

ALASKA LEGISLATURE COMMITTEE FILES, 2003-2004 8672

11053 HOUSE STATE AFFAIRS

BUDGET
Continuation

Category	January	February	March	April	May	June	Total
Operation:							
Salaries	0	0	0	0	0	0	0
Payroll taxes	0	0	0	0	0	0	0
Accounting	500	500	500	500	500	500	3000
Tax return preparation	0	0	0	0	0	0	0
Bank charges	100	100	100	100	100	100	600
Advertising (events)	0	0	14,000	16,000	0	0	30000
Printing	0	0	8,000	0	2,000	0	10000
Entertainment	100	100	100	100	100	100	600
Telephone	50	50	50	50	50	50	300
Utilities	0	0	0	0	0	0	0
Repairs & Maint.	0	0	0	0	0	0	0
Administrative O.H.	2312.5	2312.5	2312.5	2312.5	2312.5	2312.5	13875
Medical Insurance	0	0	0	0	0	0	0
Insurance - other	500	500	500	500	500	500	3000
Legal	4000		2000	0	0	2000	8000
Transportation cost	6000	6000	6000	6000	6000	6000	36000
Miscellaneous	0	0	0	0	0	0	0
Subtotal Operations	13562.5	9562.5	33562.5	25562.5	11562.5	11562.5	105375

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSSSHB 68(JUD)
(H) Publish Date: 1/22/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Law
Title: "An Act relating to accidents involving the BRU Civil Division
vehicle of a person under the influence of an alcoholic ..." Component Special Litigation
Sponsor: Representative Rokeberg
Requester: House Judiciary Committee Component No. 2213

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type—Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0
Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
CSSS HB 68 (JUD) prevents anyone from bringing a civil action for personal injury, death, or property damage against the driver when the driver holds a taxicab or limousine permit, or is the owner or other employee of a taxicab or limousine company, and is involved in a motor vehicle accident while driving an intoxicated owner's vehicle to the owner's residence from a licensed premises at the request of the owner or a law enforcement officer. The immunity from civil liability does not extend to cases of gross negligence or reckless or intentional misconduct.

Passage of this legislation will have no fiscal impact on the Department of Law.

Prepared by: Joan M. Kasson Phone (907) 465-5370
Division: Attorney General's Office Date/Time 1/17/02 10:57 AM
Approved by: Bob Meiners for Bruce M. Botelho, Attorney General Date 1/17/2002
Agency: Department of Law



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Anchorage Daily News

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Man found dead; wife rescued

TREATED: Officer faints after entering house, but later tests reveal no poison gases.

By PETER PORCO

Anchorage Daily News

(Published: February 26, 2004)

Carbon monoxide poisoning is suspected in the death of a man whose body was found Wednesday afternoon in an upstairs bedroom of a new lower Hillside home, the Anchorage Fire Department said.

The man's wife was found unconscious inside the front door of the house, and the police officer who discovered the couple became ill soon afterward and fainted, according to Anchorage police.

A van was found in the attached garage with its ignition in the on position, although its engine was not running, said Tom Kempton, the fire department spokesman.

Authorities were withholding the names of the man and his wife, both in their 50s, Wednesday evening.

The woman and officer Jackie Valdez were being treated at a local hospital. Both were "conscious and appear as if they will fully recover," Anchorage Police Department spokesman Ron McGee said in the late afternoon.

The couple moved into the house, on Spruce Brook Street in the new Little Brook subdivision north of Abbott Road, sometime after Thanksgiving, according to what a neighbor told investigators.

Their house, like others on the block, is a two-story frame structure with a two-car attached garage on the ground floor. It and a few others on the street remain unfinished, their exteriors unpainted.

The couple's son, who lives in New York City, called Anchorage police Wednesday morning to say he had been trying for three days to contact his parents without success, according to McGee.

The son also told police his father had not shown up at work in all that time, which is highly unusual. The man asked police to check on his family.

Valdez arrived about 12:20 p.m. Looking in a front entry window, she saw the woman on the floor near the door, McGee said.

Valdez forced the locked door open and went inside. She climbed the stairs and found the husband dead, said Kempton. She began to get dizzy, came down the stairs, grabbed the woman and pulled her outside the house, he said.

By then, other officers and an engine company were there. Valdez fainted in front of the other officers, said McGee.



Anchorage firefighters responded to a call at 8739 Spruce Brook Road where police discovered a dead man and a woman in critical condition Wednesday afternoon. A van was found inside the attached garage with its ignition in the on position but the engine not running. (Photo by Jim Lavrakas / Anchorage Daily News)

Click on photo to enlarge

Valdez, 39, has been with APD for seven years. She declined to be interviewed.

Carbon monoxide, or CO, is a colorless, odorless gas that is a byproduct of the incomplete combustion of natural gas and other fuels. CO ingestion can be fatal.

Soon after the man's body was removed, fire department specialists tested the house for hazardous substances, said Kempton.

Those tests detected no significant levels of any gas, including carbon monoxide, Kempton said.

On the second floor, where the man's body was found, CO levels were at 4 parts per million.

"But that's nothing; it's considered essentially background," he said. "And on the lower level they got zero."

A technician from Enstar Natural Gas Co. inspected the gas-fired appliances and also found nothing amiss.

"All appliances and other items that could have caused carbon monoxide production were checked and eliminated as a source of carbon monoxide," Kempton said.

It was unclear why Valdez became ill and yet, soon afterward, no toxic substances were detected.

The man's body was being autopsied by the state medical examiner, Dr. Franc Fallico.

Blood specimens from the man were rushed to a hospital laboratory late Wednesday afternoon for toxicology tests, said Fallico.

"This is unusual because I'm hand-carrying them, to cut through the red tape," Fallico said. "We need to get this information to the police right away."

The toxicology results, however, remained unavailable Wednesday night.

The Fire Department is still investigating the case, Kempton said. The agency's hypothesis that carbon monoxide felled the man and injured his wife was based on several facts: the key in the ignition of the van being in the on position, the house was shut and no other gases were present.

"Carbon monoxide poisoning is the working theory," Kempton said.

The house did not have any CO detectors, he said.

In early December, a family of five in Bear Valley on the Anchorage Hillside were all killed by CO poisoning. Their house's heating system was shut down during remodeling work and may have created deadly conditions after being turned back on.

Officials said a mix of circumstances caused the upper floors of their house to draw the deadly gas from the boiler room and spread it around the living area. Their home also lacked CO sensors.

"Every house should have a carbon monoxide detector," said Kempton.

Daily News reporter Peter Porco can be reached at pporco@adn.com or 257-4582.

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HB

352

Session:
State Capitol, Room 13
Juneau, AK 99801
(907) 465-4457 Office
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(800) 928-4457 Toll Free

Alaska State Legislature
Representative David Guttenberg



District 8

Interim:
119 N. Cushman
Suite 211
Fairbanks, AK 99701
(907) 456-8172
(907) 451-9293 Fax

MEMORANDUM

Date: January 20, 2004

To: Representative Bruce Weyhrauch, Chair
House State Affairs Committee

From: Representative David Guttenberg

Re: HB 352 Longevity Bonus

I respectfully request that you schedule a hearing in the House State Affairs Committee for HB 352, appropriation for longevity bonus grants.

A copy of the bill, a sponsor statement, and additional background material are attached.

A teleconference site in Anchorage and Fairbanks will likely be needed. If you have any questions or need additional information, please call Danielle Brown at 465-4457.

Thank you.

Alaska State Legislature

Representative
David Guttenberg
House of Representatives
District 8



Session
Capitol Building, Room 13
Juneau, Alaska 99801
Phone: (907) 465-4457
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119 N. Cushman St. Suite 211
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Representative_David_Guttenberg@legis.state.ak.us

Sponsor Statement HOUSE BILL 352

"An Act making an appropriation for longevity bonus grants"

The Longevity Bonus Program was created in 1972 with the intent to provide an incentive to mitigate the costs of senior Alaskans who continue residency in Alaska. In 1993 due to the projected decrease in state revenue, Alaska Governor Walter Hickel created a "phase-out" of the Longevity Bonus Program. The then Governor sought to ensure benefits for Alaskan seniors who turned 65 before January 1, 1994 for the duration of their lifetime. These 17,600 remaining recipients in their 70's, 80's, 90's and 100's rely heavily upon the longevity bonus for expenses including but not limited to housing, food, heating, and medical expenses. By a stroke of the pen, Governor Murkowski's abrupt elimination of the longevity bonus funding has caused unnecessary hardships on those who depend on the program and their families.

House Bill 352 seeks to appropriate \$44.8 million from the general fund to the Department of Health and Social Services, Division of Alaska Longevity Programs, for payment of longevity bonus grants for the fiscal year ending June 30, 2005.

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Democrats proud to support Longevity Bonus

By REP. ETHAN BERKOWITZ

"I am transmitting a bill that phases out the Longevity Bonus Program over a several-year period. . . . This bill protects current bonus recipients, and those future recipients who turn 55 before January 1, 1994, by providing that they will receive \$250 a month for the remainder of their lives. . . . I am proposing this phased elimination because many Alaskans who will be reaching 65 in the next four years have counted on the bonus in planning for their retirement, and an abrupt termination of the program would not be fair to them."

- Gov. Walter J. Hickel in his letter of transmittal, signing House Bill 81 into law in 1993 (emphasis added).

"A promise made is a debt unpaid." Robert Service wrote it, and honorable Alaskans respect the pledge of a handshake, the commitment of giving one's word. That's why abandoning the 1993 promise to recipients of the Longevity Bonus runs counter to values that we each our children to hold dear.

Even those who disagree with the merits of the Longevity Bonus should oppose a retreat from a promise made to Alaska seniors, the youngest of whom is now almost 75 years old. What Governor Hickel recognized as "not fair" in 1993 is unconscionable in 2003. The 17,000 surviving seniors who counted on the promise made in 1993 deserve better. Those who are not seniors should pay attention as well. If seniors

It is irresponsible to cut the budget and ignore the impacts to real Alaskans simply to reach a bottom line. The financial and social cost of this cut exceeds the benefit.

can be targeted, no one can be sure that other promises won't be broken and other Alaskans sacrificed for budget expedience. The litmus test of convenience has no place when deciding whether to honor commitments. Over the long term, damage to the government's credibility harms Alaska's ability to conduct business.

Promises only count when they're hard to keep, and keeping a promise is an important measure of character.

Importantly, no economic analysis accompanied this cut and many questions about it remain unanswered. Though the Longevity Bonus cost \$44 million, the decision to cut it saves nowhere near that amount. Over 7,000 seniors now collect "Alaska Senior Assistance" – and honest accounting must deduct the dollar cost of that new welfare program from alleged savings.

Other hidden costs have also emerged – costs that have not been directly accounted. For example, how many seniors went without food or medicine because a lifetime of pride prohibited them from taking a handout, and what increased

hidden medical and housing costs that had been borne by individuals now add to the cost of other government programs?

One must also ask why the new program penalizes married seniors, since unmarried seniors living together receive more than a married couple.

Finally, no one has studied the effect of the Longevity Bonus as it flows through the state's economy – what businesses and what regions will be adversely affected? It is irresponsible to cut the budget and ignore the impacts to real Alaskans simply to reach a bottom line. The financial and social cost of this cut exceeds the benefit.

Leadership frequently means making tough choices, but tough choices should never be made callously or recklessly. The 1993 promise endured for 10 years before the administration did away with the program. What they did was insulting and unfair. That's why Democrats are fighting to restore the Longevity Bonus – because we believe in keeping our promises, and we know that there are better ways to balance the budget than to take it out on seniors. Ultimately, this isn't about party politics, it is about doing what's right.

That's why, when I walk down the street and run into seniors, I'm proud that I can look them in the eye and say, "I'm fighting for you."

Ethan Berkowitz, D-Anchorage, is the Minority Leader in the Alaska State House of Representatives.

Bonus battle continues

Legislators file bills; seniors file lawsuit

By DAVID WASHBURN
Senior Voice

Though the last checks were mailed in August, the battle over the state's Longevity Bonus program is not over. In November, a Fairbanks legislator prefiled a bill to restore funding for the program, and Democrats promise to keep the issue on the front burner when the legislative session begins January 12.

Then in December, a group of seniors filed a lawsuit in Fairbanks Superior Court against the state, claiming it broke a promise when it defunded the Bonus. The lawsuit seeks class-

Bonus battle prompts new legislation, lawsuit . . .

continued from page 1
action status for all seniors enrolled in the Bonus program, and wants the program reinstated.

Unfair and too expensive

Although the Longevity Bonus program remains in place in state statute, Gov. Frank Murkowski vetoed funding for it last summer, effectively bringing the 30-year-old program to an end.

Alaska started the Bonus program in the 1970s as a way to thank long-time Alaskans for their role in pioneering and building the state, and to help them meet expenses so that they would be able to remain here. Over the years, enrollment grew and costs skyrocketed after the courts struck down the original 25-year residency

Guttenberg said that the bill, which requires only a 50-50 vote, will be easier to pass than an override of the governor's veto, which requires a majority vote.

requirement, and opened the program to any senior living in the state a year or longer. In the early 1990s, the state decided to phase out the program, and no new enrollees have been accepted for seven years. Still, more than 18,000 seniors were receiving monthly checks of \$100 to \$250 through the program, at an annual cost of \$44 million, when Murkowski killed it.

