

ALASKA LEGISLATURE COMMITTEE FILES, 2003-2004 8672

11059 HOUSE STATE AFFAIRS

313

HB

516

THE
FOLLOWING
DOCUMENT(S)
ARE
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Sec. 09.68.115. Bad check civil penalties.

(a) In an action against a person who issues a check that is dishonored, the plaintiff may recover damages in an amount equal to \$100 or triple the amount of the check, whichever is greater, except that damages recovered under this section may not exceed the amount of the check by more than \$1,000 and may be awarded only if

(1) the plaintiff makes a written demand for payment of the check at least 15 days before beginning the action; and

(2) the defendant fails to tender, before the action begins, an amount equal to at least the amount of the check plus costs incurred by the plaintiff up to a maximum of \$25.

(b) An action under this section may be brought as a small claims action if the amount claimed does not exceed the jurisdictional limits for small claims actions, or may be brought in any other court that has jurisdiction.

(c) After the beginning of an action under this section but before the case is tried, the defendant may satisfy the claim by tendering an amount of money equal to the amount of the check plus court, legal, and service costs incurred by the plaintiff up to a maximum of \$150.

(d) In this section

(1) "check" has the meaning given in AS 11.46.280 ;

(2) "dishonored" means the nonpayment of a check because of

(A) lack of funds;

(B) closure or nonexistence of an account; or

(C) a stop payment order issued without cause;

(3) "written demand" means a written notice to the issuer of a check personally delivered or sent by first class mail to the address shown on the dishonored check, advising the issuer that the check has been dishonored and explaining the civil penalties set out in this section.

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 516 (23-LS1788A)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Several, see below
 Title An Act relating to a charge for a bad RDU Various
check Component Various
 Sponsor House Finance Committee
 Requester _____ Component No. _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

FUND SOURCE	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

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

POSITIONS

POSITIONS	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 This legislation allows holders of NSF checks to assess an additional \$5 (from \$25 to \$30) for handling fees allowable under AS 09.68.115(a). A quick survey of some state agencies accepting over the counter receipts produced the following:
 >DMV - collect about 550 per year; \$5 increase would yield \$2,750; cost to modify system \$5,000
 >Occupational Licensing - collect about 150 per year; could yield \$750
 >Environmental Conservation - about 20 NSFs per year; not charging fees
 >DOTPF - collected 72 in 2003; \$5 increase would yield \$360
 Based on this information, the financial impact on state agencies is estimated as an immaterial wash, as shown by zero amounts in the tables above.

Prepared by: Kim Garnero, Director Phone 465-3435
 Division Division of Finance Date/Time 3/1/04 2:05 PM
 Approved by: Mike Miller, Commissioner Date 3/1/2004
 Agency Department of Administration

Alaska State Legislature

House Finance Committee

REPRESENTATIVE
BILL WILLIAMS

Co-Chair
(907) 465-3424
Fax: (907) 465-3793

INTERIM ADDRESS
50 Front Street, Suite 203
Ketchikan, Alaska 99901
(907) 247-4627
Fax: (907) 225-7157



State Capitol, Juneau, Alaska 99801-1182

REPRESENTATIVE
JOHN HARRIS

Co-Chair
(907) 465-4859
Fax: (907) 465-3799

INTERIM ADDRESS
State Capitol, Room 507
Juneau, AK 99801-1182

Sponsor Statement

HB 516: *An act relating to a charge for a bad check.*

House Bill 516 is an effort to clarify AS 09.68.115, the statute that pertains to "bounced checks" and clarify current law that leaves businesses vulnerable to litigation, which may question the costs for collecting on insufficient-funds checks.

Currently this statute does not allow aggrieved creditors or their agents to assess a *fixed surcharge* on bounced checks. This is problematic, as the plaintiff must first give the check writer an opportunity to "make good" on the bounced check plus the "costs incurred by the plaintiff up to a maximum of \$25." They must also keep a separate ledger to track and defend their costs incurred in the collection procedure.

Many states have statutes that allow creditors to assess a statutory penalty for an insufficient-funds check. These fees go up to as high as \$40 per checks, and some charge an annual interest rate that begins on the date the check was issued.

This bill proposes to impose a flat fee of \$30 for a bounced check, which more accurately reflects the cost of collecting on these bad checks and frees the creditor from the burden of having to document "costs incurred" on each bounced check. Currently, this fee can be up to, but no greater than \$25. It is common practice for banks to assess a flat \$25 fee for bad checks and does not require them to send a letter of notification or make a phone call.

Passage of HB 516 will make it less likely for the statute to be challenged and will put Alaska on par with other states that specify a statutory penalty fee for bad checks. This lessens the burden currently placed on businesses as they attempt to collect payment for goods they have already provided to their customers.

