

ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672

9031 SENATE STATE AFFAIRS

AMENDMENT

OFFERED IN THE SENATE

TO: SB 85

1 Page 6, after line 19:

2 Insert a new bill section to read:

3 * Sec. 15. AS 19.40.21(b) is amended to read:

4 (b) The prohibition on disposal of state land under (a) of this section does not
5 apply to a disposal

6 (1) to a licensed public utility or a licensed common carrier under
7 AS 38.05.81(c).

8 (2) for the reauthorization of leases that were in effect on January 1,
9 1994, for nonresidential purposes within the following development nodes:

10 Coldfoot:

11 Township 28 North, Range 12 West, Fairbanks Meridian

12 Sections 9 - 10

13 Sections 15 - 16

14 Yukon River Crossing:

15 Township 13 North, Range 11 West, Fairbanks (UMIAT)

16 Meridian

17 Section 26.

18 (3) for nonresidential development within the following development
19 node:

20 Deadhorse:

21 Township 10 North, Range 14 East, Umiat Meridian

22 Sections 24 - 25

23 Township 10 North, Range 15 East, Umiat Meridian

24 Section 19

25 Section 20, or

1
2
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- (4) necessary for
 - (A) an oil and gas lease under AS 38.05.180;
 - (B) exploration, development, production, or transportation of oil and gas north of 68 degrees north latitude; or
 - (C) a state lease or materials sale for
 - (i) exploration, development, production, or transportation of oil and gas;
 - (ii) reconstruction or maintenance of state highways, or
 - (iii) construction or maintenance of airports."

10 Renumber the following bill sections accordingly

11 Page 9, line 7

12 Delete "sec. 17"

13 Insert "sec. 18"

14 Page 9, line 9

15 Delete "sec. 23"

16 Insert "sec. 24"

17 Page 9, line 12

18 Delete "sec. 25"

19 Insert "sec. 26"

SB

89

STATE OF ALASKA
1995 LEGISLATIVE SESSION

FISCAL NOTE

BILL NO. SB 89

Revision Date: _____ Dept. Affected: _____ Revenue
 Title: An Act relating to the members of the board BRU: _____ APFC _____
 and staff of the Alaska Permanent Fund Corporation Component: APFC _____
 Sponsor: Senator Flieger
 Requester: Senate State Affairs COMPONENT SERIAL NO. _____ 109

Expenditures/Revenues

(Thousands of Dollars)

	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
OPERATING EXPENDITURES						
PERSONAL SERVICES						
TRAVEL	28.4	29.9	20.3	29.7	30.2	30.6
CONTRACTUAL	2.6	2.6	2.6	2.6	2.6	2.6
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	31.0	31.5	31.9	32.3	32.8	33.2
CAPITAL EXPENDITURES						

CHANGE IN REVENUES ()

(Thousands of Dollars)

FUND SOURCE						
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF Program Receipts						
1006 GF/MHTIA						
Other	31.0	31.5	31.9	32.3	32.8	33.2
TOTAL	31.0	31.5	31.9	32.3	32.8	33.2

Estimate of any current year (FY99) cost: \$ _____

POSITIONS						
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This fiscal note assumes implementation on July 1, 1995. It projects costs associated with increasing the number of trustees from six to seven, and replacing one commissioner with a public member.

Travel assumes 15 trips per year in-state and 2 trips per year out-of-state

Transportation costs are assumed to increase at a 4% rate of inflation each year. Per diem and honorarium remain constant in all years.

Contractual includes registration fees at two seminars

Other Fund Source Corporate Receipts

Prepared by: Priscilla Malison Executive Director Phone: 465-2047
 Division: Alaska Permanent Fund Corporation Date: 3/15/95
 Approved by: _____ Date: 3/15/95
 Commissioner: _____
 Agency: Department of Revenue Date: 3/17/95

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SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 2/15/95

FURTHER: Finance

Date of 5-Day Notice: 3/2/95
 (in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: _____

State Affairs Committee considered SENATE BILL NO. 89

"An Act relating to the members of the board and staff of the Alaska Permanent Fund Corporation."

and recommends:

- be replaced with _____ CS SB 89 _____ (STA)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:
- same title
 - new title
- House Bill:
- technical change
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Form A Lewis</i>	<input checked="" type="checkbox"/>	<i>Handwritten notes</i>	<input checked="" type="checkbox"/>		
CHAIR: <i>[Signature]</i>	<input checked="" type="checkbox"/>				

NEW FISCAL NOTE(S): FY96

Department	Date	Zero	Fiscal
<i>REV</i>	<i>3/7</i>		<i>31.0</i>

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

Alaska State Senate

SENATOR STEVE RIEGER
District 1


Senate Finance Committee
Chair, Senate Transportation Committee

Legislative Budget and Audit Committee
Administrative Regulation Review Committee
Legislative Council

During Session
State Capitol, Room 310
Juneau, Alaska 99801
(907) 465-3870

716 West 4th Avenue, Suite 310
Anchorage, Alaska 99501
(907) 258-8188

TO: Senator Bert Sharp
Chair, Senate State Affairs Committee

FROM: Senator Steve Rieger 

DATE: March 1, 1995

RE: SB 89 - "An Act relating to the members of the board and staff of the Alaska Permanent Fund Corporation."

I respectfully request that you schedule the above referenced legislation at your earliest convenience. A sponsor statement and packet is forthcoming.

Thank you for your consideration of this matter.

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR RIEGER

TO: SB 89

1 Page 1, line 14, through page 2, line 1:

2 Delete "portfolio [OTHER BUSINESS]"

3 Insert "other business"

4 Page 2, line 1, after "fields":

5 Insert "and at least two of the public members must have recognized competence
6 and wide experience in investment portfolio management"

7 Page 2, line 13, after "":

8 Insert "In this subsection, "cause" means

9 (1) incompetency, which is the inability or the unintentional or
10 intentional failure to perform the duties of the trustee; or

11 (2) misfeasance or malfeasance in office, which includes the failure
12 of the trustee to exercise prudent judgment in the affairs of the corporation or
13 intentionally taking action for reasons other than the financial best interest of the
14 corporation."

Alaska State Senate

SENATOR STEVE RIEGER
District 1

Senate Finance Committee
Chair, Senate Transportation Committee

Legislative Budget and Audit Committee
Administrative Regulation Review Committee
Legislative Council



During Session
State Capitol, Room 510
Juneau, Alaska 99801
(907) 465-3879

716 West 4th Avenue, Suite 530
Anchorage, Alaska 99501
(907) 258-8188

- SENATE BILL 89 -

"An Act Relating to the Members of the Board and Staff of the Alaska Permanent Fund Corporation" -

In the past six months there has been nearly a 100% turnover in the top management of the Alaska Permanent Fund Corporation--among them the executive director, the chief investment officer, and five of the six trustees. This level of turnover is not healthy.

The purpose of SB 89 is to provide greater continuity in the management of the fund, which should translate into more careful, deliberate financial decision-making. The bill makes it clear that removal of a trustee must be for cause, reduces the cabinet-member appointees from two members to one member, and increases the public members from four to six (with staggered terms.) The bill also clarifies that the investment policies of the fund and staffing decisions must be made solely in the best interest of the fund.

The management issue is significant because the Alaska Permanent Fund is significant. The Permanent Fund has grown to a size of approximately \$15 billion. This is an amount which is five to six times the amount of general funds used in the annual state operating and capital budget. Sound and stable management of this huge fund is essential.

With the exception of the accelerated removal of trustees which occurred in the last two governor transitions, this bill is not aimed at correcting any particular past practices. Passage of SB 89 should not be construed as an indication that any past Permanent Fund decisions were incorrect or improper. Instead, SB 89 is forward-looking -- designed to strengthen the protections for the corpus of the fund -- so that the fund will be of maximum value and long-lived.

March 6, 1995

SB

90



Alaska Court System

State of Alaska

303 "K" STREET
ANCHORAGE, ALASKA
99501

ARTHUR H. SNOWDEN II
ADMINISTRATIVE DIRECTOR

(907) 264-0947
FAX (907) 278-9908

March 6, 1995

The Honorable Bert Sharp
Chairman, Senate State Affairs Committee
P.O. Box V
Juneau, Alaska 99811

Dear Senator Sharp:

Thank you for scheduling a hearing on Senate Bill 90, establishing a Public Officers' Compensation Commission. This bill was introduced at the request of the Alaska Supreme Court.

SB 90 creates a new Public Officers' Compensation Commission to take the place of the existing State Officers' Compensation Commission. As you know, the existing commission recommends compensation levels for certain state officers to the legislature; its proposals frequently go unheeded for reasons unrelated to their merits.

In contrast, the commission created by SB 90 would have the authority to actually establish compensation levels for the governor, lieutenant governor, members of the legislature, heads of the principal departments, supreme court justices, judges of the court of appeals, judges of the superior court and district court judges. This commission, appointed by the governor, could submit proposed salary and per diem for those officers to the legislature every two years. These compensation levels would take effect on

SPONSOR STATEMENT

The Honorable Bert Sharp
March 6, 1995
Page 2

January 1 following submission, unless disapproved by a bill that was enacted into law within 60 days of submission.

Approximately 26 states, as well as the federal government, currently operate compensation commissions. In nine of those jurisdictions, the commission has the authority to establish compensation amounts. The purpose behind the existence of these commissions is simple: to see that fair decisions are made regarding the compensation of certain government officials, and to reduce the political battles that inevitably surround such salary decisions.

An essential goal of the Alaska Court System is to attract and retain highly qualified jurists. Achieving this goal requires salaries that are commensurate with the qualifications and responsibilities of the office, which has proven problematic. When adjusted for the cost of living, Alaska judicial salaries are ranked 36th among the 50 states, a slip in position of 26 places since the last pay increase in 1991.

It is equally important to attract and retain highly qualified legislators and executive branch officials. An independent commission will be able to set fair and reasonable salaries for these officers without fear of voter backlash or charges of conflict of interest.

I hope that you will agree with the supreme court on the need for SB 90. Please feel free to contact my office if you require any additional information on this piece of legislation.

Very truly yours,

Arthur H. Snowden, II
Administrative Director

AHS:bh

SB 90

"An Act establishing the Public Officers Compensation Commission; relating to the compensation of the governor, lieutenant governor, members of the legislature, heads of the principal departments of the executive branch of government, supreme court justices, judges of the court of appeals, judges of the superior court, and district court judges; and providing for an effective date."

Approximately 26 states and the federal government operate some form of compensation commission. In nine of those jurisdictions, the commission actually sets the salary of certain public officials, rather than merely offering recommendations to the legislature.

The existing State Officers Compensation Commission does not have the power to establish salaries, only to make recommendations to the legislature. The legislature has never acted on the recommendations for its own compensation. It acted on the commission's recommendation for judges in 1990. This was the first pay raise judges had received in five years; during the 18 months preceding it, 20% of judges had left the bench.

The commission created by SB 90 is modeled very closely on the existing commission. There are two major differences: the new commission will have the power to establish compensation, not make recommendations, and the new commission will have a list of specific factors it must consider in determining fair compensation.

