. We anticipate that this could be done on a sliding scale that is tied to the tuition/fee revenues of each institution and would propose that minimum and maximum amounts be set. These funds are program receipts received into the general fund.

Prepared by: Gillian Hays, Legislative Liaison Phone: 465-6718

Division: Alaska Student Aid Corporation Date: January 11, 1996

Approved by Executive Director: Diane Barrans *Diane Barrans*

Agency: Revenue Date: _____

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FISCAL NOTE

No. 7
 Bill Version: HB 416
 (H) Publish Date: 1-12-96

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Revision Date: Original Dept Affected: Military & Veteran's Affairs
 Title: An Act relating to fees... BRU: Disaster Planning and Control
 Component: Disaster Planning and Control
 Sponsor: Rules Committee
 Requestor: Governor Knowles Component Serial No. 1808

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES						
TRAVEL		2.0	2.0	2.0	2.0	2.0
CONTRACTUAL		2.0	2.0	2.0	2.0	2.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	4.0	4.0	4.0	4.0	4.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES (1005)	0.0	4.0	4.0	4.0	4.0	4.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts		4.0	4.0	4.0	4.0	4.0
1006 GF/MHTIA						
Other						
TOTAL	0.0	4.0	4.0	4.0	4.0	4.0

Estimate of any current year (FY96) cost: \$ none anticipated

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

Fiscal impact determined by 2 emergency preparedness classes conducted per year - 20 attendees per class - \$100 per attendee per class. One class will be in Juneau, one in Anchorage. The trainer will be paid for by a federal FEMA grant already included in the FY97 operating budget request.

Prepared by: Carol Carroll, Director Phone: 465-4730
 Division: Administrative Services Date: 11-Jan-96
 Approved by Commissioner: *Gov. Frank J. Miller* Date: 11-Jan-96
 Agency: Military & Veteran's Affairs

FISCAL NOTE

No. 6

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Bill Version: HB 416
(H) Publish Date: 1-12-96

Revision Date: _____
Title: Fees for State Services
Sponsor: Rules Committee
Requestor: Governor

Department Affected: Labor
BRU: Workers' Compensation
Component: Workers' Compensation
COMPONENT SERIAL NO. 344

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
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	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
CHANGE IN REVENUE	671.3	671.3	671.3	671.3	671.3	671.3
FUND SOURCE #	1005	1005	1005	1005	1005	1005

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	(671.3)	(671.3)	(671.3)	(671.3)	(671.3)	(671.3)
1005 GF/Program Receipt	671.3	671.3	671.3	671.3	671.3	671.3
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 year (FY96) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary) Proposed Legislation of a 4% Workers' Compensation Self-insured Assessment on all self-insured employers would have a zero fiscal impact to the Workers' Compensation Division. The assessment to self-insured employers is similar to the premium tax paid by all insured employers. Exemption of the State is appropriate because the State already allocates 2.5 million to the Worker's Compensation general fund. If this bill is passed the State's contribution would be reduced, but it would still remain greater than the 4% private sector self insured employer assessment. The new program receipts would offset existing general fund allocations.

Prepared by: Paul Grossi, Director *Paul Grossi* Phone: 465-2790
Division: Workers' Compensation Date: 1/10/96
Approved by Commissioner: Tom Cashen, Commissioner *Tom Cashen*
Agency: Department of Labor Date: 1/10/96

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FISCAL NOTE

Bill Version: HB 416
(H) Publish Date: 1-12-96

**STATE OF ALASKA
1996 LEGISLATIVE SESSION**

Revision Date: _____ Dept. Affected: Office of the Governor
 Title: "An Act relating to fees and assessment of costs
for certain services provided by state government...." BRU: Office of Management & Budget
 Sponsor: Rules Committee Component: Governmental Coordination
 Requester: Governor COMPONENT SERIAL NO. 18

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 100	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL			3.0	3.3	6.8	7.0
CONTRACTUAL			6.5	6.7	13.4	14.0
SUPPLIES			0.2	0.3	0.6	1.2
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	9.7	10.3	20.8	22.2

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()			32.5	33.8	67.8	70.4
------------------------	--	--	------	------	------	------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match			(22.8)	(23.5)	(47.0)	(48.2)
1004 GF						
1005 GF/Program Receipts			32.5	33.8	67.8	70.4
1037 GF/Mental Health						
Other						
TOTAL	0.0	0.0	9.7	10.3	20.8	22.2

Estimate of any current year (FY96) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Sec 6 allows OMB to adopt regulations to charge for services related to consistency reviews under Alaska's Coastal Management Program. For certain types of large projects (e.g., oil and gas development outside of the common carrier pipeline, forest products manufacturing facilities and development, and other large scale proposals), it is cost-effective for the project proponent to have the early involvement of dedicated state staff which facilitates and expedites the review and permitting of their project. Where industry is willing to pay for dedicated staff, this legislation and fiscal note enables DGC to assemble a team consisting of staff from DGC, state agencies and, if applicable, affected coastal districts, to facilitate early design and review of particular projects. Fee levels would be negotiated based on specific project requirements.

While Alaska will always have large projects, without an established record, we cannot predict revenues from this source until those projects near design and permitting stage. State lead time is often less than a fiscal year. This fiscal note anticipates setting fee rates and gaging industry participation during the regulation process in FY97 and FY98. (continued on page 2)

Prepared by: Diane Mayer *Diane Mayer* Phone: 465-3562
 Division: Governmental Coordination Date: 1/10/96
 Approved by Commissioner: Jim Ayers, COS Date: 1/10/96
 Agency: Office of the Governor

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For informational purposes only, this fiscal note shows application of the adopted regulations as it would apply to the operating budget of DGC only for a single project in FY99 and FY00. FY01 and FY02 are based on two large project activities. Each year is adjusted for the current inflation rate. Costs associated with additional state agencies and coastal district participation would be included in the fee negotiations with industry and would be distributed to participants through the RSA process.

Until such time as industry need and predictable fee receipts are determined, revenues generated through these fees will increase unrestricted revenue receipts to the GF and will assist in increasing available GF for legislative appropriation.