MERCHANT COSTS – DISHONORED CHECKS

1. Check is dishonored.
2. Bank Fees range from \$2.00 to \$25.00 (Average in Alaska is \$7.37 per dishonored check).
3. Re-Deposit Bank Fees range from \$2.00 to \$25.00 (If check is presented twice, which is customary).
4. Reverse dishonored check from active accounts receivable ledger.
5. Generate a "written demand" for payment of the dishonored check pursuant to A.S. 09.68.115.
6. Mail written demand "first class," or personally deliver pursuant to A.S. 09.68.115.
7. Verify funds with the bank to see if the check can be replaced with a cashiers check. If the check is collected the bank may charge for the replacement cashiers check.
Refer to step 12.
8. Initiate telephone contact (if phone number provided on check) and make request for payment. If the merchant has a good number, it can easily take two or more contacts with the consumer to receive payment. This does not include the time spent leaving messages or finding a secondary number to telephone the maker during the daytime, or after normal business hours. *If payment is made please refer to step 12.*
9. If no active telephone number, or number is disconnected use either "411" (additional cost) or manual phone book look-up.
10. Attempt the necessary telephone contact to collect the dishonored check. **This may include numerous calls over an extended period of time.**
11. Send out a certified written demand prior to taking any further action, or refer check to a third party agency to commence further collection activity.

PAYMENT RECEIVED

12. Re-apply payment(s) towards active accounts receivable. (If this is a partial payment this step will be repeated for each payment).
13. Deposit payment with merchant bank.

Incidental Costs

1. Wages to perform all the above tasks.
2. Postage.
3. Long distance charges (if applicable).
4. Supplies.
5. Bank fees above the dishonored check charges (e.g. deposit item fees, deposit cash fees, etc).
6. Merchant collateral costs attributed to issuing checks against the dishonored check.

Summary

Bank fees, on average, frequently account for approximately \$15.00 per dishonored check prior to accounting for the greater expense of recovery. Significant additional expenses include labor, postage, long distance charges, supplies, bank reconciliation, and incidental bank fees.

21 other States that charge \$30 or more as "penalty" for bad checks:

Alabama \$30

Arizona \$25 plus bank fees (which would almost always be \$30 or more)

Arkansas \$25 plus bank fees (which would almost always be \$30 or more)

California \$25 for first check; \$35 for subsequent checks

Florida \$30 or more once check exceeds \$50

Georgia \$30

Iowa \$30

Kansas \$30

Louisiana \$25 or 5% of check, whichever is greater

Michigan \$25 within 7 days; \$35 after

Minnesota \$30

Mississippi \$30

Missouri \$25 plus bank fees

Montana \$30

Ohio \$30 or 10% of check, whichever is greater

South Carolina \$30

South Dakota \$30

Texas \$30

Virginia \$35

Washington \$40

Wyoming \$30

Some other States use methods which will result in fees of \$30 or greater, but are not included in this list due to complexity .

RECEIVED
SEP 29 2003

IN THE DISTRICT COURT FOR THE STATE OF ALASKA
FOURTH JUDICIAL DISTRICT AT FAIRBANKS

CORNERSTONE CREDIT)
SERVICES, LLC,)
)
Plaintiff(s),)
)
vs.)
)
SHELISSA F. REED d/b/a)
JACK AND JILL CHRISTIAN)
NURSERY SCHOOL d/b/a)
CALEB'S CHRISTIAN SCHOOL,)
)
Defendant(s).)
_____)

Case No. 4FA-03-502 CI

ORDER GRANTING IN PART AND
DENYING IN PART
PLAINTIFF'S MOTION FOR SUMMARY JUDGEMENT

Cornerstone Credit Services moves for summary judgment on a number of counterclaims asserted by Ms. Reed. Based on the briefing of the parties, the court grants some and denies others.

The court denies the motion as to the \$25 surcharge. The court finds that "costs incurred by the plaintiff up to a maximum of 25" requires actual costs. AS 09.68.115(a)(2).

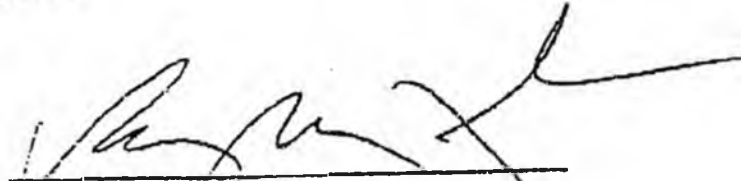
The court grants the motion that claims of FDCPA violations are barred as relating to any communications prior to one year before the filing of the counterclaims filed on March 24, 2003.

The court grants summary judgment as to thirty-day notice requirement in FDCPA.

The court grants summary judgment as to all usury counterclaims except those as to AS 45.45.040.

All other parts of the motion are denied.

Dated this 22nd day of December, 2003.



