

ALASKA LEGISLATURE COMMITTEE FILES, 2003-2004 8672

11055 HOUSE STATE AFFAIRS

listed on the ballot and any interim election year; and [1999, c. 450, §1 (amd).]

C. Its candidate for Governor or for President polled at least 5% of the total vote cast in the State for Governor or President in either of the 2 preceding general elections. [1999, c. 450, §1 (amd).]

D. [1999, c. 450, §1 (rp).]

Each state party committee must file a statement with the Secretary of State on or before March 20th certifying that the party has held the municipal caucuses required by paragraph A. The statement must be signed by the party chair or the chair's designated agent.

[1999, c. 450, §1 (amd).]

2. General election. A party which qualifies under subsection 1 to participate in a primary election must, in that same year, hold a state convention as prescribed by Article III in order to have the party designation of its candidates printed on the ballot in the general election of that year. [1985, c. 161, §6 (new).]

## MARYLAND

"Majority party" means the political party to which the incumbent Governor belongs, if the incumbent Governor is a member of a principal political party. If the incumbent Governor is not a member of one of the two principal political parties, "majority party" means the principal political party whose candidate for Governor received the highest number of votes of any party candidate at the last preceding general election.

Md. Code Ann., [Election Law] § 4-102 (2003)

(a) Any group of registered voters may form a new political party by:

(1) filing with the State Board on the prescribed form a petition meeting the requirements of subsection (b) of this section and of Title 6 of this article; and

(2) adopting and filing an interim constitution and bylaws in accordance with subsection (e) of this section.

(b) (1) The petition shall state:

(i) the partisan organization's intent to organize a State political party;

(ii) the name of the partisan organization;

(iii) the name and signature of the State chairman of the partisan organization; and

(iv) the names and addresses of 25 registered voters, including the State chairman, who shall be designated as constituting the initial governing body of the partisan organization.

(2) (i) Appended to the petition shall be papers bearing the signatures of at least 10,000 registered voters who are eligible to vote in the State as of the first day of the month in which the petition is submitted.

(ii) Signatures on the petition must have been affixed to the petition not more than 2 years before the filing date of the last qualifying signature.

(c) (1) Except as provided in paragraph (2) of this subsection, a petition for the formation of a new political party, or any additional signatures to a petition, may be filed at any time.

(2) A petition for the formation of a new political party, or any additional signatures to a petition, may be filed:

(i) in the year of an election at which the President is elected except:

1. during the period of time that registration is closed before and after a primary election in accordance with § 3-302(a) of this article; and

2. after the first Monday in August until registration reopens after the general election in accordance with § 3-302(a) of this article;

(ii) in the year of an election at which the Governor is elected, except after the first Monday in August until registration reopens after the general election in accordance with § 3-302(a) of this article; or

(iii) when a special primary election and a special election are proclaimed by the Governor in accordance with § 8-710 of this article except:

1. after the fifth Monday before the special primary election through the tenth day following the special primary election; and
2. after the fifth Monday before the special election through the fifteenth day following the special election.

(d) (1) (i) If the petition is certified under Title 6 of this article, the State Board shall promptly notify the State chairman of the partisan organization.

(ii) Upon the filing of a constitution and bylaws with the State Board by a partisan organization in accordance with subsection (e) of this section, the State Board shall:

- i. review the constitution and bylaws to determine whether the constitution and bylaws meet the requirements of subsection (e) of this section; and
2. if the constitution and bylaws meet the requirements of subsection (e) of this section, promptly notify the partisan organization designated in the petition that it is considered a State political party for the purposes of this article.

(2) If the petition does not meet the requirements of this section and of Title 6 of this article:

- (i) the State Board shall declare the petition insufficient;
- (ii) the partisan organization is not a State political party for the purposes of this article; and
- (iii) the State Board shall promptly notify the State chairman of the partisan organization.

(e) (1) The constitution and bylaws of a new political party shall:

- (i) comply with the requirements of § 4-204 of this title; and
- (ii) be adopted by the individuals designated in the petition as the initial governing body at an organizational meeting held within 90 days after the date of the filing of the last qualifying signature on its petition.

(2) The individual designated in the petition as the State chairman of the political party shall convene the organizational meeting under paragraph (1)(ii) of this subsection and shall preside as president pro tem of the meeting until party officers are elected.

(f) Unless a new political party is required to hold a primary election to nominate its candidates under Title 8 of this article, the new political party may nominate its candidates by:

- (1) petition in accordance with Title 5 of this article; or
- (2) if at least 1% of the State's registered voters, as of January 1 in the year of the election, are affiliated with the political party, convention in accordance with rules adopted by the political party.

§ 4-103.

(a) (1) Unless extended pursuant to paragraph (2) of this subsection, a new political party shall retain its status as a political party until December 31 in the year of the second statewide general election following the party's qualification under § 4-102 of this subtitle.

(2) The political party shall retain its status as a political party through either of the following:

(i) if the political party has nominated a candidate for the highest office on the ballot in a statewide general election, and the candidate receives at least 1% of the total vote for that office, the political party shall retain its status through December 31 in the year of the next following general election; or

(ii) if the State voter registration totals, as of December 31, show that at least 1% of the State's registered voters are affiliated with the political party, the political party shall retain its status until the next following December 31.

(b) The State Board shall promptly notify the State chairman of a group that loses its status as a political party.

(c) A group that loses its status as a political party may regain that status only by complying with all the requirements for qualifying as a new party under § 4-101 of this subtitle.

# UTAH

## TITLE 20A. ELECTION CODE CHAPTER 8. POLITICAL PARTY FORMATION AND PROCEDURES PART 1. FORMATION OF POLITICAL PARTIES RECOGNIZED BY THE STATE

Utah Code Ann. § 20A-8-101 (2003)

### Definitions

As used in this chapter:

(1) "Continuing political party" means an organization of voters that participated in the last regular general election and polled a total vote for any of its candidates for any office equal to 2% or more of the total votes cast for all candidates for the United States House of Representatives.

(2) "County political party" means, for each registered political party, all of the persons within a single county who, under definitions established by the county political party, are members of the registered political party.

(3) "Newly registered political party" means a statewide organization of voters that has complied with the petition and organizing procedures of this chapter to become a registered political party.

(4) "Registered political party" means an organization of voters that:

(a) participated in the last regular general election and polled a total vote for any of its candidates for any office equal to 2% or more of the total votes cast for all candidates for the United States House of Representatives; or

(b) has complied with the petition and organizing procedures of this chapter.

(5) "State political party" means, for each registered political party, all of the persons in Utah who, under definitions established by the state political party, are members of the registered political party.

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA  
THIRD JUDICIAL DISTRICT

THE GREEN PARTY OF ALASKA,  
Plaintiff,

vs.

THE STATE OF ALASKA, DIVISION  
OF ELECTIONS, and LAURA GLAISER,  
Director of the Division of Elections,  
Defendants.

Case No. 3AN 03-9936 CI

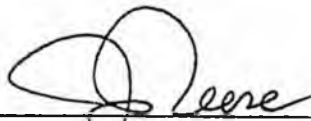
**PRELIMINARY INJUNCTION**

Defendant is enjoined from denying plaintiff, The Green Party of Alaska, the benefits of political party status as set out in AS 15.25.030, AS 15.25.140 and AS 15.60.010(21).

No bond is required for this preliminary injunction.

This injunction will remain in force until the earlier of (a) the general election in November 2004; (b) the legislature corrects the problems with party eligibility in the statutes; or (c) further order of this court.

DATED at Anchorage, Alaska this 3<sup>rd</sup> day of November, 2003.



JOHN REESE  
Superior Court Judge

I certify that on 11/10/03 a copy  
of the above was mailed to each of the  
following at their address of record:  
Morford/AG (Felix)

RP Adkins  
Administrative Assistant

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA

THIRD JUDICIAL DISTRICT

THE GREEN PARTY OF ALASKA,

Plaintiff,

vs.

THE STATE OF ALASKA, DIVISION OF  
ELECTIONS, and LAURA GLAISER,  
Director of the Division of Elections,

Defendants.

Case No. 3AN 03-9936 CI

ORDER

**I. Introduction**

The Green Party of Alaska ("Green Party") is seeking a preliminary injunction against the State to receive treatment as a political party defined in AS 15.60.010(21). The State opposes the motion arguing that the Green Party does not satisfy the requirements to receive the injunction. The motion should be granted.

**II. Facts**

In 1990, Green Party gubernatorial candidate Jim Sykes received over 3% of the votes. After that election, the Green Party was deemed a "political party" by the State pursuant AS 15.60.010 (21). Green Party candidates continued to receive at least 3% of the vote in gubernatorial races through 2002, so the organization maintained its political party status. In 2002, Diane Benson ran for governor as a Green Party candidate and received less than 3% of the vote. After the 2002 election, the Green Party was no

longer considered a political party by the State. In 2002, two other Green Party candidates ran for federal positions—U.S. Representative and U.S. Senator—and each candidate received over 6% of the vote.

The Green Party filed a suit against the state alleging its equal protection rights are being violated and seeking a declaratory judgment that it is unconstitutional to deny political party status to the Green Party while granting that status to other political organizations. Because the adjudication of the underlying claims may continue through the next election (or at least through the important deadlines), the Green Party currently seeks a preliminary injunction so it can plan its political campaign accordingly.

#### Discussion

A political party is defined as:

[A] group of organized voters that represents a political program and that either nominated a candidate for governor who received at least three percent of the total votes cast for governor at the preceding general election or has registered voters in the state equal in number to at least three percent of the total votes cast for governor at the preceding general election.

AS 15.60.010 (21). A political group is a group of organized voters with a political program that does not otherwise satisfy the requirement for political party. AS 15.60.010(20). Political groups that want to place a candidate on a ballot must first file a petition including an adequate number of signatures on the day of the primary election. AS 15.25.140-60. Political party candidates, to the contrary, do not have to gather voter signatures in order to be placed on the ballot. Instead, they must file a declaration of candidacy by June 1 of the year of the election. AS 15.25.030-04.

The plaintiff seeks a preliminary injunction to receive treatment as a political party despite its failure to satisfy AS 15.60.010 (21). The following is the applicable statutory standard for granting an injunction:

When it appears that (1) the plaintiff is entitled to the relief demanded, and the relief or any part of it includes restraining the commission or continuance of some act, the commission or continuance of which during the litigation would produce injury to the plaintiff; or (2) the defendant is doing, or threatens or is about to do, or is procuring or suffering to be done some act in violation of the plaintiff's rights concerning the subject of the action and tending to render the judgment ineffectual...

AS 09.40.230.

When ruling on whether to grant preliminary relief, the court must "avoid extensive involvement in the merits of the issues between the parties." *A.J. Industries v. Alaska Public Service Commission*, 470 P.2d 537,540 (Alaska 1970). When the party seeking relief will not be harmed by the injunction, that party must establish a clear showing of probable success before the injunction is granted. *Id.* However, when the party seeking the relief would be irreparably harmed and the opposing party can be adequately protected from harm, then the court must apply a "balance of hardships" approach. *State of Alaska v. Kluti Kaah Native Village of Copper Center*, 831 P.2d 1270 (Alaska 1992). The balance of hardships approach involves a three-part test:

(1) the plaintiff must be faced with irreparable harm; (2) the opposing party must be adequately protected; and (3) the plaintiff must raise 'serious' and substantial questions going to the merits of the case; that is, the issues raised cannot be 'frivolous or obviously without merit.'

*Id.* at 1273 (quoting *Messerli v. Dep't of Natural Resources*, 768 P.2d 1112, 1122 (Alaska 1989)).

Here, the plaintiff argues that it will be irreparably harmed if the injunction is not granted, so the balancing test applies. The defendant, however, argues that the plaintiff will not be irreparably harmed, so it must establish probable success on the merits. The determination of which test applies turns on whether the plaintiff will be irreparably harmed if the injunction is not granted.

Irreparable harm

An irreparable injury is an injury, regardless of its size, that cannot be reasonably redressed in a court of law. *Kluti Kaah*, 831 P.2d at 1273 n.5, citing Black's Law Dictionary, 786 (6th Ed. 1990). For purposes of the balancing test here, the injury must be established with substantial certainty.

The State argues that the plaintiff will not suffer any harm because it has sufficient time to register enough Green Party voters to be recognized as a political party in time for the primary. After the 2002 elections, the Libertarian party did exactly that after it had lost its party status.

The Green Party states that it has never been able to register enough voters to be recognized as a political party. Its only option, therefore, is to gather signatures in preparation of the 2004 election. The Green Party argues that if the injunction is not granted, the organization will be harmed because it will have to "jump through additional registration and petitioning hurdles," including gathering signatures. The Green Party will also be fiscally impaired because AS 15.13.070(b) significantly limits the amount of contributions that can be made to the organization if it is a political group instead of a political party. In addition, the plaintiff will not be able to participate in the primary, an event with great political value and media coverage.

Participation in a primary has great political value. As noted in *Vogler v. Miller*, 660 P.2d 1192 (Alaska 1983) ("*Vogler II*"), candidates that participate in primaries receive intense media coverage, whereas a candidate from a small party that is simply on the ballot will likely go unnoticed. *Id.* at 1194. The primary has been described as "one of the great drive engines of American politics." *Id.* (quoting T. White, *The Making of the President 1972*, 71 (1973)). The Green Party's absence from the primary may have a harmful effect on that party's recognition and future support. The Green Party has clearly made strides over the past twelve years by maintaining its party status and having two candidates for federal office receive over 6% of the vote. Precluding the Green Party from the primary, coupled with imposing limitations on its fundraising abilities will likely harm the party in a way that could not be compensable in a court of law.

Because the plaintiff will be irreparably injured if the injunction is not granted, the balance of hardship approach must be applied.

Adequate protection of the defendant

The injunction may only be granted if the State is adequately protected. The court must consider the clear ramifications of an injunction, including potential for similar actions by other parties seeking injunctive relief, and whether similarly situated parties would be treated differently. *See Kluti Kaah*, 831 P.2d at 1273. In *Kluti Kaah*, the superior court improperly granted an injunction to a Native Village without considering that other similarly situated Native Villages would seek the same relief. In fact, seven other Villages sought the same relief. The court is prohibited from treating similarly situated Villages differently. The purpose of the underlying restriction was to

increase the moose population, and granting all eight injunctions would not have adequately protected the state's interest in increasing the moose population.

The State argues that it will be harmed by the injunction because it will have to spend its limited funds for printing and computer programming associated with a candidate. In addition, the State argues that it has an interest in ensuring that the candidates on each ballot have a modicum of support by voters. Without that support, the voters will be subject to overcrowding and confusion. The Green Party argues that the amount of money the State would spend on printing is minimal and not enough to constitute harm and the Green Party has received sufficient support over the years to prevent voter confusion.