FISCAL NOTE

4
 Bill Version: HB 416
 (H) Publish Date: 1-12-96

STATE OF ALASKA
 1996 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Office of the Governor
 Title: "An Act relating to fees or assessments of costs
for certain services provided by state government,..." BRU: Commissions/Special Offices
 Sponsor: Rules Committee Component: Human Rights Commission
 Requester: Governor COMPONENT SERIAL NO. 1

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 100	FY 01	FY 02
PERSONAL SERVICES	5.1	5.1	5.1	5.1	5.1	5.1
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	5.1	5.1	5.1	5.1	5.1	5.1

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	5.1	5.1	5.1	5.1	5.1	5.1
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FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 97	FY 98	FY 99	FY 100	FY 01	FY 02
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	5.1	5.1	5.1	5.1	5.1	5.1
1037 GF/Mental Health						
Other						
TOTAL	5.1	5.1	5.1	5.1	5.1	5.1

Estimate of any current year (FY96) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

The Commission receives many requests for training on preventing discrimination: from employers, realtors and other organizations. These training sessions may consist of one hour presentations on the agency's responsibilities or full-day workshops on subjects like preventing discrimination against individuals with disabilities and sexual harassment.

The Commission was once able to respond to all requests for education on Alaska's Human Rights Law and easily meet its role of preventing discrimination without impacting on its enforcement activities. The Commission now has fewer staff at a time when the public's demand for services has soared.

Additional revenue generated by training would help offset the cost of overtime for our investigative staff who have recently been determined overtime eligible.

Prepared by: Paula M. Haley, Executive Director *Mawson* Phone: -7474 x 241
 Division: Human Rights Commission Date: 1/9/96
 Approved by Commissioner: Jim Ayers, Chief of Staff *Jim Ayers* Date: 1/10/96
 Agency: Office of the Governor

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FISCAL NOTE

No. 3
 Bill Version: HB 416
 (H) Publish Date: 1-12-96

STATE OF ALASKA
 1996 LEGISLATIVE SESSION

Revision Date: _____
 Title: Fee Bill
 Sponsor: Rules Committee
 Requestor: Governor

Department Affected: Environmental Conservation
 BRU: Statewide Public Services
 Component: Statewide Public Services

COMPONENT SERIAL NO. 2058

Expenditures/Revenues:

(Thousands of Dollars)

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

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES (1005)	220.0	220.0	220.0	220.0	220.0	220.0
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FUND SOURCE

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	(220.0)	(220.0)	(220.0)	(220.0)	(220.0)	(220.0)
1005 GF/Program Receipt	220.0	220.0	220.0	220.0	220.0	220.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
C.her	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ 0.0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

Bill would allow the department to set and collect fees to review subdivision plans for sewage waste disposal or treatment. Fees collected would replace general funds currently funding salary costs of the technical staff conducting those reviews, salary costs of clerical staff and associated support costs.

Prepared by: Larry Jones Lawrence Jones
 Division: Director, Division of Administrative Services

Phone: 465-5010
 Date: 1/11/96

Approved by Commissioner: Lawrence Jones for Commissioner Burden
 Agency: Department of Environmental Conservation

Date: 1/10/96

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FISCAL NOTE

No. 2
 Bill Version: HB 416
 (H) Publish Date: 1-12-96

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Revision Date: _____
 Title: Fee Bill
 Sponsor: Rules Committee
 Requestor: Governor

Department Affected: Environmental Conservation
 BRU: Environmental Health
 Component: Laboratory Services

COMPONENT SERIAL NO. 2065

Expenditures/Revenues:

(Thousands of Dollars)

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

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES (1005)	100.0	100.0	100.0	100.0	100.0	100.0
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FUND SOURCE

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF March	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)
1005 GF/Program Receipt	100.0	100.0	100.0	100.0	100.0	100.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ 0.0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

Bill would authorize the department to charge fees to regulate pesticides and broadcast chemicals. Proposed registration fees received from pesticide and broadcast chemical producers would replace general funds. No additional positions are planned.

Prepared by: Larry Jones *Lawrence Jones*
 Division: Director, Division of Administrative Services

Phone: 465-5010
 Date: 1/11/96

Approved by Commissioner: Lawrence Jones *for Commissioner Buroen*
 Agency: Department of Environmental Conservation Date: 1/10/96

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FISCAL NOTE

No. 1
 Version: HB 416
 (H) Publish Date: 1-12-96

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Revision Date: _____ Department: Commerce and Economic Development
 Title: An Act relating to fees or assessment of costs for BRU: Occupational Licensing
certain services provided by state government, Component: Operations
 Sponsor: Rules Committee
 Requestor: Governor COMPONENT SERIAL NO. 1844

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
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	841.3	841.3	841.3	841.3	841.3	841.3
--------------------	-------	-------	-------	-------	-------	-------

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1091 Designated Program Receipts	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)
1006 GF/MHTIA						
Other 1040 RESF	3.0	3.0	3.0	3.0	3.0	3.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 96) cost: \$ 0.0

POSITIONS						
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Section 1 of the bill amends AS 08.88.472(a) to allow real estate surety fund hearing costs on a claim for reimbursement to be charged to the surety fund. Currently, only costs associated with awarded claims may be paid from the fund. The funding source change of \$3.0 from Designated Program Receipts (1091) to the Real Estate Surety Fund (1040) reflect the statutory change made in Section 1. The \$3.0 identified is a very conservative amount since previously, only costs associated with awarded claims were identified. After the first year of charging all surety fund related hearing costs to the surety fund, full costs of related hearings will be documented.

Section 5 of the bill amends AS 43.70.030(a) to increase the business licensing fee from \$25 per year to \$75 biennially. Licenses are currently valid for two-years in which licensees pay \$50. There are approximately 67,300 business licensees which approximately half renew each year. Increasing the fee to \$75 will generate an additional \$841.3 to the General Fund.