RAYMOND M. FUNK
District Court Judge

CONFIDENTIAL - NOT TO BE REPRODUCED OR DISCLOSED TO THE PUBLIC

X Fetz

X Ballovop

mt Date 12-23-03

Clerk

Service Fees for Returned Checks

Revised for November 2003

INTERNET & CHECK SERVICES PROGRAM

ACA International

Alabama.....\$30 <i>Ala. Code § 8-8-15 (2002).</i>	Idaho.....\$20 or the face amount of the check, whichever is the lesser, plus 12% interest per annum from the date of dishonor <i>Idaho Code § 28-22-105 (2002).</i>
Alaska.....\$25 <i>Alaska Stat. § 09.68.115 (2002).</i>	Illinois.....\$25 or all costs and expenses including reasonable attorney's fees incurred in collection of check, whichever is greater <i>810 Ill. Comp. Stat. 5/3-806 (2002).</i>
Arizona.....\$25, plus any actual charges assessed by the financial institution of the holder, payee or assignee of the holder or payee as a result of the dishonored instrument <i>Ariz. Rev. Stat. § 44-6852 (2003).</i>	Indiana.....An amount not to exceed \$20, plus an amount equal to the actual charge by the depository institution for each returned or dishonored instrument. <i>Ind. Code § 26-1-3.1-502.5 (2002).</i>
Arkansas.....\$25, plus the amount of any fees charged to the holder of the check by any financial institution as a result of the check not being honored <i>Ark. Code Ann. § 4-60-103 (2002).</i>	Iowa.....\$30 <i>Iowa Code § 554.3512 (2003).</i>
California.....\$25 for the first check and a service fee of up to \$35 for each subsequent check to that same payee <i>Cal. Civ. Code § 1719 (2003).</i>	Kansas..... Not to exceed \$30 <i>Kan. Civ. Proc. Code Ann. § 60-2610 (2002).</i>
Colorado.....\$20 posted at point-of-sale and, if the NSF check has been assigned to a licensed collection agency for collection, 20% of the face amount of the check, but not less than \$20 <i>Colo. Rev. Stat. § 13-21-109 (2002).</i>	Kentucky.....\$25 posted at point-of-sale <i>Ky. Rev. Stat. Ann. § 514.040 (2002).</i>
Connecticut.....\$20 <i>Conn. Gen. Stat. § 52-565a (2003).</i>	Louisiana.....\$25 or 5% of face amount, whichever is greater, posted at the point-of-sale <i>La. Rev. Stat. Ann. § 9:2782 (2002).</i>
Delaware.....Undetermined *	Maine.....Undetermined *
District of Columbia...\$15 or fee prescribed by Mayor, but only for dishonored checks in payment of any tax assessment or fees due to the government of the District of Columbia <i>D.C. Code Ann. § 1-333.11 (2002).</i>	Maryland..... Up to \$35. <i>Md. Code Ann., Com. Law § 15-802 (2002).</i>
Florida.....\$25, if the face value does not exceed \$50, \$30, if the face value exceeds \$50 but does not exceed \$300, \$40, if the face value exceeds \$300, or 5% of the face amount of the check, whichever is greater <i>Fla. Stat. ch. 68.065 (2002).</i>	Massachusetts.....Undetermined *
Georgia..... \$30 or 5 percent of the instrument, plus the amount of any fees charged to the holder of the instrument by a bank or financial institution as a result of the instrument not being honored. <i>Ga. Code Ann. § 13-6-15 (2002).</i>	Michigan.....\$25 to be paid within 7 days, excluding weekends & holidays, after notice was mailed. If not paid as requested above, but within 30 days after notice was mailed, the service fee is \$35. <i>Mich. Comp. Laws § 600.2952 (2002).</i>
Hawaii.....\$20. <i>Haw. Rev. Stat. § 490:3-506.5 (2002).</i>	Minnesota.....Not to exceed \$30; posted conspicuously at point-of-sale <i>Minn. Stat. § 604.113 (2002). Renumbered from the former 332.50.</i>
	Mississippi.....\$30 <i>Miss. Code Ann. § 97-19-57 (2002).</i>

THIS INFORMATION IS NOT INTENDED AS LEGAL ADVICE AND MAY NOT BE USED AS LEGAL ADVICE. ANY INFORMATION CONTAINED IN THIS MATERIAL IS SUBJECT TO CHANGE AND INTERPRETATIONS OF THE STATUTES MAY VARY. THIS INFORMATION SHOULD NOT BE USED TO REPLACE THE ADVICE OF YOUR OWN LEGAL COUNSEL. THE ABOVE INFORMATION IS A SUMMARY OF THE APPLICABLE STATUTES. THE STATUTES SHOULD BE REVIEWED IN THEIR ENTIRETY FOR A COMPLETE UNDERSTANDING OF THE LAW REGARDING SERVICE FEES.