Murkowski said the state can no longer afford the Bonus, and that the program was unfair because it created two categories of se-

niors, the "haves and have-nots." But when the checks stopped, some senior households saw their income drop by up to \$500 a month. Murkowski launched a new Senior Assistance Program, which pays \$120 a month to seniors who meet low-income standards. Seniors who were receiving the Bonus checks did not have to meet any income guideline.

New legislation

In November, Rep. David Guttenberg, D-Fairbanks, announced he was filing legislation to restore funding for the Bonus. The bill, HB 352, would appropriate \$44.8 million in state general revenues for the program.

In a press statement,

Guttenberg said that the bill, which requires only a 50-50 vote; will be easier to pass than an override of the governor's veto, which requires a majority vote. Many legislators in Murkowski's own party were taken by surprise when he announced his plan to end the Bonus, and some even supported continuing the program, but a call to override the governor's veto last summer failed.

"Alaskans from all political stripes have been quite clear. Balancing the state's budget by cutting the Longevity Bonus remains an unacceptable option," Guttenberg said. "I think the legislature will jump at the chance to put things right."

Companion bill SB 251, sponsored Sen. Hollis French, D-Anchorage, has been filed in the Senate.

Court challenge

In December, Anchorage-based attorney Joe P. Jo-

sephson filed a lawsuit on behalf of eight seniors, challenging Murkowski's veto.

The plaintiffs say Bonus enrollees were promised they would get checks for the rest of their lives as part of the phase-out agreement adopted in 1996, and that Murkowski violated that promise.

State officials say the state retains the power to change its programs, including the Longevity Bonus.

Plaintiffs named in the suit are Helen Simpson, of Anchorage, and Fairbanks seniors Roger and Rose Anderson, Ruth Bohms, Jorgy Jorgenson, Niilo Koponen, Harold Starkel and Pearline Starkel. If the court grants class status, all Bonus recipients could join as plaintiffs.

The lawsuit names as defendants Murkowski, Dept. of Administration Commissioner Mike Miller and the State of Alaska.

Dear Senator or Representative:

SUBJECT: LONGEVITY BONUS PROGRAM

9450 Herbert Pl.
Juneau, Alaska 998
789-7516

Please leave this program alone, it is working well. The State of Alaska made a PROMISE to the people who helped get us Statehood, built up Alaska in Territorial days and took pride in doing so. Fourth Avenue was the only paved road in Anchorage, the fishermen trappers and miners ran the Territory they loved. They were all hard working people. When they aged, they wanted to stay in Alaska. The Sitka Pioneer Home, the only one at the time helped a lot. Others had to leave Alaska due to our high cost of living.

The PROMISE was the Longevity Bonus Program to help these Pioneers stay here. They were the people who had lived and worked here, even though it was hard at times. Governor Murkowski says we can use other available programs to offset the loss of the monthly check. NOT TRUE.

1. Medicare pays less and less. More medical no longer covered. Some needed blood tests not covered, hospital charges \$91.00 for this one alone.
2. Some doctors will not take new Medicare patients.
3. Costs of prescriptions are out of sight. Some people have to decide whether to eat or get needed medicine to help their condition.
4. Meals on Wheels cannot bring a meal to your home if you can drive a short distance or a family member can. Or if you walk your dog in your own yard. I can't get respite for even 2 hours a week for the same reason.
5. The Pioneer Homes have long waiting lists, lots of empty beds due to the lack of help. I also know some people are paying over \$4,000 a month there even though they are not bed ridden. I don't understand this charge. Suppose the Governor closes these Pioneer Homes? At \$4,000 per month, how much of your savings could be left to go elsewhere? I realize the "have nots" stay there, too, but how is the amount charged the "haves" decided? A percentage of the remaining balance in savings?

fewer The Longevity Bonus check has been figured into all our budgets. Each month there are of us to receive these checks because we are a dying breed. I figure the youngest person receiving a check of \$100 per month was 72 years old this year. I was 74 on 12/23/2002, which makes me one of the last people to qualify for \$250.00 per month. I have been in Alaska 55 years. This means a lot of people who receive \$250 are older than I am, but may not have been in Alaska as long due to the program rule of residency was declared to be unconstitutional and opened it up to anyone of a certain age, no matter how recently they had come to Alaska. Lots of people we know brought up Mom & Pop to live here and get the \$250 a month, turned the garage into an apartment. This made the list of those getting checks go out of sight.

Three generations of our family born in Alaska, children, grandchildren and great children. We do own our home. I receive \$250, date of birth 12/23/28, my husband gets \$200 even though he's been here longer, dob 2/22/29, 2 months younger than me. Every penny we spend for anything is spent here. We contribute to local charities, and quietly help individuals needing it, taught remedial reading without salary, helped deaf 13 year old to speak and other personal help to make life better here. That's what the pioneer Alaskans always did, help each other because we cared and not for money.

We need this program to continue as it is, it's working well. As I said in the beginning, leave the program alone, we're dying off and the Governor is wrong, most of us don't qualify for the programs he thin's are there and we don't want charity. Also, if we lose this program I can think of other ways to save money, but then a lot of people wouldn't like it because it would be their money being given up.

I cannot believe the Governor and our Senators and Representative would even consider touching this program. At the same time the Tourist Industry, which is private industry, is again asking for a government FREE subsidy to offset its advertising costs. Tourists have always come to see our different, beautiful State. Let this private industry finally stand on its own. I would think the elderly are more important, remember, we live here.

Thank you for your time, Sincerely

2.

My husband and I worked hard for Statehood, at our own expense, working with Delegate E. Bob Bartlett. My husband's letter to Congress regarding our Fisheries, was so impressive it became a part of the Congressional Record.

I'm sorry this is so long, but it is a very important to our age group and it seems as though the needy, the handicapped and the elderly are often targets of cutting costs of government down and more funds are asked for and given to businesses which should always stand on their own two feet. I consider this a form of welfare, meaning the business handouts, because it is their problem how they advertise. Saying they are bringing business to Alaska, they are doing this advertising for their business, Alaska itself does not need advertising. They choose to do big time advertising, fine, they can pay for it like the rest of us do. We pay for an ad in the newspapers. The State should not pay for anyone's advertising and these funds are not repaid to us, the people of Alaska. The industry is quick to say how much they do for Alaska, it looks to me like they want to be paid twice, one when they charge the customer and once when they ask the State for money for free.

Sorry if I sound cynical, these two subjects are related. One, the government wants to take away from people who can no longer work except for charitable organizations due to health and age restrictions and continue to give to private industry every single year. If they were a charity that would be different and would be considered however, maybe these people have over extended their business for the all mighty dollar and feel the State owes them something. Not true, as Harry S. Truman said, if you can't stand the heat, get out of the kitchen. Businesses come and go, I know this to be true, I feel very strongly about this, we should not subsidize tourist industry.



Web posted Monday, May 12, 2003

My Turn: Alaska's seniors are a \$2 billion industry

By Mike Miller

It really doesn't make much sense, does it? Here Gov. Murkowski runs for office on a platform of economic development and, within a month of taking office, tells the Legislature to cripple an industry that generates billions of dollars of revenue for the state each year. (And, yes, that's right - we're talking billions with a "B.")

The industry in question: the senior industry.

The McDowell Group, Inc., of Juneau, completed a study in December 2000 called "Issues Affecting the Economic Well-Being of Alaska Seniors." It was prepared for the Alaska Commission on Aging. Among its startling conclusions were these:

- "Senior income is responsible for at least \$2.4 billion of (Alaska's) total \$17.7 billion in 1999 personal income."
- "The \$2.4 billion for seniors is more than the estimated impacts of employment created by most of the state's leading industries. These include the petroleum industry (\$2 billion), the seafood industry (\$1.2 billion), and the tourism, mining and forest-products industries combined (\$1.6 billion)."

In other words, although the income and impact of a single Alaska senior may be modest, the cumulative economic effect of having these people in Alaska is hugely beneficial.

Of course, the McDowell Group study was based on a year 2000 enrollment of 21,000 seniors receiving the Longevity Bonus. The bonus has been closed to new applicants since 1997 and these days, if the governor's figures are correct, there are only 18,000 recipients, an 8.5 percent decrease in less than three years.

Apparently us old timers are dying off at the rate of well more than a thousand a year. As we all get older that rate will accelerate.

So, be patient, governor. We'll get this burdensome expenditure off your shoulders and down to zero in no time.

But, in the meantime, what can the state, specifically the Legislature, do to protect the \$2 billion industry that seniors represent?

It's a no-brainer: Keep the bonus. Help seniors avoid having to pack up and move Outside, taking with them - to spend Outside - their retirement checks, their Social Security, their savings, their veterans benefits, etc.

A little history: When we were a Territory and even in the early decades of statehood, it was almost the norm for many seniors to have to retire to the Lower 48 where the cost of living was cheaper. The Pacific Northwest was probably the most popular area, because it "seemed more like Alaska."

Why did they go? They had to. It was purely an economic thing. They didn't want to leave; for many, moving Outside broke their hearts.

Then, in Alaska, a wonderful thing happened. A series of legislative enactments, supported by Republicans and Democrats, made it possible for Alaska old-timers to stay here with children, grandchildren and friends. In 16 years of proudly representing Juneau in the Alaska House of Representatives, I consider my "yes" votes for these bills among the very best I ever cast.

The centerpiece of the effort to keep senior Alaskans in Alaska was, and remains, the Longevity Bonus Program. Strange as it may seem to some, for many old timers a modest bonus check each month makes all the difference. It makes staying here possible. In dignity. No "pauper's oath" required.

True, the \$2.4 billion annual economic benefit that the McDowell Group identified has already diminished through the effects of a phase-out that began in 1994. But, if we let the law run its course, the bonus can and will continue pumping significant billions into economy.

Even more important, retaining the Longevity Bonus will allow thousands of Alaska old timers to continue to live and die in the Great Land they love and serve. How, in conscience, can legislators vote to do less?

Mike Miller, an Alaskan since June 22, 1954, represented Juneau in the Alaska House of Representatives from 1971 to 1987.

Subject: [Fwd: HB 518 and SB 352]
Date: Sun, 07 Mar 2004 18:54:47 -0900
From: Bruce Weyhrauch <Representative_Bruce_Weyhrauch@Legis.state.ak.us>
Organization: Alaska State Legislature
To: Ginny Austerman <Ginny_Austerman@legis.state.ak.us>

for my bill file only

Subject: HB 518 and SB 352
Date: Mon, 23 Feb 2004 16:25:36 -0900
From: Susan George <Susan_George@fishgame.state.ak.us>
To: Representative_Bruce_Weyhrauch@legis.state.ak.us

Please table HB518 and SB352. As a single parent, I value my job and need the insurance that my job is secure. Thank you for your time.

Susan George
Juneau HQ, Finance, License Acctng Supervisor
(V) 907-465-6064, (F) 907-465-2440

>}}>('> >}}>('> >}}>('> >}}>('> >}}>('>



Alaska State Legislature

Please enter into the record my testimony to the HOUSE STATE AFFAIRS
committee name

Committee on HB 352
bill # / subject

Date, JANUARY 22, 2004

Normally I would say that I am fiscally conservative however as with anything there are some exceptions and I would definitely say my opinion on the Longevity bonus for the senior is exceptional. I support appropriating \$44,800,000 to reinstate the Longevity bonus.

Taking away the bonus from the senior's was not very nice. Anyone who voted to take this away from the seniors should be ashamed! Many seniors have a limited fixed income and have come to rely on their longevity check. We need to give the longevity back to the seniors!

Sure we need to cut our state's budget and stop deficit spending, however there are a lot of other areas that should have been chosen before taking away the longevity. We should have cut some administrative jobs in our state government, or reduced the overtime hours of state employees. We could have cut some departments, like DFYS.

Please amend HB 352 to take affect immediately rather than waiting until July 1, 2004. We have seniors who need that money right now! I know some seniors are in a financial crisis because they can't pay all of their expenses, like their house payments, utilities, medical bills, and some are making choices of whether they should buy food or life saving medication for health problems such as diabetes or heart medication.

VOTE YES ON HB 352.

VOTE YES ON HB 352.

VOTE YES ON HB 352.

Signed: LAURIE CHURCHILL
Testifier

SELF
Representing (optional)

P.O. BOX 7043 NIKISKI, AK 99635

Address

907-776-3499

Phone number

North Star Council on Aging, Inc.

Senior Center



1424 Moore St. ♦ Fairbanks, AK 99701
Phone (907) 452-1735 ♦ Fax (907) 451-9974

Representative David Guttenberg
Room 13, 3rd Floor, State Capitol
Juneau, AK 99811

March 11, 2003

Dear Representative Guttenberg:

On behalf of the North Star Council on Aging (NSCoA), Senior Center and the many senior Alaskans we serve, I am writing this letter in strong protest of Governor Murkowski's proposed budget elimination of the Human Services Community Matching Grant (HSCMG) program administered by the Department of Health and Social Services. As a result of this budget cut, NSCoA will lose a critical piece of funding that supports the Meals on Wheels program for Fairbanks seniors.

The Meals on Wheels program is a vital community service for elderly people. This service not only provides hot nutritious food to feed the body, but a caring delivery person who nourishes the soul of an elderly shut-in. For some seniors, especially those who live outside the city limits, the Meals on Wheels driver may be the only human contact a person will have all day.