The commission has seven members appointed by the governor to four-year terms. Among the members must be a business executive, a person with experience in public administration, a representative of a nonpartisan voters' organization, a representative of a labor organization, and an attorney. (section 13)

The commission meets every other year. It must hold public hearings. (section 13)

The commission may consider the compensation of the governor, lieutenant governor, commissioners, members of the legislature, and justices and judges. (section 15)

"Compensation" is defined as salary and per diem. (section 18)

No later than the 10th day of the regular session in each odd-numbered year, the commission must submit findings to the legislature. It may also submit an order changing the compensation of those public officers. (section 15)

The legislature has 60 days in which to reject the order by enacting a law. This rejection must be done by law, since the legislature may not overturn an administrative order by resolution. State v. A.L.I.V.E. Voluntary, 606 P.2d 789 (Alaska 1980). If an order is not rejected within 60 days, and if the legislature has appropriated the money to fund it, the order becomes effective on the following January 1. If the order is rejected, it must be rejected in its entirety. (section 15)

The standards for setting salaries which the commission must follow are modeled on Illinois law, with modifications to reflect Alaska conditions. These standards have been upheld by the Illinois Supreme Court. They require the commission to take into account the unique costs a member of the legislature faces, such as (3) the opportunity for other earned income, and (6) the reasonable expenses incurred in performing the public service.

Two jurisdictions operating a statutory compensation commission similar to that proposed by SB 90 have had their law challenged (Illinois and the federal government). This delegation of legislative power to set salaries has been upheld three separate times by the federal courts, as well as by the Illinois Supreme Court.

A legislative body may delegate its power to set the salaries of public officials, even when the constitution provides that such salaries must be set "by law," as long as the legislature retains the ultimate control over the salaries. This control exists if the following conditions are met:

1. There should be specific standards to guide the commission in its determination of salaries. SB 90 contains such standards in section 17.
2. There should be a holdover period in which the legislature can reject the salaries proposed by the commission. In section 15, SB 90 provides for a 60-day period in which the legislature may reject compensation proposed by the commission.
3. The legislature must retain control over the appropriation process. This control is affirmed in section 15.
4. The legislature must retain the power to pass overriding legislation at a later date if it wishes to change salaries. Since one legislature cannot bind another, this power cannot be taken away by SB 90.

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SB 90

Revision Date _____
Title An Act establishing the Public Officers Compensation Commission
Sponsor Senate Rules Committee by Request
Requestor _____

Department Affected Administration
BRU Personnel/OEEO
Component Personnel/OEEO
COMPONENT SERIAL NO. 50

EXPENDITURES/REVENUES

(Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND &						
GRANTS CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL EXPENDITURES	0	0	0	0	0	0
CHANGE IN REVENUES	0	0	0	0	0	0

FUNDING SOURCE

(Thousands of Dollars)

1002 Federal						
1003 OF Match						
1004 OF						
1005 OF/Program						
1008 OF/STATE						
OTHER						
TOTAL	0	0	0	0	0	0

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

ATTACHMENTS (Attach a separate page if necessary)

I experience with the two earlier compensation commissions indicate that the level of assistance requested is minor and consists of readily available information. The attached costs have been and we expect them to continue to be, negligible.

Prepared by Michael P. McMillan *Michael P. McMillan*
Division Personnel/OEEO

Phone 907-4621
Date _____

Approved by Commissioner Mark Sawyer *MARK SAWYER*
Agency Department of Administration

Date 3/3/95

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FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SB 90

Revision Date: _____ Dept. Affected: Alaska Court System
 Title: An Act establishing the Public Officers BRU: Total Courts
 Compensation Commission: _____ Components: _____
 Sponsor: Senate Rules by request
 Reference: _____ COMPONENT SERIAL NO. 788

SYNOPSIS REVENUES (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
TOTAL OPERATING	00	00	00	00	00	00
CAPITAL EXPENDITURES						
CHANGE IN RESERVES						

FUND SOURCE (Thousands of Dollars)

100 Federal Receipts						
100 OF MARCH						
100 OF	00	00	00	00	00	00
100 OF Program Receipts						
100 OF RESERVE						
Other						
TOTAL	00	00	00	00	00	00

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

Estimate of current year (FY 95) cost: \$ _____
 Name: _____

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

Prepared by: C. S. Christensen III, Chief Counsel Phone: 254-8228
 Agency: Alaska Court System Date: 03/07/95

Approved by: Arthur H. Engstrom, R. Administrative Director
 Agency: Alaska Court System Date: 03/07/95

PREPARED TO PROVIDE ALL INFORMATION COMES TO GOVERNOR'S LEGISLATIVE OFFICE



Alaska Court System

State of Alaska

303 W. STREET
JUNEAU, ALASKA
99801

ERNEST W. SHOGREN II
ADMINISTRATIVE DIRECTOR

801-284-0541
FAX 807-478-5406

March 6, 1995

The Honorable Bert Sharp
Chairman, Senate State Affairs Committee
P.O. Box V
Juneau, Alaska 99811

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In contrast, the commission created by SB 90 would have the authority to actually establish compensation levels for the governor, lieutenant governor, members of the legislature, heads of the principal departments, supreme court justices, judges of the court of appeals, judges of the superior court and district court judges. This commission, appointed by the governor, could submit proposed salary and per diem for those officers to the legislature every two years. These compensation levels would take effect on

~~CONFIDENTIAL~~
SPONSOR STATEMENT

The Honorable Bert Sharp
March 6, 1995
Page 2

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I hope that you will agree with the supreme court on the need for SB 90. Please feel free to contact my office if you require any additional information on this piece of legislation.

Very truly yours,


Arthur H. Snowden, II
Administrative Director

AMS bh

SB

92

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SB92

Revision Date: _____ Dept. Affected: Revenue
Title: AMFC Subject to Executive Budget Act BRU: AMFC
Component: AMFC

Sponsor: ISIRLS
Requester: (S)STA COMPONENT SERIAL NO. 110/19377

Expenditures/Revenues (Thousands of Dollars)

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF Program Receipts						
1006 GF MMTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

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

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

No additional costs or significant impact is anticipated with the implementation of this proposed legislation upon the Alaska Housing Finance Corporation.

Prepared by: [Signature] Phone: 17-564-9326
 Division: AMFC Date: 2/27/95
 Approved by: _____
 Commissioner: Deborah Voigt Date: 2/27/95
 Agency: Revenue

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Alaska State Legislature

Legislative Budget & Audit Committee

House Members

Rep. Terry Martin, Chair
Rep. Con Bunde
Rep. John Devine
Rep. Gary Davis
Rep. Mark Hanley (all)
Rep. Vic Kohring

Senate Members

Sen. Randy Phillips, Vice Chair
Sen. Al Adams
Sen. Steve Frank
Sen. Rick Halford
Sen. Steve Rieger
Sen. Fred Zharoff (all)

SB 92/HB 189 Sponsor Statement

Bringing all Activities of AHFC under the Executive Budget Act

SB 92/HB 189 was introduced by the Rules Committee at the unanimous request of the Legislative Budget and Audit Committee. In short, this legislation would bring all activities of the Alaska Housing Finance Corporation (AHFC) under the review procedures of the Executive Budget Act (AS 37.07).

Under the Executive Budget Act, an agency's budget for programs and services are established through both the executive and legislative processes for the annual general appropriations act (the operating budget). Currently AHFC statutes (AS 18.56.089) bring four listed areas under the Executive Budget Act:

- (1) the operating budget of the corporation
- (2) corporate earnings or assets used for grants or grant programs
- (3) interest rate subsidies and building subsidies as determined by the corporation
- (4) activities of the corporation related to the former ASHA program

All other current activities of the corporation are exempt from the budget process.

An example of a major AHFC program exempted is the program of distributing over \$110 million of corporation arbitrage funds for 5% low interest housing loans. SB 92/HB 189 would bring this program under legislative review as part of the operating budget.

The Legislative Budget and Audit Committee has stated that it feels programs such as the arbitrage distribution and all housing subsidy programs are significant state fiscal policy matters that should fall under the review process of both the legislative and executive branches.

DIVISION OF LEGAL SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

907) 465-3867 or 465-2450
FAX: 907) 465-3029
Mail Stop 3101

110 Seward Street, Suite 409
Juneau, Alaska 99801-3105

MEMORANDUM

February 7, 1995

SUBJECT: Effect of AS 18.56.089(a), making elements of the Alaska Housing Finance Corporation Act subject to the Executive Budget Act, AS 37.07 (Work Order No. 9-LS0675A)

TO: Representative Terry Martin, Chair
Legislative Budget and Audit Committee
ATTN: John Manly

FROM: Jack Chenoweth
Legislative Council

You have asked about the effect of AS 18.56.089(a) making the Alaska Housing Finance Corporation subject to AS 37.07, the Executive Budget Act.

The current language of AS 18.56.089(a) derives from secs. 89 and 90, ch. 4, FSSLA 1992. That measure merged the then-Alaska State Housing Authority and various Department of Community and Regional Affairs housing-assistance programs into AHFC and made a number of collateral changes affecting all housing programs. The current language, a reworking and extension of significant changes previously made by ch. 12, SLA 1991, now reads:

(a) The provisions of AS 37.07 (Executive Budget Act)

(1) apply to

(A) the operating budget of the corporation;

(B) amounts payable from corporate earnings or assets by the corporation for grants or grant programs authorized by this chapter;

(C) interest rate subsidies and building subsidies as determined by the corporation, except subsidies payable from the corporation's arbitrage earnings;

(D) activities of the corporation under AS 18.55.010 - 18.55.960;

(2) do not apply to activities of the corporation under this chapter except as provided in (1) of this subsection or as otherwise specifically provided in this chapter.

The courts have observed that the Executive Budget Act implements the constitutional provision, article IX, sec. 13, by which all appropriations are to be made by legislative Act. Municipality of Anchorage v. Frohne, 568 P 2d 3, 5, at n. 5. The heart of AS 37.07 are its assignment of budget development, review, approval, and execution responsibilities among the several branches of state government, and its expression, in AS 37.07.080(a), of the limitation on program execution imposed on agencies, generally subjecting the programs to legislative appropriation.

AS 18.56.039(a) was revised with that in mind. Before its alteration by secs. 89 and 90 of ch. 4, FSSLA 1992, the provision directed that "[t]he operating budget of the corporation is subject to AS 37.07 (Executive Budget Act)." As you can readily see, following the 1992 amendment, now, in addition to legislative oversight and appropriation of the corporation's annual operating budget, the legislature has made a series of the corporation's program components subject to prior legislative review and approval:

(1) amounts payable from corporate earnings or assets for grants or grant programs authorized by AS 18.56,²

(2) interest rate subsidies and building subsidies as determined by AHFC,³ except subsidies payable from the corporation's arbitrage earnings; and

(3) activities of AHFC under the former Alaska State Housing Authority Act (AS 18.55) programs: housing project and public building assistance, moderate cost and rental housing, and slum clearance and redevelopment.

² Among grant programs specifically enumerated in AS 18.56 are those concerned with energy efficient home design and construction (AS 18.56.410), the low cost and low income housing development fund and related grants (AS 18.56.650), the senior citizens housing development fund grants (AS 18.56.810), and the various components of the home energy conservation and weatherization program (AS 18.56.850).