No evidence was presented that any other political organization is situated similarly to the Green Party.<sup>1</sup> Therefore, it does not appear that a similar injunction will be sought by other parties, overburdening the defendant. Over the past decade the State has absorbed the cost of having a Green Party candidate on the gubernatorial ballot. Including the Green Party in the upcoming primary will not be any different from previous races, thus not financially harming the State.

The State does have an interest to ensure parties with at least a modicum of support are on the ballot. *Vogler v. Miller*, 651 P.2d 1, 3 (Alaska 1982) ("*Vogler I*"). However, the Green Party has established a modicum of support by maintaining its political party status from 1990 to 2002 and by obtaining over 6% of the votes in the

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<sup>1</sup> The Republican Moderate Party also lost its party status after the 2002 election. However, no evidence has been presented that it has been recognized as a political party as long as the Green Party and that they received over 3% of the votes in the races for U.S. Representative and U.S. Senator.

most recent U.S. Senate and U.S. Representative races. The state's interest will not, therefore, be harmed by granting the preliminary injunction.

Serious and substantial question

The final question in the inquiry is whether the Green Party has raised a serious and substantial question that goes to the merits of the case. The plaintiff alleges that taken together, AS 15.60.010(21), 15.25.030, and 15.25.140 violate its equal protection rights under the state and federal constitutions. The plaintiff argues that it is situated similarly to organizations that are recognized as political parties because it has received more than 3% of the vote in a state-wide election and that depriving the plaintiff of its political party status because the requisite votes arose from candidates for federal positions instead of the candidate for governor is unconstitutional.

The Green Party did have a modicum of support during the 2002 election. Although the candidate for governor did not receive the requisite 3% vote, two other state-wide candidates did receive over 6% of the votes. Because such support for the Green Party does exist, the State may be treating the Green Party differently from other similarly situated political organizations in violation of the state and federal constitutions. This issue has yet to be litigated in Alaska courts. The Green Party, therefore, has raised a serious and substantial question that goes to the merits of the case and is not frivolous

**III. Conclusion**

Because the Green Party will be irreparably harmed, the State is adequately protected, and the Green Party presents a serious and substantial question, the motion

for a preliminary injunction is GRANTED.

It is so ORDERED.

DATED at Anchorage, Alaska this 30<sup>th</sup> day of October, 2003.



\_\_\_\_\_  
JOHN REESE  
Superior Court Judge

I certify that on 11/3/03 a copy  
of the above was mailed to each of the  
following at their address of record:

Morford (AG (Felix))

Genia Adnamsky  
\_\_\_\_\_  
Administrative Assistant

Kevin M. Morford, attorney at law  
P. O. Box 672263  
Chugiak, AK 99567  
(907) 688-5888  
Attorney for plaintiffs  
Alaska Bar No. 8406040

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J

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA  
THIRD JUDICIAL DISTRICT AT ANCHORAGE

THE GREEN PARTY OF ALASKA, )  
 )  
Plaintiff, )  
 )  
vs. )  
 )  
THE STATE OF ALASKA, DIVISION )  
OF ELECTIONS, and LAURA GLAISER )  
Director of the Division of Elections, )  
 )  
Defendants. )  
 )  
\_\_\_\_\_)  
STATE OF ALASKA )  
 ) ss  
THIRD JUDICIAL DISTRICT )

Case No. 3AN-03-9936 CI

AFFIDAVIT OF JIM SYKES

Jim Sykes, being first duly sworn, upon oath, deposes and says:

1. I am presently a co-chair of the Green Party of Alaska in the above captioned action, and I make this affidavit based upon my own personal knowledge.
2. I am presently deciding whether or not to run for statewide office in the 2004 primary and general elections in Alaska. If I do run, it will be as a candidate of the Green Party of

Alaska.

3. Until the court decides whether or not to grant the Green Party of Alaska's pending motion for a preliminary injunction in this lawsuit, it remains uncertain whether or not I will be required to gather signatures on a nominating petition, pursuant to AS 15.25.140 et seq., in order to be able to appear on the primary ballot, and (if I win in the primary election) the general election ballot. Knowing whether or not I will be required to gather signatures on a nominating petition would significantly change the timing and structure of my campaign. I would be reluctant to waste limited time and resources from my campaign seeking signatures on a nominating petition which could subsequently become unnecessary if the Green Party's motion for a preliminary injunction is granted.

4. The Green Party of Alaska is also currently suffering from the uncertainty of not having a decision from the court on the motion for a preliminary injunction. It will continue to be harmed by that uncertainty until the court is able to decide that pending motion. Because existing and ongoing interests of the Green Party of Alaska are presently being harmed, and because its potential candidates like me are also being harmed while the motion for preliminary injunction remains unresolved, I request that the court agree to decide the motion for a preliminary injunction on an expedited basis.

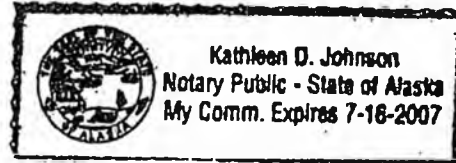
  
Jim Sykes

Subscribed and sworn to before me this 23 day of October, 2003.

*Kathleen D. Johnson*

Notary Public in and for Alaska

My Commission Expires: 7-16-2007



CERTIFICATE OF SERVICE

I certify that a copy of the foregoing document was sent by first class mail, postage paid, to Sarah J. Felix, attorney for defendants, on the 23<sup>rd</sup> day of October, 2003.

*Kevin M. Morford*

Kevin M. Morford

**HB**

**422**

**HOUSE COMMITTEE REPORT**

(7)

Date Referred to Committee: February 2, 2004

FURTHER REFERRALS: Finance

Date of Committee Action: March 5, 2004

The STATE AFFAIRS Committee considered:

HB 422

HOUSE BILL NO. 422

BUDGET RESERVE FUND INVESTMENT

"An Act repealing the special subaccount established in the constitutional budget reserve fund; relating to the powers of the Department of Revenue for the investment of amounts in the constitutional budget reserve fund; and providing for an effective date."

Recommends it be replaced with [ ] HCS or [  ] CS for HB 422 (STA)  
 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>REV</u>	<u>1</u>	<u>✓</u>		

<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
	<u>Matthew</u>	<input checked="" type="checkbox"/>			
	<u>SEATON</u>	<input checked="" type="checkbox"/>			
	<u>HOLLY</u>	<input checked="" type="checkbox"/>			
	<u>LYNN</u>	<input checked="" type="checkbox"/>			
Chair:	<u>Wynne</u>			<input checked="" type="checkbox"/>	
Chair:					

23-LS1527Q  
Cook  
3/4/04

**CS FOR HOUSE BILL NO. 422(STA)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-THIRD LEGISLATURE - SECOND SESSION**

**BY THE HOUSE STATE AFFAIRS COMMITTEE**

**Offered:**  
**Referred:**

**Sponsor(s): HOUSE FINANCE COMMITTEE**

**A BILL**  
**FOR AN ACT ENTITLED**

1 **"An Act repealing the special subaccount established in the constitutional budget**  
2 **reserve fund; and providing for an effective date."**

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

4 **\* Section 1.** AS 37.10.430(c) is repealed.

5 **\* Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to  
6 read:

7 **TRANSITION.** On July 1, 2004, the special subaccount investments established  
8 under AS 37.10.430(c), repealed by sec. 1 of this Act, merge with other assets of the budget  
9 reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) into a single account.

10 **\* Sec. 3.** This Act takes effect immediately under AS 01.10.070(c).

Alaska State Legislature  
House Finance Committee

REPRESENTATIVE  
BILL WILLIAMS

Co-Chair

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INTERIM ADDRESS

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Juneau, AK 99801-1182

Sponsor Statement for  
House Bill 422

An Act relating to the existence and management  
of the sub account in the Constitutional Budget Reserve Fund

House Bill 422 would repeal the Constitutional Budget Reserve (CBR) sub account and allow the entire CBR balance to be invested in fixed income securities along with the general fund and other non-segregated money.

In 2000, the legislature passed Senate Bill 312 that transferred \$400 million from the CBR into a separate sub account in an effort to obtain a higher yield by investing the funds with a long-term outlook. The legislation also directed the Commissioner of Revenue to assume that sub account funds will not be needed for at least five years.

However, current budget projections show the CBR being continually drawn down rather than being periodically increased to historically higher balances. While the CBR may extend beyond five years, a CBR balance of at least \$1 billion is needed to meet cash flow needs and prudent financial management given the state's dependence upon oil prices. HB 422 also repeals the five-year provision enacted by SB 312.

The almost certain continual decline in the CBR balance creates a compelling need for a more conservative asset allocation.

Additionally, HB 422 is a cost savings measure as the state would not incur the annual \$125,000 in sub account management fees.

Alaska State Legislature  
House Finance Committee

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MEMORANDUM

To: Representative Bruce Weyhrauch  
Chair, House State Affairs Committee

From: Representative Bill Williams, Co-Chair *Bill*  
Representative John Harris, Co-Chair *JH*  
House Finance Committee

Re: Hearing Request for HB 422- relating to the existence and management of the  
sub account in the Constitutional Budget Reserve Fund

Date: February 4, 2004

We request that you schedule House Bill 422, an act relating to the existence and management of the sub account in the Constitutional Budget Reserve Fund (CBR), for a hearing in your committee.

House Bill 422 would repeal the CBR sub account and allow the entire CBR balance to be invested in fixed income securities along with the general fund and other non-segregated money.

In 2000, the legislature passed Senate Bill 312 that transferred \$400 million from the CBR into a separate sub account in an effort to obtain a higher yield by investing the funds with a long-term outlook. The legislation also directed the Commissioner of Revenue to assume that sub account funds will not be needed for at least five years.

However, current budget projections show the CBR being continually drawn down rather than being periodically increased to historically higher balances. While the CBR may extend beyond five years, a CBR balance of at least \$1 billion is needed to meet cash flow needs and prudent financial management given the state's dependence upon oil prices. HB 422 also repeals the five- year provision enacted by SB 312.

If you have any questions, please contact House Finance staff James Armstrong at 3887.

BW:JH/jja

# FISCAL NOTE

**STATE OF ALASKA**  
**2004 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: HB422  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Revenue  
 Title Budget Reserve Fund Investment BRU Revenue Programs & Services  
 Component Treasury Management  
 Sponsor House Finance  
 Requester House State Affairs Component No. 121

**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	<125.0>	<125.0>	<125.0>	<125.0>	<125.0>	<125.0>
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>&lt;125.0&gt;</b>	<b>&lt;125.0&gt;</b>	<b>&lt;125.0&gt;</b>	<b>&lt;125.0&gt;</b>	<b>&lt;125.0&gt;</b>	<b>&lt;125.0&gt;</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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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 (Constitutional Budget Reserve Fund)	<125.0>	<125.0>	<125.0>	<125.0>	<125.0>	<125.0>
<b>TOTAL</b>	<b>&lt;125.0&gt;</b>	<b>&lt;125.0&gt;</b>	<b>&lt;125.0&gt;</b>	<b>&lt;125.0&gt;</b>	<b>&lt;125.0&gt;</b>	<b>&lt;125.0&gt;</b>

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

**ANALYSIS:** (Attach a separate page if necessary)

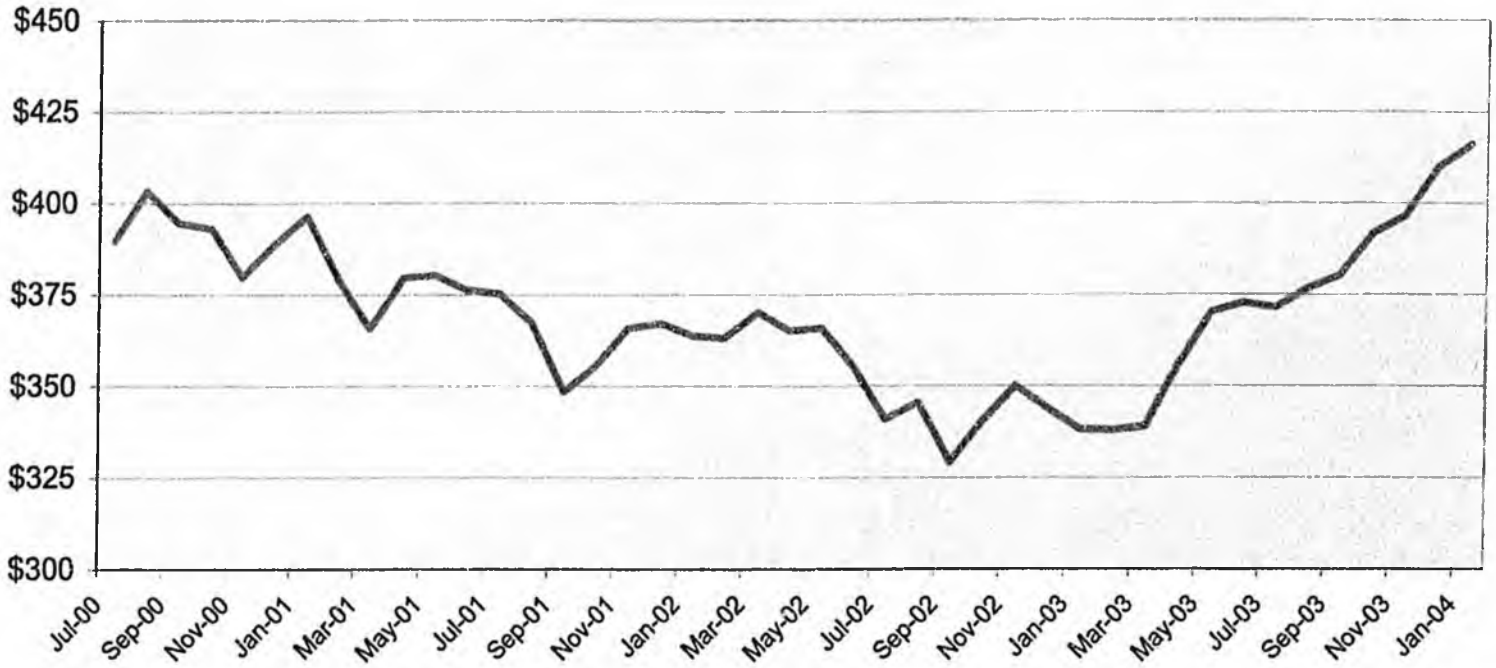
This legislation would eliminate the requirement to invest the CBRF subaccount in equity securities. Investing in equities requires contracting with investment managers. The current cost of the investment contracts is \$125.0 per year. These fees would no longer be required if this legislation passes.

The legislation would also require the CBRF to invest only in investment grade fixed income securities. Less diversification may result in lower investment returns if there is a substantial increase in equity prices. However, the decline in the CBRF fund balance creates a compelling need for a more conservative asset allocation to preserve the fund.