Missouri.....	A reasonable service charge, not to exceed \$25, plus an amount equal to the actual charge by the depository institution for the return of each unpaid or dishonored instrument. <i>Mo. Rev. Stat. § 570.120 (2003).</i>	South Carolina.....	\$30 <i>S. C. Code Ann. § 34-11-70 (2002).</i>
Montana.....	Up to \$30 <i>Mont. Code Ann. § 27-1-717 (2002).</i>	South Dakota.....	\$30 plus any applicable sales tax, posted conspicuously at point-of-sale <i>S.D. Codified Laws § 57A-3-421 (2001).</i>
Nebraska.....	Undetermined *, but for NSF checks written for the purchase of goods, Neb. Rev. Stat. § 2-710 (2002) provides a seller or a person in the position of the seller, one who has become responsible for the price of the goods on behalf of his principal, may assess a buyer for incidental damages incurred as a result of the buyer's breach. Such incidental damages may include any commercially reasonable charges. <i>See Freyermuth v. Credit Bureau Services, Inc., 248 F.3d 767 (8th Cir. 2001).</i>	Tennessee.....	An amount not to exceed \$20 <i>Tenn. Code Ann. § 47-29-102 (2002).</i>
Nevada.....	Up to \$25 <i>Nev. Rev. Stat. § 597.960 (2002).</i>	Texas.....	\$30 <i>Tex. Bus. & Com. Code Ann. § 3.506 (2001).</i>
New Hampshire.....	Not more than \$25 unless otherwise expressly authorized by written agreement with the consumer <i>N.H. Rev. Stat. Ann. § 358-C:5 (2002).</i>	Utah.....	\$20 <i>Utah Code Ann. § 7-15-1 (2002).</i>
New Jersey.....	Undetermined *	Vermont.....	Undetermined *
New Mexico.....	Undetermined *	Virginia.....	\$35, plus legal interest from the date of the check and the bad check return fee charged to the holder by his bank <i>Va. Code Ann. § 8.01-27.1 (2003).</i>
New York.....	The lesser of the amount agreed upon, if contracted for, or \$20 <i>N.Y. Gen. Oblig. Law § 5-328 (2003).</i>	Washington.....	Reasonable handling fee; when not paid within 15 days, a collection cost not to exceed \$40 or face amount of check, whichever is less and interest at 12% per year from date of dishonor <i>Wash. Rev. Code § 62A.3-515 (2003).</i>
North Carolina.....	\$25 <i>N.C. Gen. Stat. § 25-3-506 (2003).</i>	West Virginia.....	\$25 <i>W. Va. Code § 61-3-39e (2003).</i>
North Dakota.....	\$25 <i>N.D. Cent. Code § 6-08-16.2 (2001).</i>	Wisconsin.....	All reasonable costs and expenses in connection with the collection of the amount for which the check or draft was written <i>Wis. Stat. § 403.414 (2003).</i>
Ohio.....	\$30 or 10% of the face amount of the instrument, whichever is greater, plus the amount of any fees charged to the holder of the check by any financial institution as a result of the check not being honored <i>Ohio Rev. Code Ann. § 1319.16 (2003).</i>	Wyoming.....	\$30 <i>Wyo. Stat. Ann. § 1-1-115 (2002).</i>
Oklahoma.....	Undetermined *	*Undetermined means that a specific service charge has not been set by state statute. See the full state's statutes for remedies by civil action or criminal penalties which may allow a civil penalty assessment.	
Oregon.....	\$25 <i>Or. Rev. Stat. § 30.701 (2001).</i>	It is suggested that service fees be posted at the point-of-sale in all states. ACA cannot be responsible for recent changes in the law regarding service charges and civil penalties. Remember to check with your attorney before establishing any procedures based upon this information.	
Pennsylvania.....	Undetermined *	© 2003 ACA International. All rights reserved. No reprinting.	
Rhode Island.....	\$25 <i>R.I. Gen. Laws. § 6-42-3 (2002).</i>	For more information on each state's check laws, including criminal penalties, contact ACA Member Services for purchase and update information on the <i>ICSP Statutory Penalties Guide</i> .	

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ALASKA

National Federation of Independent Business

Statement of Support for SB 299

Bad Check Fee

February 16, 2004

The Alaska Chapter of the National Federation of Independent Business has 2,500 members, making it the largest small-business advocacy group in the state.

NFIB supports SB299 to remove language from the current law that has been interpreted to require a business to document the costs of collecting bad checks. The proposed legislation simply states that the amount of the check plus \$30 can be collected for bad checks. The language referring to "costs incurred" has been removed.

Bad checks are a real problem for many businesses and they should not be burdened with additional paperwork in order to charge a fee for these checks. We encourage your quick action in passing this legislation.

Vote YES on SB 299

Submitted by Thyes Shaub on behalf of NFIB/Alaska.

Northern Lights Avionics



OS #CWR115M

900 Merrill Field Drive
Anchorage, Alaska 99501
(907) 277-4811 (907) 278-6651 fax

www.NLAvionics.com

March 3, 2004

Representative Bruce Weyrauch
Chairman, House State Affairs
Re: House Bill 516
Fax: (907) 465-2273

Dear Representative Weyrauch,

I am writing on behalf of Northern Lights Avionics, Inc. to request your support for the passage of House Bill 516. The current bad check statute allows us to collect up to \$25 to cover "costs incurred" for collecting a bad check. This creates an accounting burden on businesses to track and record costs of collection, instead of assigning a fixed penalty to the person writing the bad check. The proposed change in the statute would set a reasonable handling fee that is not subject to challenge.

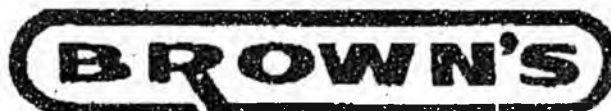
Please help Alaska businesses by eliminating the requirement to document the costs of collecting bad checks. Many other states have removed this administrative burden by simply assigning a fixed penalty.

On behalf of all Alaskan businesses, I strongly urge you to support HB 516 to make this simple change.

Sincerely,

Gary R. Bennett
President
Northern Lights Avionics, Inc.

sk



ELECTRICAL SUPPLY CO., INC.