³ Several programs authorize use of interest rate subsidies in conjunction with housing. One of AHFC's principal programs is its "special mortgage loan purchase program," set out in AS 18.56.098, under which the corporation may purchase first or second mortgage loans. In conjunction with that, AS 18.56.091(a) directs establishment of a "home ownership assistance program (HOAP)," permitting low and moderate income persons to purchase homes with assistance of a subsidy. Subsidy assistance is also available under the corporation's housing development fund program for congregate housing, AS 18.56.100 -- see subsection (1), and the homeownership assistance fund, AS 18.56.430.

Representative Terry Martin, Chair
February 7, 1995
Page 3

The theory behind these distinctions, as I recall from my work on the bills that eventually became ch. 4, FSSLA 1992, is this: The legislature was prepared to let AHFC receive payments from outstanding loans that originally had been generated by sale of revenue bonds or legislative appropriations, and re-loan those amounts free of the necessity or opportunity of legislative appropriation. However, one-time housing assistance programs for which there was no expectation that the corporation would eventually recover any significant portion of the assistance payment--such as those characterized by grants, subsidies, and the like--that tended to reduce AHFC's balance sheet position should, under the constitutional provision, have prior legislative approval.

AHFC recently closed out the public offer of more than \$100 million of low-income loans. Except for what has been reported in the newspapers, I have no details on that program. I understand from the Legislative Auditor that corporation officials have represented that they relied on "arbitrage earnings" to serve as the source of the subsidy component of those loans.

* Arbitrage earnings are, generally, the earnings obtained from the difference in the price between purchase and sale of securities in two markets.

It is my recollection that, when, in 1992, the Senate had under consideration House Bill 152, the immediate predecessor of the bill that eventually became ch. 4, FSSLA 1992, the Senate's Community & Regional Affairs Committee was very concerned with trying to find a sure way by which to maintain legislative control over proposed subsidies without extending that control to loan earnings available for further lending. The first committee substitute drafts contemplated a long, program-by-program enumeration of the subsidies that were subject to legislative appropriation. The language eventually offered and agreed to, now AS 18 56.089(a)(1)(C), was suggested by AHFC bond counsel and inserted in the draft Senate C&RA Committee Substitute.

I am not aware of any other history of this provision. In what proved to be one of the 17th Legislature's longest and most detailed measures, the fact that the language appeared in the CRA Senate Committee Substitute allowed it to continue in place in all subsequent versions of the bill.

I don't know, but I can speculate that bond counsel may have sought the exception of the arbitrage earnings from the prior legislative appropriation requirement for at least two reasons: (1) the corporation may have insisted that, because those earnings reflected sound investment efforts by AHFC officials and contractors, the corporation should reap the reward, subject to the limitation that the earnings be made available for housing-program related

Representative Terry Martin, Chair

February 7, 1995

Page 4

that is, as the source of the money that would cover the difference between market interest rates and the announced five percent rate of these low-income housing loans. AHFC officials have apparently represented that they could issue loans in this volume without prior legislative appropriation. The re-lending of amounts derived from repayment of loan principal and interest does not require prior appropriation, while the subsidy component of those loans is free of the requirement of prior legislative appropriation under the exception for arbitrage earnings of AS 18.56.089(a)(1)(C). The test, it seems to me--and as I advised the Legislative Auditor--ought to be to ascertain whether (1) subsidy payments contemplated by this recent low-income housing loan initiative can fairly be distinguished from the face amounts of the loans, and (2) whether those subsidy payments are wholly attributable to AHFC's arbitrage earnings.

If you have additional information about the arbitrage earnings-based subsidy component and want it reviewed, please contact me.

JBC:kib:gic

85-045:kib

initiatives only, and (2) use of arbitrage earnings was, and is, closely circumscribed by Internal Revenue Service rulings, was carefully monitored by the federal tax service, and might require a commitment to use by the corporation sooner than would be possible if subject to legislative appropriation.

Order Number 9207024

What Alaska did with its oil wealth: State policy and economic
development, 1969 to 1986

Madden, Mary Lou, Ph.D

The American University, 1992

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U·M·I

100 N. Zeeb Rd.
Ann Arbor, MI 48106

environment were often expressed. In addition, the particular problems of Alaskan Natives received attention during the debate over how to spend the oil revenue. Therefore, a brief look at these areas is necessary in any evaluation of state efforts.

Population Changes

During the period, Alaska's population nearly doubled, from 290,500 in 1962 to 547,600 in 1986. More than 47 percent of the increase was due to in-migration. As mentioned earlier, the timing of in- and out-migration did not always coincide with Alaska's economic cycles. For example, the influx of job seekers on the Alaska pipeline preceded construction by about twelve months. The influx stayed on, due primarily to uncertainty about when actual construction would begin, putting severe strain on local housing and social services. Fortunately, the majority of hopeful pipeline workers did not bring families with them, so that effects on schools and other family-oriented services were minimal. Once the pipeline was constructed, these workers quickly left the state.

In the 1980's however, good economic times in Alaska coupled with a recession in the Lower 48 attracted a second wave of immigrants. This time, a larger number of families relocated. School enrollments

increased by 11.4 percent over the period, although the natural increase in the population for the prior decade was only around two percent. As evidenced by Figure 5-3, people continued to be attracted to Alaska even after the high growth rates declined. It was not until Alaska entered an actual recession that some out-migration occurred. The effects of this second wave of in-migration was felt most strongly in Anchorage, the state's largest city and the area which attracted more than half of the new comers. Financed in large part by the state's generous housing loan subsidies, most in-migrating families purchased homes in the area. When the economy turned down and out-migration accelerated, the effects on the Anchorage housing market were dramatic. By 1987, housing sales were down 32 percent over the previous year, the inventory to sales ratio was up 61 percent and the apartment vacancy rate was 22 percent. The Anchorage housing market is just now recovering from the decline.

Unemployment rates were also affected by these new citizens. As indicated above, the Alaskan unemployment rate in 1986 was 13 percent, almost twice that of the nation as a whole. Less quantifiable but certainly as real, the increase in population placed strains on the environment. The population of Anchorage nearly doubled during the period. Never noted for its

strict zoning laws or its attention to scenic amenities, the rapid increase in population made a bad situation worse. Fairbanks, the second largest city and the hub of oil production-related activity, experienced a 71% percent increase in population between 1970 and 1984. Given its interior climate, with extreme cold and little wind, Fairbanks proved even more susceptible than Anchorage to environmental problems caused by population growth. Fairbanks now experiences some of the worst air pollution in the United States, on par with Los Angeles and other major industrial areas.

On the positive side, in-migration did increase the workforce of Alaska and made possible, at least in part, the exceptional economic gains made through the period. This is especially true in high-skill jobs, which could not have been filled by the existing population alone. Newcomers also increased demand for local goods and services, allowing for some of the import-substitution which occurred in this area. In addition, migrants brought with them particular vocational skills and talents which enriched Alaskan life.

Environmental Concerns

During the period under discussion, Alaska was fortunate to avoid any large-scale environmental

Other programs which increased access to private goods included subsidized consumer loans for postsecondary education, electricity and housing; repeal of state income taxes; and reduction of property taxes.

The effect of these programs on alleviating some of the perceived economic weaknesses of the state is difficult to quantify. On the one hand, comparisons of gross output in the trade and service sectors from 1949 to 1986 indicate substantial growth. In constant dollars, output in these sectors in 1986 was three and one half times what it had been in 1949. At least some of this growth is no doubt attributable to the increase in disposable income occasioned by cash payments and tax relief programs.

On the less positive side, such programs may have had a detrimental effect on wages and may have lessened the mobility of labor. With respect to wages, experts had warned that tax relief programs would exert downward pressure on the real wage on two counts. First, lower taxes would increase incentives for immigration, expanding the labor pool beyond the numbers of jobs available, thus bidding the wage down. Second, because workers are presumed to respond to take-home pay rather than nominal wage rates, employers could offer lower wages because of tax reductions. In fact, immigration did increase during the period and

wage growth did decline -- from 10 percent per year in the late 1970's and early 1980's to a minus one percent between 1985 and 1986.

Subsidized consumer loans, particularly in housing, had two potential effects on in-migration. First, such loans made easier the in-migration of families (as opposed to single job seekers), second, by encouraging newcomers to settle into the community, such loans made out-migration more difficult. Migration figures for the period indicate two separate patterns. The first major wave of in-migration, which occurred in conjunction with the construction of the Trans-Alaska pipeline, consisted primarily of young males, unaccompanied by families. Once construction was completed, these workers quickly left the state. The second wave, in the early 1980's, occurred after the cash distribution and loan subsidy programs were in place. This wave included large numbers of families and continued for several years after the state's economy had peaked. Out-migration in any large numbers took place only at the end of the period, when the Alaska economy was sliding into recession. The resulting crash of the housing markets in Alaska's largest cities provides some evidence that subsidized loans encouraged home ownership beyond what might otherwise have taken place.

SB

110

FISCAL NOTE
STATE OF ALASKA
1995 LEGISLATIVE SESSION

No. 14
 Version: SB 110
 Publish Date: 3/6/95

Revision Date: _____ Dept. Affected: EDUCATION
 Title: An Act amending APA hearing BRU: ACPE
 Procedures: _____ Component: Program Administration

 Sponsor: _____
 Requestor: _____ COMPONENT SERIAL NO. 212

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	00	00	00	00	00	00
CAPITAL						
REVENUE FUND SOURCE						

FUNDING (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	00	00	00	00	00	00
1005 GF Program Receipts						
1006 GF MHA/A						
Other						
TOTAL	00	00	00	00	00	00

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY98) impact: 0 10

ANALYSIS (Attach a separate page if necessary)

ACPE would not be impacted by these changes. Zero fiscal impact.

Prepared by: Gillian R. Hove Phone: 465-6740
 Division: Alaska Commission on Postsecondary Education Date: Feb 23 1995
 Approved by Executive Director: Joe F. McLinnick Date: Feb 23 1995
 Agency: ACPE

FISCAL NOTE

No. 13

**STATE OF ALASKA
1995 LEGISLATIVE SESSION**

BILL NO. _____

Bill Version: SB 110
(S) Publish Date: 3/6/95

Revision Date: _____
Title: "An act relating to administrative adjudication under the Administrative Procedure Act"
Sponsor: Rules Committee
Requestor: Governor

Department Affected: Labor
BRU: All
Component: All

COMPONENT SERIAL NO. 140

EXPENDITURES/REVENUES:

(Thousands of Dollars)

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

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

CHANGE IN REVENUE FUND SOURCE #						
--	--	--	--	--	--	--

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/VHT/A						
Other						
TOTAL	00	00	00	00	00	00

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY95) impact: \$ None

ANALYSIS: (Attach a separate page if necessary)

This Bill would make changes to the Administrative Procedures Act to streamline and reduce the cost of the administrative adjudication process. There would not be a fiscal impact on the department.

Prepared by: Arbe Williams, Director Phone: 465-2720
Division: Administrative Services Date: 2/27/95
Approved by Commissioner: Tom Cashen, Commissioner
Agency: Department of Labor Date: 2/27/95

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FISCAL NOTE

No. 12

Bill Version: SB 110

BII (S) Publish Date: 3/6/95

**STATE OF ALASKA
1995 LEGISLATIVE SESSION**

Revision Date: February 21, 1995 Department: Commerce and Economic Development
 Title: An Act relating to administrative adjudication BRU: Occupational Licensing
 under the Administrative Procedure Act Component: Operations
 Sponsor: Governor
 Financier: Governor COMPONENT SERIAL #: 1844

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

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

CHANGE IN REVENUES						
--------------------	--	--	--	--	--	--

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	00	00	00	00	00	00

Estimate of any current year (FY 95) cost: \$ 00

POSITIONS						
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

The bill makes several amendments to the Administrative Procedure Act, however, these changes will not require increased funding to implement. Establishing a "preponderance of the evidence" as a standard to be used in administrative hearings may even reduce investigative costs however, it is premature to estimate the impact of this standard.