The North Star Council on Aging provides the Meals on Wheels service for 150 homebound persons of the Fairbanks area targeting at-risk elders who are frail, disabled and/or financially in need. Of those individuals, 94% suffer from crippling arthritis, heart disease, Parkinson's disease or Alzheimer's, 66% are at poverty level earning less than \$1,000 monthly, and 63% are categorized as both medically impaired and financially in need. Meals on Wheels enhances the quality of life by providing healthy food and social contact for these individuals.

NSCoA's Meals on Wheels program is cost-effective. NSCoA's Meals on Wheels program provides nutritional support to at-risk elderly individuals helping them to stay healthy and remain independent in their own homes, where they most want to be, as opposed to being placed in a nursing facility for illnesses and injuries preventable through proper nutrition. Home-delivered meals provide a very cost-effective community service that may forestall more expensive long-term care; \$10.34 per meal as compared to \$350 per day at a nursing facility.

Last year, the North Star Council on Aging delivered 40,425 hot meals to 147 homebound persons, traveled 36,400 miles delivering meals, and used our \$50,000 HSCMG grant to leverage almost \$300,000 in outside funds.

Elderly persons on a limited income may suffer physical and mental hardship that can become life threatening if they live on the edge of hunger, having limited access to nutritious food. The senior population is growing in Fairbanks, despite funding cutbacks. The number of elderly persons in need of the home-delivered meal service will undoubtedly grow.

We urge you to support the reinstatement of the Human Services Community Matching grant program. The HSCMG program provides funding to safety net agencies that reach out to those most in need in our community in a cost effective and efficient manner.

Sincerely,


Denise Danielle, Executive Director

KENNETH D. BREWER
1701 TAMARACK STREET
FAIRBANKS ALASKA 99709
(907) 452-2919

March 25, 2003

Senator Gary Wilken
Senate Bill 117

It sometimes amazes me as to how fast people forget about our pioneers. Just to let you know, I do not receive the Longevity Bonus, I am only sixty-four years old and have lived in Fairbanks since nineteen sixty nine and therefore do not qualify.

My only concern is the pioneers that are on a fixed budget. The bonus acts as a supplement to their Social Security Benefits and to help pay for their Medicare prescriptions. Depriving them of a supplement as small as \$250.00 means a lot to them and please do not kid yourself, there are a lot of them out there.

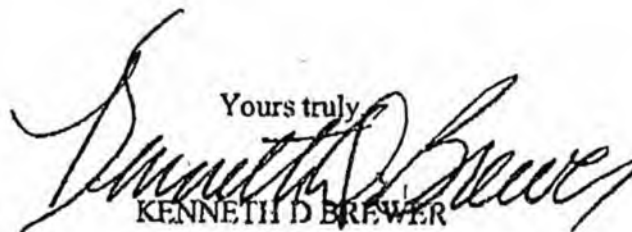
I checked my social security benefits, factored in my living cost, placed myself on a fixed budget and decided to see if I could live in Alaska after I retired. My budget didn't last one month when my vehicles broke down costing me seven hundred dollars to repair. There went that budget.

The point is simple; not everyone has a nice retirement. The best retirements have been given to the people in the school systems, government workers and union workers.

I feel that our pioneers should be rewarded and encouraged to stay in Alaska for the sake of Alaska. I myself will probably have to move to a warmer climate. In the mean time I will tell you like I told Joe Hayes, don't mess with the permanent fund dividend unless you're looking for another job. I will say the same thing to you when you start taking things away from the pioneers. The thing that you want to remember is.... can you afford to give up votes. My family votes every time and my front yard becomes a billboard on how we feel.

I have one suggestion: If you wish to save dollars, reduce government, I understand that the State of Alaska is some thirty thousand strong and still growing.

Yours truly



KENNETH D BREWER

Richard and Joan O'Leary
P. O. Box 75313
Fairbanks, AK 99707

March 9, 2003

Dear Governor and Legislature:

Re: Budget Cut of Longevity Bonus

Please think again about cutting the longevity bonus and look for other ways.

I am writing on behalf of my husband, one of the 18,000 elderly people you plan to cut from your budget by eliminating the longevity bonus. It was just a few years ago the state wanted to keep elderly people in the state when they retired. The state is no longer taking any applications but you feel inclined to cut this program. Of 600,000 residents you pick on 18,000, it just does not make any sense. What are the ages of these 18,000? I'm sure a lot of them will be passing on soon anyway, so why do this? My husband uses half this money for his medications and for household money. This will put a big burden on us by eliminating this money. All this money is spent locally too.

Yet, you can spend dollars (many dollars) with the moose, wolves, bears, helicopter time, and so forth. I would think a lot more of the legislators and the Governor if they think of these elderly people and what the bonus means to them instead of relocating wolves and bears. I love animals more than anyone else, but I love people first. I am sure I could point out a few more examples if you wish.

My husband and I never miss voting, so we will be extra careful about our voting in the next election. First cutting longevity bonus, education, Permanent Fund, and then giving us taxes. "No big deal to live in Alaska or stay here."

Thank you for your consideration of this request.

Sincerely yours,

Joan O'Leary
Joan O'Leary

Post-It [®] Fax Note	7671	Date	3/11/03	# of pages	1
To	INT. DELEGAT. CN	From	FBX LO		
Co./Dept.		Co.			
Phone #		Phone #			
Fax #		Fax #			

P. O. Box 91112
Anch., Alaska 99509-1112
907 562 4968
July 14 2003

Representative David Guttenberg
State Capitol
Juneau Ak. 99801-1182

Dear Rep. Max Guttenberg

With the Governor cutting my income by \$250.00. I will become very active in helping to cut the salaries of all legislators. Votes of seniors and their extended families will help do this. We want the session moved out of Juneau and shortened. This will take pay from per diem and excessive travel expenses. The Governor authorized billions for lobbyist for oil and road companies meanwhile eliminating money for those over 76 years of age. He did not cut legislators they receive almost that much a day. Legislators eat no matter where they are so why per diem for meals while they are in Juneau? The Governor should have cut the pork out of Juneau and government employees first, not just seniors over 76 years of age who are dying fast from age anyway. It says 12,000 over 76 will get the \$120 for a year more. That leaves 5,000 seniors who have incomes, to contribute to the states economy with their pensions and Soc. Sec.,

I register so I can vote for the person I like. I do not care for Tony Knowles, but against Murkowski I would vote him for Senator. I am going to do volunteer for those who are getting the petitions to move the shortened session up here and out of inaccessible Juneau, Gov. Murkowski's letter writer, is STUPID, that letter thoroughly irritated many of us. The writer said it made two distinctions. Think of how rooms are assigned in Juneau. He is making more distinctions. People over 76 who earned an income, are now no longer eligible for the longevity. Many who lived in the bush did not earn pensions, most are the 12,000. They will also vote.

I am 63 years old. I worked but not for the government. In 1985 I started getting the longevity. Because that meant \$6,000.00 a year we decided to stay and spend our Soc. Sec. and pensions here in Anchorage, Clyde is dead, so now only my pension and Soc. Sec. are what I have. I am still contributing to Alaska's economy. Many friends took their pensions and left the state when the longevity ended, a huge loss of revenue for the state. \$6000.00 a year longevity is a 10% loss if the combined pensions are \$60,000 if not like mine the \$3,000 is a bigger percentage.

Medicare is deducted from my Soc. Sec. I also pay AARP \$165 a month, with a deductible raised now to \$250.00 for prescriptions, Our son being a VETERAN, received inadequate care in 1996 from Providence. His care was just barely what they felt was necessary. They wanted him dead. I saw a tube rammed down his throat by nurse Ben Jackson, Our son had pulled it out. I requested Ben be removed but there continued his inadequate care so our son died, I spent from 8 until 4 with him, Ben wanted our son's skin for burn victims. The Governor and legislators received excellent care, when they had similar strokes so lived. Their medical is covered.

I pay retired dues at the culinary union. I can voice my opinions and vote on policies. I am a lifetime member at the Senior Center. I should be happy that I am now MOTIVATED to volunteer to making legislators accountable, moving them out of Juneau and cutting the session. Many of us at the Senior Center will feel the cut. The Gov. evidently does not realize those over 80, a 15 year difference, means we also are WW11 veterans or spouses as well as Alaskans. Watching sessions on TV, often the legislators couldn't get back to Juneau, bills couldn't be passed. It would be interesting to have published the actual hours days each legislator spent in the sessions. Many who campaign less when the session is moved from Juneau.

NH

Unice McCurdy

HB

366

HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: January 12, 2004

FURTHER REFERRALS: Finance

Date of Committee Action: 2/5/04

The STATE AFFAIRS Committee considered:

HB 366

HOUSE BILL NO. 366

RAT RACING CHARITABLE GAMING

"An Act relating to rat racing charitable gaming; and providing for an effective date."

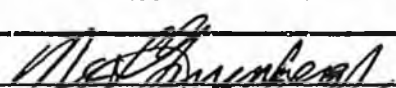

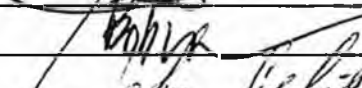
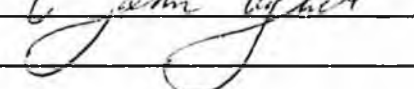

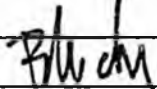
Recommends it be replaced with HCS or CS for _____ (_____)
 For Senate Bills with new title: Technical Title New Title: HCR _____ Same Title New Title

- attach amendments
- add new referral to _____ Committee
- Letter of Intent _____ Committee

List of Abbrev for Depts.:
 ADM
 CED
 COR
 CRT
 EED
 DEC
 DFG
 GOV
 HSS
 LEG
 LAW
 LWF
 MVA
 DNR
 DPS
 REV
 DOT
 UA

<u>NEW FISCAL NOTES</u>				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	Brunson	-			
	Seaton	✓			
	Holm				✓
	LYNN	X			
	Loggitt				✓
Chair: 	Weighrauch			X	
Chair:					

ALASKA STATE LEGISLATURE

Chair:
House Finance Subcommittees for,
Department of Public Safety
Department of Law

Member:
House Finance Committee
Legislative Council



Session:
Alaska State Capitol
Juneau, AK 99801-1182
Phone: (907) 465-4958
Fax: (907) 465-4928

Interim:
PO Box 464
Chugak, AK 99567

REPRESENTATIVE BILL STOLTZE

Representative_Bill_Stoltze@legis.state.ak.us

HOUSE BILL 366

"An Act relating to rat racing charitable gaming"

SPONSOR STATEMENT

Two years ago, Alaska's Attorney General issued a legal opinion stating certain traditional "games of chance" were illegal under current statute. This ruling included games like the Alaska State Fair Elks Rat Races. Folks gather around a wheel of colors, place their quarter bets, a gerbil is placed in the middle and whichever colored hole he disappears in to is declared the winner. This game of chance has been a part of the state fair for over five decades and its revenues go to support local charities.

House Bill 366, an act relating to rat racing charitable gaming, was introduced to allow these games and permit them to continue. It is a very narrow subject and does expand charitable gaming in Alaska as a whole, as that is not my intent with this legislation. HB 366 is only to protect a traditional game of chance which is strongly supported by many Alaskans and charities and would be sorely missed at this year's fair.

The Elks Club Rat Races are an integral part of the Alaska State Fair and its history. I greatly appreciate the committee's consideration and hopefully your support to "let the rats run!"

DISTRICT 16

BIRCHWOOD • BUTTE • CHUGIAK • EKLUTNA • FAIRVIEW LOOP
KNIK RIVER ROAD • LAZY MOUNTAIN • PALMER • PETERS CREEK

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FOLLOWING
DOCUMENT(S)
ARE
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26 January 2004

Rep. Bill Stoltz
Alaska State Legislature
State Capitol (MS 3100)
Juneau, Alaska 99801-1182

Dear Representative Stoltz:

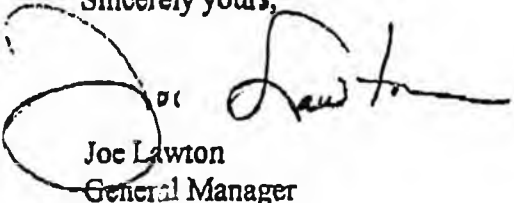
This letter is in support of your efforts to retain the ability of local charitable organizations to continue their efforts at our annual State Fair.

Our local Elks (B.P.O.E.) Club has run a "Rat Race" on our grounds at least fifty years by my memory, and perhaps considerably longer. It is one of several Games of Chance at our event that allows organizations to raise money for worthy causes. The operators of these attractions invariably donate their time to help their organization maximize the use of their gift.

The Rat Race is an innocuous attraction at the Fair. Several years ago, to better "theme" our layout, we relocated it closer to the bulk of the Fair's Games, and away from its isolated position on a main walkway. However, incidents and complaints about the Game are and always have been virtually absent. It is difficult to imagine any reason why it should not continue to be a part of the flavor of our Fair.

I applaud your efforts to guarantee the ability of the Elks Club to raise this money for charity, and may be called upon for additional information.

Sincerely yours,



Joe Lawton
General Manager

A FRATERNAL ORGANIZATION



Palmer Lodge No. 1842

BENEVOLENT AND PROTECTIVE ORDER OF ELKS

January 28, 2004

Alaska State Legislature
Alaska State Capitol
Juneau, Alaska 99801

Attention: Representative Bill Stoltze, Alaska State Legislature

Reference: Palmer Elks Lodge Rat Race and House Bill 366

Dear Representative Stoltze:

This letter is written to provide the legislature with information and strong support from the Palmer Elks Lodge for House Bill 366. We received your letter dated January 13, 2004, regarding the introduction of HB 366 and your efforts to document the long historical precedence of the Elks Rat Race at the Alaska State Fair. Thank you very much for your efforts and your support of this very important Elks' fund raising activity.