Prepared by: Jennifer Strickler, Administrative Officer Phone: 465-2144
 Division: Occupational Licensing Date: January 10, 1996
 Approved by Commissioner: William L. Hensley Date: 1/10/96
 Agency: Commerce and Economic Development

HB

419

Alaska State Legislature House of Representatives

COMMITTEE ASSIGNMENTS:

LABOR & COMMERCE, CHAIRMAN
MILITARY & VETERANS AFFAIRS, CHAIRMAN
COMMUNITY & REGIONAL AFFAIRS
RESOURCES
INTERNATIONAL TRADE / TOURISM
LEGISLATIVE COUNCIL



INTERIM:
10928 EAGLE RIVER ROAD, SUITE 141
EAGLE RIVER, AK 99577
PHONE (907) 694-8944
FAX 694-8949

SESSION:
STATE CAPITOL
JUNEAU, AK 99801-1102
PHONE (907) 465-3777
FAX (907) 465-2819

SPONSOR STATEMENT HB 419

It has long been the practice of the Department of Administration's State and Federal Property Management program to sell excess service revolvers, confiscated firearms, and ammunition. This activity has been a source of revenue for the program in the past, and has also been a means by which gun collectors could obtain collectible items.

In a 1995 change in Administration policy, only hunting rifles and shotguns should be sold at public auction, but handguns would be destroyed. Therefore, on October 25, 1995, the state destroyed some 50 weapons, with an estimated market value of \$13,925. There is concern that collectible guns were included in this destruction. In less than a year's time, from August of 1994 to June of 1995, it appears that the State's Property Management section had accumulated some 600 firearms. If these remaining guns were sold at the same level as the 50 that were destroyed, the estimated revenue loss to the state in less than a year's time would be a considerable \$153,175.

Aside from revenue loss and loss to the public of collectible items, both the Administration and the Bill Sponsor are concerned with the issue of public safety. This bill would deal with this concern in two ways. First, the Department could only dispose of firearms and ammunition it deemed to be serviceable and safe. Second, the Department could only dispose of them to a federally licensed firearms dealer, rather than revert to selling them at auction. By doing a background check on any purchaser before sale, the licensed dealer would ensure that these items would not be sold to someone with a felony record. Thus, public safety is protected, a state revenue source can continue to be maintained, and collectibles can still be obtained by the public.



Representative Pete Kott



Wayne
Anthony
Ross

Law Offices of

ROSS & MINER

A Professional Corporation

327 East Fireweed Lane, Suite 201

Anchorage, Alaska 99503

Wayne Anthony Ross
Edward L. Miner

(907) 276-5307

(907) 276-6672 - FAX

January 4, 1996

QUICK SUMMARY

To the members of the Alaska Legislature:

Re: Wilful destruction of valuable State property by State officials;
Lawsuit filed by AK Gun Collectors Association to attempt to end
such practice

June 20, 1995 - Boyer writes memo to Ayers regarding the disposal of the State's "surplus firearms" proposing destruction of handguns. Excerpts: "Receipts received from the disposal of these firearms contribute to the funding of the Property Management Program". The "Property Management section has sold excess service revolvers and confiscated firearms for the past decade". "There is no evidence that firearms disposed of by the Surplus Property Program have ever been involved in a crime". Proposes that: "only hunting rifles and shotguns (should) be sold at public auction" and that "(h)andguns would be destroyed".

Ayers approves saying "This is clearly in the public interest and better government".

The Administration sets about implementing the destruction of these firearms.

September 13, 1995 - Alaska Gun Collectors Association (AGCA) files complaint in Superior Court seeking an injunction. Baldwin tells court that the State was only going to destroy "Saturday Night Specials, sawed-off shotguns, and assault weapons". TRO denied.

September 14, 1995 - Fifty surplus firearms, including desirable collectors items, destroyed by cutting torch. State estimates the firearms destroyed had a market value of \$13,925.00.

September 26, 1995 - AGCA files amended complaint again seeking an injunction and personal damages against the Governor, his COS, the Commissioner of Administration, and the Commissioner of Public Safety.

October 25, 1995 - Defendants file answer admitting destruction and stating new State policy of destruction. transferred to the Department of Administration as surplus state property".

December, 1995 - Defendants file Motion to Dismiss plaintiff's Complaint, alleging, among other things, immunity and plaintiff lack of standing to bring the suit.

The Legislature has responsibility to protect the property of the State against an Administration bent on destroying valuable, revenue producing, state assets to further its own political agenda especially in view of the current revenue shortfall.

Wayne
Anthony
Ross

Law Offices of
ROSS & MINER

A Professional Corporation
327 East Fireweed Lane, Suite 201
Anchorage, Alaska 99503

Wayne Anthony Ross
Edward L. Miner

(907) 276-5307
(907) 276-6672 - FAX

January 4, 1996

To the members of the Alaska Legislature:

Re: Wilful destruction of valuable State property by State officials;
Lawsuit filed by AK Gun Collectors Association to attempt to end
such practice

Dear Legislator:

On June 20, 1995, Mark Boyer, Commissioner of the Alaska Department of Administration, wrote a memo to Jim Ayers, the Governor's Chief of Staff, regarding the disposal of the State's "surplus firearms".

The memo said that the State's Property Management section had accumulated "approximately 600 firearms since the last disposal of firearms in August (1994)" and that "(r)eceip[s] received from the disposal of these firearms contribute to the funding of the Property Management Program". The memo stated that, in the past, the disposal process "recirculates legal firearms", and the "Property Management section has sold excess service revolvers and confiscated firearms for the past decade". The memo further stated that "(t)here is no evidence that firearms disposed of by the Surplus Property Program have ever been involved in a crime". (Emphasis mine.) Despite this fact, the memo recommended that "only hunting rifles and shotguns (should) be sold at public auction" and that "(h)andguns would be destroyed".

Mr. Ayers, the Governor's COS, penned a note to the memo which stated: "Mark - This is clearly in the public interest and better government. Thank you." Without notice to the public, the Administration then set about implementing the destruction of these firearms.

On 13 September 1995, after learning of the proposed, and imminent, destruction of these firearms which are, among other things, an important source of revenue for the State, the Alaska Gun Collectors Association (AGCA) filed a complaint in Superior Court seeking an injunction against the State, the Department of Public Safety, and the Department of Administration, to prevent the destruction of these firearms.