Prepared by Jennifer Strickler, Admin Officer Phone 465-2144
 Division Occupational Licensing Date 2/21/95
 Approved by Commissioner William L. Mansley Date 2/21/95
 Agency Commerce and Economic Development

FISCAL NOTE

No. 11
 Bill Version: SB 110
 (S) Publish Date: 3/6/95

STATE OF ALASKA
 1995 LEGISLATIVE SESSION

BILL NO

Revision Date _____
 Title Administrative Procedure Act
 Sponsor Rules Committee
 Requestor Governor

Department: Commerce and Economic Development
 BRU: Insurance
 Component: Operations

COMPONENT SERIAL NO. #354

Expenditures/Revenues

(Thousands of Dollars)

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

CAPITAL EXPENDITURES

CHANGE IN REVENUES

FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF Program Receipts						
1009 GF/MHTIA						
Other						
TOTAL	00	00	00	00	00	00

Estimate of any current year (FY 95) cost: \$ 00

POSITIONS

POSITIONS	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact

Prepared by Joan Brown, Administrative Officer Phone 465-2597
 Division Insurance Date 2/23/95
 Approved by Commissioner William L. Mensky Date _____
 Agency Commerce and Economic Development

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FISCAL NOTE

No. 10

Bill Version: SB 110

(S) Publish Date: 3/6/95

STATE OF ALASKA
1995 LEGISLATIVE SESSION

Revision Date: _____
Title: Administrative Adjudication under the Administrative Procedure Act
Sponsor: Rules Committee
Requestor: _____

Department Affected: Commerce and Economic Development
BRU: Banking, Securities and Corporations
Component: _____

COMPONENT SERIAL NO. 1233

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL EXPENDITURES	0	0	0	0	0	0
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CHANGE IN REVENUES ()	0	0	0	0	0	0
------------------------	---	---	---	---	---	---

FUND SOURCE (Thousands of Dollars)

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

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

None.

Prepared by: William F. Kirkpatrick, Director
Division: Banking, Securities and Corporations

Phone: 465-2521
Date: 2-23-95

Approved by Commissioner: William L. Hengley
Agency: Commerce and Economic Development

Date: 3/6/95

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FISCAL NOTE

No. 9

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO.

Bill Version: SB 110

(S) Publish Date: 3/6/95

Revision Date: _____
Title: Relating to administrative adjudication under the
Administrative Procedures Act
Sponsor: Rules Committee
Requestor: Governor

Department Affected: Commerce and Economic Development
BRU: Alaska Public Utilities Commission
Component: _____

COMPONENT SERIAL NO. 364

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL EXPENDITURES	0	0	0	0	0	0
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CHANGE IN REVENUES ()	0	0	0	0	0	0
------------------------	---	---	---	---	---	---

FUND SOURCE (Thousands of Dollars)

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

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

According to AS 42.05.161(a), the Alaska Public Utilities Commission is exempt from the administrative adjudication provisions of the Administrative Procedures Act (APA) except for judicial review under AS 42.05.551(a).

The judicial review provisions of the APA are not affected by this bill.

Prepared by: Robert A. Lehr, Executive Director
Division: _____

Phone: 276-6222
Date: 2/21/95

Approved by Commissioner: William L. Hensley
Agency: Commerce and Economic Development

Date: 2/21/95

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FISCAL NOTE

No. 8

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO.

Bill Version: SB110

(S) Publish Date: 3/4/95

Revision Date: _____
 Title: ..relating to administrative adjudication
under the Admin Procedure Act
 Sponsor: n/a
 Requestor: Gov Office

Department Affected: Environmental
Conservation
 BRU: Administration
 Component: Commissioner's Office

COMPONENT SERIAL NO. 633

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	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 ()	0.0	0.0	0.0	0.0	0.0	0.0
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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	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF Program Receipt	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHHA	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 (+1995) 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)

Prepared by: Larry Jones
 Division: Director, Information and Administrative Services

Phone: 465-5010
 Date: 2/24/95

Approved by Commissioner: _____
 Agency: Department of Environmental Conservation Date: _____

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FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

No. 7
 BI Bill Version: SB 110
 (S) Publish Date: 3/6/95

Revision Date: _____ Dept. Affected: Administration
 Title: "An Act relating to administrative adjudication under the BRU: Various
Administrative Procedure Act." Component: Various
 Sponsor: _____
 Requestor: _____ COMPONENT SERIAL NO. 45

Expenditures/Revenues (Thousands of Dollars)

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

CAPITAL EXPENDITURES					
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CHANGE IN REVENUES ()					
------------------------	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	00	00	00	00	00	00
1005 GF/Program Receipts						
1006 GF/MHTIA						
1081 Information Services Fund						
Total	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year (FY 95) 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)
 This bill will have minimal impact on the Department of Administration.

Prepared by: Sharon Barton, Director Phone: 465-2277
 Division: Administrative Services Date: 2/27/95
 Approved by Commissioner: Mark Bover Date: 2/28/95
 Agency: Administration

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FISCAL NOTE

No. 6
 Bill Version: SB 110
 (S) Publish Date: 3/6/95

STATE OF ALASKA
 1995 LEGISLATIVE SESSION

BII

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

Expenditures/Revenues (Thousands of Dollars)

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

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

CHANGE IN REVENUES						
--------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1112 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

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

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

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

Sections 1, 2, and 9 of the bill allow the use of certified, rather than registered mail. The latter is more expensive and provides no better notice than the former.

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

Prepared by: Richard I. Pegues, Director Phone: 485-3672
 Division: Administrative Services Division Date: 2/23/95
 Approved by Commissioner: Bruce M. Botelho, Attorney General Date: 2/23/95
 Agency: Department of Law

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FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO.

ANALYSIS CONTINUATION:

to the comparable judicial district.

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

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

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

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

The "clear and convincing" standard of proof is rarely used by the Alaska courts. At common law, this higher standard was used in cases involving fraud; oral contracts to make a will; specific performance on an oral contract; and proceedings to modify written transactions. However, Alaska has departed from the common law so that no more than a preponderance of the evidence is necessary to establish fraud.

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

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

FISCAL NOTE

No. 5

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. _____
Bill Version: SB 110
(S) Publish Date: 3/6/95

Revision Date: _____ Dept. Affected: Fish and Game
Title: Amend APA Hearing Procedures BRU: Administration and Support
Component: Commissioner's Office

Sponsor: _____
Requester: _____ COMPONENT SERIAL NO. 477

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	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						
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CHANGE IN REVENUES						
--------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY95) cost: \$ 0.0

POSITIONS

FULL-TIME					
PART-TIME					
TEMPORARY					

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Geron Bruce
 Division: Commissioner's Office
 Approved by Commissioner: [Signature]
 Agency: _____

Phone: 485-6143
 Date: 2/28/95
 Date: 2/28/95

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STATE OF ALASKA
1995 LEGISLATIVE SESSION

No. 4
Bill Version: SB110

(S) Publish Date: 3/6/95

Revision Date: _____
Title: Amend APA Hearing Procedures
Sponsor: Governor
Requestor: _____

Dept. Affected: Health and Social Services
BRU: Administrative Services
Component: Commissioner's Office
COMPONENT SERIAL NO. 317
See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
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

CHANGES IN REVENUES

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (please specify)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY95) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

There would be no fiscal impact on the Department of Health and Social Services if this bill were to become law.

Prepared by Janet Clarke
Division Administrative Services

Phone 465-3082
Date 02/27/95

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

Date _____

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STATE OF ALASKA
1995 LEGISLATIVE SESSION

FISCAL NOTE

No. 3
Bill Version: SB 110
(S) Publish Date: 3/6/95

Revision Date: 2/10/95 Department Affected: DOT&PF
Title: "An Act relating to administrative adjudication under the APA." BRU: D & C

Sponsor: Governor Component: E & O
Requestor: Component Serial Number: 547

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING:	0	0	0	0	0	0

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

1002 FEDERAL RECEIPTS	0	0	0	0	0	0
1003 GF MATCH	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/PROGRAM RECEIPTS	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL FUNDING:	0	0	0	0	0	0

POSITIONS

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

Estimate of current year (FY95) impact: None

ANALYSIS: There would be some minor cost savings. The changes would improve the administrative hearing process for both for the state and the party appealing. DOT & PF conducts very few of these types of hearings only one maybe every couple of years.

Prepared by: Loren Rasmussen, P.E.

Phone: 465-2960

Division: Engineering and Operations Standards

Date: Feb. 22, 1995

Approved by Commissioner: Joseph L. Perkins, P.E.

Phone: 465-3901

Agency: Department of Transportation and Public Facilities

Date: Feb. 22, 1995

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FISCAL NOTE

No. 2

Bill Version: SB 110

(S) Publish Date: 3/4/95

STATE OF ALASKA
1995 LEGISLATIVE SESSION

Revision Date: _____

Title: Amend APA Hearing Procedures

Department Affected: Education

BRU: Executive Administration

Component: Commissioner's Office

Sponsor: Governor Knowles

Requester: Governor Knowles

COMPONENT SERIAL NO. 185

Expenditures/Revenues:

(Thousands of Dollars)

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

CAPITAL						
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REVENUE FUND SOURCE:						
-----------------------------	--	--	--	--	--	--

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	00	00	00	00	00	00

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY95) impact: \$ 00

ANALYSIS: (Attach a separate page if necessary.)

This legislation makes limited changes to the Administrative Procedure Act in order to streamline administrative adjudication. These changes will clarify and simplify the APA, but will have little fiscal impact on the department.

Prepared by: Sheila Peterson, Special Assistant Phone: 465-2803

Division: Commissioner's Office Date: February 25, 1995

Approved by Commissioner: [Signature] Mike Maher

Agency: Education Date: February 25, 1995

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FISCAL NOTE

**STATE OF ALASKA
1995 LEGISLATIVE SESSION**

No. 1
Bill Version: SB 110
(S) Publish Date: 3/6/95

Revision Date: _____ Dept. Affected: Public Safety
 Title: Amend APA Hearing Procedures DPS Statewide Support
 Component: Commissioner's Office
 Sponsor: Rules Governor
 Requestor: Governor's Office COMPONENT SERIAL NO. 0523

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

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL EXPENDITURES	-0-	-0-	-0-	-0-	-0-	-0-
CHANGE IN REVENUES 1	-0-	-0-	-0-	-0-	-0-	-0-
<small>Revenue Code</small>						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF Program Receipts						
1006 GF S&MTIA						
Other						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

Estimate of current year (FY 95) impact: _____

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 is anticipated to the Department of Public Safety

Prepared By: Lee Ann Lucas, Special Assistant to the Commissioner Phone: 264-4333
 Division: Commissioner's Office Date: 3/23/95
 Approved by Commissioner: [Signature] Date: 3/23/95
 Agency: Ronald J. Orr, Dept. of Public Safety

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TONY KNOWLES, GOVERNOR

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FAX (907) 485-8736

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

March 7, 1995

Hon. Bert Sharp
Chair, Senate State Affairs Committee
State Capitol, Room 514
Juneau, Alaska 99801-1182

Re: SB 110

Dear Senator Sharp:

On behalf of the Alaska Department of Law, I wish to request that SB 110 (an Act relating to administrative adjudication under the Administrative Procedure Act) be scheduled for hearing before your committee. The bill is important for making cost-efficiency improvements in the administrative hearings portion of the APA.