The Palmer Elks Lodge has over 760 members. In a ballot of the membership there is unanimous support for the Rat Race and its annual continuance at the Alaska State Fair. The lodge officers both past and present support the Rat Race unanimously. As you know all of the monies that are raised by the Rat Race are funneled into the Elks Scholarship Fund. The scholarships are awarded annually to worthy students pursuing further education. The high schools help us select worthy candidates. The Palmer Elks Lodge annually awards about \$20,000 in scholarships.

Please use this letter to convey to the legislature, the strong support and adamant need the Palmer Elks Lodge has for the passage of House Bill 366. We plan to have as many people available as time allows to provide testimony via the telephone conference hearing planned for Thursday, January 29, 2004.

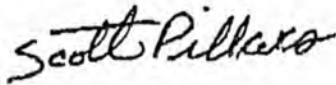
2600 N. Barry's Resort Drive
Phone: 745-3950

Wasilla, Alaska 99654
Fax: 745-3960

1/28/04 Page 2 of 2
Subject: Palmer Elks Lodge Rat Race and House Bill 366

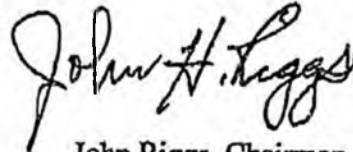
If there is anything else that the Lodge can do to support your efforts, please advise us at your earliest convenience. Once again, on behalf of the lodge members and our scholarship recipients we sincerely thank you for your efforts to save the Rat Race.

Sincerely,



Scott Pillars, Exalted Ruler
Palmer Elks Lodge No. 1842

Sincerely,



John Riggs, Chairman
Board of Trustees

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HB 366
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title Rat Racing Charitable Gaming RDU Revenue Programs & Services
 Component Tax Division
 Sponsor Representative Stoltze
 Requester House State Affairs Component No. 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
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						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation formalizes in statute, a gaming activity that has been a long established practice in the Mat-Su valley.

This legislation will not result in additional revenues or costs to the department.

Prepared by: Larry Meyers and Jeffrey Prather
 Division: Tax Division
 Approved by: Steve Porter, Deputy Commissioner
 Agency: Department of Revenue

Phone 907 269 6620
 Date/Time 1/28/04 5:46 PM
 Date 1/28/2004

HB

373

HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: January 12, 2004

FURTHER REFERRALS:

Date of Committee Action: 1/20/04

The STATE AFFAIRS Committee considered:

HB 373

HOUSE BILL NO. 373

STATE TREASURY WARRANTS

"An Act requiring warrants drawn by the Department of Administration against the state treasury to be negotiable instruments."

Recommends it be replaced with HCS or CS for _____ (_____)
 For Senate Bills with new title: Technical Title New Title: HCR _____ Same Title New Title

- attach amendments
- add new referral to _____ Committee
- Letter of Intent _____ Committee

List of Abbrev for Depts.:
 ADM
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 LAW
 LWF
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 DNR
 DPS
 REV
 DOT
 UA

NEW FISCAL NOTES				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
ADM				✓

PREVIOUS FISCAL NOTES				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Gruenberg	✓			
	SEATON			✓	
	Holar			✓	
	LYNN			✓	
Chair:	Weyhrauch	✓			
Chair:					

ALASKA STATE LEGISLATURE

REPRESENTATIVE BRUCE WEYBRAUCH



ALASKA
STATE CAPITOL
JUNEAU, ALASKA
99801-1182

(907) 465-3744
FAX (907) 465-2273

STATE AFFAIRS COMMITTEE

Sponsor Statement

HB 373

Requiring state treasury warrants to be negotiable instruments.

House Bill 373 continues the committee's work last session on House Bill 109—State Dated Warrants. It clarifies existing statutes governing state treasury warrants by providing that warrants, like bank checks, are negotiable instruments under the Uniform Commercial Code.

During the 1980s, there was a long-standing dispute between commercial banks and the State of Alaska regarding the negotiability of state treasury warrants. This dispute was ultimately resolved by the Alaska Supreme Court in National Bank of Alaska v. Univentures 1231, 824 P.2d 1377 (Alaska 1992), which held that state treasury warrants were negotiable instruments under the Uniform Commercial Code and were therefore subject to the "holder in due course" defense. This was an important protection for businesses with financial dealings with the State. Although the Division of Finance amended its business practices to comply with the supreme court ruling, state statutes have never been amended to incorporate this holding. HB 373 simply codifies the holding the National Bank of Alaska v. Univentures 1231.

The State Affairs Committee is introducing this legislation in order to clarify the state statutes and continue the modernization of the state treasury warrant system.

Contact: Teri Tibbett
465-4940

Released: January 15, 2004

ALASKA STATE LEGISLATURE

REPRESENTATIVE BRUCE WEYHRAUCH



ALASKA
STATE CAPITOL
JUNEAU, ALASKA 99801

(907) 465-3744
FAX (907) 465-2273

STATE AFFAIRS COMMITTEE

Sectional Analysis

HB 373

Requiring state treasury warrants to be negotiable instruments.

Section 1. Payment of warrants.

Adds language that clarifies the nature of a warrant issued by the Department of Administration against the state treasury. The language originates in a 1992 Supreme Court decision, *National Bank v. Univentures*, and it states that state treasury warrants (those things that we think of as "checks") constitute a negotiable instrument, and they must be paid according to the terms of the Uniform Commercial Code § 3-104(1)(b).

Adds language stating that "negotiable instrument" has the meaning given in AS 45.03.104(a).

Title 45 TRADE AND COMMERCE
Chapter 45.03 NEGOTIABLE INSTRUMENTS

Sec. 45.03.104. Negotiable instrument.

(a) Except as provided in (c) - (d) of this section, "negotiable instrument" means an unconditional promise or order to pay a fixed amount of money, with or without interest or other charges described in the promise or order, if the unconditional promise or order

(1) is payable to bearer or to order at the time it is issued or first comes into possession of a holder;

(2) is payable on demand or at a definite time; and

(3) does not state any other undertaking or instruction by the person promising or ordering payment to do an act in addition to the payment of money, but the promise or order may contain an undertaking or power to give, maintain, or protect collateral to secure payment, an authorization or power to the holder to confess judgment or realize on or dispose of collateral, or a waiver of the benefit of a law intended for the advantage or protection of an obligor.

LEXSEE 824 P.2d 1377

NATIONAL BANK OF ALASKA, National Banking Association, Appellants, v.
UNIVENTURES 1231 and STATE OF ALASKA, DEPARTMENT OF
ADMINISTRATION, Appellees.

No. 3799, Supreme Court File No. S-4087

SUPREME COURT OF ALASKA

824 P.2d 1377; 1992 Alas. LEXIS 10; 17 U.C.C. Rep. Serv. 2d (Callaghan) 482

January 24, 1992, Decided

PRIOR HISTORY:

[**1] Appeal from the Superior Court of the State of Alaska, Third Judicial District, Anchorage, J. Justin Ripley, Judge. Superior Court File No. 3AN-88-278 Civil

CASE SUMMARY

PROCEDURAL POSTURE: Appellant sought relief from an order by the Superior Court of the State of Alaska, Third Judicial District, Anchorage, that held the appellant was not a holder in due course under *Alaska Stat. § 45.03.302(a)* because the state treasury warrant was not a negotiable instrument.

OVERVIEW: Appellee government agency was directed to hold its rent in abeyance until a court-appointed receiver was named after a dispute arose among the partners of appellee business. The state treasury placed a stop-payment order on the state treasury warrant that was issued to pay the lease. Appellant paid appellee business on the warrant but did not debit the appellee government agency's account because of the stop-payment order. Appellant moved for summary judgment and claimed it was a holder in due course. The lower court denied the appellant's motion and held that the state treasury warrant was not a negotiable instrument. The supreme court reversed the lower court's holding. The court looked to *Alaska Stat. § 45.03.104(a)* and determined that the warrant met the statutory definition of a negotiable instrument. Therefore, the appellant's claim that it was a holder in due course under *Alaska Stat. § 45.03.302(a)* was valid.

OUTCOME: The supreme court reversed the lower court's decision and held that the state treasury warrant

met the statutory definition of a negotiable instrument, therefore entitling the appellant to claim itself as a holder in due course of the negotiable instrument.

CORE TERMS: holder, negotiable instrument, negotiability, stop-payment, state treasury, summary judgment, notice, non-negotiable, negotiable, statutory definition, definite time, cross-motion, warrant issued, transferee, unconditional promise, improvement district, general principles, payable to order, third person, order to pay, municipal, customer, sanitary, drawer, reasonable opportunity, simple contract, deference, evidenced, clearing, deposit

LexisNexis(TM) HEADNOTES - Core Concepts

Commercial Law (UCC) > Negotiable Instruments (Article 3) > Rights of a Holder

[HN1] *Alaska Stat. § 45.03.305* provides that the holder in due course of an instrument takes the instrument free of all but a very limited class of defenses that the original payor might have against the original payee.

Commercial Law (UCC) > Negotiable Instruments (Article 3) > Rights of a Holder

[HN2] *Alaska Stat. § 45.03.302(a)* defines a holder in due course as one who takes a negotiable instrument for value, in good faith, and without notice that the instrument is overdue or has been dishonored or of any defense against or claim to it on the part of any person.

Commercial Law (UCC) > Negotiable Instruments (Article 3) > Rights of a Holder

[HN3] If a holder of an instrument is not a holder in due course, the holder takes the instrument subject to all

valid claims to the instrument, as well as subject to several classes of defenses. *Alaska Stat. § 45.03.306.*

Civil Procedure > Appeals > Standards of Review > De Novo Review

Commercial Law (UCC) > Negotiable Instruments (Article 3)

[HN4] Whether a warrant is a negotiable instrument is a question of law, which the supreme court examines de novo.

Commercial Law (UCC) > Negotiable Instruments (Article 3)

[HN5] See *Alaska Stat. § 45.03.104(a).*

Governments > Legislation > Interpretation

[HN6] See *Alaska Stat. § 45.01.102(a).*

Commercial Law (UCC) > Negotiable Instruments (Article 3) > Discharge & Payment

[HN7] A promise or order otherwise unconditional is not made conditional by the fact that the instrument is limited to payment out of a particular fund if the instrument is issued by a government or governmental agency or unit. *Alaska Stat. § 45.03.105 (a)(7).*

Commercial Law (UCC) > Negotiable Instruments (Article 3) > Discharge & Payment

[HN8] See *Alaska Stat. § 45.03.109(a)(1).*

Commercial Law (UCC) > Negotiable Instruments (Article 3) > Discharge & Payment

[HN9] An instrument is payable to order if by its terms it is payable to the order or assigns of a person specified in the instrument with reasonable certainty. *Alaska Stat. § 45.03.110(a).*

Governments > Legislation > Interpretation

[HN10] While attorney general opinions are entitled to some deference in matters of statutory construction, they are not always correct.

COUNSEL:

Appearances: David Floerchinger and Deirdre D. Ford, Staley, DeLisio, Cook & Sherry, Inc., Anchorage, for Appellants.

Sally J. Kucko and Rick L. Owen, Groh, Eggers & Price, Anchorage, for Appellees Univentures 1231.

Jeffrey W. Bush, Assistant Attorney General, and Charles E. Cole, Attorney General, Juneau, for Appellee State of Alaska, Department of Administration.

JUDGES:

Before: Rabinowitz, Chief Justice, Burke, Matthews, Compton and Moore, Justices.

OPINIONBY:
MOORE

OPINION:

[*1377] *OPINION*

MOORE, Justice.

National Bank of Alaska (NBA) brought an action against the State of Alaska, Univentures 1231 (Univentures), Charles D. LeViege, and Lee D. Garcia to recover the amount which NBA paid on a warrant issued by the state. The superior court held that the warrant is not a negotiable instrument under the Uniform Commercial Code as enacted in Alaska, and that NBA therefore could not recover as a holder in due course under the code. NBA appeals. The sole issue on appeal is whether the superior court was correct in finding that the state treasury [**2] warrant is a non-negotiable instrument under Article III of the Uniform Commercial Code. We reverse.

I.

The State of Alaska is a tenant in a large office building which is owned by Univentures. On November 24, 1987, the state made a lease payment of \$ 28,143.47 to Univentures with state treasury warrant No. 21045102. Charles LeViege, the managing partner of Univentures, assigned the warrant on behalf of Univentures to Lee Garcia.

As a result of a dispute which arose among the partners of Univentures, the state was notified on November 25, 1987 that it should no longer pay Charles LeViege the monthly rent due the partnership. The state was directed to hold the rent in abeyance pending the naming of a court-appointed receiver. On November 27, 1987, the state treasury placed a stop-payment order on warrant No. 21045102.

Garcia presented the warrant to NBA, the state's clearing bank, on November 30, 1987. NBA paid Garcia \$ 28,143.47 on the warrant but did not debit the state's account [*1378] because of the stop-payment order. On January 14, 1988, NBA filed an action against the State of Alaska, Charles LeViege, and Lee Garcia, to recover the sum of \$ 28,143.47 which NBA had paid [**3] to Lee Garcia in exchange for the warrant. The state deposited an equivalent sum with the court and moved to join Univentures as a party. Samuel and Catherine LeViege answered on behalf of Univentures.