Plaintiff's Motion for Temporary Restraining Order was denied when Assistant Attorney General James Baldwin told the court that the State was only going to destroy "Saturday Night Specials, sawed-off shotguns, and assault weapons". Mr. Baldwin later advised a concerned citizen that Sgt. Michael Marrs and LT Skip Coile, AST, "reviewed the firearms and determined there were no antique or collectible firearms on the list to be

January 4, 1996

Page - 2 -

destroyed".

Fifty surplus firearms were destroyed by a cutting torch on 14 September 1995. Most of these firearms were not "Saturday Night Specials, sawed-off shotguns, and assault weapons". Many of these firearms were, in fact, collectors items. By the State's own estimate, the fifty firearms that were destroyed had a market value of \$13,925.00.

On or about the 26th of September 1995, the AGCA filed an amended complaint again seeking an injunction and seeking, among other things, damages against the Governor, his COS (Mr. Ayers), the Commissioner of Administration (Mr. Boyer), and the Commissioner of Public Safety (Mr. Otte), "personally, in favor of... the State of Alaska, for the total value of each and every firearm they have destroyed or will destroy in the future...".

The defendants filed an answer, on or about 25 October 1995, admitting that "before September of 1995 surplus firearms were disposed of by sale" but stating that "the policy of the defendant State of Alaska is to refrain from selling surplus and forfeited handguns directly to the public". Defendants admitted "that on September 14, 1995 approximately 50 deadly weapons were destroyed" but denied any conspiracy, denied that public notice was required before destruction, and denied that the "weapons belonged to anyone other than the defendant Department of Administration". For affirmative defenses, the defendants claimed, among other things, that the plaintiffs lack standing to bring the suit, that the defendants are immune from suit, and that the defendants "were authorized by law to destroy deadly weapons transferred to the Department of Administration as surplus state property".

Plaintiff has been furnished with a list of the firearms that were destroyed, as well as a list of firearms that are proposed for future destruction.

Defendants have recently filed a Motion to Dismiss plaintiff's Complaint, alleging, among other things, immunity and that plaintiff lacks standing to bring the suit in question. The plaintiff has not yet responded to that Motion.

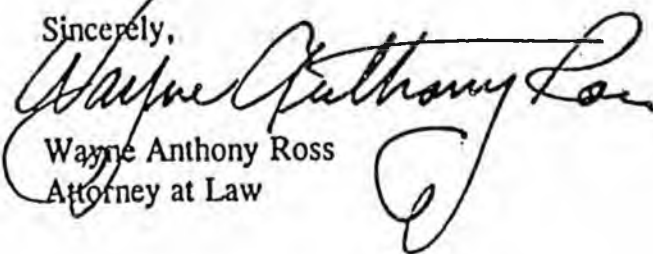
While the AGCA, and its more than 300 members, believes it has standing to bring such a suit, the Legislature is really the body who has the responsibility to protect the property of the State, and thus the people of Alaska, against an Administration bent on destroying valuable, revenue producing, state assets to further its own political agenda. This is particularly true in view of the current revenue shortfall that the State is experiencing.

It is respectfully requested that the Legislature intervene in this suit, against the Administration, on behalf of the people of the State. It is also requested that the Legislature adopt legislation this session that will prevent such destruction of State assets in the future.

Should you have any questions, please feel free to contact me.

January 4, 1996
Page - 3 -

Sincerely,

A handwritten signature in cursive script that reads "Wayne Anthony Ross". The signature is written in black ink and is positioned to the right of the typed name.

Wayne Anthony Ross
Attorney at Law

cc
AGCA

HB

431

STATE OF ALASKA

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

ADVISORY BOARD ON ALCOHOLISM AND DRUG ABUSE

TONY KNOWLES, GOVERNOR

P.O. BOX 110608
JUNEAU, ALASKA 99811-0608
PHONE: (907) 465-8920
FAX: (907) 465-4410
TOLL FREE: 1-800-420-8920

March 22, 1996

RECEIVED BY
MAR 28 1995
Rep. Jeannette James

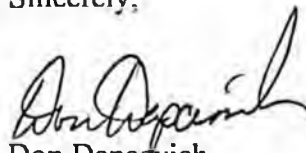
The Honorable Con Bunde
Alaska State House of Representatives
State Capitol, Room 108
Juneau, AK 99801-1182

Dear Representative Bunde:

The State Advisory Board on Alcoholism and Drug Abuse strongly supports passage of HB 431. This bill to raise the excise tax on tobacco supports the initiatives described in the Strategic Plan for alcoholism and drug abuse services, Meeting the Challenge." This plan acknowledges that the single most important factor in reducing tobacco use among youth is the cost of tobacco. In addition, raising the cost to adults will result in many choosing to stop smoking. In both cases, the health of Alaskans is positively impacted.

The Advisory Board stands ready to help in any way we can to assure passage of this legislation.

Sincerely,



Don Dapcevich
Executive Director

cc: The Honorable Cynthia Toohey, Co-Chair, House HESS
The Honorable Jeannette James, Chair, House STA

STATE OF ALASKA

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

ADVISORY BOARD ON ALCOHOLISM AND DRUG ABUSE

TONY KNOWLES, GOVERNOR

P.O. BOX 110608
JUNEAU, ALASKA 99811-0608
PHONE: (907) 465-8920
FAX: (907) 465-4410
TOLL FREE: 1-800-420-8920

March 22, 1996

The Honorable Jeanette James
Alaska State House of Representatives
State Capitol, Room 102
Juneau, AK 99801-1182

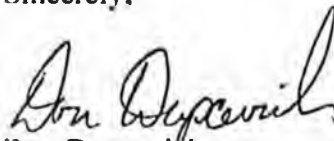
Dear Representative James:

The Advisory Board on Alcoholism and Drug Abuse strongly supports passage of HB 441, advanced by the Long Range Financial Planning Commission. We recognize that there is a direct correlation between consumption rates and price. We also acknowledge a strong empirical base of research that indicates that raising the price of alcohol reduces use among youth and problem drinkers at a significantly higher rate than among the general population whose consumption is minimally effected by significant increases in cost. The statewide Strategic Plan for alcohol and drug abuse, "Meeting the Challenge" encourages increasing cost as a strategy for reducing Alaska's per capita consumption of alcohol which is among the highest in the country.