Enclosed is a copy of the governor's transmitted letter describing the bill in more detail. Teresa Williams, an assistant attorney general in Anchorage, is available to explain the bill in more detail. Ms. Williams may be reached at:

Alaska Department of Law
Attorney General's Office
1031 W. 4th Avenue, Ste. 200
Anchorage, Alaska 99501-1000
(907) 269-5100

If you need additional information, please let us know.

Sincerely,

BRUCE M. HOTELOD
ATTORNEY GENERAL

By: *Leah E. Behr*
Leah E. Behr
Assistant Attorney General

BEH:21

Hon. Bert Sharp
Alaska State Senate

March 7, 1995
Page 2

Enclosure

cc: Pat Fouchot, Legislative Director
Office of the Governor

Teresa Williams, Assistant Attorney General
Anchorage

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CS SB 110(BTA)

Revision Date: _____
Title: Administrative adjudications

Department Affected: Labor
BRU: Office of the Commissioner
Component: _____

Sponsor: Senate Rules
Requestor: Senate State Affairs

Alaska Labor Relations Agency
COMPONENT SERIAL NO. 1200

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	0.7	0.7	0.8	0.8	0.8	0.9
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.7	0.7	0.8	0.8	0.8	0.9

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

CHANGE IN REVENUE FUND SOURCE #						
--	--	--	--	--	--	--

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.7	0.7	0.8	0.8	0.8	0.9
1005 GF/Program Receipt						
1006 GF/AMTIA						
Other						
TOTAL	0.7	0.7	0.8	0.8	0.8	0.9

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY95) impact: \$ None

ANALYSIS: (Attach a separate page if necessary)
Section 2 of CS SB 110 "If the state rewrites a proposed regulation, amendments of a regulation, or order of repeal after the agency has complied with AS 44 62 190 44 62 200, and 44 62 210, and if the rewriting is a significant change in the substance of the regulation, amendment, or order, before adoption the agency shall provide notice and opportunity for public comment." The fiscal impact of this requirement would be reflected in increased contractual expenses for publication and mailing of regulation packages.

Prepared by: Jan Hart DeYoung Phone: 269-4895
Division: Alaska Labor Relations Agency Date: 4/7/95

Approved by Commissioner: Tom Cashen, Commissioner
Agency: Department of Labor Date: 4/7/95

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FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CSSB 110 (STA)

Revision Date: _____	Department Affected: <u>Labor</u>	_____
Title: <u>Administrative Adjudications</u>	BRU: _____	<u>Employment Security</u>
_____	Component: _____	<u>Employment/Unemployment</u>
Specialty: <u>Senate Rules</u>	_____	<u>Services</u>
Request: <u>Senate State Affairs</u>	COMPONENT SERIAL NO. <u>#1807</u>	_____

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY'96	FY'97	FY'98	FY'99	FY'00	FY'01
PERSONAL SERVICES						
TRAVEL	1.1	1.1	1.1	1.1	1.1	1.1
CONTRACTUAL	82	82	82	82	82	82
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	93	93	93	93	93	93

CAPITAL EXPENDITURES	00	00	00	00	00	00
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CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE

1002 FEDERAL RECEIPTS	93	93	93	93	93	93
1003 GF MATCH						
1004 GF						
1005 GF PROGRAM RECEIPTS						
1006 GF/MHT/A						
OTHER						
TOTAL	93	93	93	93	93	93

Estimate of any current year (FY95) cost \$ _____

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate sheet if necessary) Analysis is to be provided separately. The assumption used in preparation of this fiscal note was:

Ninety-five percent of all regulations written will be re-noticed at least once, and 50% of these will require a third notice.

Prepared by: Rebecca Nance, Director
Employment Security Division

Phone: 465-2712
Date: April 7, 1995

Approved by: Tom Cuddeback, Commissioner
Department of Labor

Date: April 7, 1995

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FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CS SB 110 (STA)

Revision Date: _____
 Title: Administrative Adjudication under the
Administrative Procedures Act
 Sponsor: Senate Rules Committee
 Requestor: Senate State Affairs

Department Affected: Labor
 BRU: Labor Standards and Safety
 Component: Wage and Hour
Administration
 COMPONENT SERIAL NO. 345

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

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

CHANGE IN REVENUE						
FUND SOURCE #						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
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 (FY95) impact \$ None

ANALYSIS: (Attach a separate page if necessary)

Since the Wage and Hour Section already notices all substantive changes throughout the promulgation of a regulation, there will be no additional fiscal impacts as a result of the addition of Sec 2

Prepared by: John A. Abshire, Director Phone: 269-4914
 Division: Labor Standards and Safety Date: 4/7/95
 Approved by Commissioner: Tom Cashen, Commissioner
 Agency: Department of Labor Date: 4/7/95

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FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CS SB 110 (STA)

Revision Date: _____
 Title: Administrative Adjudication under the
Administrative Procedures Act
 Sponsor: Senate Rules Committee
 Requestor: Senate State Affairs

Department Affected: Labor
 BRU: Labor Standards and Safety
 Component: Mechanical Inspection

COMPONENT SERIAL NO. 346

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

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

CHANGE IN REVENUE FUND SOURCE #						
------------------------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
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 (FY95) impact. \$ None

ANALYSIS: (Attach a separate page if necessary)

Since the Mechanical Inspection Section already reviews all substantive changes throughout the promulgation of a regulation, there will be no additional fiscal impacts as a result of the addition of Sec 2

Prepared by John A. Abshire, Director Phone: 269-4914
 Division for Labor Standards and Safety Date: 4/7/95
 Approved by Commissioner Tom Cashen, Commissioner
 Agency Department of Labor Date: 4/7/95

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FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SS SB 110 (STA)

Revision Date: _____
 Title: Administrative Adjudication under the
Administrative Procedures Act
 Sponsor: Senate Rules Committee
 Requestor: Senate State Affairs

Department Affected: Labor
 BRU: Labor Standards and Safety
 Component: Occupational Safety
and Health
 COMPONENT SERIAL NO. 970

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	1.5	1.6	1.7	1.8	1.9	2.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	1.5	1.6	1.7	1.8	1.9	2.0

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

CHANGE IN REVENUE FUND SOURCE #						
------------------------------------	--	--	--	--	--	--

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt	1.5	1.6	1.7	1.8	1.9	2.0
1006 GF/MHTIA						
Other						
TOTAL	1.5	1.6	1.7	1.8	1.9	2.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY95) impact: \$ None

ANALYSIS: (Attach a separate page if necessary) Inflation is assumed at 4.83% per year.
 The Occupational Safety and Health Section has, in the past, renounced all substantive changes throughout the promulgation of a regulation. However, due to reductions to the general fund program receipt authority in OSH's FY95 Operating Budget, no funds are available to comply with Sec. 2 of CS SB 110 (STA) for OSH's state-only programs. This fiscal note anticipates one additional public notice in each of three newspapers at \$500.00/day/paper. OSH has additional state-only program fees (GF/PR) available to fund this cost.

Prepared by: John A. Abshire, Director Phone: 269-4914
 Division: Labor Standards and Safety Date: 4/7/95
 Approved by Commissioner: Tom Cashen, Commissioner
 Agency: Department of Labor Date: 4/7/95

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FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CSSB 110(STA)

Revision Date: _____
 Title: Administrative adjudications
 Sponsor: Senate Rules
 Requestor: Senate State Affairs

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL	8.7	8.7	8.7	8.7	8.7	8.7
CONTRACTUAL	0.9	0.9	0.9	0.9	0.9	0.9
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	9.6	9.6	9.6	9.6	9.6	9.6
CAPITAL						
CHANGE IN REVENUE						
FUND SOURCE #						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	9.6	9.6	9.6	9.6	9.6	9.6
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other						
TOTAL	9.6	9.6	9.6	9.6	9.6	9.6

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY95) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary) Section 2 of CS SB 110 "If the state rewrites a proposed regulation, amendments of a regulation, or order of repeal after the agency has complied with AS 44.62.190, 44.62.200, and 44.62.210, and if the rewriting is a significant change in the substance of the regulation, amendment, or order, before adoption the agency shall provide notice and opportunity for public comment..." The fiscal impact of this requirement would be reflected in increased travel and contractual expenses because additional public notices and Workers' Compensation Board Hearings would be required annually.

Prepared by: Paul Grossi, Director Phone: 465-2790
 Division: Workers' Compensation Date: 4/7/95
 Approved by Commissioner: Tom Cashen
 Agency: Department of Labor Date: 4/7/95

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CB SB 110
Fiscal Note Attachment

The fiscal impact of SB110 is based on the following

Travel

12 Board Members
2 additional Board meeting held annually in Anchorage
Each meeting two days in length

Stipend

\$50.00 Stipend per day x 4 days x 12 Board members = \$2400.00 Stipend

Perdiem

(4 board members live in Anchorage venue)
Board members and exempt staff received actual estimate 100.00 per day
last day meals only, based on full day of meetings

8 Board members x 2 days x \$100.00 perdiem actual estimate
8 Board Members x 2 days x \$36.00 meals only
1 Director x 2 days x \$100.00 actual estimate
1 Director x 2 days x \$36.00 meals only \$2448.00 Perdiem

Airfare

2 Board members from Juneau 2 x \$350.00 x 2 trips = \$1400.00
1 director from Juneau 1 x \$350.00 x 2 trips = \$ 700.00
3 Board Members from Fairbanks area 3 x \$200.00 x 2 trips = \$1200.00
1 Board Member from Bethel 1 x \$200.00 x 2 trips = \$ 400.00
1 Board Member from Big Lake (mile) 250 miles x \$.30 x 2 trips = \$ 150.00
5 Board members from Anchorage (no Air fare)
\$3850.00 Travel

TOTAL TRAVEL \$8698.00

Contractual

Public Notice Advertisement
3 notices x 2 board hearings x \$150.00 per notice = \$900.00

TOTAL CONTRACTUAL \$ 900.00

TOTAL FISCAL IMPACT \$9.6

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CSSB 110

Revision Date: April 14, 1995 Department: Commerce and Economic Development
 Title: An Act relating to the adoption, amendment, and BRU: Occupational Licensing
repeal of regulations & administrative adjudication under APA. Component: Operations
 Sponsor: Senate State Affairs Committee
 Requestor: Senate State Affairs Committee **COMPONENT SERIAL** 1844

Expenditures/Revenues		(Thousands of Dollars)				
OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	16.9	16.9	16.9	16.9	16.9	16.9
TRAVEL	33.3	33.3	33.3	33.3	33.3	33.3
CONTRACTUAL	61.3	61.3	61.3	61.3	61.3	61.3
SUPPLIES	1.6	1.6	1.6	1.6	1.6	1.6
EQUIPMENT (one-time)	5.6	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	118.7	113.1	113.1	113.1	113.1	113.1