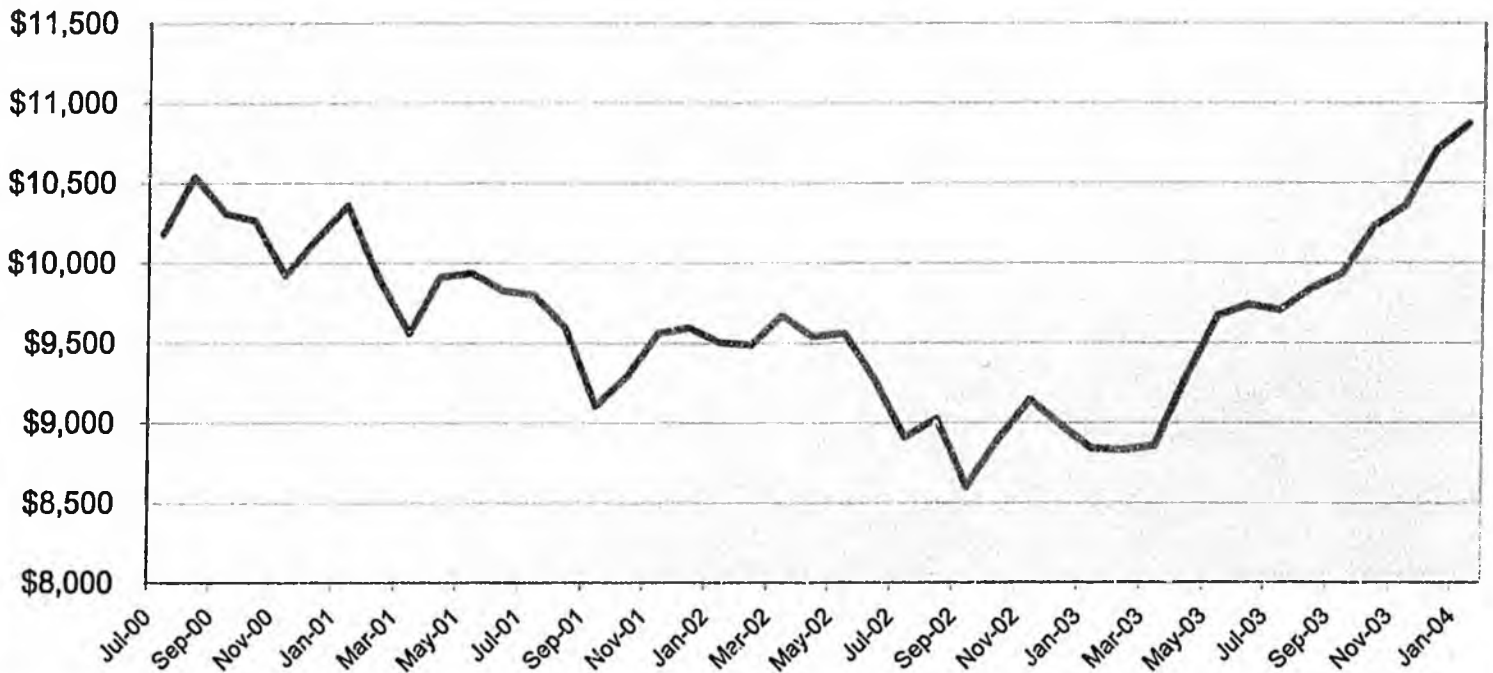
Prepared by: Gary Bader  
 Division: Treasury  
 Approved by: Tom Boutin  
 Agency: Department of Revenue

Phone 465-4399  
 Date/Time 2/9/04 9:45 AM  
 Date 2/9/2004

**CBR Subaccount Monthly Ending Balance**  
 July/2000 to January/2004  
 (in Millions)



**CBR Subaccount Estimated Monthly Fees Paid**  
 July/2000 to January/2004  
 (actual \$)



**Government Finance Associates, Inc.**

**590 Madison Avenue, 21<sup>st</sup> Floor  
New York, New York 10022  
(212) 521-4090  
Fax (212) 521-4092**

March 1, 2004

**TO: TOM BOUTIN  
DEPUTY COMMISSIONER OF REVENUE**

**FROM: GOVERNMENT FINANCE ASSOCIATES, INC.**

**SUBJECT: CHANGE IN INVESTMENT POLICY FOR CBRF**

As you know, Government Finance Associates, Inc., (GFA), has been the financial advisor to the Alaska State Bond Committee since 1983. As such, we have worked with the State over many economic cycles and have aggressively sought to maintain the State's bond rating at high quality levels. We are in constant communication with the nationally recognized rating agencies, on behalf of the State of Alaska as well as on behalf of our other state clients. Furthermore, as you know, both principals of the firm, who are the day-to-day advisors to the State, began their respective careers at Moody's Investors Service with one of the team members having spent 21 years at Moody's, twelve of which as head of the Public Finance Department. GFA prides itself on its unique credit rating agency knowledge and proven track record with Alaska. For example, during all of 1991 through the first half of 1992, Alaska was the only state that had its investment grade rating increased by either of the nationally recognized rating agencies.

You have asked our opinion of a change in the investment policy for the Alaska Constitutional Budget Reserve Fund (CBRF). It is our opinion that an adjustment in the investment guidelines for the State will not pose a credit concern for the rating agencies. Shifting the CBRF's investments from a mix of equities and fixed income securities to all fixed income securities will be viewed as a conservative investment approach which diminishes risk. Since the State has, in recent years, been utilizing the corpus of the CBRF for budget balancing purposes, the purpose of the CBRF has changed from that of a financial cushion to needed operating cash. Therefore, a more conservative investment approach for the CBRF will, actually, create a more dependable reserve, taking into account the extreme volatility that has existed in the equities market over the last several years. More limited reserves require a more conservative investment approach to provide a guarantee of funds for future budgets. Until such time as the State can match recurring expenditures against recurring revenues and not utilize the CBRF for budget balancing purposes, the reserves will be tapped and a conservative investment approach is a prudent one.

<b>Annual Returns</b>	<b>CBRF</b>	<b>Subaccount</b>
2000*	9.2%	-1.5%
2001	7.6%	-5.5%
2002	6.7%	-6.3%
2003	3.5%	19.2%
2003 - 3 Year Annualized	5.9%	1.8%

\*Note: Only 3 months in 2000 for CBRF Subaccount

HB

423

# HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: February 9, 2004

FURTHER REFERRALS: Judiciary

Date of Committee Action: 3/9/04

The STATE AFFAIRS Committee considered:

HB 423

HOUSE BILL NO. 423

TAXICAB DRIVER LIABILITY

"An Act relating to accidents involving the vehicle of a person under the influence of an alcoholic beverage; and providing for an effective date."

Recommends it be replaced with  HCS or  CS for HB 423 (STA)  
 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>DPS</u>				✓

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

<u>Signing with recommendations</u>	Printed Last Name	DP	LNP	NR	AM
	<u>Seaton</u>	✓			✓
	<u>HOLM</u>	✓			
	<u>LYNN</u>	✗			
	<u>Coggett</u>			✓	
				✓	
Chair:				✗	
Chair:					

23-LS1600H  
Luckhaupt  
3/8/04

**CS FOR HOUSE BILL NO. 423(STA)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-THIRD LEGISLATURE - SECOND SESSION**

**BY THE HOUSE STATE AFFAIRS COMMITTEE**

**Offered:**  
**Referred:**

**Sponsor(s): REPRESENTATIVE ANDERSON**

**A BILL**  
**FOR AN ACT ENTITLED**

1 **"An Act relating to accidents involving the vehicle of a person under the influence of an**  
2 **alcoholic beverage."**

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

4 **\* Section 1.** AS 09.65 is amended by adding a new section to read:

5 **Sec. 09.65.300. Damages resulting from driving the vehicle of a person**  
6 **under the influence of an alcoholic beverage.** (a) A person is not liable for personal  
7 injury, death, or property damage resulting from a motor vehicle accident if the person  
8 was driving a vehicle involved in the accident and

9 (1) before the accident, started driving the vehicle involved in the  
10 accident from or near licensed premises;

11 (2) is, at the time of the accident, a person employed in the course and  
12 scope of employment to or under contract to drive a taxicab or limousine, a taxicab or  
13 limousine owner, a holder of a taxicab or limousine permit issued by a municipality,  
14 or an owner or employee of a company that dispatches taxicabs or limousines;

1 (3) was not under the influence of an alcoholic beverage, inhalant, or  
2 controlled substance at the time of the accident;

3 (4) was driving the vehicle to the motor vehicle owner's residence or  
4 designated residential location at the request of the motor vehicle owner or operator or  
5 a law enforcement officer; and

6 (5) was driving the vehicle because the motor vehicle owner or  
7 operator was under the influence of an alcoholic beverage or reasonably believed to be  
8 under the influence of an alcoholic beverage.

9 (b) A person licensed under AS 04.11.080 - 04.11.250, or an agent or  
10 employee of the person, is not liable for personal injury, death, or property damage  
11 resulting from a motor vehicle accident described under (a) of this section.

12 (c) This section does not preclude liability for civil damages as a result of  
13 gross negligence or reckless or intentional misconduct.

14 (d) A motor vehicle owner is considered to have given consent to another  
15 person to drive the owner's motor vehicle if the other person is involved in an accident  
16 and the provisions of (a) of this section apply to the other person.

17 (e) In this section,

18 (1) "controlled substance" has the meaning given in AS 28.33.190;

19 (2) "inhalant" has the meaning given to the phrase "hazardous volatile  
20 material or substance" in AS 47.37.270;

21 (3) "licensed premises" has the meaning given in AS 04.21.080.

22 \* **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to  
23 read:

24 **APPLICABILITY.** This Act applies to a civil action that accrues on or after the  
25 effective date of this Act.

26 \* **Sec. 3.** AS 09.65.300 is repealed July 1, 2007.

23-LS1600D  
Luckhaupt  
3/3/04

**CS FOR HOUSE BILL NO. 423( )**

**IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-THIRD LEGISLATURE - SECOND SESSION**

**BY**

**Offered:  
Referred:**

**Sponsor(s): REPRESENTATIVE ANDERSON**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to accidents involving the vehicle of a person under the influence of an**  
2 **alcoholic beverage; and providing for an effective date."**

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

4 **\* Section 1. AS 09.65 is amended by adding a new section to read:**

5 **Sec. 09.65.300. Damages resulting from driving the vehicle of a person**  
6 **under the influence of an alcoholic beverage. (a) A person is not liable for personal**  
7 **injury, death, or property damage resulting from a motor vehicle accident if the person**  
8 **was driving a vehicle involved in the accident and**

9 (1) before the accident, started driving the vehicle involved in the  
10 accident from or near licensed premises;

11 (2) is, at the time of the accident, a person employed in the course and  
12 scope of employment to or under contract to drive a taxicab or limousine, a taxicab or  
13 limousine owner, a holder of a taxicab or limousine permit issued by a municipality,  
14 or an owner or employee of a company that dispatches taxicabs or limousines;

1 (3) was not under the influence of an alcoholic beverage, inhalant, or  
2 controlled substance at the time of the accident;

3 (4) was driving the vehicle to the motor vehicle owner's residence or  
4 designated residential location at the request of the motor vehicle owner or a law  
5 enforcement officer; and

6 (5) was driving the vehicle because the motor vehicle owner or  
7 operator was under the influence of an alcoholic beverage or reasonably believed to be  
8 under the influence of an alcoholic beverage.

9 (b) A person licensed under AS 04.11.080 - 04.11.250, or an agent or  
10 employee of the person, is not liable for personal injury, death, or property damage  
11 resulting from a motor vehicle accident described under (a) of this section.

12 (c) This section does not preclude liability for civil damages as a result of  
13 gross negligence or reckless or intentional misconduct.

14 (d) A motor vehicle owner is considered to have given consent to another  
15 person to drive the owner's motor vehicle if the other person is involved in an accident  
16 and the provisions of (a) of this section apply to the other person.

17 (e) In this section,

18 (1) "controlled substance" has the meaning given in AS 28.33.190;

19 (2) "inhalant" has the meaning given to the phrase "hazardous volatile  
20 material or substance" in AS 47.37.270;

21 (3) "licensed premises" has the meaning given in AS 04.21.080.

22 \* Sec. 2. The uncodified law of the State of Alaska is amended by adding a new section to  
23 read:

24 **APPLICABILITY.** This Act applies to a civil action that accrues on or after the  
25 effective date of this Act.

26 \* Sec. 3. This Act takes effect July 1, 2004.

# Alaska State Legislature

## House of Representatives



Official Business

State Capitol  
Juneau, AK 99801-1182

### **SPONSOR STATEMENT FOR HB 423**

#### **BY: Representative Tom Anderson**

**TITLE:** "An Act relating to accidents involving the vehicle of a person under the influence of an alcoholic beverage; and providing for an effective date."

House Bill 423 is a "Good Samaritan" bill for taxicab operators who transport intoxicated persons or who drive an intoxicated person's motor vehicle to their home or another directed location. Absent gross negligence or reckless or intentional misconduct, a person engaging in this activity would not be civilly liable for damages.

There are times when Alaskans find themselves in an "end of evening" dilemma – they are over the .08 blood alcohol limit and shouldn't drive, but are worried and reluctant to leave their car unattended overnight. HB 423 resolves this dilemma by allowing a taxicab operator to drive an intoxicated person home while a second operator follows them home in their vehicle.

This legislation would allow the intoxicated person and his or her vehicle to get home safely without the taxicab operator fearing liability. HB 423 promotes responsible behavior and encourages people to do the right thing and not drive while intoxicated.

I urge your support of this important piece of legislation.

# Alaska State Legislature

## House of Representatives



Official Business

State Capitol  
Juneau, AK 99801-1182

### SECTIONAL ANALYSIS HOUSE BILL 423 BY: Representative Tom Anderson

**TITLE:** "An Act relating to accidents involving the vehicle of a person under the influence of an alcoholic beverage; and providing for an effective date."

**Section 1:** Adds new section to 09.65. Under certain specific circumstances, a taxicab operator is not civilly liable for personal injury or death during the transportation of an intoxicated person or an intoxicated person's vehicle except as a result of gross negligence or reckless or intentional misconduct. Additionally, owner of vehicle or third-party may not bring civil action against taxicab operator unless gross negligence or reckless or intentional misconduct is involved.

**Section 2:** Applicability section.

**Section 3:** Effective date: July 1, 2004

# FISCAL NOTE

**STATE OF ALASKA**  
**2004 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB423-DPS-ABC-2-9-04  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Public Safety  
 Title Taxicab Driver Liability RDU Statewide Support  
 Component ABC Board  
 Sponsor Rep. Anderson  
 Requester H.State Affairs Component No. 2690

**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						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**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)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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 bill provides legal liability protection to taxicab/limousine drivers and liquor licensees and their employees trying to provide a "safe ride" home for alcohol impaired patrons.