We would hope that this bill could be amended so that communities could benefit through a revenue sharing mechanism which would allow them the resources to effectively deal with the problems associated with problem drinking in their communities.

The Board stands ready to assist in this effort.

Sincerely,



Don Dapcevich
Executive Director

JANUARY 30, 1996

DEAR REPRESENTATIVE JEANNETTE JAMES,

I AM HOPING YOU WILL BE IN SUPPORT OF THE
CIGARETTE TAX. PLEASE VOTE YES WHEN THE BILL IS
PRESENTED. IT IS IMPORTANT. MAYBE THIS WILL HELP
PERSUADE OUR CHILDREN TO STOP SMOKING OR FROM
EVER STARTING.

THANK YOU.

SINCERELY,

Barbara Chu

BARBARA CHU
P.O. BOX 33236
JUNEAU, AK. 99803

Alaska State Legislature

During Interim:

716 West 4th Avenue, Suite 500
Anchorage, Alaska 99501-2133
(907) 258-8185
Fax (907) 258-0226

During Session:

State Capitol
Juneau, Alaska 99801-1182
(907) 465-4993
Fax (907) 465-3872

Stake Less Bundle
Drue Pearce
President of the Senate

Memorandum

To: Representative Jeannette James, Chair
House State Affairs Committee

From: Senator Drue Pearce *Drue Pearce*

Date: 13 February, 1996

Re: House Bill 431 Bill Packet

In 1992 I sponsored legislation which called for a state plan for teen pregnancy prevention. Recognizing that teen pregnancy does not happen in isolation of other teen problem behaviors, the Alaska Division of Public Health examined this issue in the broader context of adolescent health.

An 18 member statewide Adolescent Health Advisory Committee was created to comprehensively examine Alaskan teens and their world. A statewide adolescent plan was released last year.

The committee is continuing to work to implement the recommendation laid out in the report. One function of the committee is to review and proactively address legislation that directly impacts Alaskan adolescents.

Attached is a letter sharing the position of the committee on House Bill 431. I respectfully request that you include the letter in the committee bill packet.

Thank you.

ALASKA ADOLESCENT HEALTH ADVISORY COMMITTEE

A Public and Private Partnership Advocating For Alaska's Youth

Adolescent Health Advisory Committee

Chairman
J. Dani Bowman, Ph.D., M.D.
Alaska Native Medical Center
Anchorage

Annette Barnes, M.S.
Alaska Work Programs
Fairbanks

Tom Eggich
Alaska Juvenile Justice
Advisory Committee
Anchorage

Viola Cagley, B.S.
Teacher
Ketchikan/Anchorage

Mike Corkill, First Sergeant
Alaska State Troopers
Fairbanks

Cindy Gamble, M.P.H.
Southeast Alaska Regional
Health Consortium
Craig

Kathy Graham, B.S., C.H.E.S.
Public Member
Anchorage

Elizabeth Hatton, M.D.
Children's Clinic
Anchorage

Sharon Kohring, B.S.
Valley Crisis Pregnancy Center
Wasilla

Martha Lyman, L.C.S.W.
Mental Health Clinic
Yukon-Kuskokwim
Health Corporation
Bethel

Lee Coray-Ludden
Kenaitze Indian Tribe, IRA
Kenai

Katherine Mee
Student
Anchorage

Jileen Melukens, B.S., C.H.E.S.
Department of Education
Juneau

Mary O'Bryan, R.N., B.S.N.
Juneau Public Health Center
Juneau

Kimberly O'Connor
Norton Sound Health Corporation
Nome

Derek Peterson, M.Ed.
Association of Alaska
School Boards
Juneau

Jay Page, B.A.
First National Bank of Anchorage
Anchorage

Ley Schleich, M.H.A., C.H.E.S.
Public Member
Wasilla

Wanner, M.F.A.
Public Member
Anchorage

Ed Williams
AFFECT
Anchorage

February 6, 1996

Senator Drue Pearce
State Capitol
Juneau, AK 99801

Dear Madam Speaker:

The Alaska Adolescent Health Advisory Committee (AHAC) recently gathered in Anchorage to review legislation being proposed during the 19th Session's '96 year. One of the primary functions of the AHAC is to encourage the initiation of public policy which research convincingly shows will enhance the general health and well-being of Alaska's teens. After considerable deliberation, we conclude that it is in the best interest of Alaska's adolescents and their general health to support, in concept, HB431: *An Act relating to taxes on cigarettes and tobacco products.*

The Committee has created a comprehensive adolescent health plan which has previously been sent to you for reference. The plan recommends that Alaskans focus on the Prevention and Early Intervention of problems before they arise, as well as points out the negative impacts of the high cost associated with treatment of problem behaviors. To this end, we support the \$1.00 a pack tobacco increase for the following reasons:

- Tax increases in Canada and California significantly reduced the tobacco consumption of teens. Canada, with a substantial increase in the REAL cost of tobacco, saw their teenage tobacco consumption rate drop considerably. If the tobacco tax is increased Alaska can expect to reduce tobacco consumption considerably.
- Tobacco is a "gateway" drug. Research shows that teens who use tobacco products are significantly more apt to experiment with illicit drugs and alcohol than teens who abstain.
- Tobacco is a public health problem. Alaska has the 6th highest rate of smoking in the nation. While tobacco use is a concern in urban areas, the statistics for consumption in rural Alaska are significantly higher.

The AHAC is aware the tax levy proposed in HB431 can not be dedicated to school construction and facilities. However, the AHAC believes it is in the best interest of Alaska's teens to use the revenue generated from the tax to promote tobacco abstinence and tobacco cessation programs around the state. The committee recommends that the tax levy be amended to allow dedicated tobacco tax revenues to be used to fund programs which support broad based health promotion initiatives.

For more information on the Adolescent Health Plan and the rationale behind our support of the concept of HB431 please call Sharon Kohring(373-3456) or Mike Corkill(451-5316).