365 Industrial Way
Anchorage, Alaska 99501
(907) 272-2259
Fax (907) 279-7495

March 2, 2003

Dear Legislator:

I support the passage of House Bill 516 and Senate Bill 299. The changes in Section 1. AS 09.68.115(a)

from: (2) the defendant fails to tender, before the action begins, an amount equal to at least the amount of the check plus costs incurred by the plaintiff up to a maximum of \$25

to: (2) the defendant fails to tender, before the action begins, an amount equal to the amount of the check plus \$30

would help clarify the current statute. It would further relieve businesses of the work involved in tracking all costs associated with the recovery of funds from dishonored checks. This legislation would help business keep the acceptance of checks from our customers as a sound and viable choice.

Sincerely,

Leon T. Brown, Jr.
Vice President

LTB/ns

Robin Thompson

Owner,

450 Ridgcrest Drive
P.O. Box 1347 #100
Bethel, AK 99559
907.543.3719 Tel
907.543.3721 Fax



RE: House Bill 516

Dear Representative Mary Kapsner:

I am writing this letter to request your support for the passage of H.B. 516. The current bad check statute allows us to collect up to \$25 to cover "costs incurred" for collecting a bad check. This creates an accounting burden on businesses to track and record costs of collection, instead of assigning a fixed penalty to the person writing the bad check. The proposed change in the statute would set a reasonable handling fee that is not subject to challenge.

Please help Alaska businesses by eliminating the requirement to document the costs of collecting bad checks. Many other states have removed this administrative burden by simply assigning a fixed penalty.

I strongly urge to support HB 516 to make this simple change.

Sincerely,

Robin Thompson
Owner, The UPS Store



Mar 03 04 11:54a

ALYESKA RESORT

S077542140

p.2

Amanda Hawes
Director of Accounting
Alyeska Resort
PO Box 249
Girdwood, AK 99587-0249

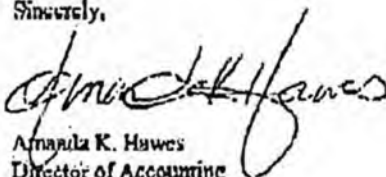
March 3, 2004

Attn: Rep. Bruce Weybrauch
Chairman House State Affairs
Re: House Bill 516

Dear Legislator,

I support the passage of House Bill 516. It helps clarify the current statute and relieves businesses of the burden of attempting to track all costs associated with collecting dishonored checks. Please help businesses retain the payment option of accepting checks from customers by passing this legislation.

Sincerely,



Amanda K. Hawes
Director of Accounting
Alyeska Resort



ALYESKA RESORT

P.O. BOX 249
GIRDWOOD, ALASKA 99587
TELEPHONE (907) 754-1131
FAX (907) 754-2200



INDEPENDENCE PARK MEDICAL SERVICES, INC.
9500 INDEPENDENCE DRIVE, SUITE 900, ANCHORAGE, ALASKA 99507-4800
(907) 522-1341

March 2, 2004

Representative Bruce Weyhrauch
Chairman House State Affairs
Fax: 907-465-2273

Re: House bill 516

Dear Representative Weyhrauch:

We support the passage of House bill 516 and Senate Bill 299. It helps clarify the current statute and relieves businesses of the burden of attempting to track all costs associated with receiving dishonored checks. Please help businesses retain the payment option of accepting checks from customers by passing this legislation.

Sincerely,



Helen Spencer
Clinic Manager
Independence Park Medical Services Inc.



Internal Medicine Associates

2841 DeBarr Road
Suite 50
Anchorage, Alaska
99508

Telephone
(907) 278-2811
1-888-935-2811

Fax
(907) 258-8590

GASTROENTEROLOGY

Richard F.
BUCHANAN, M.D.

William H.
MCCRAY, JR., M.D.

David E.
PEACH, M.D., FACP

Geny
SAHAGUN, M.D.

Charles R.
SHANNON, M.D.

Eric R.
TOMPKINS, M.D.

PULMONARY

Beth A.
BAKER, M.D.,
FCCP, FACP

Gregory D.
GERBOTH, M.D.,
FCCP, FACP

ENDOCRINOLOGY

Janice A.
KOVAL, M.D.

Representative Bruce Weyhraugh, Chairman House State Affairs
Re: House Bill 516

Dear Legislator:

We support the passage of House Bill 516 and Senate Bill 299. It helps clarify the current statute and relieves businesses of the burden of attempting to track all costs associated with receiving dishonored checks. Please help businesses retain the payment option of accepting checks from customers by passing this legislation.

Sincerely,

Tamara Barker
Practice Manager

FEB-27-2004 05:12P FROM:

TO: 19077708150

P:3

COURTNEY'S AUTO & DIESEL REPAIR
P.O. BOX 1127
BETHEL, AK 99559

February 27, 2004

Dear Senator Lyman Hoffmann

I want to go on record as a small business owner to support the passage of Senate Bill 299/JR 516. Our current statute allows us to collect up to \$25.00 to cover "costs incurred" for collecting to bad checks. The proposed change will set reasonable handling fees that is not subjected in challenge.

Sincerely,


Signature



F. LELAND JONES, M.D.
KENNETH S. LAUFER, M.D.
R. MATSON WHITE, JR., M.D.
RICHARD R. TAYLOR JR., M.D.
CHARLES L. AARONS, M.D.

GLENN J. SCHULTZ, M.D.
GARY L. CHILD, D.O.
TIMOTHY COALWELL, M.D.
MARIO A. LANZA, M.D.
DARREN B. LEWIS, M.D.
TIMOTHY NOAH LAUFER, M.D.