No fiscal impact is anticipated to the Department of Public Safety.

Prepared by: Doug Griffin, Director Phone 269-0351  
 Division ABC Board Date/Time 2/9/04 2:28 PM  
 Approved by: Commissioner William Tandeske Date 2/9/2004  
 Agency Public Safety

# FISCAL NOTE

**STATE OF ALASKA**  
**2004 LEGISLATIVE SESSION**

Fiscal Note Number: HB423-LAW-2-9-04  
 Bill Version: HB423  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: LAW  
 Title "An Act relating to accidents involving the RDU CIVIL  
vehicle of a person under the influence of an alcoholic.." Component Torts and Workers' Compensation  
 Sponsor Representative Anderson  
 Requester House Judiciary 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						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**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)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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 bill limits the liability for personal injury, death, or property damage resulting from a motor vehicle accident in circumstances where the damages result from driving the vehicle of a person under the influence of an alcoholic beverage.

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

Prepared by: Kathryn A. Daughhete, Director Phone 465-3673  
 Division Administrative Services Date/Time 2/9/04 1:15 PM  
 Approved by: Kathryn Daughhete for Gregg D. Renkes, Attorney General Date 2/9/2004  
 Agency Department of Law

# FISCAL NOTE

**STATE OF ALASKA**  
**2004 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB423-DPS-A3C-2-9-04  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Public Safety  
 Title Taxicab Driver Liability RDU Statewide Support  
 Component ABC Board  
 Sponsor Rep. Anderson  
 Requester H.State Affairs Component No. 2690

**Expenditures/Revenues (Thousands of Dollars)**

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

OPERATING EXPENDITURE	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**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)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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 bill provides legal liability protection to taxicab/limousine drivers and liquor licensees and their employees trying to provide a "safe ride" home for alcohol impaired patrons.

No fiscal impact is anticipated to the Department of Public Safety.

Prepared by: Doug Griffin, Director Phone 269-0351  
 Division ABC Board Date/Time 2/9/04 2:28 PM  
 Approved by: Commissioner William Tandeske Date 2/9/2004  
 Agency Public Safety



Mothers Against Drunk Driving  
JUNEAU CHAPTER  
211 4th St., Suite 314  
Juneau, AK 99801  
Phone (907)463-2562  
Fax (907)463-2540  
madd@alaska.net  
www.madd.org/ak/juneau

February 10, 2004

Representative Tom Anderson  
State Capitol, room 432  
Juneau, Alaska 99801

Re: House Bill 423  
"An Act relating to accidents involving the vehicle of a person under the influence of an alcoholic beverage; and providing for an effective date."

Dear Representative Anderson:

The MADD Alaska Chapters, *Anchorage, Fairbanks, Juneau and Mat-Su*, support House Bill 423.

House Bill 423 will encourage and protect designated drivers. It is imperative that support is provided for those who drive potential drunk drivers to their destination. A designated driver is "life insurance" for all who use our road system.

House Bill 423 would create a deterrent for those who might otherwise drive impaired if unable to find an alternative method of transportation.

While annual alcohol-related traffic fatalities have decreased by more than 33 percent over the past few decades, the latest statistics show a recent increase with more than 17,400 people killed and more than half a million others injured in alcohol-related crashes in 2002.

Alaska had 87 traffic deaths of which 35 were alcohol-related(40%) in 2002. The previous year our state lost 47 Alaskans out of 89 (53%) because of alcohol.

Sincerely,

Cindy Cashen

Executive Director



**Presents**

**“OFF THE ROAD PROGRAM”**

**A free ride home for you and your car  
Let us all add safety to our community. Together we can make  
Anchorage a safer place to live.**

**ANCHORAGE Cabaret, Hotel, Restaurant, and Retailers Association  
(CHARR)  
OFF THE ROAD PROGRAM**

**Our Vision:**

**Anchorage CHARR, a unified financially sound organization to protect, foster and grow the hospitality industry serving a strong membership and to maintain a positive relationship with the Anchorage community.**

**Our Mission:**

**Our mission is to serve and represent the hospitality industry within the Municipality of Anchorage. Collaborate with responsible members, stakeholders, and businesses as a vital part of the community.**

**Our Concerns:**

**Unintentional acts created by patron drivers of vehicles under the influence that may be harmful to other members of the community.**

**This may occur when:**

- **A patron has a need for their vehicle the following morning and does not want the inconvenience of collecting the vehicle.**
- **Vehicles can be towed for a number of reasons thus incurring unwanted costs.**
- **There is also the possibility the vehicle could be vandalized and/or burglarized.**
- **Simply the patron choose not to pay or can not pay for the cost of a taxi.**

**"These are reasons some patrons may justify drinking and driving"**

**Our Solution:**

**To provide a safe mode of transportation for the patron and his/her vehicle. This service can be requested by the patron or by the determination of the establishment to limit liabilities and to protect the general public. This accompaniment program would be provided by the municipal licensed chauffeurs (taxi cab drivers).**

- **Transportation provided from the establishment to the patrons home.**
- **Patron and vehicle arrive home safe together.**
- **Limited or no cost to the patron for this service.**
- **Educate establishment staff and public of the availability of this program and the benefits that it provides.**



January 21, 2004

In order for this program to be successful the cab companies and the liquor establishments must work and communicate closely. To help facilitate this program, the establishments will implement the following strategies and policies:

1. Place signs near pay phones, direct lines to cab companies and in other conspicuous areas of the establishment such as restrooms and near the exits where signs can be easily read.
2. Train the establishment staff members on the availability of this program, how to inform patrons, and how to implement the procedures agreed upon by program officials.
3. Make public service announcements (PSA) on in-house sound systems (if establishment is equipped) from time to time and at closing time to help influence patrons decisions to use the program.
4. Pay a portion of the cab fare cost agreed upon by establishments and program officials.
5. Promote program from time to time in conjunction with other advertising and promotions. Make program informational hand outs available to patrons in the establishments.
6. Track program usage (in conjunction with the cab companies) to assess effectiveness and demographics and to provide informational statistics for program officials to use in promoting and or improving this program.

Anchorage CHARR feels, with the establishments implementing these strategies and policies will help assure the success of this exciting and new collaboration.

John G. Pattee  
Anchorage CHARR

***RNT Services D.B.A. Checker Cab Company  
3215 Mountain View Drive  
Anchorage, Alaska 99501-3108***

***Office (907) 274-3333 Fax (907) 258-7775 24-Hour Dispatch (907) 276-1234***

---

**Regarding: Off The Road Program**

In order for this program to work and be successful the Restraunt's, Lounge's and all Taxicab Companies **MUST** work together and communicate closely with everyone. To help facilitate this, Checker Cab Company will implement the following procedure and policies:

1. We will have a minimum of six (6) designated taxi drivers on duty every night to be available for this program.
2. We will set a flat rate fee of \$40.00 per car deliveries made from any licensed establishment to one (1) destination in the Anchorage Area, for **BOTH** the patron and his/her vehicle.
3. Every Car Delivery that we do will be logged into a log book in the Dispatch office as it comes in, so it will be easy to track our progress with this program and how well it is working to benefit the Anchorage Community.
4. Train All Taxicab Drivers and Dispatch Employees with our Company about this program, incase designated driver's are not available they will be able to cover the car delivery safely.
5. Promote, with all the taxi drivers help, how this program is available to **ALL Customers** headed to any drinking establishment in the Anchorage Area, A Safe and Convenient way to enjoy all licensed establishments and not have to worry about retrieving their vehicle the next day if it has not been towed away.

RNT Services and Checker Cab Company feel that this program will work to help solve some of the drinking and driving problems that exist here in the Anchorage Area and will make the Community a much safer community for everyone to live in.

Nancy R Brockway  
Owner - RNT Services  
Office Manager - Checker Cab Company

THE  
FOLLOWING  
DOCUMENT(S)  
ARE  
POOR  
ORIGINAL  
COPIES

# Bill jumps 'Off the Road' hurdle

■ **DRUNK:** Program would see car, driver home by cabbie.

The Associated Press

**JUNEAU** — Drunken drivers and their vehicles could get a ride home if a bill that passed the House on Tuesday has its intended effect.

State Rep. Norm Rokeberg, R-Anchorage, introduced the bill, which limits liability for taxis transporting drunken drivers' cars. He said he's trying to clear the way for an Anchorage program called "Off the Road" to get off the ground.

The Downtown Licensed Beverage Association, the Downtown Partnership and corporate sponsors have pitched in to fund the program, which would pay for cab drivers to take both an individual and his car home from participating downtown bars, the

Rokeberg said.

The program should remove one obstacle that prevents drunken drivers from giving up their keys, Rokeberg said.

"Many drivers are really reluctant to leave their dearest possession, sometimes their vehicle, in a parking lot," Rokeberg said.

Often they need their car to get to work the next day, they worry about vandalism or they fear it will be towed, he said.

High insurance costs have kept the "Off the Road" program from starting, Rokeberg said. He said insurance would have cost taxi companies \$1,000 per month per cab.

The bill exempts cab drivers operating the drunken drivers' vehicle from liability in an accident except in cases of gross negligence or reckless or intentional misconduct.

The vehicle owner's insurance would still have to pay for damages in an accident, the

same as if the owner had been driving.

Rep. Eric Croft, D-Anchorage, said that provision removed his concern about the bill. Without it, he said, he had feared accident victims would have no recourse.

The bill passed the House 37-0. Rep. John Davies, D-Fairbanks, gave notice of reconsideration of his vote, so the measure could come up for a final vote today. After that, it would go to the Senate.

The measure is House Bill 68.

In other news at the Capitol

on Tuesday:

• The House State Affairs Committee approved House Joint Resolution 30, by Rep. Pete Kott, R-Eagle River. It urges the U.S. Congress to begin the process of amending the U.S. Constitution to prohibit desecration of the U.S. flag.

• Groups on both sides of the abortion issue held rallies on the Capitol steps to commemorate the anniversary of Roe vs. Wade, the U.S. Supreme Court decision that legalized abortion in the United States.



Map of shopping, public facilities and medium- to high-density is a local point for seven sub-areas in the Anchorage Bowl.

(907) 336-7178

The Bradley House

Feb 11 2004 5:12PM

Wednesday, January 30, 2002 B-7

# oice of the Times

A CONSERVATIVE VOICE FOR ALASKANS

WILLIAM J. TOBIN  
Senior editor

## DUI taxi bill a positive approach

By FRANK DAHL

The early part of the year is a time for reflection, for many reasons: Many of us center on our faith and family and lives, but also on our dedication and responsibility to each other. House Bill 88 is a perfect example of taking responsibility one step further by truly watching out for our friends and patrons. And the state House agrees, as they recently passed the bill to the state Senate.

Sponsored by Rep. Norm Rokeberg, this proposed legislation will help reduce our DUI (driving under the influence of alcohol) problem. The premise behind Rep. Rokeberg's proposal is that people fail to find an alternative means of transportation when they are legally intoxicated because they do not wish to incur the cost of a cab, risk vandalism to their vehicle or be hindered by retrieval of their vehicle the next morning. With no "perceived" alternative, they opt to drive home intoxicated. Many arrive safely at home, but for those who are arrested, or cause an accident or injury, the consequences surpass the negligible cost of a cab or time spent returning the next day sober to locate the car.

Proposed by the Anchorage Downtown Partnership and Downtown License Beverage Association, the concept is to provide a means through which an intoxicated individual, hesitant to drive because he/she is above the legal limit (.08 blood-alcohol content), can ask an employee at the participating bar or restaurant to request cab service for himself and his vehicle. The participating cab company will dispatch a cab with an extra driver who will subsequently drive the patron's vehicle home at the same time the intoxicated patron is driven home in the cab. Not a bad idea. And best of all, public safety is not compromised.

Not only does this solution instill a partnership mentality between community, patron and business, but it also



reminds residents of the fact that the hospitality industry cares about your safety. Anchorage Cabaret, Hotel, Restaurant & Retailers Association, for example, wholeheartedly endorses the concept. And many establishments have endorsed the bill and are eager to participate upon enactment of the program. In the end, it's a win-win for everyone.

One concern that has arisen stems from the potential for a lawsuit if the cab company employee, who drives the individual's vehicle home, causes an accident from negligence. The context of the bill is intended to hold harmless the driver, cab company and licensed establishment if intentional misconduct is not a factor. In other words, no one will be liable for acting responsibly. To that end, we must formulate effective insurance language in the bill to maintain the integrity of the no-liability intent.

During troubled times, members of society tend to find it easier to cast the first stone, rather than seek lasting solutions to issues like alcohol abuse and DUI prevention. The easiest approach is to criticize our laws and legislators, and be reactive, rather than proactive. Or, mandate harsher penalties and fill our correctional system beyond its capacity while increasing our need for more taxes.

But sometimes, no matter how hard one tries, it is impossible to understand the mindset of why people do what they do. Drunks don't make thought-out decisions. They act and react. Driving under the influence is no exception. Many of us are guilty of bad judgment. The solution lies in curbing behavior with quality treatment and education, or, as an alternative, preventing behavior like driving under the influence from even happening.

HB 88 eliminates the consequence of a DUI, while at the same time partnering the hospitality industry with the cab industry with the insurance industry, in concert with law enforcement at the city and state level. The innovators and sponsor of this bill should be commended for a novel and positive approach to a growing problem that doesn't need to exist.

HB 88 is right on target for a controllable problem. And it will save the state of Alaska real tax dollars.

Let 2002 be the year of understanding, neighbor helping neighbor. Let this year be one in which we stop casting stones and instead, embrace using the stones to build a bridge of cooperation. HB 88 can be the first step.

Frank Dahl is president of the Anchorage Cabaret, Hotel, Restaurant and Retailers Association (CHARF).

Dahl

Anchorage CHARR  
 OFF THE ROAD PROGRAM  
 Budget

Category	July	August	September	October	November	December	Total
<b>Operation:</b>							
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
<b>Subtotal Operations</b>	<b>13562.5</b>	<b>9562.5</b>	<b>33562.5</b>	<b>25562.5</b>	<b>11562.5</b>	<b>11562.5</b>	<b>105375</b>

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
<b>Subtotal Operations</b>	<b>13562.5</b>	<b>9562.5</b>	<b>33562.5</b>	<b>25562.5</b>	<b>11562.5</b>	<b>11562.5</b>	<b>105375</b>

# 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						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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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)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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

**HB**

**431**



**Representative Carl E. Moses, House District 37  
(907) 465-4451 – Adam Berg, Staff**

**SPONSOR STATEMENT / SECTIONAL ANALYSIS**

**HB431 – Municipal Dividend Program**

The establishment of a Municipal Dividend program would aid municipalities with state appropriations allocated for unrestricted use by local governments in their greatest time of need. The sponsor intends to empower local officials by allowing them to decide how to best spend that money. Uncertain state funding has affected local governments ability to plan and budget properly, and more recently, to absorb the brunt of many state budget cuts.