NBA moved for summary judgment claiming that it is a holder in due course under *AS 45.03.302(a)*. NBA

THE
FOLLOWING
DOCUMENT(S)
ARE
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argued that the warrant is a negotiable instrument and that it paid the warrant in good faith, without knowledge of facts which would indicate the instrument may not be payable as its terms provide. As such, NBA maintained that it took the warrant free from the defenses presented by Univentures and the state. The state and Univentures opposed NBA's motion, arguing that NBA is not a holder in due course because the warrant is not a negotiable instrument, and because NBA had notice of the stop-payment order when it paid Garcia on the warrant. Univentures filed a cross-motion for summary judgment.

The superior court granted Univentures' cross-motion for summary judgment and denied NBA's motion for summary judgment. Judge Ripley, in ruling for Univentures, specifically found that the warrant is not a negotiable instrument and that NBA therefore is not a holder in due course. Pursuant to [**4] the parties' stipulation, \$ 16,000.00 of the money deposited with the court was immediately disbursed to Univentures and NBA in equal amounts. The court ordered that the remaining \$ 12,143.47 be held by the court pending appeal of the court's determination that the warrant is not negotiable. This appeal followed.

II.

[HN1] Article III of the Uniform Commercial Code provides that the holder in due course of an instrument takes the instrument free of all but a very limited class of defenses that the original payor might have against the original payee. *AS 45.03.305*. n1 [HN2] The code defines a holder in due course as one who takes a negotiable instrument for value, in good faith, and "without notice that [the instrument] is overdue or has been dishonored or of any defense against or claim to it on the part of any person." *AS 45.03.302(a)*. [HN3] If a holder of an instrument is not a holder in due course, the holder takes the instrument subject to all valid claims to the instrument, as well as subject to several classes of defenses. *AS 45.03.306*. n2

n1 *AS 45.03.305* provides:

To the extent that a holder is a holder in due course the holder takes the instrument free from
(1) all claims to it on the part of any person; and
(2) all defenses of any party to the instrument with whom the holder has not dealt except
(A) infancy, to the extent that it is a defense to a simple contract;
(B) such other incapacity, or duress, or illegality of the transaction as renders the obligation of the party a nullity;

(C) such misrepresentation as has induced the party to sign the instrument with neither knowledge nor reasonable opportunity to obtain knowledge of its character or its essential terms;
(D) discharge in solvency proceedings; and
(E) any other discharge of which the holder has notice when the holder takes the instrument.
[**5]

n2 *AS 45.03.306* provides:

Unless the person has the rights of a holder in due course, a person takes the instrument subject to

(1) all valid claims to it on the part of any person;
(2) all defenses of a party which would be available in an action on a simple contract;
(3) the defenses of want or failure of consideration, nonperformance of a condition precedent, nondelivery, or delivery for a special purpose (*AS 45.03.408*); and
(4) the defense that the person or a person through whom the person holds the instrument acquired it by theft, or that payment or satisfaction to the holder would be inconsistent with the terms of a restrictive endorsement; the claim of a third person to the instrument is not otherwise available as a defense to a party liable on the instrument unless the third person personally defends the action for the party.

The superior court held that NBA was not a holder in due course because the state treasury warrant involved is not a negotiable instrument to which the Uniform [*1379] Commercial Code applies. n3 As a result, the superior court concluded that NBA took the warrant [**6] subject to the state's defense that it had issued a valid stop-payment order pursuant to *AS 45.04.403(a)*. n4 NBA argues that the warrant is a negotiable instrument, and that NBA is therefore a holder in due course. [HN4] Whether the warrant is a negotiable instrument is a question of law, which we examine de novo. See *Hicklin v. Orbeck*, 565 P.2d 159, 163 n.6 (Alaska 1977) rev'd on other grounds, 437 U.S. 518, 57 L. Ed. 2d 397, 98 S. Ct. 2482 (1978).

n3 Univentures argued in its cross-motion for summary judgment that even if the warrant is a negotiable instrument, NBA is not a holder in due course because NBA had notice of the stop-payment order when it paid Garcia on the warrant. Univentures claimed that NBA was given notice of the stop-payment order on

November 27, 1987, in its role as the clearing bank for state treasury warrants. The superior court apparently found that NBA did not have knowledge of the stop-payment order when it accepted the warrant, for the final judgment provides that NBA is entitled to the funds on deposit with the court if this court determines warrant No. 21045102 is a negotiable instrument. We do not consider whether NBA had knowledge of the stop-payment order, for that issue is not a stated point on appeal, and was not briefed by either party. [**7]

n4 AS 45.04.403(a) provides:

A customer may, by order to the bank, stop payment of an item payable for the customer's account, but the order must be received at a time and in a manner which afford the bank a reasonable opportunity to act on it before an action by the bank with respect to the item described in AS 45.04.303.

[HN5] Alaska Statute 45.03.104(a) provides that for a writing to be a negotiable instrument it must:

- (1) be signed by the maker or drawer;
- (2) contain an unconditional promise or order to pay a sum certain in money and no other promise, order, obligation, or power given by the maker or drawer except as authorized by this chapter;
- (3) be payable on demand or at a definite time, and
- (4) be payable to order or to bearer.

[HN6] Alaska Statute 45.01.102(a) provides that the Code is to be "liberally construed and applied to promote the underlying purposes and policies." The underlying purposes and policies of the Uniform Commercial Code are:

- (1) to simplify, clarify, and modernize the law governing commercial transactions;
- (2) to permit the continued expansion of commercial practices through [**8] custom, usage, and agreement of the parties;
- (3) to make uniform the law among the various jurisdictions.

AS 45.01.102(b).

Warrant No. 21045102 satisfies all four elements of the definition of a negotiable instrument. First, the warrant is signed by the maker, Governor Steve Cowper. Second, the warrant contains an unconditional promise or order to pay a sum certain of \$ 28,143.47. [HN7] A

promise or order otherwise unconditional is not made conditional by the fact that the instrument is limited to payment out of a particular fund if the instrument is issued by a government or governmental agency or unit. AS 45.03.105(a)(7). Third, the warrant is payable at a definite time. Although the warrant states that it "will be deemed paid unless redeemed within two years after the date of issue," [HN8] AS 45.03.109 provides that an instrument is payable at a definite time if by its terms it is payable on or before a stated date. AS 45.03.109(a)(1). Finally, the warrant clearly indicates that it is payable to the order of Univentures. [HN9] An "instrument is payable to order if by its terms it is payable to the order or assigns of a person specified in the instrument with reasonable certainty." AS 45.03.110(a). [**9] Because the warrant meets the statutory definition in AS 45.03.104, we hold that the warrant is a negotiable instrument. n5

n5 AS 45.03.104(b) classifies certain writings which satisfy the definition of "negotiable instrument" as drafts, checks, certificates of deposit, and notes. We reject the state's argument that an instrument must fit within one of these categories before it can qualify as a negotiable instrument. Negotiability is determined by the four-pronged test of AS 45.03.104, not by the name affixed to a particular writing. If it were necessary to categorize the warrant at issue in this case, it would be a draft. An instrument is a draft if it is an order. AS 45.03.104(b)(1).

[*1380] The purposes for which the Uniform Commercial Code was enacted support the conclusion that warrants which satisfy the statutory definition of negotiability must be deemed negotiable. Univentures claims that state warrants should be deemed non-negotiable because the state must retain its rights to assert the defenses of a [**10] maker in order to maintain and protect its fiscal policies, practices, and procedures. This argument is directly contrary to the Code's policy of promoting commercial transactions by allowing a party to ascertain the negotiability of an instrument from its face. 5 R. Anderson, Uniform Commercial Code, § 3-104:4 (1984) ("The whole idea of the facilitation of easy transfer of notes and instruments requires that a transferee be able to trust what the instrument says, and be able to determine the validity of the note and its negotiability from the language in the note itself."). To carve out an exception to the statutory definition of negotiability would jeopardize Article III's purposes of clarifying and modernizing commercial transactions by allowing

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17 U.C.C. Rep. Serv. 2d (Callaghan) 482

reliance on written instruments. The transferee of an instrument must be able to rely on the negotiability of the instrument as evidenced by the instrument's terms, so that the transaction is not stalled while the transferee verifies its rights on the instrument. n6

n6 If the state truly believes that the non-negotiability of treasury warrants is essential to maintain and protect its fiscal policies, the state could make its warrants non-negotiable simply by printing "non-negotiable" on the face of the warrants.

[**11]

No Alaska case law addresses the issue of whether a state treasury warrant constitutes a negotiable instrument. Prior to the enactment of the Uniform Commercial Code, warrants issued by states, local governments, and municipalities were almost universally deemed non-negotiable. See, e.g., *Negotiability of County, Municipal, School, State, or Town Warrants*, 36 A.L.R. 949, 949 (1925); *Hamilton Nat'l Bank v. Pool*, 144 S.W.2d 670, 671 (Tex. App. 1940); *State v. Liberty Nat'l Bank & Trust Co.*, 414 P.2d 281, 283 (Okla. 1966). The drafters of the Uniform Commercial Code apparently intended to change this body of law, however, as evidenced by the Official Code Comment to § 3-105. 5 R. Anderson, *Uniform Commercial Code*, § 3-105:1, at 228 (1984) ("[Section 3-105(1)(g)] will permit some municipal warrants to be negotiable if they are in proper form."). n7

n7 All of the cases cited by Univentures and the state are distinguishable from the present case for the reason that all were based upon the "law merchant" which has now been replaced in Alaska by the Uniform Commercial Code. See *Prince v. LeVan*, 486 P.2d 959, 962 (Alaska 1971) ("By legislative declaration the code is the law, and if general principles appear inconsistent, they must be considered displaced under [this section]. Moreover, even where inconsistency does not exist, the code must be regarded as supreme; general principles even when consistent with the code are merely supplementary.").

[**12]

Those courts which have considered the negotiability of government warrants have generally found those warrants to be negotiable so long as they satisfy the codes requirements. The Louisiana Court of Appeals held that a warrant issued by a levee district to

pay a construction company was a negotiable instrument. *St. James Bank & Trust Co. v. Board of Comm'rs*, 354 So. 2d 233 (La. App. 1978). The construction company in that case had negotiated the warrant to a bank. After the levee's Board of Commissioners stopped payment on the warrant, the warrant was returned to the bank unpaid. The court found that the warrant was a negotiable instrument because it satisfied the requirements of § 10:3-104 of the Louisiana statutes. That section is identical to AS 45.03.104. *Id.* at 234.

Similarly, the Supreme Court of Nebraska held that a warrant issued by a county sanitary and improvement district was a negotiable instrument. *Sanitary & Improvement Dist. v. Continental Western*, 215 Neb. 843, 343 N.W.2d 314 (Neb. 1983). In that case, the sanitary and improvement district which had issued capital and improvement warrants sought [**13] a judicial declaration of the invalidity of the warrants. After examining the warrants in light of § 5-104 of the Nebraska Uniform Commercial [**1381] Code, which is almost identical to AS 45.03.104, the Supreme Court of Nebraska held that they were negotiable instruments.

We are mindful of a 1987 attorney general opinion which concluded that state treasury warrants are not negotiable. [HN10] While attorney general opinions are entitled to some deference in matters of statutory construction, they are not always correct. n8 In this instance we are unconvinced by the attorney general's opinion. It fails to consult the language and policies of the Uniform Commercial Code, and it relies mainly on cases examining the negotiability of warrants arising prior to the enactment of the Uniform Commercial Code.

n8 *Carney v. State Board of Fisheries*, 785 P.2d 544, 548 (Alaska 1990) ("Opinions of the attorney general, while not controlling on matters of statutory interpretation, are entitled to some deference."); *Girves v. Kenai Peninsula Borough*, 536 P.2d 1221, 1225 (Alaska 1975) ("We hold that the 1962 Attorney General's opinion is in error insofar as it concludes that the territorial government of Alaska had no power to accept the right-of-way granted in 43 U.S.C. § 932 (1964).").

[**14]

The decision of the superior court is REVERSED. The \$ 12,143.47 on deposit with the court is awarded to NBA. n9

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17 U.C.C. Rep. Serv. 2d (Callaghan) 482

n9 The parties to this appeal stipulated that if we reverse the superior court's determination that the warrant is a negotiable instrument, Univentures waives all other claims to the interpled money against NBA and the state,

including the claim that NBA was not a holder in due course of the instrument.

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 373
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration/Revenue
 Title An Act requiring warrants issued by RDU None
the state to be negotiable instruments Component None
 Sponsor House State Affairs
 Requester House State Affairs Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
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						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This statute change codifies in law a 1992 ruling by the Alaska Supreme Court (National Bank of Alaska vs. Univentures and the State of Alaska, Department of Administration, file #S-4087) that reversed a Superior Court ruling on the negotiability of warrants issued by the state. The Supreme Court held that state warrants are negotiable instruments subject to the UCC rules governing holders in due course.

Since that Supreme Court decision, the state has administered its warrants as negotiable instruments, so no administrative changes are necessary if this legislation passes. It will simply codify in statute the ruling of the Supreme Court.

Prepared by: Kim J. Garnero Phone 465-3435
 Division Finance Date/Time 1/19/04 1:17 PM
 Approved by: Ray Matiashowski, Deputy Commissioner Date 1/19/2004
 Agency Department of Administration

HB

394

HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: January 20, 2004

FURTHER REFERRALS: HES

Date of Committee Action: 2/17/04

The STATE AFFAIRS Committee considered:

HB 394

HOUSE BILL NO. 394

COMMISSION ON AGING

"An Act extending the Alaska Commission on Aging."