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

CHANGE IN REVENUES	118.7	113.1	113.1	113.1	113.1	113.1
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FUND SOURCE		(Thousands of Dollars)				
1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts	118.7	113.1	113.1	113.1	113.1	113.1
1006 GF/MHTIA						
Other						
TOTAL	118.7	113.1	113.1	113.1	113.1	113.1

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

POSITIONS						
FULL-TIME						
PART-TIME	1	1	1	1	1	1
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

CSSB 110 requires additional public notice of proposed regulations if significant changes are made after the original public notice. This fiscal note includes anticipated contractual costs for preparing, publishing and mailing additional public notices, board and commission travel for additional meetings to act on regulations, teleconference and room rental costs for additional board and commission meetings, one additional part-time clerical position, and related supplies and equipment. (Continued)

Prepared by: JoAnne Cummings, Regulations Specialist Phone: 465-2537
 Division: Occupational Licensing Date: 4/14/95
 Approved by Commissioner: William L. Hensley Date: 4/17/95
 Agency: Commerce and Economic Development

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CONTINUATION of FISCAL NOTE ANALYSIS FOR BILL/RESOLUTION NO. CSSB 110

The Division of Occupational Licensing gives public notice of approximately 30 regulation projects each year. Nearly all of the regulation projects are proposed by boards or commissions under the division. In calculating costs for this fiscal note, the division anticipates that 95 percent of its regulation projects will require a second public notice, and 50 percent of the renoticed projects will require a third public notice. In addition to the costs of preparing, publishing and mailing public notices, this fiscal note includes the costs of additional board and commission meetings to conduct hearings and take action on regulation projects. The estimated costs are explained below:

PERSONAL SERVICES

\$ 16.9

1 - Administrative Clerk III, Range 10, permanent part-time, Juneau

The new position will assume some of the routine duties of the existing regulations specialist in the division to allow the regulations specialist to spend additional time on public notices, regulation hearings, board meetings, and related tasks that are required as a result of CSSB 110.

TRAVEL

\$ 33.3

The division estimates that the boards and commissions under the division will require approximately 26 additional meetings each year to act on regulations that are public noticed for a second or third time. Each public hearing or action on regulations by a board or commission must take place in a duly noticed public meeting. The division estimates that half of the additional meetings will be conducted by teleconference. The travel costs shown are for the additional face-to-face meetings each year. The travel costs vary for each board depending on the number of members and their locations. For the purposes of this fiscal note, the division assumes that the meetings will be held in Anchorage and three members will travel to Anchorage from various parts of the state. The division estimates that one division staff will attend all additional meetings and the regulations specialist will attend 25 percent of the additional meetings to conduct hearings and work with the boards/commissions on regulations projects.

CONTRACTUAL

\$ 61.3

Costs for contractual services cover printing, communications, advertising, postage, room rental fees for public hearings, teleconference charges, and additional office space for the new position. The costs of publishing and mailing additional public notices are included.

SUPPLIES

\$ 1.6

The cost of supplies includes routine supplies for the new position and supplies for mailing notice of the proposed regulations to interested parties.

EQUIPMENT

\$ 5.6

This is a one-time cost for equipment and office set-up costs for the new position.

TOTAL

\$ 118.7

FUND SOURCE: The division anticipates funding to be provided through general fund/program receipts. The costs will be covered by licensees in the form of higher licensing fees as required in AS 08.01.065.

SENATE COMMITTEE REFERRAL
First Committee of Referral

DATE: 3/6/95

FURTHER: Judiciary

Date of 5-Day Notice: 3/9/95
 (in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: _____

State Affairs Committee considered SB 110

Administrative adjudication under the Administrative Procedure Act.

and recommends:

- be replaced with _____ CS _____
- adopt previous _____ CS _____
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

Senate Bill:
 same title
 new title
 House Bill:
 same title
 technical title
 new: SCR#

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>ROBE (APC)</i>	✓	<i>Drew A. Flinn</i>	✓		
<i>Drew A. Flinn</i>	✓	<i>[Signature]</i>	✓		
<i>(only with St. Aff Comm. added public notice requirements)</i>					
CHAIR:		<i>[Signature]</i>			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
EDUC / ACPE	2/23	✓	
LABOR	2/27	✓	
DCEO / OCC LTC	2/24	✓	
DCEO / INS	2/24	✓	
DCEO / BANKING	2/24	✓	
DCEO / APUC	2/24	✓	
EDUC / ADMIN	2/25	✓	
DNR	2/22	✓	

NEW FISCAL NOTE(S):* CONT'D

Department	Date	Zero	Fiscal
DEC	2/24	✓	
DOMIN.	2/28	✓	
LAW	2/23	✓	
F + G	2/28	✓	
HSS	2/28	✓	
DOT + PF	2/22	✓	
PUB. SAFETY	2/23	✓	

Make change to pg. 2

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR DONLEY

TO: SB 110

1 Page 1, line 1, following "relating to":

2 Insert "the adoption, amendment, and repeal of regulations and to"

3 Page 1, following line 3:

4 Insert new bill sections to read:

5 ** Section 1. AS 44.62.200(b) is amended to read:

6 (b) A regulation that is adopted, amended, or repealed may vary in content
7 from the summary specified in (a)(3) of this section if the subject matter of the
8 regulation remains the same and the [ORIGINAL] notice was written so as to assure
9 that members of the public are reasonably notified of the proposed subject of agency
10 action in order for them to determine whether their interests could be affected by
11 agency action on that subject.

12 * Sec. 2. AS 44.62 is amended by adding a new section to read:

13 Sec. 44.62.215. SUPPLEMENTAL NOTICE AND PUBLIC PROCEEDINGS.

14 (a) Notwithstanding AS 44.62.200(b), if a state agency rewrites a proposed
15 regulation, amendment of a regulation, or order of repeal after the agency has
16 complied with AS 44.62.190, 44.62.200, and 44.62.210, and if the rewriting is a
17 significant change in the substance of the regulation, amendment, or order, before
18 adoption the agency shall provide notice and opportunity for public comment under
19 AS 44.62.190, 44.62.200, and 44.62.210 for the rewritten regulation, amendment, or
20 order of repeal.

21 (b) If a state agency does not provide the notice and opportunity for public
22 comment under (a) of this section for a rewritten proposed regulation, amendment, or
23 order of repeal, the agency shall prepare a written explanation of the reasons why the
24 requirement of (a) of this section does not apply. When the adopted regulation,

1 amendment, or order of repeal is published in the Alaska Administrative Journal, the
 2 lieutenant governor shall include the agency explanation with the text or a summary
 3 of the text of the regulation, amendment, or order of repeal.

4 (c) Notwithstanding AS 44.62.300, if a court determines that notice and an
 5 opportunity for public comment was required under (a) of this section for the
 6 rewriting of a proposed regulation, amendment, or order of repeal, and if the state
 7 agency did not provide the notice and opportunity for public comment, the court may
 8 order the relief, other than monetary damages, that is appropriate under the
 9 circumstances, including the invalidation of the regulation, amendment, or order of
 10 repeal. *or partial invalidation of a portion of it*

11 (d) This section does not apply to regulations

12 (1) adopted by the Board of Fisheries, the Board of Game, or the
 13 Alaska Commercial Fisheries Entry Commission;

14 (2) adopted under AS 44.62.260 to make emergency regulations
 15 permanent; or

16 (3) that are necessary to meet federal requirements."

17 Page 1, line 4:

18 Delete "Section 1"

19 Insert "Sec. 3"

20 Renumber the following bill sections accordingly.

21 Page 4, line 23:

22 Delete "This Act applies"

23 Insert "AS 44.62.2(X)(b), amended by sec. 1 of this Act, and AS 44.62.215, enacted
 24 by sec. 2 of this Act, apply to the adoption, amendment, or repeal of a regulation if the
 25 initial notice under AS 44.62.190 of the adoption, amendment, or repeal is given on or after
 26 the effective date of this Act. The other provisions of this Act apply"

THE CS MAKES TWO

MINOR CHANGES

1) CHANGES "SUBSISTENCE TO "FOOD AND LOGGING" ON PG. 3, LINES 17 + 27

(AT THE REQ OF SEN PHELLEPS)

CS FOR SENATE BILL NO. 110(S)

IN THE LEGISLATURE OF THE STATE OF

NINETEENTH LEGISLATURE - FIRST S

2) CHANGES THE WORDING IN SEC 11 FOR CLARIFICATION

BY THE SENATE STATE AFFAIRS COMMITTEE

Offered:
Referred:

(AT THE REQ OF LEG. LEGAL)

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE
A BILL

FOR AN ACT ENTITLED

1 "An Act relating to administrative adjudication under the Administrative Procedure
2 Act."

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

4 * Section 1. AS 44.62.370(c) is amended to read:

5 (c) The statement of issues, together with the form for notice of defense and
6 other information described in AS 44.62.380, shall be delivered to [SERVED IN]
7 the respondent or sent by certified mail to the latest address on file with the
8 agency [SAME MANNER AS AN ACCUSATION], except that if a [THE] hearing
9 has already been requested by [IS HELD AT THE REQUEST OF] the respondent

10 (1) AS 44.62.380 and 44.62.390 do not apply; and

11 (2) the statement of issues together with the notice of hearing shall be
12 delivered or mailed to the parties as provided in AS 44.62.420.

13 * Sec. 2. AS 44.62.380(c) is amended to read:

14 (c) The accusation and all accompanying information may be sent to the

1 respondent by any means selected by the agency. However, the agency may not make
2 an order adversely affecting the rights of the respondent [MAY NOT BE MADE BY
3 THE AGENCY] unless the respondent is served personally or by certified
4 [REGISTERED] mail, files a notice of defense, or otherwise appears. Service may be
5 proved in the manner authorized in civil actions. Service by certified [REGISTERED]
6 mail is effective if a statute or agency regulation requires the respondent to file an
7 address with the agency and to notify the agency of a change, and if a certified
8 [REGISTERED] letter containing the accusation and accompanying material is mailed,
9 addressed to respondent at the latest address on file with the agency.

10 • Sec. 3. AS 44.62.410(a) is amended to read:

11 (a) The agency shall determine the time and place of hearing. The hearing
12 shall be held in Juneau or Ketchikan, whichever is closer to the place where the
13 transaction occurred or where the respondent resides, if the transaction occurred in or
14 the respondent resides in the First Judicial [SOUTHEASTERN SENATE] District;
15 in Anchorage if the transaction occurred or the respondent resides within the Third
16 Judicial [SOUTH CENTRAL SENATE] District; in Fairbanks or Nome, whichever
17 is closer to the place where the transaction occurred or where the respondent resides,
18 if the transaction occurred in or the respondent resides in the Second or Fourth
19 Judicial District [CENTRAL OR NORTHWESTERN SENATE DISTRICTS]. The
20 agency may, if the transaction occurred in a judicial [SENATE] district other than that
21 of respondent's residence, select an appropriate [THE] place of hearing in
22 [APPROPRIATE FOR] either district. The agency may select a different place nearer
23 the place where the transaction occurred or where the respondent resides, or the parties
24 by agreement may select any place in the state.