Sincerely,



J. Dani Bowman, M.D. Ph.D.
Chairman, Adolescent Health Advisory Committee

cc: Representative Gail Phillips, Representative Jeanette James
Senator Bert Sharp
Governor Tony Knowles

* Information & statistics quoted were taken from publications distributed by the Alaska Tobacco Alliance



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

**Alaska State Legislature
House of Representatives**

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) 258-8188

**SPONSOR STATEMENT
HB 431**

“An Act relating to taxes on cigarettes and tobacco products; and providing for an effective date.”

There is an epidemic in our state that is killing more Alaskans each year than motor vehicle accidents, firearms, drugs or alcohol combined. The illness that has reached epidemic proportions in Alaska is tobacco use, which usually starts in childhood, and it is preventable.

Alaska has one of the highest smoking rates in the United States. Within Alaska, the highest smoking rate is found in the Bush (33%) and the lowest in the urban areas (25%). Nearly 84% of Alaskan adults started smoking between the ages of 10 and 20 years of age.

Adults don't start smoking, children do. The average age youngsters start smoking is 14.5 years old. Nationally, about 3000 children start smoking every day, of those approximately a third will die from tobacco related illnesses. HB 431 is about prevention. Because the youth of our state are so price sensitive the passage of this legislation will drastically decrease the use of tobacco. As the price of cigarettes and tobacco products increase many young would be smokers--won't be. Other youngsters who have already started smoking may be forced to consider quitting.

In Alaska, the estimated total medical care costs directly related to smoking in 1993 was \$96,490,000 and approximately \$9.8 million was paid by medicaid. Our budget is shrinking. It makes sense to prevent future escalation of our health care costs by creating an economic incentive for children and adults to quit the use of cigarettes and tobacco products. HB 431 will decrease tobacco use and prevent an increase in future health care costs related to tobacco use.

HB 431 is a user fee not a tax. The price increase caused by this fee will work in favor of Alaskans. Studies show that for every 10% increase in the price of tobacco products, there will be approximately a 4% decrease in tobacco consumption, and an even greater decrease in tobacco use among children. Alaska's cigarette tax is currently .29 cents per pack, ranking 26th in the nation. I urge the committee to support HB 431 for the future health of many of our youth and adults.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

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

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

MEMORANDUM

January 29, 1996

SUBJECT: House Bill 431, increasing the taxes on cigarettes and tobacco products facilities -- sectional analysis (Work Order No. 9-LS1518\C)

TO: Representative Con Bunde, Co-Chair
House Health, Education and Social Services Committee
ATTN: Patti Swenson

FROM: Jack Chenoweth
Legislative Counsel

House Bill 431 proposes increases to the state-imposed taxes on cigarettes and tobacco products.

Bill section 1: The bill section sequentially increases the tax on cigarettes. The increases are as follows:

Between the bill's effective date and June 30, 1999, the tax imposed under this section is set at 62 mills per cigarette or \$1.24 per pack, an increase of \$1.00 per pack from the current tax levy;

Between July 1, 1999, and June 30, 2002, the tax imposed under this section is set at 74 mills per cigarette or \$1.48 per pack, a further increase of 24 cents per pack;

Between July 1, 2002, and June 30, 2005, the tax imposed under this section is set at 86 mills per cigarette or \$1.72 per pack, an additional increase of 24 cents per pack; and

Thereafter, at three-year intervals, increases at the rate of 12 mills per cigarette (24 cents per pack).

Bill section 2: The bill section directs the Department of Revenue to give public notice of the cigarette tax rate changes and specific notice of the change to all cigarette tax licensees.

Bill section 3: The amendment increases the excise tax on tobacco products other than cigarettes from its current 25 percent of the product's wholesale price to a rate of 100 percent of the wholesale price.

Representative Con Bunde

January 29, 1996

Page 2

Bill section 4: The bill section authorizes the department to change the rate of the excise tax on tobacco products other than cigarettes in line with inflation, with the change to be made every second year. The provision spells out how the change is to be calculated.

Bill section 5: The bill section directs the Department of Revenue to give public notice of the biennial rate changes of the change in the excise tax rate applicable to tobacco products other than cigarettes and to give specific notice of the change to all tobacco tax licensees.

Bill section 6 gives the measure an October 1, 1996, effective date.

JBC:klb

96-041.klb

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

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

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

MEMORANDUM

January 23, 1996

SUBJECT: Cigarette tax increases under HB 431 (Work Order 9-LS1518\C)

TO: Representative Con Bunde
Attn: Patti Swenson

FROM: Jack Chenoweth
Legislative Counsel

A mill is one-tenth of a cent (\$.001). There are 20 cigarettes to the pack, so a one-mill increase in the tax on cigarettes x 20 cigarettes equal two cents per pack.

The total tax on cigarettes being proposed by the change set out in this bill would be determined as follows:

Under AS 43.50.090(a), a pre-Statehood Act dedicated levy supporting the school tax:

2.5 mills
x 20 cigarettes = \$.05

Under AS 43.50.190(a), as amended by this bill:

until June 30, 1999

62 mills per cigarette
x 20 cigarettes = \$ 1.24 for a total levy of
\$ 1.29 per pack;

between July 1, 1999, and June 30, 2002

74 mills per cigarette
x 20 cigarettes = \$ 1.48 for a total levy of
\$ 1.53 per pack;

between July 1, 2002, and June 30, 2005

86 mills per cigarette
x 20 cigarettes = \$ 1.72 for a total levy of
\$ 1.77 per pack;

MILL LEVY EXPLANATION

Representative Con Bunde

January 23, 1996

Page 2

Thereafter, the increments increase progressively at the rate of \$.24 per pack at intervals of three years.

JBC:glc

96-041.glc

Enclosure

AMERICAN LUNG ASSOCIATION OF ALASKA
1057 WEST FIREWEED LANE
ANCHORAGE, AK 99503
276-LUNG (5864)

January 26, 1996

Representative Con Bunde
House Health Education, Education and Social Services Committee
Alaska State Legislature
State Capitol (MS 3100)
Juneau, AK 99801-1182

FAX: 465-3871

Dear Representative Bunde,

The American Lung Association of Alaska is dedicated to improving the lung health of the citizens of Alaska. On behalf of the board of directors of ALAA, all those we serve and the many citizens of Alaska we serve who are now suffering from the effects of tobacco use, we strongly encourage you and the other members of the House HESS Committee to support an increase in the tobacco tax.