Recommends it be replaced with HCS or CS for _____ (_____)
 For Senate Bills with new title: Technical Title New Title: HCR _____ Same Title New Title

- attach amendments
- add new referral to _____ Committee
- Letter of Intent _____ Committee

List of Abbrev for Depts.:

- ADM
- CED
- COR
- CRT
- EED
- DEC
- DFG
- GOV
- HSS
- LEG
- LAW
- LWF
- MVA
- DNR
- DPS
- REV
- DOT
- UA

<u>NEW FISCAL NOTES</u>				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
HSS		✓		

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
<i>[Signature]</i>	Greenberg	✓			
<i>Paul R. Seaton</i>	SEATON	✓			
<i>[Signature]</i>	Holm	✓			
<i>[Signature]</i>	LYNN	X			
<i>[Signature]</i>	Coghill	✓		✓	
Chair: <i>[Signature]</i>		✓			
Chair: <i>[Signature]</i>					

STATE OF ALASKA
HOUSE OF REPRESENTATIVES

Representative Jim Holm



119 N. Cushman
Fairbanks, AK 99701
TEL 456-7423, FAX 451-9293

State Capitol
Juneau, AK 99801
TEL 465-3466, FAX 465-2937

Sponsor Statement

HB 394

Extending the Alaska Commission on Aging

HB 394 extends the sunset date for the Alaska Commission on Aging until June 30, 2008. An audit dated October 1, 2003, recommends this extension.

The mission of the Alaska Commission on Aging (ACOA) is to ensure dignity and independence for Alaska's seniors and to assist them, through programs and services funded by the Commission, to lead useful and meaningful lives.

The Commission is charged with planning, advocacy, and interagency coordination on senior citizen issues.

Extending the Commission's sunset will allow Alaska's Senior Citizens to continue benefiting from these valuable services.

State of Alaska

Office of Boards and Commissions

AGING COMMISSION

BOARD: Alaska Commission on Aging

BOARD IDENTIFICATION NUMBER: 071

DEPARTMENT: Department of Health and Social Services

AUTHORITY: AS 44.21.200

STATUS: Active

SUNSET DATE: 6/30/2004

REQUIREMENTS: No Legislative Confirmation or Financial Disclosure required

PROHIBITIONS: Cannot serve more than two consecutive terms or 8 consecutive years, whichever is longer.

TERM: 4 years

DESCRIPTION: 11 Members - Seven persons appointed by the Governor based on their knowledge and demonstrated interest in the concerns of older Alaskans; plus the chair of the Pioneers Homes Advisory Board; the commissioner of the Dept. of Administration or designee; the commissioner of the Dept. of Community and Economic Development or designee; and the commissioner of the Dept. of Health and Social Services or designee. Names of persons qualified for and interested in serving will be requested from senior citizens' organizations. Appointments shall be made to assure representation of low-income and minorities and rural/urban areas and statewide geographical representation. At least 6 persons appointed by the Governor shall be 60 years of age or older, 2 of whom shall be 65 years of age or older. Each must be a resident of the State of Alaska. Non-voting members include the Commissioners or their designees of the Dept. of Community and Economic Development, and the Dept. of Health and Social Services. Commission elects chair.

FUNCTION: Formulates a comprehensive statewide plan that identifies the concerns and needs of older Alaskans and prepares and submits to the Governor and Legislature an annual analysis and evaluation of the services that are provided to older Alaskans. Makes recommendations to the Governor and Legislature regarding legislation, regulations, and appropriations for programs or services that benefit older Alaskans. Encourages the development of programs and services which benefit older Alaskans, helping them to lead dignified, independent, and useful lives. Evaluates grant applications and makes grant awards under federal and state programs. Provides to the Alaska Mental Health Trust Authority recommendations concerning the integrated comprehensive mental health program for older Alaskans who suffer major mental illness as a result of senility (AS 47.30.056(b)(4)).

CHAIR: Commission selects.

SPECIAL FACTS: Serve at the pleasure of the Governor. Quorum - majority of voting members.
Meetings: four quarterly meetings per year

COMPENSATION: Standard Travel and Per Diem.

MEETINGS: At call of chair or majority of members; at least 4 times each year.

FOR FURTHER INFORMATION CONTACT:

Mr. Steve Ashman

Director

Alaska Commission on Aging

DHSS, P.O. Box 110680

Juneau, AK 99811-0680

Phone: (907) 465-3372, FAX: (907) 465-1170

Aging Commission Roster

Go to the Aging Commission Home page

State of Alaska

Office of Boards and Commissions Roster

AGING COMMISSION (071)

Member	Date Appointed	Reappointed	Term Expires
Frank B. Appel Public/Restricted 6424 Hampton Drive Anchorage, AK 99504	11/24/2003		9/1/2007
Steven P. Ashman Commissioner/Health and Social Services/or designee Division of Senior & Disability Services Alaska Department of Administration 3601 C Street, Suite 310 Anchorage, AK 99503-5984	7/29/2003		
Doris E. Bacus Public/Restricted 716 Mission Road Kodiak, AK 99615	9/20/1995	11/21/2000	9/1/2004
Ella H. Craig Pioneers' Homes Advisory Board Member 1416 Birchwood Street Anchorage, AK 99508	10/30/1998		
Jesse L. Gardner Public/Restricted 371 Ocean View Drive Anchorage, AK 99515	9/20/1995	10/10/2001	8/31/2004
Gene Kane Commissioner/DCED/or designee Division of Community Advocacy 550 West 7th Avenue, Suite 1770 Anchorage, AK 99501-3510	3/6/2003		
Daniel K. Karmun, Sr. Public/Restricted P.O. Box 819 Nome, AK 99762	9/20/1995	8/22/2001	8/31/2005
Betty (Elizabeth) Keegan Public/Restricted P.O. Box 1692 Wrangell, AK 99929	11/24/2003		9/1/2004
Banarsi Lal Public/Restricted 4532 Dartmouth Drive Fairbanks, AK 99709	6/5/2000	11/24/2003	9/1/2007
Ray Matiashowski Commissioner/Administration/or designee Department of Administration	3/5/2003		

PO Box 110200
Juneau, AK 99811-2000
Priscilla J. Thorsness
Public
2017 Crataegus Avenue
Anchorage, AK 99508

11/24/2003

9/1/2007

[Return to the fact sheet](#)

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HB394-DHSS-DAS-02-12-04
() Publish Date:

Revision Date/Time (Note if correction): 2/10/2004
Title EXTEND COMMISSION ON AGING

Dept. Affected: Health & Social Services
RDU Boards and Commissions
Component Commission on Aging

Sponsor HOLM
Requester HOUSE (STA)

Component No. 2674

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services	216.4	216.4	216.4	216.4	216.4	216.4
Travel	48.7	48.7	48.7	48.7	48.7	48.7
Contractual	80.3	80.3	80.3	80.3	80.3	80.3
Supplies	6.3	6.3	6.3	6.3	6.3	6.3
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	351.7	351.7	351.7	351.7	351.7	351.7
CAPITAL EXPENDITURES						
CHANGE IN REVENUES (0)						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	48.8	48.8	48.8	48.8	48.8	48.8
1037 GF/Mental Health	7.6	7.6	7.6	7.6	7.6	7.6
Other(1007 Interagency Receipts)	202.4	202.4	202.4	202.4	202.4	202.4
Other(1092 MHTAAR)	92.9	92.9	92.9	92.9	92.9	92.9
TOTAL	351.7	351.7	351.7	351.7	351.7	351.7

Estimate of any current year (FY2004) cost: 407.7

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time	2	2	2	2	2	2
Part-time	2	2	2	2	2	2
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The Alaska Commission on Aging (ACOA) is due to sunset on June 30, 2004. The ACOA is tasked with helping older Alaskans lead dignified, independent, and useful lives. ACOA is authorized to administer and coordinate state programs for older Alaskans and to administer federal programs funded under provisions of the Older Americans Act (OAA). The ACOA is required by federal regulations. Section 305 of the Older Americans Act requires each state to designate an agency as the sole state agency to 1) develop and administer a state plan and 2) coordinate all state activities related to the Older Americans Act and 3) serve as an effective and visible (continued on page 2)

Prepared by: Sherry Hill, Special Assistant
Division Office of the Commissioner
Approved by: Joel S. Gilbertson, Commissioner
Agency Department of Health and Social Services

Phone 465-1618
Date/Time 02/03/2004
Date 02/12/2004

FISCAL NOTE
FN #

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL NO. HB394-DHSS-DAS-02-12-04

ANALYSIS CONTINUATION

advocate for the elderly, and 4) distribute funds to individuals with the greatest economic or social need. The Department of Health and Social Services (DHSS) is designated as the sole state agency. The Division of Senior and Disabilities Services (DSDS) is responsible for coordinating all state activities and granting funds for older Alaskans. The ACOA has been charged with the responsibility of developing a state plan and working with the DSDS to implement the plan, and to serve as an effective advocate for the elderly. If the ACOA expires, the Department of Health and Social Services (DHSS) stands to lose \$13 million in federal dollars for senior services.

2/16/04

HOUSE STATE AFFAIRS COMTE

Ruth W. Sandvik Box 526

Petersburg AK

Thank you Representative

Holm for House Bill 394. Alaska

Commission on Aging needs to
be extended ad infinitum xThe need for its services is
expanding and vital to theAlaskan seniors. I have
been with the Petersburgprogram
~~contingent~~ since its inception.Sincerely Ruth Sandvik
member Mt. View ~~Area~~
Food Services Board.

2/16/04

House State Affairs Comte:


On ~~to~~ The Alaska State Commission On Aging

Comment:

I would like to impress upon you how important the food service is to our seniors.

Many of our participants are living on minimum Social Security incomes, and since the State has taken away their \$250 per month Longevity Bonus payments, the State Subsidy that is paid for the three meals per week that the Food Service provides is all the more important to their survival and health maintenance.

If the State can afford to build new roads and bridges to no where and new Ferry Systems that no one wants or needs, then surely the pitiful amount that is provided for the Food Service cannot be a financial burden, and should not be eliminated.


Arlene Otness,
MT. View Food Service
Board Member.

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DOCUMENT(S)
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FAIRBANKS LEGISLATIVE INFORMATION OFFICE
 119 N. CUSHMAN ST. SUITE 101
 FAIRBANKS, AK 99701

WRITTEN TESTIMONY TRANSMITTAL SHEET

TO:	Representative Bruce Weyhrauch	FROM:	Fran/Fbx LIO
COMMITTEE:	House State Affairs, Chair	DATE:	2/17/2004
FAX NUMBER:	465-2273		
PHONE NUMBER:	465-2820	FAXED ON:	2/17/2004
RE:	Written Testimony: HB 394	TELECONFERENCE ON:	2/17/2004

URGENT FOR REVIEW PLEASE COMMENT PLEASE REPLY PLEASE RECYCLE

NOTES/COMMENTS:

Written testimony for HB 394 heard before the HSTA committee, teleconference on 02/17/04. The original will be pouched to the committee chair.
 Fran/Fbx LIO

PHONE: 452-4448

FAX: 456-3316

**Alaska Commission on Aging Testimony
HB 394**

Good Morning.

My name is Denise Daniello and I reside at 3844 Ullrbahn Road, Fairbanks, Alaska. I serve as the executive director of the North Star Council on Aging, Senior Center in Fairbanks and want to speak in support of House Bill 394, to continue the Alaska Commission on Aging.

ACoA has been and continues to be a strong advocate for issues concerning Alaska senior citizens. It is the designated State agency that develops and administers the State Plan on Aging, in accordance with the provisions of the Older Americans Act. This commission also has the responsibility for planning and developing a comprehensive and coordinated system for the delivery of supportive services including multi-purpose senior centers, nutrition transportation, information/outreach, alzheimer's health care and other services for older adults. The Commission has also been a visible advocate for older individuals in Alaska.

We appreciate the valuable work the Alaska Commission on Aging has accomplished for Alaska senior citizens and support its continuation as an intact entity.

Thank you.



Alaska State Legislature

Please enter into the record my testimony to the HOUSE STATE AFFAIRS COMMITTEE
Committee name

Committee on HB 329 R.I.P. dated 2-17-04
Bill/Subject

IF THE EMPLOYEES WHO ARE TOPPED OUT ON THEIR SALARY SCHEDULES ARE GIVEN AN INCENTIVE TO RETIRE, I THINK MANY WILL. IF NEW EMPLOYEES ARE ADDED AT THE BOTTOM OF THE SALARY SCHEDULE, THIS SHOULD RESULT IN SAVINGS OF \$20,000 - \$30,000 PER EMPLOYEE PER YEAR.

Signed: BRUCE C. GUNDERSON *Bruce C. G.*
Testifier

Representing (Optional)
HC 89 BOX 621 WILLOW, AK 99688
Address
HM 907-733-2528 WK 907-733-2241
Phone number



Alaska State Legislature

Please enter into the record my testimony to the House State Affairs Committee
Committee name

Committee on HB 329 dated 2-17-04
Bill/Subject

Please consider HB329 as a way to decrease spending statewide. Many layoffs are now predicted. The passing of HB329 would relieve budgets across the state.

Thank you for listening.