This plan would provide approximately \$157 million annually to municipalities by accessing surplus earnings of the Permanent Fund. The distribution to municipalities would be made only after Permanent Fund Dividends and inflation proofing are provided for. Based on annual Permanent Fund earnings, if the amount appropriated were not sufficient to fully fund municipal dividends, the amount to each municipality would be reduced on a pro-rata basis.

Alaska's municipalities and local decision makers deliver the most direct and knowledgeable service, much of which is of a critical nature. Under HB 431, the amount going to each municipality would be determined by population and a per head allocation. Population criteria would be the number of local PFD recipients and the allocations would be \$250 per head, with a minimum to any municipality of \$40,000 annually.

**BILL SECTION 1:** Establishes the Municipal Dividend Fund. The amount of a Municipal Dividend is set at \$250 per eligible PFD recipient in each municipality. Borough populations are determined by subtracting the population of all cities within a borough from the borough's total population, thereby allowing boroughs to apply funding to their unincorporated communities. It sets a minimum dividend payment of \$40,000 to a municipality. There is a formula specified in the event the amount appropriated to the fund is insufficient to fully fund Municipal Dividends.

**BILL SECTION 2:** Assures that the transfer of money from the earnings reserve account to the Municipal Dividend Fund happens only after Permanent Fund Dividends have been accounted for and inflation proofing has taken place. It also assures that the lesser amount of either the dollars needed to fully fund the program or the balance of the earnings reserve account be transferred.

**BILL SECTION 3:** Sets the effective date at June 30, 2004.

Revenue Sharing makes up over a 25% of the operating budget for a Quarter of our Municipalities, it Averages 16% of all Municipal Operating Budgets.  
(Data from DCED, Missions and Measures, 2003)

Revenue sharing is so large a percent of municipal budgets that large cuts will result in many small municipalities becoming dysfunctional and the state will have to directly provide services, if tribal governments cannot afford to take a more prominent role. Legislative constituents/taxpayers in larger municipalities suffer as well. Anchorage local taxpayers, for example, face an additional \$10.4 million shortfall on top of the loss of capital matching grants, a huge new PERS/TRS debt, new DOT highway

Municipality	FY 03 Budget	FY 03 Revenue	
		Sharing Total	% of Oper Budget
City of Manokotak	\$35,200	\$33,175	94.25%
City of Betties	\$41,533	\$30,239	72.81%
City of Atqasuk	\$64,267	\$40,565	63.12%
City of White Mountain	\$55,982	\$30,982	55.34%
City of Kupreanof	\$41,400	\$22,821	55.12%
City of Port Heiden	\$59,992	\$30,383	50.65%
City of Napakiak	\$78,751	\$32,804	41.66%
City of Napaskiak	\$80,585	\$32,941	40.88%
City of Chefnak	\$83,560	\$33,320	39.88%
City of Ekwok	\$75,061	\$28,229	37.61%
City of Kasaan	\$65,781	\$22,821	34.69%
City of Chuathbaluk	\$87,046	\$29,829	34.27%
City of Selawik	\$275,036	\$93,963	34.16%
City of Newhalen	\$85,800	\$28,741	33.50%
City of Kivalina	\$167,493	\$52,466	31.32%
City of Tenakee Springs	\$73,875	\$22,821	30.89%
City of Teller	\$103,731	\$31,813	30.67%
City of Anderson	\$126,633	\$38,394	30.32%
City of Aniak	\$147,680	\$43,541	29.48%
City of Koyukuk	\$99,201	\$29,115	29.35%
City of Grayling	\$108,770	\$31,537	28.99%
City of Buckland	\$132,102	\$37,864	28.66%
City of Hughes	\$101,945	\$29,174	28.62%
City of Point Hope	\$246,223	\$70,085	28.46%
City of Fort Yukon	\$151,500	\$42,954	28.35%
City of Eagle	\$89,900	\$25,461	28.32%
City of Akhiok	\$80,610	\$22,821	28.31%
City of Holy Cross	\$119,026	\$32,990	27.72%
City of Allakaket	\$109,319	\$30,211	27.64%
City of Upper Kalskag	\$132,756	\$36,332	27.37%

Municipality	FY 03 Budget	Sharing Total	% of Oper Budget
City of Nikolai	\$198,000	\$29,129	14.71%
City of Kiana	\$254,221	\$37,340	14.69%
City of Alakanuk	\$288,850	\$42,151	14.59%
City of Pilot Point	\$198,692	\$28,350	14.27%
City of Shungnak	\$241,561	\$34,318	14.21%
City of Pilot Station	\$258,826	\$36,449	14.08%
City of Stebbins	\$270,782	\$37,803	13.96%
City of Chevak	\$295,728	\$40,330	13.64%
City of Diomede	\$216,587	\$29,316	13.54%
City of Old Harbor	\$194,801	\$25,448	13.06%
City of Saint Michael	\$290,646	\$36,789	12.66%
City of Clark's Point	\$210,079	\$26,537	12.63%
City of Kake	\$286,395	\$35,223	12.30%
City of Toksook Bay	\$293,572	\$35,569	12.12%
City of Atka	\$239,696	\$28,508	11.89%
City of Aleknagik	\$246,099	\$28,943	11.76%
City of Wainwright	\$313,515	\$36,491	11.64%
City of Cold Bay	\$284,364	\$32,418	11.40%
City of Elim	\$301,668	\$34,334	11.38%
City of Lower Kalskag	\$42,892	\$4,791	11.17%
City of Kotlik	\$334,400	\$37,075	11.09%
City of Angoon	\$291,671	\$32,014	10.98%
City of Delta Junction	\$518,950	\$56,504	10.89%
City of Saxman	\$259,287	\$27,723	10.69%
City of Hooper Bay	\$515,643	\$54,426	10.55%
City of Gambell	\$415,930	\$40,262	9.68%
City of Mountain Village	\$444,758	\$41,835	9.41%
City of Nuiqsut	\$365,168	\$34,304	9.39%
City of False Pass	\$294,409	\$26,947	9.15%
City of Thorne Bay	\$368,940	\$32,716	8.87%
City of Unalakleet	\$499,200	\$44,044	8.82%
City of Seldovia	\$353,168	\$30,207	8.55%
City of Fairbanks	\$16,794,096	\$1,391,861	8.29%
City of Barrow	\$1,573,133	\$120,578	7.66%
City of Saint Mary's	\$564,779	\$42,651	7.55%
City of Nenana	\$596,850	\$44,188	7.40%
City of Hoonah	\$755,600	\$54,026	7.15%
City of Galena	\$670,600	\$44,829	6.68%
City of Pelican	\$431,776	\$25,523	5.91%
City of Kaktovik	\$557,400	\$32,456	5.82%
City of Togiak	\$800,289	\$42,206	5.27%
City of Golovin	\$614,394	\$31,650	5.15%
City of Bethel	\$5,900,000	\$302,836	5.13%

<b>Municipality</b>	<b>FY 03 Budget</b>	<b>Sharing Total</b>	<b>% of Oper Budget</b>
Aleutians East Borough	\$4,161,070	\$35,301	0.85%
City/Borough of Juneau	\$188,848,100	\$1,482,129	0.78%
North Slope Borough	\$289,420,015	\$902,462	0.31%
<b>Average Percent</b>			<b>15.80%</b>
<b>Highest Percent</b>			<b>94.25%</b>
<b>Lowest Percent</b>			<b>0.31%</b>
<b># &gt; 20%</b>			<b>51</b>

# FISCAL NOTE

**STATE OF ALASKA**  
**2004 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: HB 431  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Revenue  
 Title Municipal Dividend Program RDU AK Permanent Fund Corporation  
 Component AK Permanent Fund Corporation  
 Sponsor Representative Moses  
 Requester Community and Regional Affairs Component No. 109

**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						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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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)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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)

The proposed legislation does not increase the cost of operations for the Alaska Permanent Fund Corporation. See the attached schedule for the annual amount estimated to be available for the municipal dividend.

Prepared by: Robert D. Storer, Executive Director Phone 465-2047  
 Division Alaska Permanent Fund Corporation Date/Time 2/26/04 1:34 AM  
 Approved by: Steve Porter, Deputy Commissioner Date 2/6/2004  
 Agency Department of Revenue

# FISCAL NOTE

**STATE OF ALASKA**  
**2004 LEGISLATIVE SESSION**

Fiscal Note Number: 2  
 Bill Version: HB 431  
 (H) Publish Date: 2/26/04

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DCED  
 Title Municipal Dividend Program RDU State Revenue Sharing (217)  
 Component Municipal Dividend Program  
 Sponsor Representative Moses  
 Requester House Community & Regional Affairs Component No. N/A

**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	157,195.0	158,996.7	160,819.1	162,662.5	164,527.1	166,413.1
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>157,195.0</b>	<b>158,996.7</b>	<b>160,819.1</b>	<b>162,662.5</b>	<b>164,527.1</b>	<b>166,413.1</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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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 (Municipal Dividend Fund)	157,195.0	158,996.7	160,819.1	162,662.5	164,527.1	166,413.1
<b>TOTAL</b>	<b>157,195.0</b>	<b>158,996.7</b>	<b>160,819.1</b>	<b>162,662.5</b>	<b>164,527.1</b>	<b>166,413.1</b>

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 establishes a new Municipal Dividend Fund within the Department funded from the earnings reserve account of the Permanent Fund. After transferring income from the earnings reserve account for Permanent Fund Dividends (AS 37.13.145(b)) and Inflation Proofing (AS 37.13.145(c)), the Permanent Fund Corporation shall transfer to the municipal dividend fund the amount needed to fully fund municipal dividends for the next fiscal year, or the balance of the earnings reserve account, whichever is less. The Department shall pay each municipality a dividend equal to \$250 for each person residing in the municipality, while providing for a minimum dividend of \$40,000. If the amount appropriated is not sufficient to fully fund the municipal dividends for a fiscal year, the dividends shall be reduced on a pro-rata basis. The Department estimates an annual municipal population growth of approximately 1.15%.

Prepared by: Gene Kane, Director Phone (907) 269-4578  
 Division: Community Advocacy Date/Time 2/25/04 12:00 PM  
 Approved by: Edgar Blatchford, Commissioner Date 2/25/2004  
 Agency: Department of Community and Economic Development

**HB 431 Municipal Dividend Estimates**

**Distribution Formula: Municipal Population X \$250 With a Minimum Entitlement of \$40,000**

**Borough Populations: Borough Arcawide Population Less City Populations in Borough**

<b>Municipalities</b>	<b>2002 Population</b>	<b>Population X \$250</b>	<b>Minimum Entitlement Add-On</b>	<b>Municipal Dividend Payment</b>
Adak	149	\$37,250	\$2,750	\$40,000
Akhiok	48	\$12,000	\$28,000	\$40,000
Akiak	346	\$86,500	\$0	\$86,500
Akutan	748	\$187,000	\$0	\$187,000
Alakanuk	659	\$164,750	\$0	\$164,750
Aleknagik	213	\$53,250	\$0	\$53,250
Aleutians East Borough	73	\$18,250	\$21,750	\$40,000
Allakaket	97	\$24,250	\$15,750	\$40,000
Ambler	295	\$73,750	\$0	\$73,750
Anaktuvuk Pass	302	\$75,500	\$0	\$75,500
Anchorage	269,070	\$67,267,500	\$0	\$67,267,500
Anderson	592	\$148,000	\$0	\$148,000
Angoon	542	\$135,500	\$0	\$135,500
Aniak	539	\$134,750	\$0	\$134,750
Anvik	109	\$27,250	\$12,750	\$40,000
Atka	102	\$25,500	\$14,500	\$40,000
Atkasuk	231	\$57,750	\$0	\$57,750
Barrow	4,434	\$1,108,500	\$0	\$1,108,500
Bethel	5,736	\$1,434,000	\$0	\$1,434,000
Bettles	36	\$9,000	\$31,000	\$40,000
Brevig Mission	307	\$76,750	\$0	\$76,750
Bristol Bay Borough	1,159	\$289,750	\$0	\$289,750
Buckland	426	\$106,500	\$0	\$106,500
Chefornak	419	\$104,750	\$0	\$104,750
Chevak	854	\$213,500	\$0	\$213,500
Chignik	77	\$19,250	\$20,750	\$40,000
Chuathbaluk	98	\$24,500	\$15,500	\$40,000
Clark's Point	65	\$16,250	\$23,750	\$40,000
Coffman Cove	161	\$40,250	\$0	\$40,250
Cold Bay	116	\$29,000	\$11,000	\$40,000
Cordova	2,434	\$608,500	\$0	\$608,500
Craig	1,227	\$306,750	\$0	\$306,750
Deering	129	\$32,250	\$7,750	\$40,000
Delta Junction	856	\$214,000	\$0	\$214,000
Denali Borough	1,294	\$323,500	\$0	\$323,500
Dillingham	2,475	\$618,750	\$0	\$618,750
Diomedes	128	\$32,000	\$8,000	\$40,000
Eagle	150	\$37,500	\$2,500	\$40,000
Eek	291	\$72,750	\$0	\$72,750
Egegik	88	\$22,000	\$18,000	\$40,000

**HB 431 Municipal Dividend Estimates**

**Distribution Formula: Municipal Population X \$250 With a Minimum Entitlement of \$40,000**

**Borough Populations: Borough Areawide Population Less City Populations in Borough**

<b>Municipalities</b>	<b>2002 Population</b>	<b>Population X \$250</b>	<b>Minimum Entitlement Add-On</b>	<b>Municipal Dividend Payment</b>
Ekwok	114	\$28,500	\$11,500	\$40,000
Elim	339	\$84,750	\$0	\$84,750
Emmonak	745	\$186,250	\$0	\$186,250
Fairbanks	29,670	\$7,417,500	\$0	\$7,417,500
Fairbanks North Star Borough	53,438	\$13,359,500	\$0	\$13,359,500
False Pass	79	\$19,750	\$20,250	\$40,000
Fort Yukon	581	\$145,250	\$0	\$145,250
Galena	713	\$178,250	\$0	\$178,250
Gambell	639	\$159,750	\$0	\$159,750
Golovin	148	\$37,000	\$3,000	\$40,000
Goodnews Bay	234	\$58,500	\$0	\$58,500
Grayling	192	\$48,000	\$0	\$48,000
Haines Borough	2,360	\$590,000	\$0	\$590,000
Holy Cross	232	\$58,000	\$0	\$58,000
Homer	4,721	\$1,180,250	\$0	\$1,180,250
Hoonah	868	\$217,000	\$0	\$217,000
Hooper Bay	1,075	\$268,750	\$0	\$268,750
Houston	1,279	\$319,750	\$0	\$319,750
Hughes	69	\$17,250	\$22,750	\$40,000
Huslia	285	\$71,250	\$0	\$71,250
Hydaburg	364	\$91,000	\$0	\$91,000
Juneau	30,981	\$7,745,250	\$0	\$7,745,250
Kachemak	419	\$104,750	\$0	\$104,750
Kake	700	\$175,000	\$0	\$175,000
Kaktovik	306	\$76,500	\$0	\$76,500
Kaltag	223	\$55,750	\$0	\$55,750
Kasaan	55	\$13,750	\$26,250	\$40,000
Kenai	7,166	\$1,791,500	\$0	\$1,791,500
Kenai Peninsula Borough	31,835	\$7,958,750	\$0	\$7,958,750
Ketchikan	7,845	\$1,961,250	\$0	\$1,961,250
Ketchikan Gateway Borough	5,431	\$1,357,750	\$0	\$1,357,750
Kiana	399	\$99,750	\$0	\$99,750
King Cove	794	\$198,500	\$0	\$198,500
Kivalina	383	\$95,750	\$0	\$95,750
Klawock	848	\$212,000	\$0	\$212,000
Kobuk	106	\$26,500	\$13,500	\$40,000
Kodiak	6,544	\$1,636,000	\$0	\$1,636,000
Kodiak Island Borough	6,484	\$1,621,000	\$0	\$1,621,000
Kotlik	633	\$158,250	\$0	\$158,250
Kotzebue	3,107	\$776,750	\$0	\$776,750