"Prompt, Thorough, Concerned"

Diplomates American Board of Family Practice

2211 EAST NORTHERN LIGHTS BOULEVARD, ANCHORAGE ALASKA 99508

March 2, 2004

To: Representative Bruce Weyhrauch, Chairman House State Affairs
Representative Les Gara
Senator Johnny Ellis

Re: House Bill 516 and Senate Bill 299

Dear Legislator:

I support the passage of House Bill 516 and Senate Bill 299. It helps clarify the current statute and relieves businesses of the burden of attempting to track all costs associated with receiving dishonored checks. Please help businesses retain the payment option of accepting checks from customers by passing this legislation.

Sincerely,
Medical Park Family Care, Inc.

Laurie K. Boom, CPA
Finance Director

Subject: [Fwd: House Bill 516]
Date: Tue, 02 Mar 2004 10:54:59 -0900
From: Bruce Weyhrauch <Representative_Bruce_Weyhrauch@Legis.state.ak.us>
Organization: Alaska State Legislature
To: Ginny Austerman <Ginny_Austerman@legis.state.ak.us>

bill file

Subject: House Bill 516
Date: Mon, 01 Mar 2004 16:44:10 -0900
From: Rzeszut <rzeszut@chugach.net>
To: Bruce Weyhrauch <Representative_Bruce_Weyhrauch@legis.state.ak.us>

Dear Representative Weyhrauch,

I would like to enlist your support for passage of House Bill 516. The current statute creates an accounting burden on businesses to track and record all costs incurred with collecting on NSF checks. A fixed penalty of \$30 per bad check would simplify the process and enable businesses to continue accepting checks as a method of payment.

Please support passage of this bill and encourage your colleagues to do the same.

Yours truly,

Jeanne E. Rzeszut

Feb-17-04 11:52am From-UA SW PROCUREMENT

8074745921

T-436 P.02/02 F-152

Randy L. Weaver, CPA
Controller
Phone: (907) 474-7711
Fax: (907) 474-5921
randy.weaver@alaska.edu

209 Butrovich Building
910 Yukon Drive, Suite 209
PO Box 755120
Fairbanks, AK 99775-5120



UNIVERSITY
of ALASKA
.....
Many Traditions One Alaska

February 17, 2004

RE: Senate Bill 299

Senator Con Bunde, Chairman
Senate Labor and Commerce Committee
Alaska State Capitol, Rm. 506
Juneau, AK 99801

Dear Senator Bunde:

I am writing on behalf of the University of Alaska to request your support for the passage of Senate Bill 299. The current bad check statute allows us to collect up to \$25 to cover "costs incurred" for collecting a bad check. This creates an accounting burden on businesses to track and record costs of collection, instead of assigning a fixed penalty to the person writing the bad check. The proposed change in the statute would set a reasonable handling fee that is not subject to challenge.

Please help Alaska businesses by eliminating the requirement to document the costs of collecting bad checks. Many other states have removed this administrative burden by simply assigning a fixed penalty.

On behalf of university business officers, I strongly urge you to support SB299 to make this simple change.

Sincerely,

A handwritten signature in cursive script, appearing to read "Randy L. Weaver".

Randy L. Weaver, CPA
Controller

Sent via fax (907-465-3871)

FAXED
5:21 PM

February 16, 2004

Senator Con Bunde
Alaska State Capitol Room 508
Juneau, AK 99801
VIA FACSIMILE: 907-465-3871

RE: Senate Bill 299

Senator Bunde,

I would like to go on record supporting the passage of Senate Bill 299. Our current bad check statute allows us to collect up to \$25.00 to cover "costs incurred" for collecting the bad check. The problem is that this creates an accounting burden for businesses to track and record all costs instead of assigning a fixed penalty. The proposed change in the statute would set a reasonable handling fee that is not subject to challenge. That's the way many other state deal with the same problem.

Alaska's businesses should not have additional burdens placed upon them by having to document costs incurred while trying to collect their bad checks.

We strongly urge you to support SB 299 to make this simple change.

Respectfully Submitted,

Spenard Builders Supply, Inc.

Jill Jaeckel
Legal Assistant
907-261-9165
FAX 907-261-9141

e-mail: jjaeckel@sbsalaska.com

FROM : D OF AKINC

FAX NO. : 9073382690

Feb. 16 2004 04:21PM P3

D.of Alaska Inc

1345 RUDAKOF CIRCLE SUITE 102 ANCHORAGE, ALASKA 99508
PHONE: 333-6776 FAX: 338-2690

February 16, 2004

Senator Con Bunde
Alaska State Capitol, Rm 506
Juneau, AK 99801

RE: Senate Bill 299

Senator Bunde:

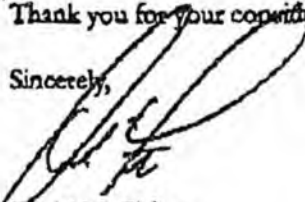
As the owner of Denny's Restaurant in the State of Alaska, I want to go on record supporting the passage of Senate Bill 299. Our current bad check statute allows us to collect up to \$25 to cover "costs incurred" for collecting the bad check. The problem is that this creates an accounting burden for businesses to track and record all costs instead of assigning a fixed penalty. The proposed change in the statute would set a reasonable handling fee that is not subject to challenge. That's the way many other states deal with the same problem.