Signed: Cathy Tsch
Testifier

Representing (Optional)
P.O. Box 155, Talkeetna, Alaska 99676
Address
(907) 733-2155
Phone number



February 9, 2004

The Honorable Bruce Weyhrauch, Chair
House State Affairs Committee
Alaska State Capitol, Room 102
Juneau, Alaska 99801-1182

Dear Chair Weyhrauch:

HB 394 (Holm)—Support

On behalf of the AARP members in Alaska, we encourage you and your colleagues on the House State Affairs Committee to support HB 394, sponsored by your Committee Vice-Chair, Jim Holm. HB 394 would extend the Alaska Commission on Aging until June 30, 2008.

Every state has a citizen advisory group that helps state government deal with the changing demographics of our aging society. Since 1990, Alaska has reversed the trend of retirees migrating "Outside" and, except for Nevada, Alaska now has the highest percentage of retirees who remain in their home state and do not relocate. Although our percentages are yet small, they reflect an "aging of Alaska" that will be similar to the other states of the Union.

There are many public policy issues, both opportunities and challenges, that come with this demographic trend. The Alaska Commission on Aging has for several years brought together some of our "best and brightest" minds to help our state deal with issues varying from housing to caregiving, from nutrition to long term care.

We need the Alaska Commission on Aging to continue its significant role in our State and for its citizens.

AARP recommends an "AYE" vote on HB 394.

If you have any questions about our position, please feel free to contact Marie Darlin, Coordinator of the AARP Capital City Task Force (907-586-3637); Patrick Luby, AARP Legislative Representative (907-762-3314); or me (907-245-5259).

Thank you for your consideration.

Sincerely,

Marguerite Stetson

Marguerite Stetson
AARP State Coordinator for Advocacy
3009 Northwood Street
Anchorage, Alaska 99517-1871
907-245-5259 (voice)
907-245-5279 (fax)
ffmas@aurora.uaf.edu

CC: Vice-Chair Holm
Representative Coghill
Representative Lynn
Representative Seaton
Representative Berkowitz
Representative Gr. enberg
Marie Darlin
Patrick Luby

February 13, 2004

Mr. James Holm
Fax: 465-2937

RE: Alaska Commission On Aging


Dear Mr. Holm:

I am writing to thank you for supporting HB 394, the continuance of ACoA until June, 2008.

As you are no doubt aware, ACoA advocates for seniors all over the State and has staunchly supported the provision of Home and Community based services for this silent minority. The Commission keeps abreast of program changes in the State and works closely with the Legislature vis a vis senior issues.

With the recent cuts of services to seniors, I believe it is critical that ACoA be allowed to continue as advocates for our senior citizens.

Sincerely,



Kathleen Evans, B.S.W.
Care Coordinator

February 13, 2004

Dear Representative Holm:

Thank you for your support of the Alaska Commission on Aging, please continue this by advocating that HB394 be approved.

The Alaska Commission on Aging assists seniors through state funded services to continue to live meaningful lives. The Commission provides support and services that enable seniors to remain in their homes and in their communities. These services promote health and well-being in our senior population

By supporting community-based services such as care coordination, respite and Adult Day Centers we are demonstrating that we value our seniors and their place in our communities.

Please continue your support for the Alaska Commission on Aging.

Sincerely,



Shelly Carlson
288 E. Birch Hill
Fairbanks, AK 99706

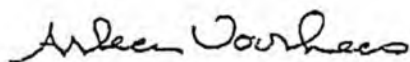
February 13, 2004

Dear Representative Holm:

Thank you for sponsoring HB394. Your lead supporting the Alaska Commission on Aging is a true sign of your commitment to your community. This entity is very important and pertinent to all communities in Alaska. The signs of the times are not encouraging for services that are critical for improving the lives of our seniors. With this commission we can assure our seniors will be cared for with dignity. We must continue to support the provisions that are in place.

Your efforts are truly appreciated.

Sincerely,



Arleen Voorhees
400 Spruce St
Fairbanks, AK 99709

February 13, 2004

Dear Representative Holm:

Congratulations and thank you for taking the lead in supporting the Alaska Commission on Aging. It is imperative that HB394 be approved. This commission is an extremely important entity, especially in these times of major change. The commission was established to ensure the dignity and independence of this state's seniors and to assist them, through state funded services, to lead useful and meaningful lives. Some of the goals include:

- 1) providing support and services to enable them to remain in their own homes and communities;
- 2) promoting health and well-being;
- 3) ensuring adequate training and professional development of service providers resulting in competent delivery of services to seniors; and
- 4) providing opportunities to facilitate maximum mutual benefit and harmony between generations.

Home and community-based services such as care coordination, in-home respite and Adult Day Centers are absolutely critical to helping seniors. The continued provision of these services are being threatened. Reduction of these services will be devastating to our elderly and ultimately more costly to the state of Alaska as placement in assisted living homes and nursing homes will become necessary for many.

Again, my thanks, Jim, for your support of the continuance of this commission.

Sincerely,



Brenda VonBrach
P.O. Box 60749
Fairbanks, Alaska 99706

2/16/04

I am one of the four employees for Mountain View Food Service in Petersburg. We serve 30-40 dinners to the Senior Citizens 3 nights a week. About 1/2 that number are home delivered meals, to people who have come to depend on us. I have looked for this program for the last 10 yrs and I am dependant on this job. I would hate to see us lose funding for our program here in Petersburg. I love my job and the service we are able to provide to our seniors. Many times our clients have said "I don't know what we would do without you and the dinners" We need to keep our program going for our seniors.

Thank You,

Darnell Wilton

Alaska Commission on Aging State Plan for Services 2004 - 2006

The Alaska Commission on Aging (ACoA)

"... to ensure dignity and independence for Alaska's seniors and to assist them, through programs and services funded by the Commission, to lead useful and meaningful lives."

The Alaska Commission on Aging, located in the Department of Health and Social Services, consists of eleven members, nine of whom are voting members (AS 44.21.200, as amended by Executive Order 108):

- Seven voting public members appointed by the Governor who serve four-year terms;
- Chairman of the Pioneers' Homes Advisory Board, a voting member;
- Commissioner of the Department of Health and Social Services, or designee, a voting member;
- Commissioners of the Departments of Administration and Community and Economic Development or designee, non-voting members.

Director, Division of Senior and Disabilities Services: Steve Ashman

Address: Division of Senior and Disabilities Services, P.O. Box 110680, Juneau, AK 99811-0680

Phone: (907) 465-3165

Fax: (907) 465-4716

Executive Director, Alaska Commission on Aging: Vacant

Address: Alaska Commission on Aging, P.O. Box 110693, Juneau, Alaska 99811-0693

Phone: (907) 465-3250

Fax: (907) 465-1398

Purpose of the State Plan

States receiving federal Older Americans Act funds are required to develop and publish a State Plan for Services. As required by law, the plan describes how states propose to use federal Older Americans Act funds to provide senior services. The Administration on Aging, within the federal Department of Health and Human Services, approves the plans. In addition to describing its use of federal funds, the Alaska Commission on Aging plan describes how state funds for senior services will be used and outlines a direction and goals for the future. This plan will serve for the period from June 14, 2004 to June 13, 2006.

Public Comment

The Alaska Commission on Aging made a concerted effort to solicit and incorporate public input in the development of this plan. The Commission routinely invites public comment at its meetings and reaches out to local government senior advisory boards and commissions for consultation. Commission staff regularly engages with grantee agencies regarding emerging issues and dynamics affecting older Alaskans. The information and perspective drawn from these

discussions has been valuable in the development of this plan. To ensure that the development of the State Plan for Services received visibility and focused public input, the Alaska Commission on Aging and staff held public hearings in January in Juneau, Anchorage, Fairbanks and during its February 2003 Commission meeting in Juneau. In addition, public comments were accepted via teleconference at each of the public hearings. Selected sections of the draft state plan were published in the December 2002 issue of *Senior Voice* newspaper and multiple public notices were issued in the Juneau, Anchorage, and Fairbanks newspapers as well as on the State of Alaska Online Public Notice system. Title VI grantees (see Appendix A) were notified and invited to participate in the public hearings. Overall, comments were accepted from November 1, 2002 to February 20, 2003 by e-mail, fax, phone, and in person. Collectively participants from many Alaskan communities were involved in the review and comment regarding this plan (see Appendix E).

Writing the Plan

The Plan was produced by the work of ACoA staff. Contributors include Ingrid Zaruba, Research Analyst with the Alaska Department of Labor and Workforce Development; Jim B. McCall, Housing Relations Manager/Mortgage Operations with the Alaska Housing Finance Corporation; Division of Health and Social Services staff; and Division of Senior Services staff. Special thanks to Rebecca E. Braun, Editor and Mary Ann Gosling, project lead.

Alaska State Plan on Aging

Overview

According to recent Census data, there are approximately 53,000 seniors aged 60 and older in the State of Alaska. Seniors make up about 8% of the total state's population. The senior population is estimated to double by 2010 and triple by 2025. A majority of the seniors from the Baby Boomer generation will begin leaving the workforce and retiring beginning in 2006. Each of us confronts the question: how do we fully realize our potential and sustain our independence in the later years of our lives? The Alaska Commission on Aging engages Alaskans from across the state to ask these questions and work together to answer them. In turn the Commission advocates for state policy, public and private partnerships, state/federal projects and citizen involvement that assists each of us to age successfully in our home community, or as close to home as feasible. Our work involves planning, advocacy, and interagency collaboration on issues affecting older Alaskans. The Commission was established under AS 44.21.200 in 1982. It is housed in the Alaska Department of Health and Social Services, Boards and Commissions. Increasingly, the Commission is called upon to advise the Division of Senior and Disabilities Services in its work, and to provide representatives to project workgroups convened by the Division.

The Commission has broad responsibilities. The Commission reaches out to inform Alaskans of the dramatic growth in the older Alaskan community. The Commission continues to expand this outreach and education with advocacy and service organizations statewide. The Commission also advises the Department in its direct grant work with local grantee agencies. These organizations generate additional monies to fully fund the cost of these vital services. Department grants are funded with a mix of monies from the Older Americans Act, the State of Alaska, and the Alaska Mental Health Trust Authority (AMHTA). Grant programs include Nutrition, Transportation and Support Services (hot meals, essential transportation and selective support services) and the Senior Community Service Employment program, funded through the federal Older Americans Act (OAA) and state monies. Home and Community-Based Services grants (care coordination, adult day services, in-home respite care, and related caregiver services) are funded by AMHTA, the Older Americans Act, and state funds. Senior Residential Services grants are supported solely by state monies. The Commission has a cooperative agreement with the Alaska Mental Health Trust Authority under which the Trust provides oversight and administrative support for Alaska's office of the Long-Term Care Ombudsman (LTCO). The Commission continues its working relationship with the LTCO office, and will annually transfer Older Americans Act funding for operation of the LTCO to the Trust, as well as any OAA increases earmarked for LTCO programs. The Commission will continue to receive regular LTCO reports regarding the work of the office, trends and emerging issues, and to get their input regarding legislation affecting the safety and well-being of Alaskans age 60+ receiving long-term care.

Eleven Alaskans sit on the Commission: seven are gubernatorial appointees who serve four-year terms. The additional four members are the commissioners of the Departments of Administration, Health and Social Services, and Community and Economic Development, or

their designees, and the Chair of the Pioneers' Homes Advisory Board. Current commissioners are:

Banarsi Lal, (Chair) Fairbanks
Dan Karmun, Nome
Jesse Gardner, Anchorage
Doris Bacus, Kodiak
Frank B. Appel, Anchorage
Elizabeth Keegan, Wrangell
Priscilla J. Thorsness, Anchorage

Ray Matiashowski, Deputy Commissioner,
Department of Administration, Juneau
Steve Ashman, Department of Health and Social
Services, Designee, Juneau
Gene Kane, Department of Community and
Economic Development, Designee
Ella Craig, Chair, Pioneers' Homes Advisory
Board, Anchorage

HB

399

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION
OFFICE OF THE COMMISSIONER

FRANK H. MURKOWSKI, GOVERNOR
410 Willoughby Ave., Ste 303
Juneau, AK 99801-1795
PHONE: (907) 465-5065
FAX: (907) 465-5070
<http://www.state.ak.us/dec/>

February 6, 2004

The Honorable Bruce Weyhrauch
Chair, House State Affairs Committee
State Capitol, Room 102
Juneau, Alaska 99801

Dear Representative Weyhrauch:

The Department of Environmental Conservation respectfully requests your consideration in scheduling a hearing for HB 399, an Act "Relating to certain fees of the Department of Environmental Conservation and actions relating to permits for nonpayment of permit fees," before the House State Affairs Committee at your earliest convenience.

This bill amends existing statutory fee authority to allow DEC to recover the estimated actual costs of services provided for a pesticide registration program; seafood food/safety laboratory services; and contingency plan review and financial responsibility for non-crude oil operations. The bill also eliminates the prohibition on including travel costs in the estimated actual costs for services, and adds late fee and permit revocation for nonpayment authority.

HB 399 has an associated fiscal note that reflects the fund source changes from general fund and Oil and Hazardous Substance Release Prevention and Response funds to general fund program receipts, and no additional expenditure authority.

Kristin Ryan, Director of the Division of Environmental Health, can provide you with any additional information you might require regarding this bill. You can contact Ms. Ryan at 269-7645, or Melanie Lesh, the department's legislative liaison, at 465-5290. Thank you for your consideration.