**HB 431 Municipal Dividend Estimates**  
**Distribution Formula: Municipal Population X \$250 With a Minimum Entitlement of \$40,000**  
**Borough Populations: Borough Arcawide Population Less City Populations in Borough**

<b>Municipalities</b>	<b>2002 Population</b>	<b>Population X \$250</b>	<b>Minimum Entitlement Add-On</b>	<b>Municipal Dividend Payment</b>
Koyuk	329	\$82,250	\$0	\$82,250
Koyukuk	101	\$25,250	\$14,750	\$40,000
Kupreanof	23	\$5,750	\$34,250	\$40,000
Kwethluk	730	\$182,500	\$0	\$182,500
Lake & Peninsula Borough	929	\$232,250	\$0	\$232,250
Larsen Bay	107	\$26,750	\$13,250	\$40,000
Lower Kalskag	260	\$65,000	\$0	\$65,000
Manokotak	404	\$101,000	\$0	\$101,000
Marshall	364	\$91,000	\$0	\$91,000
Matanuska-Susitna Borough	52,460	\$13,115,000	\$0	\$13,115,000
McGrath	407	\$101,750	\$0	\$101,750
Mekoryuk	204	\$51,000	\$0	\$51,000
Mountain Village	757	\$189,250	\$0	\$189,250
Napakiak	351	\$87,750	\$0	\$87,750
Napaskiak	408	\$102,000	\$0	\$102,000
Nenana	519	\$129,750	\$0	\$129,750
New Stuyahok	479	\$119,750	\$0	\$119,750
Newhalen	156	\$39,000	\$1,000	\$40,000
Nightmute	224	\$56,000	\$0	\$56,000
Nikolai	120	\$30,000	\$10,000	\$40,000
Nome	3,493	\$873,250	\$0	\$873,250
Nondalton	207	\$51,750	\$0	\$51,750
Noorvik	677	\$169,250	\$0	\$169,250
North Pole	1,683	\$420,750	\$0	\$420,750
North Slope Borough	2,434	\$608,500	\$0	\$608,500
Northwest Arctic Borough	717	\$179,250	\$0	\$179,250
Nuiqsut	443	\$110,750	\$0	\$110,750
Nulato	345	\$86,250	\$0	\$86,250
Nunam Iqua	204	\$51,000	\$0	\$51,000
Nunapitchuk	512	\$128,000	\$0	\$128,000
Old Harbor	229	\$57,250	\$0	\$57,250
Ouzinkie	189	\$47,250	\$0	\$47,250
Palmer	5,159	\$1,289,750	\$0	\$1,289,750
Pelican	115	\$28,750	\$11,250	\$40,000
Petersburg	3,146	\$786,500	\$0	\$786,500
Pilot Point	76	\$19,000	\$21,000	\$40,000
Pilot Station	546	\$136,500	\$0	\$136,500
Platinum	37	\$9,250	\$30,750	\$40,000
Point Hope	709	\$177,250	\$0	\$177,250
Port Alexander	72	\$18,000	\$22,000	\$40,000

**HB 431 Municipal Dividend Estimates**

**Distribution Formula: Municipal Population X \$250 With a Minimum Entitlement of \$40,000**

**Borough Populations: Borough Areawide Population Less City Populations in Borough**

<b>Municipalities</b>	<b>2002 Population</b>	<b>Population X \$250</b>	<b>Minimum Entitlement Add-On</b>	<b>Municipal Dividend Payment</b>
Port Heiden	108	\$27,000	\$13,000	\$40,000
Port Lions	251	\$62,750	\$0	\$62,750
Quinhagak	572	\$143,000	\$0	\$143,000
Ruby	195	\$48,750	\$0	\$48,750
Russian Mission	328	\$82,000	\$0	\$82,000
Saint George	147	\$36,750	\$3,250	\$40,000
Saint Mary's	549	\$137,250	\$0	\$137,250
Saint Michael	390	\$97,500	\$0	\$97,500
Saint Paul	533	\$133,250	\$0	\$133,250
Sand Point	919	\$229,750	\$0	\$229,750
Savoonga	686	\$171,500	\$0	\$171,500
Saxman	394	\$98,500	\$0	\$98,500
Scammon Bay	491	\$122,750	\$0	\$122,750
Selawik	778	\$194,500	\$0	\$194,500
Seldovia	308	\$77,000	\$0	\$77,000
Seward	2,794	\$698,500	\$0	\$698,500
Shageluk	145	\$36,250	\$3,750	\$40,000
Shaktoolik	218	\$54,500	\$0	\$54,500
Shishmaref	589	\$147,250	\$0	\$147,250
Shungnak	249	\$62,250	\$0	\$62,250
Sitka	8,894	\$2,223,500	\$0	\$2,223,500
Skagway	841	\$210,250	\$0	\$210,250
Soldotna	3,944	\$986,000	\$0	\$986,000
Stebbins	586	\$146,500	\$0	\$146,500
Tanana	278	\$69,500	\$0	\$69,500
Teller	247	\$61,750	\$0	\$61,750
Tenakee Springs	98	\$24,500	\$15,500	\$40,000
Thorne Bay	503	\$125,750	\$0	\$125,750
Togiak	804	\$201,000	\$0	\$201,000
Toksook Bay	549	\$137,250	\$0	\$137,250
Unalakleet	725	\$181,250	\$0	\$181,250
Unalaska	4,051	\$1,012,750	\$0	\$1,012,750
Upper Kalskag	248	\$62,000	\$0	\$62,000
Valdez	4,171	\$1,042,750	\$0	\$1,042,750
Wainwright	543	\$135,750	\$0	\$135,750
Wales	159	\$39,750	\$250	\$40,000
Wasilla	6,343	\$1,585,750	\$0	\$1,585,750
White Mountain	210	\$52,500	\$0	\$52,500
Whittier	170	\$42,500	\$0	\$42,500
Wrangell	2,144	\$536,000	\$0	\$536,000

HB 431 Municipal Dividend Estimates

Distribution Formula: Municipal Population X \$250 With a Minimum Entitlement of \$40,000

Borough Populations: Borough Areawide Population Less City Populations in Borough

<u>Municipalities</u>	<u>2002 Population</u>	<u>Population X \$250</u>	<u>Minimum Entitlement Add-On</u>	<u>Municipal Dividend Payment</u>
Yakutat	724	\$181,000	\$0	\$181,000
<b>Totals</b>	<b>626,680</b>	<b>\$156,670,000</b>	<b>\$525,000</b>	<b>\$157,195,000</b>



**Analysis of current statutory payout versus HB 431**  
**Alaska Permanent Fund Corporation**

*Based on December 2003 financial projections (\$ in millions, except per person dividend)*

	<u>FY04</u>	<u>FY05</u>	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	Totals FY04 - FY15
<b>Payout per HB 431</b>	<b>709</b>	<b>647</b>	<b>707</b>	<b>885</b>	<b>1,068</b>	<b>1,166</b>	<b>1,249</b>	<b>1,355</b>	<b>1,420</b>	<b>1,484</b>	<b>1,586</b>	<b>1,643</b>	<b>13,920</b>
Municipal Dividend (\$250 per PFD application)	148	149	150	150	151	152	153	154	154	155	156	157	1,829
Distribution for PFD Fund	561	498	558	735	917	1,014	1,096	1,202	1,266	1,329	1,430	1,487	12,091
<b>Payout - Current Dividend formula only</b>	<b>561</b>	<b>499</b>	<b>560</b>	<b>739</b>	<b>925</b>	<b>1,027</b>	<b>1,113</b>	<b>1,226</b>	<b>1,297</b>	<b>1,367</b>	<b>1,477</b>	<b>1,542</b>	<b>12,331</b>
<b>Difference in annual lump sum payout (HB 431 - Current statutes)</b>	<b>148</b>	<b>148</b>	<b>148</b>	<b>146</b>	<b>144</b>	<b>140</b>	<b>135</b>	<b>129</b>	<b>124</b>	<b>117</b>	<b>109</b>	<b>102</b>	<b>1,589</b>
Retain for Inflation - HB 431	0	613	635	657	680	703	727	751	776	801	828	855	8,026
Retain for Inflation - Status Quo	0	613	635	657	680	703	727	751	776	801	828	855	8,025
<b>AK Permanent Fund end of year value in 2015 - HB 431</b>												<b>45,644</b>	<b>45,644</b>
Reserved assets (Principal + Unrealized appreciation)												39,988	39,988
Realized earnings reserve												5,656	5,656
<b>AK Permanent Fund end of year value in 2015 - Current statutory formulas</b>												<b>48,165</b>	<b>48,165</b>
Reserved assets (Principal + Unrealized appreciation)												40,223	40,223
Realized earnings reserve												7,942	7,942
<b>Per Person Dividend HB 431</b>	<b>\$ 890</b>	<b>\$ 780</b>	<b>\$ 870</b>	<b>\$ 1,160</b>	<b>\$ 1,460</b>	<b>\$ 1,610</b>	<b>\$ 1,730</b>	<b>\$ 1,900</b>	<b>\$ 1,990</b>	<b>\$ 2,080</b>	<b>\$ 2,230</b>	<b>\$ 2,310</b>	<b>\$ 19,010</b>
<b>Per Person Dividend - current formulas</b>	<b>\$890</b>	<b>\$780</b>	<b>\$880</b>	<b>\$1,170</b>	<b>\$1,470</b>	<b>\$1,630</b>	<b>\$1,760</b>	<b>\$1,930</b>	<b>\$2,040</b>	<b>\$2,140</b>	<b>\$2,310</b>	<b>\$2,400</b>	<b>\$ 19,400</b>

**Assumptions:**

1. Callan Associates 2003 Capital Market Assumptions, APFC 2003 asset allocation, Fall 2003 revenue forecast (including impact of HB11), financial statements
2. These projections represent only our best estimate of the median case rate of return; actual annual performance will vary with market volatility.
3. Distributions shown for the annual permanent fund dividend and the Municipal dividend program are calculated and booked as payables at
4. Slight differences due to rounding.

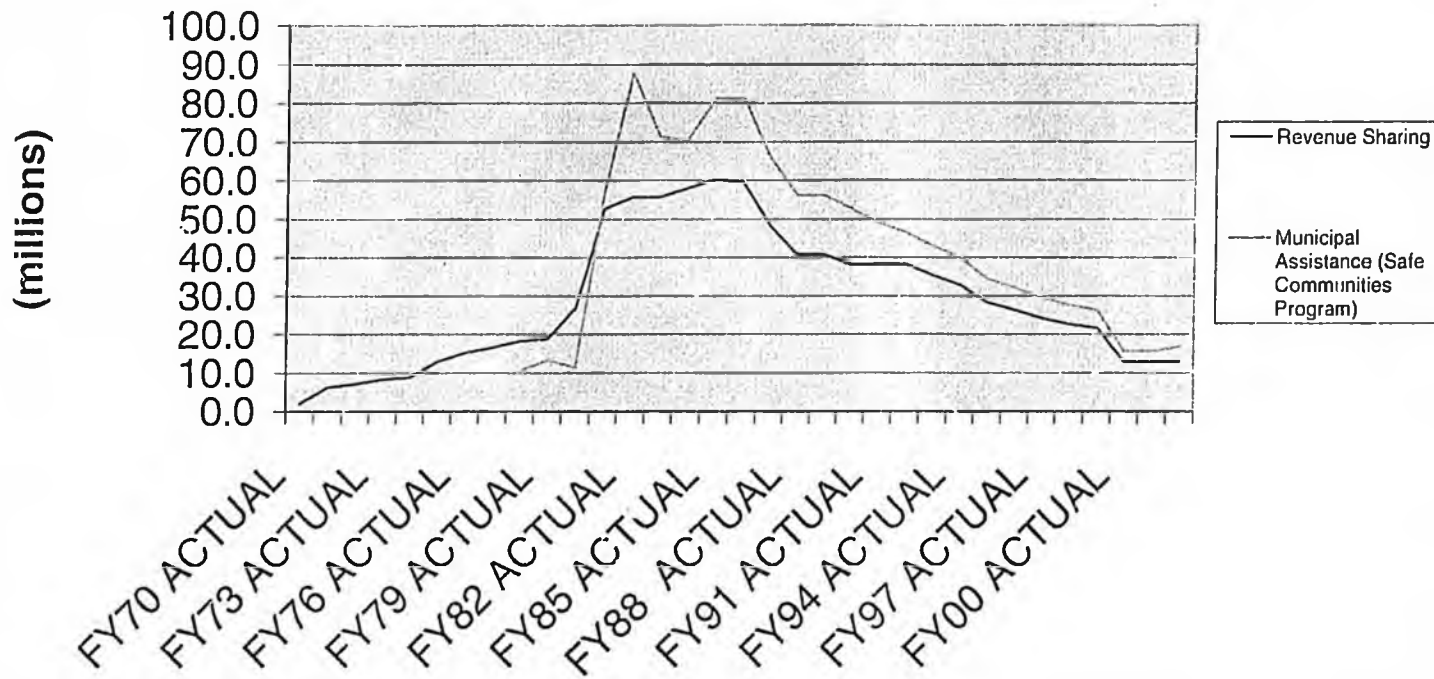
Municipality	FY 03 Operating Budget	FY 03 SRS/SC Total	% of Operating Budget
City of Adak	\$991,000	\$35,853	3.62%
City of Akhiok	\$80,610	\$22,821	28.31%
City of Akiak	\$172,171	\$31,593	18.35%
City of Akutan	\$821,979	\$38,226	4.65%
City of Alakanuk	\$288,850	\$42,151	14.59%
City of Aleknagik	\$246,099	\$28,943	11.76%
Aleutians East Borough	\$4,161,070	\$35,301	0.85%
City of Allakaket	\$109,319	\$30,211	27.64%
City of Ambler	\$161,531	\$35,964	22.26%
City of Anaktuvuk Pass	\$124,342	\$31,704	25.50%
Municipality of Anchorage	\$248,390,990	\$10,403,815	4.19%
City of Anderson	\$126,633	\$38,394	30.32%
City of Angoon	\$291,671	\$32,014	10.98%
City of Aniak	\$147,680	\$43,541	29.48%
City of Anvik	\$144,065	\$29,879	20.74%
City of Atka	\$239,696	\$28,508	11.89%
City of Atkasuk	\$64,267	\$40,565	63.12%
City of Barrow	\$1,573,133	\$120,578	7.66%
City of Bethel	\$5,900,000	\$302,836	5.13%
City of Bettles	\$41,533	\$30,239	72.81%
City of Brevig Mission	\$205,303	\$32,251	15.71%
Bristol Bay Borough	\$4,504,954	\$58,003	1.29%
City of Buckland	\$132,102	\$37,864	28.66%
City of Chefnak	\$83,560	\$33,320	39.88%
City of Chevak	\$295,728	\$40,330	13.64%
City of Chignik	\$176,656	\$26,998	15.28%
City of Chuathbaluk	\$87,046	\$29,829	34.27%
City of Clark's Point	\$210,079	\$26,537	12.63%
City of Coffman Cove	\$850,991	\$30,283	3.56%
City of Cold Bay	\$284,364	\$32,418	11.40%
City of Cordova	\$5,450,311	\$175,465	3.22%
City of Craig	\$2,470,908	\$53,286	2.16%
City of Deering	\$176,812	\$34,243	19.37%
City of Delta Junction	\$518,950	\$56,504	10.89%
Denali Borough	\$2,053,700	\$61,389	2.99%
City of Dillingham	\$5,158,448	\$106,959	2.07%
City of Diomede	\$216,587	\$29,316	13.54%
City of Eagle	\$89,900	\$25,461	28.32%
City of Eek	\$155,049	\$31,378	20.24%
City of Egegik	\$147,300	\$31,321	21.26%
City of Ekwok	\$75,061	\$28,229	37.61%
City of Elim	\$301,668	\$34,334	11.38%
City of Emmonak	\$390,459	\$62,861	16.10%