Alaska is facing an epidemic - an epidemic of smoking related diseases. This epidemic is adding dramatically to soaring health care costs. We know that there is great interest in reducing costs of government and the best way to reduce costs is by reducing the spread of tobacco:

A few things to consider:

- According to recent data, Alaska has the third highest rate of smoking in the U.S. and the sixth highest rate of death from smoking.
- A DHHS report assessed the economic impact of smoking in Alaska at almost \$130 million in 1991.
- Since health care costs are rising substantially and rose at least 16% between 1991 and 1993, we can conservatively estimate that health care costs in 1993 were more than \$143 million.
- Tobacco use is a major risk factor for diseases of the heart and blood vessels, chronic bronchitis and emphysema, cancers of the lung, pharynx, oral cavity, esophagus, pancreas and bladder as well as other problems such as respiratory infections and stomach ulcers.
- Smoking accounts for 21 percent of all coronary heart disease deaths, 87 percent of lung cancer deaths and 30% of all cancer deaths.
- Cigarette smoking during pregnancy accounts for 20 to 30 percent of low birth weight babies, up to 14 percent of pre-term deliveries, and about 10 percent of all infant deaths.
- Environmental Tobacco Smoke (ETS) is the third leading cause of preventable death in the

United States - behind active smoking and alcohol related deaths. ETS causes more than 53,000 deaths per year from disease and cancer.

- For every eight smokers killed as a result of smoking-related illness and disease, one non-smoker dies from exposure to environmental tobacco smoke.
- Smoking costs the American public over \$100 billion in health care costs and lost productivity.
- In Alaska, the estimated total cost attributed to smoking was \$127.6 million for persons age 35 and older. Of this, \$45.6 million was for direct health care costs.
- In other words, the cost of tobacco use is equivalent to \$220 per Alaskan or \$941 per current smoker in this age group.

So, please support the best way to not only recoup current health care costs, but also reduce future costs:

- If kids don't start smoking as teenagers, they don't start.
- If they don't start, they don't incur these health care costs.
- The Alaska Department of Revenue has estimated that a tax increase of \$1 per pack of cigarettes would lead to a reduction in youth smoking of approximately 32%.
- **REDUCE EXPENDITURES - TAX TOBACCO**

This is your chance to really make a difference. Support the \$1.00 increase in tobacco tax.

Sincerely,

James E. Murphy
Executive Director

Source of all data cited above available upon request.

A \$1 per pack increase in the state cigarette tax?

Public Opinion Poll Results December 14, 1995 - January 20, 1996

- ▶ Alaska's state budget is about five hundred million dollars larger than the revenue it will take in this year. Most of this revenue is from oil and gas taxes. People have different views about how to deal with this fiscal gap. Do you think the fiscal gap can be closed only with spending cuts, or do you think the fiscal gap can be closed only with a mix of spending cuts and new revenue sources?

Spending Cuts	16%
Spending Cuts and Revenue Sources	72%

- ▶ Now, I would like to turn to tobacco taxes. The current Alaska state tax is 29 cents per pack of cigarettes. In general, do you favor or oppose increasing Alaska's tobacco taxes by one dollar per pack to help close the state's fiscal gap?

Strongly Favor	49%
Somewhat Favor	25%
Somewhat Oppose	5%
Strongly Oppose	16%

- ▶ If it was proven that a large cigarette price increase prevents or reduces smoking among children and teenagers, would you favor or oppose raising the state tax by one dollar per pack?

Strongly Favor	71%
Somewhat Favor	15%
Somewhat Oppose	9%
Strongly Oppose	3%

- ▶ Do you generally favor taxing other tobacco products, such as chewing tobacco, snuff, and cigars, at a higher rate than cigarettes, about the same rate as cigarettes, or at a lower rate than cigarettes?

Higher Rate	8%
Same Rate	83%
Lower Rate	5%

- ▶ I want to get your final opinion, even if it is different from the opinions you expressed earlier. All things considered, do you favor or oppose increasing Alaska's tobacco taxes by one dollar per pack?

Strongly Favor	58%
Somewhat Favor	15%
Somewhat Oppose	7%
Strongly Oppose	18%

These data are based on preliminary analysis of the results of the Alaska SmokeLess States Survey, a telephone survey of a representative sample of 820 Alaska residents 18 and older conducted from December 14, 1995 through January 20, 1996. The survey was conducted using a single-stage, list-assisted random-digit-dialing stratified sample design. One adult was selected to be interviewed within each household. The survey concerned public attitudes toward the state's budget gap and tobacco policy issues. The margin of sampling error (95% sampling interval) for statewide estimates made for all residents is no more than plus or minus 4.3 percentage points. The survey was conducted by Mathematica Policy Research, Inc. in Princeton, New Jersey, under contract with the Robert Wood Johnson Foundation.

ALASKA TOBACCO CONTROL ALLIANCE

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Alaska Tobacco Control Alliance

Resolution to Support an Increase in the Tobacco Tax

STEERING COMMITTEE:

Alaska Black Caucus

Alaska Dental Society

Alaska Health Fair, Inc.

Alaska Native Health Board

Alaska Pharmaceutical
Association

Alaska Public Health Association

Alaska State Medical Association

Alaskans for Drug Free Youth

American Lung Association of
Alaska

Anchorage School District

Bristol Bay Area Health
Corporation

K.D. Consulting

Municipality of Anchorage,
Department of Health and
Human Services

Nome Community Center/
Young Teen Center

Rural Alaska Community Action
Program

Sitka Teen Resource Center

State of Alaska Department of
Health and Social Services:
Division of Alcohol and Drug
Abuse, Division of Public
Health, Section of Community
Health Services, Section of
Epidemiology

Tanana Chiefs Conference, Inc.