Sincerely,



Ernesta Ballard
Commissioner

cc: Kristin Ryan, Environmental Health, DEC



Governor's transmittal letter dated January 22, 2004

Dear President Therriault:

Under the authority of article III, section 18, of the Alaska Constitution, I am transmitting a bill relating to the fee authority of the Department of Environmental Conservation (DEC) AS 44.46.025. The bill would require a variety of persons benefiting from DEC's services to contribute toward the costs of providing those services.

This bill would expand DEC's authority to collect fees for services relating to pesticides under AS 46.03. Unlike most states, DEC does not have statutory authority to charge fees for its pesticide-related services. DEC provides services such as certifying applicators, issuing permits for pesticide application, and registering pesticides.

Similarly, this bill would grant DEC authority to collect fees for services provided through the state seafood and food safety laboratory. The seafood and food safety laboratory provides a myriad of services to certain users and the general public. Such services include testing crab, geoducks, and other shellfish for toxins before sale, testing local dairy products before sale to schools and the military, testing food products for the presence of harmful bacteria, and performing nutritional analyses.

This bill would require non-crude oil operators to contribute towards DEC's costs for reviewing, commenting upon, approving, and retaining oil discharge prevention and contingency plans and proof of financial responsibility. Non-crude operators include operators of: oil terminal facilities; oil barges; tank vessels; nontank vessels; and railroad tank cars that store or transport petroleum products derived from crude oil. Currently, only crude oil operators contribute towards DEC's costs for handling oil discharge prevention and contingency plans and proof of financial responsibility through the oil conservation surcharge on crude oil production in AS 43.55.300.

Both types of operators, non-crude and crude, derive a benefit from DEC's services. They should both contribute to the cost of maintaining the State of Alaska's oil spill safety net. The fee amount would be limited to recovering DEC's applicable direct costs associated with oil discharge prevention and contingency plans and proof of financial responsibility.

This bill would also authorize DEC to include travel costs in determining the amount of a fee and to assess late fees against a person for failing to pay amounts owed DEC. The late fees would be assessed on a monthly basis until the amount due is paid. The late fees would be adopted by DEC as fixed fees and may not exceed DEC's estimated average reasonable costs in collecting unpaid and late monetary charges. Under proposed AS 44.46.027, DEC would periodically review regulations adopted under that section, to identify any changes in the average actual cost of collecting unpaid and late monetary charges and, by regulation, adjust the late fees accordingly. After 30 days' written notice to the person, DEC could revoke or refuse to issue, modify, amend, or renew permits, approvals, or any other DEC authorization until payment is made to the department.

I urge your prompt and favorable action on this measure.

Sincerely yours,

/s/

Frank H. Murkowski
Governor

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 399
(H) Publish Date: 1/28/04

Revision Date/Time (Note if correction): _____ Dept. Affected: Environmental Conservation
Title Relating to fees for the DEC RDU Multiple
Component Commissioner's Office
Sponsor Rules by Request
Requester Governor Component No. 633

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
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 ()	0.0	541.1	653.5	653.5	653.5	653.5
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	(68.9)	(68.9)	(68.9)	(68.9)	(68.9)
1004 GF	0.0	(262.2)	(374.6)	(374.6)	(374.6)	(374.6)
1005 GF/Program Receipts	0.0	465.1	577.5	577.5	577.5	577.5
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0
1052 Response Fund	0.0	(206.8)	(206.8)	(206.8)	(206.8)	(206.8)
1156 Receipt Supported Services	0.0	72.8	72.8	72.8	72.8	72.8
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

See Attached

Prepared by: Kristin Ryan, Director
Division: Environmental Health
Approved by: Kurt Fredriksson
Agency: Department of Environmental Conservation

Phone 269-7644
Date/Time 1/26/04 12:33 PM
Date 1/26/2004

FISCAL NOTE #1

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL NO. HB 399

ANALYSIS

This bill amends existing fee authority to allow DEC to recover the estimated actual costs of services provided for a pesticide registration program; seafood food/safety laboratory services; and contingency plan review and financial responsibility for noncrude oil operations. The bill also eliminates the prohibition on including travel costs in the estimated actual costs for services, adds late fee and permit revocation for nonpayment authority, and results in fund source changes from general fund or the Response Fund to general fund program receipts.

FY2006

RDU: Environmental Health

Component: All

Page 1, line 10. Removing the travel cost recovery prohibition in AS 44.46.025(a) will allow the department to recover costs from ongoing inspection and permit related activities. Estimated average costs that can be recovered, assuming field travel and associated per diem for inspections, not including complaint investigation, or non-fee generating travel, is \$90.0 beginning in FY2006. The programmatic breakdown for travel cost recovery and associated general fund replacement is:

Food Safety Program (RSS)	\$ 72.8
Laboratory Services (GFPR)	\$ 6.5
Drinking Water (GFPR)	<u>\$ 10.7</u>
	\$ 90.0

RDU: Environmental Health

Component: Laboratory Services/Pesticide Program

Page 2, line 14. Subsection (8) allows the department to recover direct costs from ongoing pesticide registration program activities. DEC will charge \$40.00 per pesticide brand registered beginning in FY2006. Fees will replace current general funds used to match the federal pesticide grant (\$68.9), and will replace general funds (\$59.9) for a position that processes registrations for manufacturers and suppliers of 5,500 pesticide brands sold in Alaska. Assumptions include a 40% reduction in the potential number of registrations, generating approximately \$132.0 annually.

RDU: Environmental Health

Component: Laboratory Services/Seafood Food Safety Lab

Page 2, line 15. Subsection (9) allows the department to recover program costs relating to services provided by the state seafood and food safety laboratory. SB 215 authorized the construction of a new seafood food safety lab. A move in date of July, 2005 with full operation by mid-FY2006 is expected. FY2006 revenue projections for testing drinking water and shellfish toxins for one half year is \$112.3. These receipts will double with the full year of operations in FY2007.

RDU: Spill Prevention and Response

Component: Industry Preparedness

Page 2, line 16. Subsection (10) allows the department to recover estimated actual costs relating to the ongoing Plan Review for Oil Discharge Prevention and Contingency Plans (C-Plans) for noncrude oil operations and the related C-Plan Financial Responsibility requirement.

Financial responsibility applications: 980 per year at \$150 per application = \$147,000

Nontank vessel contingency plans: 128 per year at \$250 per application = \$32,000

Other operator contingency plans - new applications: 10 per year at \$1,000 each = \$10,000

Other operator contingency plans - significant amendments: 10 per year at \$500 each = \$5,000

Other operator contingency plans - renewal applications: 17 per year at \$750 each = \$12,750

Current funding source for these activities is the Oil and Hazardous Substance Release Prevention and Response Fund. Fee revenues would replace expenditures from this funding source. Fees would be assessed beginning in FY2006. Total fund source change resulting from the noncrude C-Plan review and financial responsibility requirements is \$206.8.

FISCAL NOTE #1

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL NO. HB 399

ANALYSIS (cont.)

RDU: Air & Water Quality

Component: Water Quality

Page 3, line 9. Adds a new section in AS 44.46 allowing the department to assess late fees against a person who has failed to pay monetary charges. The section also allows the department to revoke or refuse to issue a permit or approval until payment of the charge is made. In 2002-2003 there were over 650 statements for past due balances. With statutory authority to compel clients to pay late fees on outstanding balances we estimate that the number of subsequent statements billed would be reduced by 75% and view the late fee as a deterrent to growing delinquent accounts along with the ability to revoke or refuse to issue authorization for nonpayment. At an average cost per statement of \$14.64 we expect late fees to be minimal and have not included them as a new revenue source.

FISCAL NOTE #1

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL NO. HB 399

ANALYSIS CONTINUATION

FY2006 Impacts to Funding by Section

FUND SOURCE	EH Travel	EH Lab Pesticides	EH Lab Fees	SPAR C-Plans	AWQ-WQ	Total
1002 Federal Receipts						0.0
1003 GF Match		(68.9)				(68.9)
1004 GF	(90.0)	(59.9)	(112.3)			(262.2)
1005 GF/Program Receipts	17.2	128.8	112.3	206.8		465.1
1037 GF/Mental Health						0.0
1052 Response Fund				(206.8)		(206.8)
1156 Receipt Supported Services	72.8					72.8
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

	EH Travel	EH Lab Pesticides	EH Lab Fees	SPAR C-Plans	AWQ-WQ	Total
Revenues	96.0	132.0	112.3	206.8		541.1

FY2007 and Out Years
Impacts to Funding by Section

FUND SOURCE	EH Travel	EH Lab Pesticides	EH Lab Fees	SPAR C-Plans	AWQ-WQ	Total
1002 Federal Receipts						0.0
1003 GF Match		(68.9)				(68.9)
1004 GF	(90.0)	(59.9)	(224.7)			(374.6)
1005 GF/Program Receipts	17.2	128.8	224.7	206.8		577.5
1037 GF/Mental Health						0.0
1052 Response Fund				(206.8)		(206.8)
1156 Receipt Supported Services	72.8					72.8
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

	EH Travel	EH Lab Pesticides	EH Lab Fees	SPAR C-Plans	AWQ-WQ	Total
Revenues	90.0	132.0	224.7	206.8		653.5

PSP Biotoxin fees

Washington doesn't charge per test, nor do they charge the recreational users for testing.

How it works in WA:

The department figured out how much of the lab testing was recreational vs. commercial. They came up with 37% commercial so that is the percentage of the PSP lab budget figure they used to recoup from the industry. Next, they determined which producers are the heavy testers and from that information the department created a two-tiered fee structure.

mom & pop ops are charged and annual fee of \$173.00/per year.

multi-million dollar shell shucker shipper/packers are charged \$1,189.00/per year.

This testing fee is in addition to a license fee of \$250/per year. This fee is currently undergoing some changes to benefit mom & pop ops. The reductions this group pays will be recouped in the lab testing fee structure.

Washington's program is in the second year of its existence and it works well. It came about in a budget bill and controversy quickly ensued. The department assumed that 10% of the businesses would drop out and they did. Now they are finding that the 10% loss is coming back online, however.

Alaska's issues are slightly different in that we are just starting to develop this new industry. Washington's industry was well-established when they kicked in fees for PSP biotoxins. Also of interest is the fact that California and Oregon do not charge, because their shellfish harvesting industries are very fledgling say the Washington official. However, the fact that they don't test might also be attributed to the fact that biotoxin testing is good public health policy and isn't that the role of government?

Sorry about
the delay -
It took some time
to find the woman
and then catch up to
her in phone tag.
This was completed
yesterday a.m.
I know the bill is
sitting

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES



Washington State Department of

Health

Office of Food Safety & Shellfish Programs

Shellfish Operation Licensing & PSP Fees

EFFECTIVE August 16, 2002

Shellfish Operators must pay both an annual certification fee and an annual PSP fee.

Annual certification (license) fee:

<u>Type of Operation:</u> *	<u>Fee:</u>
Harvester	\$ 250.00
Shellstock Shipper:	
0-49 Acres	\$ 282.00
50 or greater acres	\$ 452.00
Scallop Shellstock Shipper	\$ 282.00
Shucker-Packer:	
Plants with floor space < 2000 sq. ft.	\$ 514.00
Plants with floor space 2000 - 5000 sq. ft.	\$ 622.00
Plants with floor space > 5000 sq. ft.	\$ 1,147.00

Annual PSP fee: **

<u>Type of Operation:</u>	<u>Number of Harvest Sites:</u> ‡	<u>Fee:</u>
Harvester	2 or less	\$ 173.00
	3 or more	\$ 259.00
Shellstock Shipper (0 - 49 acres).....	2 or less	\$ 195.00
	3 or more	\$ 292.00
Shellstock Shipper (50 or greater acres)	N/A	\$ 468.00
Shucker-Packer (plants <2000 sq ft)	2 or less	\$ 354.00
	3 or more	\$ 533.00
Shucker-Packer (plants 2000-5000 sq ft)	2 or less	\$ 429.00
	3 or more	\$ 644.00
Shucker-Packer (plants >5000 sq ft)	N/A	\$ 1,189.00

‡ Two or more contiguous parcels with a total acreage of one acre or less is considered one harvest site.

See reverse for definitions and instructions

*** Type of operations are defined as follows:**

- A. **"Shellstock Shipper"** shall mean shippers growing, harvesting, buying or selling shellstock. Shellstock shippers are not authorized to shuck shellfish or to repack shucked shellfish.
- B. **"Shucker-Packer"** shall mean shippers shucking and packing shellfish. A shucker-packer may act as a shellstock dealer.
- C. **"Harvester"** shall mean a commercial shellfish operation with activities limited to harvesting shellstock, and shipping and selling it within Washington State to shellfish dealers licensed by the department. Harvesters do not shuck shellfish; repack shucked shellfish; repack shellstock; or store shellstock in any location other than the approved growing area where the shellstock was harvested.

**** PSP fees do not apply to the following:**

- ◆ Companies that are exclusively wholesalers, i.e., perform no harvesting (operations are limited to purchasing and selling).
- ◆ Companies that exclusively harvest subtidal geoduck from Department of Natural Resources tracts (Department of Natural Resources pays these fees for non-tribal harvesters).

Please submit all application forms and total fee payment (check, draft or money order made payable to the Department of Health) to the following address:

**DEPARTMENT OF HEALTH
REVENUE DEPARTMENT
PO BOX 1099
OLYMPIA WA 98507-1099**