Municipality	FY 03 Operating Budget	FY 03 SRS/SC Total	% of Operating Budget
City of Fairbanks	\$16,794,096	\$1,391,861	8.29%
Fairbanks North Star Borough	\$78,318,560	\$1,970,270	2.52%
City of False Pass	\$294,409	\$26,947	9.15%
City of Fort Yukon	\$151,500	\$42,954	28.35%
City of Galena	\$670,600	\$44,829	6.68%
City of Gambell	\$415,930	\$40,262	9.68%
City of Golovin	\$614,394	\$31,650	5.15%
City of Goodnews Bay	\$136,643	\$29,806	21.81%
City of Grayling	\$108,770	\$31,537	28.99%
City of Haines	\$1,508,391	\$65,526	4.34%
Haines Borough	\$3,191,250	\$39,679	1.24%
City of Holy Cross	\$119,026	\$32,990	27.72%
City of Homer	\$5,287,239	\$168,493	3.19%
City of Hoonah	\$755,600	\$54,026	7.15%
City of Hooper Bay	\$515,643	\$54,426	10.55%
City of Houston	\$220,204	\$45,501	20.66%
City of Hughes	\$101,945	\$29,174	28.62%
City of Huslia	\$137,665	\$34,730	25.23%
City of Hydaburg	\$184,063	\$27,743	15.07%
City and Borough of Juneau	\$188,848,100	\$1,482,129	0.78%
City of Kachemak	\$155,600	\$28,465	18.29%
City of Kake	\$286,395	\$35,223	12.30%
City of Kaktovik	\$557,400	\$32,456	5.82%
City of Kaltag	\$205,840	\$32,452	15.77%
City of Kasaan	\$65,781	\$22,821	34.69%
City of Kenai	\$7,980,423	\$302,982	3.80%
Kenai Peninsula Borough	\$50,258,850	\$1,598,729	3.18%
City of Ketchikan	\$27,957,840	\$425,618	1.52%
Ketchikan Gateway Borough	\$14,867,222	\$202,908	1.36%
City of Kiana	\$254,221	\$37,340	14.69%
City of King Cove	\$1,055,000	\$40,930	3.88%
City of Kivalina	\$167,493	\$52,466	31.32%
City of Klawock	\$814,390	\$35,871	4.40%
City of Kobuk	\$173,422	\$30,635	17.67%
City of Kodiak	\$11,926,675	\$267,018	2.24%
Kodiak Island Borough	\$10,818,950	\$291,868	2.70%
City of Kotlik	\$334,400	\$37,075	11.09%
City of Kotzebue	\$4,187,861	\$199,688	4.77%
City of Koyuk	\$213,927	\$32,932	15.39%
City of Koyukuk	\$99,201	\$29,115	29.35%
City of Kupreanof	\$41,400	\$22,821	55.12%
City of Kwethluk	\$268,773	\$39,612	14.74%
Lake and Peninsula Borough	\$2,271,084	\$106,854	4.70%

Municipality	FY 03 Operating Budget	FY 03 SRS/SC Total	% of Operating Budget
City of Larsen Bay	\$113,130	\$22,821	20.17%
City of Lower Kalskag	\$42,892	\$4,791	11.17%
City of Manokotak	\$35,200	\$33,175	94.25%
City of Marshall	\$201,672	\$32,512	16.12%
Matanuska-Susitna Borough	\$57,181,644	\$1,690,792	2.96%
City of McGrath	\$183,413	\$38,968	21.25%
City of Mekoryuk	\$129,985	\$30,292	23.30%
City of Mountain Village	\$444,758	\$41,835	9.41%
City of Napakiak	\$78,751	\$32,804	41.66%
City of Napaskiak	\$80,585	\$32,941	40.88%
City of Nenana	\$596,850	\$44,188	7.40%
City of New Stuyahok	\$168,340	\$33,545	19.93%
City of Newhalen	\$85,800	\$28,741	33.50%
City of Nightmute	\$141,685	\$29,396	20.75%
City of Nikolai	\$198,000	\$29,129	14.71%
City of Nome	\$7,065,869	\$218,051	3.09%
City of Nondalton	\$150,944	\$32,113	21.27%
City of Noorvik	\$260,622	\$66,852	25.65%
City of North Pole	\$2,799,058	\$69,062	2.47%
North Slope Borough	\$289,420,015	\$902,462	0.31%
Northwest Arctic Borough	\$8,031,921	\$158,084	1.97%
City of Nuiqsut	\$365,168	\$34,304	9.39%
City of Nulato	\$160,648	\$34,776	21.65%
City of Nunam Iqua	\$132,992	\$29,358	22.08%
City of Nunapitchuk	\$176,981	\$39,061	22.07%
City of Old Harbor	\$194,801	\$25,448	13.06%
City of Ouzinkie	\$142,373	\$25,096	17.63%
City of Palmer	\$5,291,041	\$226,676	4.28%
City of Pelican	\$431,776	\$25,523	5.91%
City of Petersburg	\$7,194,963	\$187,235	2.60%
City of Pilot Point	\$198,692	\$28,350	14.27%
City of Pilot Station	\$258,826	\$36,449	14.08%
City of Platinum	\$29,675	\$1,012	3.41%
City of Point Hope	\$246,223	\$70,085	28.46%
City of Port Alexander	\$138,257	\$22,820	16.51%
City of Port Heiden	\$59,992	\$30,383	50.65%
City of Port Lions	\$142,686	\$25,701	18.01%
City of Quinhagak	\$136,511	\$37,349	27.36%
City of Ruby	\$142,044	\$31,522	22.19%
City of Russian Mission	\$130,893	\$31,539	24.10%
City of Saint George	\$744,519	\$29,685	3.99%
City of Saint Mary's	\$564,779	\$42,651	7.55%
City of Saint Michael	\$290,646	\$36,789	12.66%

Municipality	FY 03 Operating Budget	FY 03 SRS/SC Total	% of Operating Budget
City of Saint Paul	\$2,200,873	\$39,100	1.78%
City of Sand Point	\$1,271,670	\$47,658	3.75%
City of Savoonga	\$204,700	\$39,297	19.20%
City of Saxman	\$259,287	\$27,723	10.69%
City of Scammon Bay	\$195,319	\$34,911	17.87%
City of Selawik	\$275,036	\$93,963	34.16%
City of Seldovia	\$353,168	\$30,207	8.55%
City of Seward	\$6,848,620	\$159,193	2.32%
City of Shageluk	\$132,948	\$29,063	21.86%
City of Shaktoolik	\$189,030	\$31,586	16.71%
City of Shishmaref	\$212,461	\$37,676	17.73%
City of Shungnak	\$241,561	\$34,318	14.21%
City and Borough of Sitka	\$18,470,340	\$424,845	2.30%
City of Skagway	\$2,818,195	\$49,423	1.75%
City of Soldotna	\$5,874,850	\$190,413	3.24%
City of Stebbins	\$270,782	\$37,803	13.96%
City of Tanana	\$234,975	\$37,237	15.85%
City of Teller	\$103,731	\$31,813	30.67%
City of Tenakee Springs	\$73,875	\$22,821	30.89%
City of Thorne Bay	\$368,940	\$32,716	8.87%
City of Togiak	\$800,289	\$42,206	5.27%
City of Toksook Bay	\$293,572	\$35,569	12.12%
City of Unalakleet	\$499,200	\$44,044	8.82%
City of Unalaska	\$20,193,196	\$185,314	0.92%
City of Upper Kalskag	\$132,756	\$36,332	27.37%
City of Valdez	\$22,425,096	\$381,529	1.70%
City of Wainwright	\$313,515	\$36,491	11.64%
City of Wales	\$172,768	\$29,748	17.22%
City of Wasilla	\$9,689,941	\$192,226	1.98%
City of White Mountain	\$55,982	\$30,982	55.34%
City of Whittier	\$910,010	\$27,493	3.02%
City of Wrangell	\$5,716,151	\$166,553	2.91%
City and Borough of Yakutat	\$1,784,375	\$44,556	2.50%
<b>Average Per cent</b>			<b>15.89%</b>
<b>Highest Percent</b>			<b>94.25%</b>
<b>Lowest Percent</b>			<b>0.31%</b>
<b># &gt; 20%</b>			<b>51</b>

## Funding History for State Revenue Sharing and Safe Communities Program



**REVENUE SHARING/MUNICIPAL ASSISTANCE  
FUNDING HISTORY (Millions)**

	Revenue Sharing	Municipal Assistance (Safe Communities Program)	Total
FY70 ACTUAL	2.0		2.0
FY71 ACTUAL	6.3		6.3
FY72 ACTUAL	7.1		7.1
FY73 ACTUAL	8.3		8.3
FY74 ACTUAL	8.8		8.8
FY75 ACTUAL	12.9		12.9
FY76 ACTUAL	15.2		15.2
FY77 ACTUAL	16.6		16.6
FY78 ACTUAL	18.2	10.6	28.8
FY79 ACTUAL	18.8	13.3	32.1
FY80 ACTUAL	26.9	11.4	38.3
FY81 ACTUAL	52.6	56.5	109.1
FY82 ACTUAL	55.6	87.9	143.5
FY83 ACTUAL	55.7	71.3	127.0
FY84 ACTUAL	57.9	70.5	128.4
FY85 ACTUAL	60.3	81.3	141.6
FY86 ACTUAL	59.6	81.3	140.9
FY87 ACTUAL	48.3	65.8	114.1
FY88 ACTUAL	40.8	56.1	96.9
FY89 ACTUAL	40.8	56.1	96.9
FY90 ACTUAL	38.2	52.7	90.9
FY91 ACTUAL	38.3	49.1	87.4
FY92 ACTUAL	38.3	46.6	84.9
FY93 ACTUAL	35.3	42.9	78.2
FY94 ACTUAL	32.8	39.9	72.7
FY95 ACTUAL	28.2	34.4	62.6
FY96 ACTUAL	26.3	32.0	58.3
FY97 ACTUAL	24.2	29.4	53.6
FY98 ACTUAL	22.7	27.6	50.3
FY99 ACTUAL	21.6	26.3	47.9
FY00 ACTUAL	12.9	15.6	28.5
FY01 ACTUAL	12.9	15.6	28.5
FY02 ACTUAL	12.9	16.8	29.7
FY03 AUTHORIZED	12.9	16.8	29.7
FY04 ENACTED	0.0	0.0	0.0
<b>TOTAL THRU FY04</b>	<b>970.2</b>	<b>1,107.8</b>	<b>2,078.0</b>

*Notes:* Municipal Assistance was funded in the Dept. of Revenue prior to FY86. It was transferred into the Department of Community and Regional Affairs in FY86. The program was established to replace the Gross Business Receipts Program, which was repealed on January 1, 1979. State Revenue Sharing was established on July 1, 1969 with the passage of Chapter 95, SLA69. Ch. 58 SLA 99 moved these programs to the Department of Community and Economic Development.

**Revenue Sharing and Safe Communities (Municipal Assistance)**  
**Funding from FY 1992 thru FY 2001**  
(in thousands)

Fiscal Year Enacted	Statewide Totals		
	Revenue Sharing	Safe Communities	Total
1992	38,347.0	46,648.0	84,995.0
1993	35,279.2	42,916.2	78,195.4
1994	32,809.7	39,912.1	72,721.8
1995	28,249.2	34,364.4	62,613.6
1996	26,271.7	31,959.0	58,230.7
1997	24,170.0	29,402.3	53,572.3
1998	22,719.8	27,638.2	50,358.0
1999	21,583.8	26,256.3	47,840.1
2000	14,389.2	17,504.2	31,893.4
2001	12,855.2	15,638.2	28,493.4
2002	12,855.2	16,775.5	29,630.7
<b>Totals</b>	<b>256,674.8</b>	<b>312,238.9</b>	<b>568,913.7</b>

# ALEUTIANS EAST BOROUGH

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SERVING THE COMMUNITIES OF

■ KING COVE ■ SAND POINT ■ AKUTAN ■ COLD BAY ■ FALSE PASS ■ NELSON LAGOON

February 19, 2004

Rep. Carl E. Moses  
House District 37  
State Capitol Building  
Juneau, Alaska 99811-1182

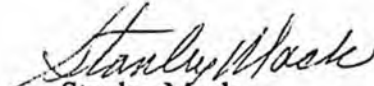
Re: Support of HB 431

Dear Rep. Moses,

The Aleutians East Borough supports HB 431. The Municipal Dividend Program would go a long way to restoring funding for municipalities to the levels of the early 1990s. I noted that under HB 431, the City of Sand Point would receive \$229,750. If my memory is correct, this is very close to the level of funding the City received under revenue sharing and municipal assistance when I was its Mayor in 1991! It is unfortunate that HB 431 does not take into consideration the inflation since then.