25 • Sec. 4. AS 44.62.410(b) is repealed and reenacted to read:

26 (b) A party may request that the party or a witness participate by telephone
27 in a hearing. The requesting party shall pay the costs of the telephonic participation.
28 Unless a finding is made that the telephonic participation would substantially prejudice
29 the rights of an opposing party, the agency shall grant the request for that party or
30 witness to participate telephonically if

31 (1) no party objects;

1 (2) the witness lives more than 30 miles one way from the hearing site;

2 (3) the party lives more than 100 miles one way from the hearing site;

3 or

4 (4) other good cause is shown to the satisfaction of the agency.

5 • Sec. 5. AS 44.62.43(c) is amended to read:

6 (c) A witness who is not a party and who appears under a subpoena is entitled
7 to receive

8 (1) fees as prescribed for a witness in court actions, unless the |
9 EXCEPT A| witness [WHO] is an officer or employee of the state or a political
10 subdivision of the state;

11 (2) reimbursement of transportation expenses in accordance with
12 standards established by the Department of Administration under AS 39.20.160
13 for required travel in excess of 30 miles round trip from the witness's residence
14 [MILEAGE IN THE SAME AMOUNT AND UNDER THE SAME
15 CIRCUMSTANCES AS PRESCRIBED BY LAW FOR A WITNESS IN A CIVIL
16 ACTION IN A SUPERIOR COURT]; and

17 (3) reimbursement of food and lodging expenses in accordance with
18 standards established by the Department of Administration under AS 39.20.160
19 [AN ADDITIONAL FEE AND MILEAGE TO A PER DIEM COMPENSATION OF
20 \$15 FOR EXPENSES OF SUBSISTENCE] for each day of actual attendance and for
21 each day of reasonable and necessary travel [NECESSARILY OCCUPIED IN
22 TRAVELING] to and from the place of the hearing [,] if the witness attends a hearing
23 or deposition at a point so distant [FAR REMOVED] from the residence of the
24 witness that a [AS TO PROHIBIT] return to the residence from day to day is not
25 practical':

26 • Sec. 6. AS 44.62.43(d) is amended to read:

27 (d) Fees, transportation expenses [MILEAGE], and food and lodging
28 expenses [OF SUBSISTENCE] shall be paid by the party at whose request the witness
29 is subpoenaed.

30 • Sec. 7. AS 44.62.44(a) is repealed and reenacted to read:

31 (a) Upon a motion with good cause shown or upon stipulation of the parties,

1 an agency may order discovery, including a deposition to perpetuate testimony, by any
2 reasonable method including those methods prescribed by law in civil actions.

3 • Sec. 8. AS 44.62.460(e) is repealed and reenacted to read:

4 (c) Unless a different standard of proof is stated in applicable law, the

5 (1) petitioner has the burden of proof by a preponderance of the
6 evidence if an accusation has been filed under AS 44.62.360 or if the renewal of a
7 right, authority, license, or privilege has been denied;

8 (2) respondent has the burden of proof by a preponderance of the
9 evidence if a right, authority, license, or privilege has been initially denied or not
10 issued.

11 • Sec. 9. AS 44.62.510(a) is amended to read:

12 (a) A decision shall be written and must contain findings of fact, a
13 determination of the issues presented, and the penalty, if any. The findings may be
14 stated in the language of the pleadings or by reference to them. Copies of the decision
15 shall be delivered to the parties personally or sent to them by certified
16 [REGISTERED] mail.

17 • Sec. 10. AS 44.62.540(a) is amended to read:

18 (a) The agency may order a reconsideration of all or part of the case on its
19 own motion or on petition of a party. To be considered by the agency, a petition
20 for reconsideration must be filed with the agency within 15 days after delivery or
21 mailing of the decision. The power to order a reconsideration expires 30 days after
22 the delivery or mailing of a decision to the respondent. If no action is taken on a
23 petition within the time allowed for ordering reconsideration, the petition is considered
24 denied.

25 • Sec. 11. APPLICABILITY. This Act does not apply to an accusation under
26 AS 44.62.360 or a statement of issues under AS 44.62.370, unless the accusation or statement
27 of issues is filed on or after the effective date of this Act.

TONY KNOWLES
GOVERNOR



PO Box 110001
Juneau, Alaska 99811-0001
(907) 485-3500
Fax: (907) 485-3532

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 6, 1995

The Honorable Drue Pearce
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1112

Dear President Pearce

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

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

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

Under existing AS 44 62 410(a), the place of a hearing is determined by the senate districts as they existed in 1959 (i.e., Southeastern Senate District). In a note following that statute, the revisor of statutes has noted that those old senate districts are somewhat similar to the boundaries of judicial districts established under AS 22 10 010. Section 3 of the bill amends AS 44 62 410(a) to change the terminology to instead refer to the comparable judicial district.

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

TRANSMITTAL LETTER

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

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

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

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

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

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

The Honorable Drue Pearce
Page 3

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

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

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

I urge your favorable action on this bill.

Sincerely,

Tony Knowles
Governor

SB

118

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

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL						
REVENUE FUND SOURCE: GF	-845.0	-845.0	-845.0	-845.0	-845.0	-845.0

FUNDING (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current (FY95) impact \$ 0.0

ANALYSIS: (Attach a separate page if necessary)

(See Attached Analysis)

Prepared by: Robert N. Bartholomew, Deputy Director Phone: 465-2320
 Division: Income and Excise Audit Date: 3/13/95
 Approved by Commissioner: [Signature] Date: 3/13/95
 Agency: Department of Revenue

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Alaska Department of Revenue
Fiscal Note Analysis
SB 118 - Tax Credit: Gifts to Public Broadcasting
March 13, 1995
Page 2 of 2

Bill Analysis

This bill would provide for a tax credit for contributions made to in-state public educational radio and television networks and stations. The credit would be limited to 50% of contributions not to exceed \$100,000 per taxpayer per year. The tax credit would be applied against a taxpayer's tax liability under the following tax types: corporation income (AS 43.20), oil and gas production (AS 43.55), oil and gas property (AS 43.56), mining license (AS 43.65), and fisheries business (AS 43.75). The credit claimed under one of the tax types may not be claimed under another tax type.

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

Operating Costs

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

Revenue

According to data compiled from most recent reports submitted to Department of Administration's Public Broadcasting Commission, corporation contributions to public radio and television including the Alaska Public Radio Network (APRN) during the fiscal year ended June 30, 1993 were approximately \$1,690,000. Assuming that individual corporation contributions were for \$100,000 or less, this bill would reduce revenue by \$845,000 (50% of \$1,690,000 contributions).

It is likely that there may be a greater revenue decrease because contributions would increase in keeping with the bill's intent of providing an incentive for corporations to contribute to public radio and television.

This bill would apply to tax years beginning after December 31, 1995. Since corporation, fisheries business, mining license and oil and gas property taxpayers file annual returns, the first returns for which a credit could be claimed (calendar year 1996) are not due until April 1997. However, oil and gas production taxpayers file monthly returns with the Department. Assuming oil and gas corporations make sufficient contributions and spread them out over the first six months of 1996, credits could equal or exceed \$845,000.

9-LS075510
Chenoweth
5/1/95

CS FOR SENATE BILL NO. 118()
IN THE LEGISLATURE OF THE STATE OF ALASKA
NINETEENTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsors: SENATORS TORGERSON, Taylor

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to credits against certain taxes for contributions to certain public
2 educational radio and television networks and stations and to endowments for
3 public educational radio and television networks and stations, increasing the
4 amounts that may be claimed as credits against certain state taxes, and precluding
5 claims of the contributions as both credits and deductions against the taxes;
6 establishing credits against the fishery resource landing tax; and terminating the
7 public educational radio and television credits authorized by this Act at the end
8 of five years; and providing for an effective date."

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

10 * Section 1. PURPOSE. (a) This Act extends the credits authorized by ch. 58, SLA 1987,
11 ch. 71, SLA 1991, and ch. 21, SLA 1994, against each of the following state taxes for
12 contributions made to instate public educational radio and television networks and stations and

1 to endowments established to benefit those public educational radio and television stations:

2 (1) the insurance premium tax (AS 21.09.210) and the tax on title insurance
3 premiums (AS 21.66.110);

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

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

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

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

9 (6) Fisheries Taxes (AS 43.75).

10 (b) This Act also authorizes

11 (1) a credit against the fisheries resource landing tax for contributions made
12 for instruction, research, and educational support purposes that are accepted by a nonprofit,
13 public or private, Alaska two-year or four-year college or university or Alaska university
14 foundation; and

15 (2) a credit against that tax for contributions made to instate public educational
16 radio and television networks and stations and to endowments established to benefit those
17 public educational radio and television stations.

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

19 (a) Subject to (c) of this section,

20 (1) after the effective date of this Act and through December 31,
21 2000, a [A] taxpayer is allowed as a credit against the tax due under AS 21.09.210 or
22 AS 21.66.110 ~~the taxpayer's~~ [FOR] cash contributions for direct instruction, research,
23 and educational support purposes, including library and museum acquisitions, and
24 contributions to endowment, that are accepted by a nonprofit, public or private, Alaska
25 two-year or four-year college or university accredited by a regional accreditation
26 association or that are accepted by an Alaska university foundation that supports a
27 university or college that could receive a contribution for which a taxpayer may obtain
28 a credit under this section, ~~and the taxpayer's cash contributions accepted by a~~
29 ~~nonprofit, noncommercial public Alaska educational radio or television network or~~
30 ~~station and contributions to endowments established to benefit those networks and~~
31 ~~stations.~~ The amount of the credit is the lesser of

32 (A) [(1)] an amount equal to

1 (i) [(A)] 50 percent of contributions of not more than
 2 \$100,000; and

3 (ii) [(B)] 100 percent of the next \$300,000 [\$100,000]
 4 of contributions; or

5 (B) [(2)] 50 percent of the taxpayer's tax liability under this
 6 title; and

7 (2) after December 31, 2000, a taxpayer is allowed as a credit
 8 against the tax due under AS 21.09.210 or AS 21.66.110 the taxpayer's cash
 9 contributions for direct instruction, research, and educational support purposes,
 10 including library and museum acquisitions, and contributions to endowment, that
 11 are accepted by a nonprofit, public or private, Alaska two-year or four-year
 12 college or university accredited by a regional accreditation association or that are
 13 accepted by an Alaska university foundation that supports a university or college
 14 that could receive a contribution for which a taxpayer may obtain a credit under
 15 this section. The amount of the credit is the lesser of

16 (A) an amount equal to

17 (i) 50 percent of contributions of not more than
 18 \$100,000; and

19 (ii) 100 percent of the next \$100,000 of contributions;
 20 or

21 (B) 50 percent of the taxpayer's tax liability under this title.

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

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

25 (1) may not be claimed as a credit under more than one provision of
 26 this title; [AND]

27 (2) may not be allowed as a deduction against a tax imposed by this
 28 title or as a deduction against a tax imposed by AS 43; and

29 (3) may not, when combined with credits taken during the taxpayer's
 30 tax year under AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, [OR]
 31 AS 43.75.018, or AS 43.77.045.

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(A) through December 31, 2000, exceed \$350,000; and
(B) after December 31, 2000, exceed \$150,000.