Yukon-Kuskokwim Health Corporation,
Health Education Department

- Whereas tobacco kills far more Americans each year than alcohol, car accidents, suicide, homicide, AIDS, heroin and cocaine combined;
- Whereas tobacco is the leading cause of preventable death in the country;
- Whereas 3,000 children become regular smokers each and every day;
- Whereas 73% of daily teen smokers who think they won't be smoking in 5 years are still smoking 5 years later;
- Whereas 84% of Alaska adult smokers started smoking between the ages of 10 and 20;
- Whereas tobacco kills 1 out of 5 Alaskans;
- Whereas Alaskan Natives suffer disproportionately from the burden of tobacco addiction and illness;
- Whereas it is the responsibility of the State of Alaska to do everything in its power to blunt the negative impact of tobacco on the health of our citizens;
- Whereas smoking-related death and disease cost each Alaskan \$220 in 1991;
- Whereas smoking-related death and disease cost the Alaska economy \$127.6 MILLION DOLLARS in 1991;
- Therefore be it resolved that The Alaska Tobacco Control Alliance calls upon the Alaska Legislature to enact a significantly higher state excise tax on all forms of tobacco, and to ensure that this higher tax rate is regularly increased to keep pace with inflation.

ALASKA TOBACCO CONTROL ALLIANCE

Tobacco Use by Youth: Patterns and Prevention

Revised
April 1995

Developed by the
American Lung Association of Alaska

(907) 276-5864

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Winning Tobacco Control Strategy for Alaska!"

TOBACCO USE BY YOUTH:
PATTERNS AND PREVENTION

Tobacco Use by Youth: Patterns and Prevention

TOBACCO USE BY YOUTH

- ▶ **Most smokers begin smoking during childhood and adolescence. Nicotine addiction is established during the first two to three years of tobacco use.**
 - For any cross section of adults who smoke, 89 percent begin using cigarettes by or at age 18. Seventy-one percent begin smoking daily by or at age 18.¹
 - The average age when people first try smoking a cigarette is 14.5 years.²
 - Nearly 84 percent of Alaskan adults started smoking between the ages of 10 and 20 years old.³
 - Seventy-three percent of daily teen smokers who think they won't be smoking in 5 years are still smoking 5 years later.⁴
 - Seventy percent of teen smokers say that given the chance to do things differently, they wouldn't have started smoking.⁵
 - Eighty percent of teen smokers want to and have tried to quit. Only 1.2% succeed.⁶

- ▶ **The prevalence of smoking by youths has remained basically unchanged since 1980.**
 - Among high school seniors, the prevalence of regular smokers (those who have smoked in the past 30 days) was 30.5% in 1980 and 29.9% in 1993; the prevalence of daily smokers was 21.3% in 1980 and 19.0% in 1993.⁷
 - In Alaska, 27% of 12th grade girls and 18% of 12th grade boys report daily use of cigarettes. Rates are highest among Alaska Natives: 31% of 12th grade girls and 21% of 12th grade boys.⁸

¹Centers for Disease Control and Prevention. *Preventing Tobacco Use Among Young People: A Report of the Surgeon General*. Atlanta, GA: US Department of Health and Human Services, Centers for Disease Control and Prevention, 1994.

²Centers for Disease Control and Prevention. 1994.

³Alaska Division of Public Health and Alaska Area Native Health Service. *1989 Alaskan Adolescent Health Survey*.

⁴Centers for Disease Control and Prevention. 1994.

⁵Gallup Organization, 1992.

⁶Teenage Attitudes and Practices Survey, 1993.

⁷Institute of Medicine. *Growing Up Tobacco Free: Preventing Nicotine Addiction in Children and Youths*. Washington, DC: National Academy Press. 1994.

⁸Alaska Department of Health and Social Services. *The State of Adolescent Health in Alaska*. Juneau, AK: Alaska Department of Health and Social Services, May 1990.

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- ▶ **Use of smokeless tobacco by youth has increased dramatically since 1970.**
 - Although little use of smokeless tobacco was seen among adolescents before 1970, the prevalence of its use among older teens (16-19 years old) increased nearly 10-fold between 1970 and 1985, and overall appears to have remained constant since then.⁹
 - In Alaska, 18% of 12th grade boys and 7% of 12th grade girls report daily use of smokeless tobacco. Rates are highest among Alaska Natives: 24% of 12th grade boys and 13% of 12th grade girls.¹⁰

- ▶ **Restricting youth access to tobacco is the key to breaking the cycle of tobacco use.**
 - Research has documented that most minors who smoke purchase their own cigarettes. The major source of cigarettes from underage consumers is small stores and gas stations.
 - Despite the fact that all states prohibit the sale and distribution of tobacco products to minors, tobacco is easily accessible to youth. Youth purchase tobacco from all sources when laws are not enforced.
 - In 13 studies of over-the-counter sales, illegal sales to minors occurred at the (average-weighted) rate of 67 percent.¹¹

- ▶ **Young people tend to use vending machines more than the general smoking public. Vending machines are more popular among the youngest adolescents.¹²**
 - In 1988, only 4 to 8 percent of all cigarettes were sold through vending machines. However, the National Automatic Merchandising Association reported that young people tend to use vending machines more often than the general smoking public.¹³
 - Nine studies of vending machine sales found the (average-weighted) rate of illegal sales was 88 percent.¹⁴
 - A National Automatic Merchandising Association survey found that minors were successful 77% of the time in buying tobacco from vending machines placed where minors were prohibited.¹⁵

⁹Institute of Medicine. 1994.

¹⁰Alaska Department of Health and Social Services. *The State of Adolescent Health in Alaska*. May 1990.

¹¹Centers for Disease Control and Prevention. 1994.

¹²Centers for Disease Control and Prevention. 1994.

¹³Automatic Merchandising Association. *Cigarette Sales from Vending Machines, 1988*. Chicago, IL: National Automatic Merchandising Association, 1989 as reported in Centers for Disease Control and Prevention. 1994.

¹⁴Centers for Disease Control and Prevention. 1994.

¹⁵Americans for Nonsmokers' Rights. "Youth Access to Tobacco" (fact sheet). Berkeley, CA, 1992.