HB 431 is probably more important to the Cities of Cold Bay and False Pass. The minimum entitlement of \$40,000 would make life much more livable for these two cities in the Aleutians East Borough. These small cities were heavily impacted by the end of revenue sharing and safe community funding last year.

Sincerely,

  
Stanley Mack  
Mayor

---

CLERK/PLANNER  
P.O. BOX 349  
SAND POINT, AK 99661  
(907) 383-2699  
(907) 383-3496 FAX  
e-mail: AEBCLERK@aol.com

BOROUGH ADMINISTRATOR  
3380 C STREET, SUITE 205  
ANCHORAGE, AK 99503-3952  
(907) 274-7555  
(907) 276-7569 FAX  
e-mail: aebanc@gci.net

FINANCE DIRECTOR  
P.O. BOX 49  
KING COVE, AK 99612  
(907) 497-2588  
(907) 497-2386 FAX  
e-mail: aebfinance@aol.com

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# CITY OF NORTH POLE

*"Where the Spirit of Christmas Lives Year Round"*

125 Snowman Lane • North Pole, Alaska 99705-7708  
E-mail: [mayor@northpolealaska.com](mailto:mayor@northpolealaska.com) • Website: [www.northpolealaska.com](http://www.northpolealaska.com)

City Hall  
907-488-2281  
Fax: 907-488-3002

Police  
Department  
907-488-6902

Fire  
Department  
907-488-2232

Utilities  
907-488-6111

City Clerk  
907-488-2281

City Engineer  
907-488-2281

February-23, 2004

Honorable Representative Moses,

The City of North Pole supports HB 431 Establishing a Municipal Dividend Program. With the elimination of Municipal Assistance and Revenue Sharing a significant burden was shifted to local communities to fund services and programs at higher costs to local taxpayers or in some cases reduction or elimination of essential services.

A municipal dividend program would provide a stable revenue stream that municipalities could utilize to offset increasing operating expenses and decreasing revenues.

I thank you for your attention to this matter. Feel free to contact me if you have any questions.

Sincerely,

JEFFREY JAMES JACOBSON, Mayor



City of Point Hope  
P.O. Box 169  
Point Hope, Alaska 99766  
(907)368-2537/2836  
Fax: (907)368-2835  
e-mail: akphogov@hotmail.com

TO: Carl Moses, Representative  
Municipal Dividend Program

FROM: Martin Oktolik, Sr., Mayor *M.O.S.*  
City of Point Hope  
P. O. Box 169  
Point Hope, Alaska 99766

DATE: February 24, 2004

SUBJ: Letter of Support

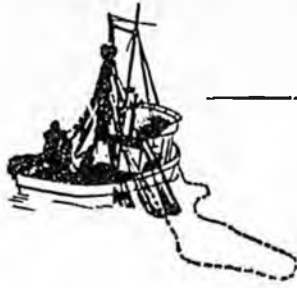
We are in support of the Municipal Dividend Program from the earnings reserve account of the Permanent Fund. Due to the Municipal hardships and low economy.

If you have any questions please do not hesitate to e-mail us at the above address or call directly at 1 (907) 368-2537.

Thank you for your time and consideration.

Cc: File  
City Council

MSO/ms



# City of False Pass

---

P.O. Box 50 • False Pass, Alaska 99583-0050  
Telephone (907) 548-2319 • Fax (907) 548-2214

February 19, 2004

Representative Carl Moses  
State Capitol Building  
Juneau, Alaska 99801-1182


Dear Representative Moses:

I read with interest of your HB 431, which would establish a Municipal Dividend program. I understand that payouts from this program to municipalities and boroughs would be allocated for unrestricted use by local governments, and would have only a modest effect on personal dividends. This program would be helpful in light of the loss of the Revenue Sharing program last year, and I would like you to know that I support this bill. I will present a resolution to the City Council at our next meeting showing their support.

As you know the City of False Pass, like others in our region, is struggling to continue providing essential services to our residents with ever decreasing funds. In our case, we are now getting by with only about a third of the tax revenues we received a few years ago. The closure last year of a small processor in our community meant approximately 20% of the City's operating budget was gone due to the loss of sales tax, fish tax, and utilities sales. The other fish company in our community wants to sell or close down their retail sales of fuel, groceries, and hardware, which if closed will not only put our community in a difficult situation, but will also mean loss of even more sales tax. The loss of the Revenue Sharing program last year was also unfortunate.

Again, I support and appreciate your efforts on our behalf to secure this funding source for communities such as ours.

Sincerely,

  
John J Nickels II  
Mayor

# City of Sand Point



February 23, 2004

Representative Carl Moses  
State Capitol, Room 500  
Juneau, Alaska 99801-1182

Re: HB 431

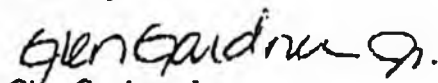
Dear Representative Moses:

The City of Sand Point fully supports your efforts to create a Municipal Dividend Program through HB 431. As you are well aware, Municipal Assistance and Revenue Sharing have been deleted from the state budget and this legislative action has been a tremendous financial blow to our community. We now struggle to maintain the minimal services that Sand Point residents deserve.

As we understand HB 431, a program would be created whereby a flat rate of \$250 per resident would be given to the City, paid from the earnings reserve account of the Permanent Fund after inflation-proofing and PFD's. This would potentially mean a \$200K infusion of state funds into our local economy to pay for local services, help match grants and loans and ease the financial burden that we now face.

We applaud your efforts and if there is anything we can do to help, please do not hesitate to ask. The future of Alaska's small, local governments depends on a fiscal plan that includes some type of financial assistance to each community in our great State.

Sincerely,

  
Glen Gardner, Jr.  
Mayor

Sand Point City Council

---

City Office:  
P.O. Box 249  
Sand Point, Alaska 99661  
(907) 383-2696  
(907) 383-2698 FAX

Administrator:  
3380 C Street, Suite 205  
Anchorage, Alaska 99503  
(907) 274-7561  
(907) 274-3540 FAX  
daypa72@gci.net

City of Mekoryuk  
P.O. F x 29  
Mekoryuk, AK 99630  
Phone: (907) 827-8314 Fax: (907) 827-8626

February 23, 2004

Representative Carl Moses  
State Capitol Building  
Juneau, Alaska 99801-1182

Dear Representative Moses;

The City of Mekoryuk supports HB 431, which would establish a Municipal Dividend program. I also understood that payouts from this program to municipalities would be allocated for unrestricted use by local governments. This program would be helpful in light of the loss of the Revenue Sharing program last year. I will present a resolution to the City Council at our next meeting showing their support.

In our case, our city is small and sales taxes are out. Again I support and appreciate your efforts on our and many other small communities behalves to secure this funding source.

Thank you.

Sincerely,  
*for* *David S. Olson - City Clerk*  
Larson King  
Mayor



## Lake and Peninsula Borough

P.O. Box 495  
King Salmon, Alaska 99613

Telephone: (907) 246-3421  
Fax: (907) 246-6602



February 23, 2004

House Community and Regional Affairs Committee  
State Capitol (MS 3100)  
Juneau, AK 99801-1182

RE: HB 431, Municipal Dividend Program

To Whom It May Concern:

The Lake and Peninsula Borough is pleased to provide continued support for Representative Carl Moses' Municipal Dividend Program, HB 431. We appreciate his foresight and his diligent efforts to advance this critically important bill.


Our 17 villages are suffering economically. Residents of the southern half of the borough have been out-migrating necessitated by the dire need to find work to feed their families. During an "average" fishing season villagers have typically been able to financially sustain their lifestyles. However, "average" fishing seasons have been few and far between for about a decade now.

Loss of this local revenue source means precious little money remains available in most bush communities for governmental operations. The State of Alaska's eradication of Revenue Sharing essentially eliminated funds that remained for at least some basic services. A Municipal Dividend Program which we hope can be designed to be applicable for organized and unorganized villages alike would provide sufficient financial support for numerous villages within the State to remain financially solvent.

Without the Municipal Dividend Program it is almost a certainty many incorporated bush communities will be forced to dissolve their local municipal governments, probably in the near term. In addition, the continued absence of a funding vehicle like the Municipal Dividend Program will put off villages from ever seeking incorporation. Why would they take on the additional expense when there are fewer and fewer "returns"? The potential outcome of not passing HB 431 bodes a question that must be considered. Just how much will it cost the State of Alaska if several rural municipalities dissolve their incorporated status?

The Municipal Dividend Program is a sound proposal more pertinent now perhaps, than it was 9 years ago when first introduced by Rep. Moses. The Borough urges your support of HB 431.

Sincerely,

  
Glen Alsworth Sr.  
Mayor

# DENALI BOROUGH

---

P. O. Box 480 • Healy, Alaska 99743  
Phone (907) 683-1330 • Fax (907) 683-1340  
dlbgovt@mlaonline.net  
www.denaliborough.govoffice.com



*David M. Talerico, Mayor*

To: Representative Moses  
Fax: 907 465-3415  
Date: February 25, 2004

Re: Municipal Dividend Program, HB 431

Representative Moses:

Please allow this letter serve as my support for the Municipal Dividend Program, HB 431. Municipal Dividend Funds will greatly enhance our revenue sharing opportunities. Our communities benefit significantly from these funds which are distributed throughout the borough.

We appreciate the work you do for us in the Legislature. Please feel free to contact me for any information that I might be able to provide you.

Sincerely:

  
Mayor David Talerico

**CITY AND BOROUGH OF SITKA****RESOLUTION NO. 2004-11****A RESOLUTION OF THE CITY AND BOROUGH OF SITKA SUPPORTING HOUSE BILL 431 WHICH WOULD CREATE A MUNICIPAL DIVIDEND THAT WOULD BE PAID MUNICIPALITIES FROM THE EARNINGS OF THE PERMANENT FUND AFTER INFLATION PROOFING**

**WHEREAS**, the City and Borough of Sitka similar to other municipalities has been significantly impacted by the loss of funding provided for under Revenue Sharing and Safe Communities; and

**WHEREAS**, the City and Borough of Sitka is being forced to decrease services, programs, charitable contributions, and eliminate positions due this shortfall; and

**WHEREAS**, Representative Carl E. Moses has sponsored legislation that would create a Municipal Dividend Program; and

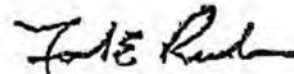
**WHEREAS**, the Municipal Dividend Program will assist municipalities in filling the gaps left in their budgets as a result of the elimination of funding for Revenue Sharing and Safe Communities; and

**WHEREAS**, the proposed Municipal Dividend Program would pay out \$250 for each person residing in Sitka. The population shall be determined annually by using the numbers of permanent fund dividend recipients or other reliable population data; and

**WHEREAS**, the Act would take effect June 20, 2004.


**THEREFORE, BE IT RESOLVED**, that the Assembly of the City and Borough of Sitka, Alaska by this resolution supports House Bill 431 providing for a municipal dividend program to assist municipalities with their budget shortfalls generated by the elimination of Revenue Sharing and Safe Communities funding.

**PASSED, APPROVED AND ADOPTED** by the Assembly of the City and Borough of Sitka, Alaska on this 24th day of February 2004.



Fred Reeder, Mayor

ATTEST:



Colleen Pellett, CMC  
Municipal Clerk



## CITY OF SELDOVIA

P.O. DRAWER B \* SELDOVIA, ALASKA 99663

Phone: (907) 234-7643 Fax: (907) 234-7430 Email: .....

February 25, 2004

Representative Carl Moses  
State Capitol  
Juneau, AK 99801-1182

RE: HB 431

Dear Representative Moses:

I wish to take this opportunity to inform you that the City of Seldovia strongly supports the passage of HB 431 to assist Cities to maintain the most basic of services. One of the prime reasons for revenue sharing was to assist Cities when elderly homeowners were given an exemption from property taxes on their homes.

In Seldovia, a City with approximately 300 year-round residents, the exemption has removed some nineteen homes from the tax rolls. These homes still need services and Seldovia, plagued by a lack of economic growth, has no internal capacity to make up the shortfall. Last years state injection of funds allowed us to at least maintain essential services. Without that \$40,000.00 proposed in HB 431, we will have to make budget cuts that could have the effect of causing us to cease to deliver even essential services in the areas of public safety and utility/road maintenance.

Right now, Seldovia supplies the only on-site police protection in this portion of the Kenai Borough. If we have to cut back, Seldovia and the surrounding area would have to depend on State Troopers being able to come across Kachemak Bay. During certain times of the year, this could leave us with no protection for days at a time.

Therefore, we consider it essential that some form of support such as HB 431 be in place.

Thank you and if you have any questions, please do not hesitate to ask.

Sincerely,

John Frohrip  
City Manager

*Alaska State Legislature*  
Representative Carl E. Moses  
*House District 37*



**MEMORANDUM**

**DATE:** February 26, 2004

**TO:** Rep. Bruce Weyhrauch, Chairman  
House State Affairs Committee

**FROM:** Rep. Carl E. Moses *CEM*  
House District 37

**SUBJ:** Request for Hearing – HB 431 (Municipal Dividend Program)

I respectfully request a committee hearing on HB 431, the measure to establish a Municipal Dividend Program. Uncertain state funding to municipalities has affected local ability to plan and budget properly, and more recently, has forced municipalities to absorb the brunt of many state budget cuts.

HB 431 would aid our beleaguered municipalities with a measure of unrestricted funds and would empower local governments by allowing them to decide how to best spend that money. Our municipalities provide the most direct critical services to the people and deserve control of a share of Alaska's funding resources.

The amount going to each municipality would be determined by population, at \$250 per PFD recipient, with a minimum of \$40,000 to each municipality. Distributions to municipalities would come only after Permanent Fund Dividends and inflation proofing are provided for.

I am attaching a copy of the bill and support material. Thank you for your consideration in hearing this bill.

**SESSION**

State Capitol Building  
Juneau, AK 99801-1182  
Phone: (907) 465-4451  
Toll-Free: (800) 898-4451  
Fax: (907) 465-3445

**Alaska Peninsula**  
Aleutians  
Bristol Bay  
Pribilofs

**INTERIM**

716 West 4<sup>th</sup> Avenue  
Anchorage, AK 99501-2133  
Phone: (907) 269-0275  
Toll-Free: (800) 898-4451  
Fax: (907) 269-0274