Alaska's businesses should not have additional burdens placed upon them by having to document costs incurred to collect their bad checks.

We strongly urge you to support SB 299 to make this simple change.

Thank you for your consideration in this matter.

Sincerely,



David M. Ficks,
President

cc: Shelly Ryan
Corner Stone Credit Services



*Copy to: Shelly Ryan
Comptroller of Public Safety*

February 16, 2004

Senator Con Bunde
Alaska State Capitol, Room 506
Juneau, AK 99801

RE: SENATE BILL 299

Dear Senator Bunde:

I want to go on record as supporting the passage of Senate Bill 299. Our current bad check statute allows us to collect up to \$25 to cover "costs incurred" for collecting the bad check. The problem is that this creates an accounting burden for businesses to track and record all costs incurred instead of assigning a fixed penalty. The proposed change in the statute would set a reasonable handling fee that is not subject to challenge. That's the way many other states deal with the same problem.

Alaska's businesses should not have additional burdens placed upon them by having to document costs incurred to collect their bad checks.

We strongly urge you to support SB 299 to make this simple change.

Very truly yours,

Ada P. Bower
Comptroller





WILLIAMS EXPRESS INC.

February 12, 2004

Senator Con Bunde
Alaska State Capitol, Rm 506
Juneau, Ak 99801

Re: Senate Bill 299

Dear Senator Bunde,

It is time for us to make a change in the way our statutes address handling fees for bad checks. Alaska statute allows businesses to charge up to \$25.00 to cover "costs incurred" vs. other states assigning a reasonable handling fee that is not up to challenge. Our system creates the unnecessary accounting burden of tracking, recording and documenting costs incurred in order to collect on bad checks.

I want to go on record supporting the passage of Senate Bill 299 and I strongly urge you to support this change.

Respectfully

Ernest B. Madsen
Director - Williams Express - Alaska
3201 C. Street, #700
Anchorage, Alaska 99503
(907) 273-3300

Feb 16 04 01:45p

Michael R. Davidson

FEB 16 2004
907-561-6075

P. 1



Davidson Enterprises
P.O. Box 241528
Anchorage, Alaska 99524
907-561-6036
Fax 907-561-6075

Senator Bunde:

I want to go on record supporting the passage of Senate Bill 299. Our current bad check statute allows us to collect up to \$25 to cover "costs incurred" for collecting the bad check. The problem is that this creates an accounting burden for businesses to track and record all costs instead of assigning a fixed penalty. The proposed change in the statute would set a reasonable handling fee that is not subject to challenge. That's the way many other states deal with the same problem.

Alaska's businesses should not have additional burdens placed upon them by having to document costs incurred to collect their bad checks.

We strongly urge you to support SB 299 to make this simple change.

Sincerely, Michael Davidson

02/16/2004 11:59 19072833068

THREE BEARS KENAI



L & J ENTERPRISES INC. dba/THREE BEARS
10575 Kenai Spur Hwy. Kenai, AK. 99611 Ph. (907) 283-6577 Fax (907) 283-6576

February 16, 2004

Senator Bunde:

I would like to go on record supporting the passage of Senate Bill 299. Our current bad check statute allows us to collect up to \$25 to cover "costs incurred" for collecting the bad check. The problem is that this creates an accounting burden for businesses to track and record all costs instead of assigning a fixed penalty. The proposed change in the statute would set a reasonable handling fee that is not subject to challenge. That's the way many other states deal with the same problem.

Alaska's businesses should not have the additional burdens placed upon them by having to document costs incurred to collect their bad checks.

We strongly urge you to support SB 299 to make this simple change.

Sincerely,

David A Weisz
Senior VP



Anchorage Fracture & Orthopedic Clinic

3260 PROVIDENCE DR., SUITE 200
ANCHORAGE, ALASKA 99508
(907) 563-3145 • FAX 561-3967

- DECLAN R. NOLAN, M.D.
- RICHARD W. GARNER, M.D.
- THOMAS P. VASILEFF, M.D.
- RICHARD D. MCEVOY, M.D.
- ADRIAN B. RYAN, M.D.
- DAVIS C. PETERSON, M.D.
- STEPHEN S. TOWER, M.D.
- LESLIE P. DEAN, M.D.
- GEORGE D. RHYNEER, M.D.
- UPSHLUR M. SPENCER, M.D.

- Diplomates American Board of Orthopaedic Surgery
- Fellows American Academy of Orthopaedic Surgeons

February 12, 2004

Senator Con Bunde
Alaska State Capitol, Rm 506
Juneau, AK 99801

FAXED 907-465-3871

RE: Senate Bill 299

Dear Senator Bunde:

Our clinic would like to go on record in support of Senate Bill 299. Alaska's current bad check statute allows us to collect up to \$25 to cover "costs incurred" for collecting the bad check. The problem is that this creates an accounting burden for businesses to track and record all costs instead of assigning a fixed penalty. The proposed change in the statute would set a reasonable handling fee that is not subject to challenge. That is the way many other states deal with the same problem.