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

(a) Subject to (d) of this section,

(1) after the effective date of this Act and through December 31, 2000, for [FOR] cash contributions accepted for direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by an Alaska university foundation or by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association, and for contributions accepted by a nonprofit, noncommercial public Alaska educational radio or television network or station and contributions to endowments established to benefit those stations, a taxpayer is allowed as a credit against the tax due under this chapter

(A) [(1)] 50 percent of contributions of not more than \$100,000;

and

(B) [(2)] 100 percent of the next \$300,000 [\$100,000] of contributions; and

(2) after December 31, 2000, for cash contributions accepted for direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by an Alaska university foundation or by a nonprofit, public or private, Alaska two-year or four-year college accredited by a regional accreditation association, a taxpayer is allowed as a credit against the tax due under this chapter

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

and

(B) 100 percent of the next \$100,000 of contributions.

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

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

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

(2) may not also be allowed as a deduction [UNDER 26 U.S.C. 170]

1 against the tax imposed by this chapter or as a deduction against another tax
2 imposed by this title; and

3 (3) may not, when combined with credits taken during the taxpayer's
4 tax year under AS 21.89.070, AS 43.55.019, AS 43.56.018, AS 43.65.018, [OR]
5 AS 43.75.018, or AS 43.77.045,

6 (A) through December 31, 2000, exceed \$350,000; and

7 (B) after December 31, 2000, exceed \$150,000.

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

9 (a) Subject to (d) of this section,

10 (1) after the effective date of this Act and through December 31,
11 2000, for [FOR] cash contributions accepted for direct instruction, research, and
12 educational support purposes, including library and museum acquisitions, and
13 contributions to endowment, by an Alaska university foundation or by a nonprofit,
14 public or private, Alaska two-year or four-year college accredited by a regional
15 accreditation association, and for contributions accepted by a nonprofit,
16 noncommercial public Alaska educational radio or television network or station
17 and contributions to endowments established to benefit those stations, a producer
18 of oil or gas is allowed as a credit against the tax due under this chapter

19 (A) [(1)] 50 percent of contributions of not more than \$100,000;

20 and

21 (B) [(2)] 100 percent of the next \$300,000 [\$100,000] of
22 contributions; and

23 (2) after December 31, 2000, for cash contributions accepted for
24 direct instruction, research, and educational support purposes, including library
25 and museum acquisitions, and contributions to endowment, by an Alaska
26 university foundation or by a nonprofit, public or private, Alaska two-year or
27 four-year college accredited by a regional accreditation association, a producer
28 of oil or gas is allowed as a credit against the tax due under this chapter

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

30 and

31 (B) 100 percent of the next \$100,000 of contributions.

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

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

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

5 (2) be allowed as a deduction against the tax imposed by this
6 chapter or as a deduction against another tax imposed by this title; and

7 (3) [(2)] when combined with credits taken during the taxpayer's tax
8 year under AS 21.89.070, AS 43.20.014, AS 43.56.018, AS 43.65.018, [OR]
9 AS 43.75.018, or AS 43.77.045.

10 (A) through December 31, 2000, exceed \$350,000; and

11 (B) after December 31, 2000, exceed \$150,000.

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

13 (a) Subject to (d) of this section,

14 (1) after the effective date of this Act and through December 31,
15 2000, for [FOR] cash contributions accepted for direct instruction, research, and
16 educational support purposes, including library and museum acquisitions, and
17 contributions to endowment, by an Alaska university foundation or by a nonprofit,
18 public or private, Alaska two-year or four-year college accredited by a regional
19 accreditation association, and for contributions accepted by a nonprofit,
20 noncommercial public Alaska educational radio or television network or station
21 and contributions to endowments established to benefit those stations, the owner
22 of property taxable under this chapter is allowed as a credit against the tax due under
23 this chapter

24 (A) [(1)] 50 percent of contributions of not more than \$100,000;

25 and

26 (B) [(2)] 100 percent of the next \$300,000 [\$100,000] of
27 contributions; and

28 (2) after December 31, 2000, for cash contributions accepted for
29 direct instruction, research, and educational support purposes, including library
30 and museum acquisitions, and contributions to endowment, by an Alaska
31 university foundation or by a nonprofit, public or private, Alaska two-year or

1 four-year college accredited by a regional accreditation association, the owner of
2 property taxable under this chapter is allowed as a credit against the tax due
3 under this chapter

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

5 and

6 (B) 100 percent of the next \$100,000 of contributions.

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

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

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

11 (2) be allowed as a deduction against the tax imposed by this
12 chapter or as a deduction against another tax imposed by this title; and

13 (3) [(2)] when combined with credits taken during the taxpayer's tax
14 year under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.65.018, [OR]
15 AS 43.75.018, or AS 43.77.045.

16 (A) through December 31, 2000, exceed \$350,000; and

17 (B) after December 31, 2000, exceed \$150,000.

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

19 (a) Subject to (d) of this section,

20 (1) after the effective date of this Act and through December 31,
21 2000, for [FOR] cash contributions accepted for direct instruction, research, and
22 educational support purposes, including library and museum acquisitions, and
23 contributions to endowment, by an Alaska university foundation or by a nonprofit,
24 public or private, Alaska two-year or four-year college accredited by a regional
25 accreditation association, and for contributions accepted by a nonprofit,
26 noncommercial public Alaska educational radio or television network or station
27 and contributions to endowments established to benefit those stations, a person
28 engaged in the business of mining in the state is allowed as a credit against the tax due
29 under this chapter

30 (A) [(1)] 50 percent of contributions of not more than \$100,000;

31 and

1 (B) [(2)] 100 percent of the next \$300,000 [\$100,000] of
 2 contributions; and

3 (2) after December 31, 2000, for cash contributions accepted for
 4 direct instruction, research, and educational support purposes, including library
 5 and museum acquisitions, and contributions to endowment, by an Alaska
 6 university foundation or by a nonprofit, public or private, Alaska two-year or
 7 four-year college accredited by a regional accreditation association, a person
 8 engaged in the business of mining in the state is allowed as a credit against the
 9 tax due under this chapter

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

11 and

12 (B) 100 percent of the next \$100,000 of contributions.

13 * Sec. 11. AS 43.65.018(d) is amended to read:

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

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

17 (2) be allowed as a deduction against the tax imposed by this
 18 chapter or as a deduction against another tax imposed by this title; and

19 (3) [(2)] when combined with credits taken during the taxpayer's tax
 20 year under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, [OR]
 21 AS 43.75.018, or AS 43.77.045.

22 (A) through December 31, 2000, exceed \$350,000; and

23 (B) after December 31, 2000, exceed \$150,000.

24 * Sec. 12. AS 43.75.018(a) is amended to read:

25 (a) Subject to (d) of this section,

26 (1) after the effective date of this Act and through December 31,
 27 2000, for [FOR] cash contributions accepted for direct instruction, research, and
 28 educational support purposes, including library and museum acquisitions, and
 29 contributions to endowment, by an Alaska university foundation or by a nonprofit,
 30 public or private, Alaska two-year or four-year college accredited by a regional
 31 accreditation association, and for contributions accepted by a nonprofit,

1 noncommercial public Alaska educational radio or television network or station
 2 and contributions to endowments established to benefit those stations. a person
 3 engaged in a fisheries business is allowed as a credit against the tax due under this
 4 chapter

5 (A) ~~[(1)]~~ 50 percent of contributions of not more than \$100,000;

6 and

7 (B) ~~[(2)]~~ 100 percent of the next \$300,000 ~~[\$100,000]~~ of
 8 contributions; and

9 (2) after December 31, 2000, for cash contributions accepted for
 10 direct instruction, research, and educational support purposes, including library
 11 and museum acquisitions, and contributions to endowment, by an Alaska
 12 university foundation or by a nonprofit, public or private, Alaska two-year or
 13 four-year college accredited by a regional accreditation association, a person
 14 engaged in a fisheries business is allowed as a credit against the tax due under
 15 this chapter

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

17 and

18 (B) 100 percent of the next \$100,000 of contributions.

19 * Sec. 13. AS 43.75.018(d) is amended to read:

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

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

23 (2) be allowed as a deduction against the tax imposed by this
 24 chapter or as a deduction against another tax imposed by this title; and

25 (3) [(2)] when combined with credits taken during the taxpayer's tax
 26 year under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, [OR]
 27 AS 43.65.018, or AS 43.77.045.

28 (A) through December 31, 2000, exceed \$350,000; and

29 (B) after December 31, 2000, exceed \$150,000.

30 * Sec. 14. AS 43.77 is amended by adding a new section to read:

31 Sec. 43.77.045. ADDITIONAL RESOURCE LANDING TAX CREDIT. (a)

1 Subject to (c) of this section.

2 (1) after the effective date of this Act and through December 31, 2000,
3 for cash contributions accepted for direct instruction, research, and educational support
4 purposes, including library and museum acquisitions, and contributions to endowment,
5 by an Alaska university foundation or by a nonprofit, public or private, Alaska
6 two-year or four-year college accredited by a regional accreditation association, and
7 for contributions accepted by a nonprofit, noncommercial public Alaska educational
8 radio or television network or station and contributions to endowments established to
9 benefit those stations, a person engaged in a fisheries business is allowed as a credit
10 against the tax due under this chapter

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

12 (B) 100 percent of the next \$300,000 of contributions; and

13 (2) after December 31, 2000, for cash contributions accepted for direct
14 instruction, research, and educational support purposes, including library and museum
15 acquisitions, and contributions to endowment, by an Alaska university foundation or
16 by a nonprofit, public or private, Alaska two-year or four-year college accredited by
17 a regional accreditation association, a person engaged in a fisheries business is allowed
18 as a credit against the tax due under this chapter

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

20 (B) 100 percent of the next \$100,000 of contributions.

21 (b) Each public college and university shall include in its annual operating
22 budget request contributions received under this section and how the contributions
23 were used.

24 (c) In each tax year, contributions claimed as a credit under this section may
25 not

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

27 (2) be allowed as a deduction against the tax imposed by this chapter
28 or as a deduction against another tax imposed by this title; and

29 (3) when combined with credits taken during the taxpayer's tax year
30 under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, or
31 AS 43.75.018,

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(A) through December 31, 2000, exceed \$350,000; and
(B) after December 31, 2000, exceed \$150,000.

• Sec. 15. This Act applies to tax years beginning after the December 31 that precedes the effective date of this Act.

• Sec. 16. This Act takes effect January 1, 1996.

9-LS0755M ✓
Chenoweth
4/28/95

CS FOR SENATE BILL NO. 118()
IN THE LEGISLATURE OF THE STATE OF ALASKA
NINETEENTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): SENATORS TORGERSON, Taylor

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing credits against certain taxes for contributions to certain
2 public educational radio and television networks and stations and for contributions
3 for direct instruction, research, and educational support purposes and contributions
4 for endowment for public and private elementary and secondary educational
5 institutions; and providing for an effective date."

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

7 * Section 1. PURPOSE. This Act extends the credits authorized by ch. 58, SLA 1987, ch.
8 71, SLA 1991, and ch. 21, SLA 1994, against each of the following state taxes for
9 contributions made to instate public educational radio and television networks and
10 for contributions made for direct instruction, research, and educational support purposes and
11 endowments for public and private elementary and secondary educational institutions:

- 12 (1) Alaska Net Income Tax (AS 43.20);
- 13 (2) Oil and Gas Properties Production Tax (AS 43.55);