Due to regulatory and compliance issues medical offices have dramatically increasing costs that are combined with steadily diminishing reimbursements. It is growing more and more difficult to collect payment for our services, and we feel that we, as well as other Alaska businesses, should not have additional burdens placed upon us by having to document costs incurred to collect bad checks.

We strongly urge you to support SB 299 to make this simple change.

Sincerely,

Beth A. Balca, FACMPE
Administrator
907-261-7135

Attn: Shelley Ryan



THE ALASKA CLUB

February 12, 2004

Senator Con Bunde
Alaska State Capitol, Room 506
Juneau, Alaska 99801

Re: Senate Bill 299

Dear Senator Bunde:

I want to go on record supporting the passage of Senate Bill 299. Our current bad check statute allows us to collect up to \$25.00 to cover "costs incurred" for collecting the bad check. The problem is that this creates an accounting burden for businesses to track and record all costs instead of assigning a fixed penalty. The proposed change in statute would set a reasonable handling fee that is not subject to challenge. That's the way many other states deal with the same problem.

Alaska's businesses should not have additional burdens placed upon them by having to document costs incurred to collect their bad checks.

We strongly urge you to support SB 299 to make this simple change.

Sincerely,

John Marchetti
Vice President of Administration & Finance
The Alaska Club

02/12/2004

16:54

SAGAYA CORP ACCTS → 7728158



February 12, 2004

Senator Con Bunde
Alaska State Capitol, Room 506
Juneau, AK 99801
Re: Senate Bill 299

Dear Senator Bundy,

We would like to go on record supporting the passage of Senate Bill 299.

The current bad check statute allows us to collect up to \$25 to cover "costs incurred" for collecting a bad check. The problem is that this creates an accounting burden for businesses to track and record all costs instead of assigning a fixed penalty. The proposed change in the statute would set a reasonable handling fee that is not subject to challenge. This is the same way that many other states deal with this problem.

Alaska's businesses should not have additional burdens placed upon them by having to document costs incurred to collect their bad checks.

We strongly urge you to support SB 299 to make this simple change.

Sincerely,

Ted M. Wells, Controller
Sagaya Corporation



GOLDEN VALLEY ELECTRIC ASSOCIATION INC. PO Box 71249 • Fairbanks, Alaska 99707-1249 • 907-452-1151 • www.gvea.com

February 12, 2004

Senator Gary Wilkin
Alaska State Capital
Juneau, AK 99801
Fax: 907-465-4714

Re: Senate Bill 299

Dear Senator Bunde:

I want to go on record supporting the passage of Senate Bill 299. Our current bad check statute allows us to collect up to \$25 to cover "costs incurred" for collecting the bad check. The problem is that this creates an accounting burden for businesses to track and record all costs instead of assigning a fixed penalty. The proposed change in the statute would set a reasonable handling fee that is not subject to challenge. That's the way many other states deal with the same problem.

Golden Valley Electric Association has been in business in Alaska since 1947 and we don't feel the vast majority of our member's should have to shoulder the burden of costs incurred to collect on bad checks written by the very few.

We strongly urge you to support SB 299 to make the simple change.

Sincerely,

A handwritten signature in black ink, appearing to read 'Scott Peters', is written over the typed name.

Scott Peters
Consumer Accounting Manager
Golden Valley Electric Association



TESORO

Tesoro Northshore
P.O. Box 190970
Anchorage, Alaska 99519-3970
907 563 2711 Phone
907 261 7283 Fax

February 17, 2004

Senator Con Bunde
Alaska State Capitol, Rm 506
Juneau, AK 99801

Re: Senate Bill 299

Senator Bunde:

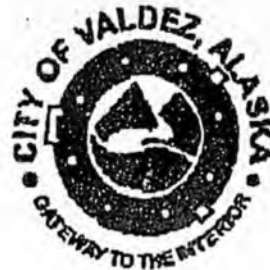
I want to go on record supporting the passage of Senate Bill 299. Our current bad check statute allows our check processing contractor to collect up to \$25 to cover "costs incurred" for collecting a bad check. This creates an accounting burden for businesses to track and record all costs involved in check collection instead of assigning a fixed amount. The proposed change in the statute would set a reasonable handling fee, in the same manner in which many other states deal with the same situation.

Alaska's businesses should not have additional burdens placed upon them by having to document every cost incurred to collect bad checks, costs which we will have to pass along to the consumer.

I strongly urge you to support SB 299 to make this change.

Sincerely,

Richard T. Bucy
Regional Manager



February 13, 2004

Senator Gene Theriault
Alaska State Capitol
Juneau, AK 99801
VIA Fax: 907-465-3884

RE: Senate Bill 299: Relating to a charge for a bad check

Senator Theriault:

As Finance Director of the City of Valdez, I support the passage of Senate Bill 299. The current bad check statute requires that to collect up to \$25 to cover "costs incurred" for collecting bad checks, we must account for our time and expenses for every bad check. There is a considerable burden and expense just in the accounting for the costs of a bad check collection, much less the indirect costs of lost cash flow. For a municipality which is undergoing fiscal stress, this is a waste of taxpayers resources.

The proposed change in the statute would set a reasonable handling fee that is fixed, and requires a much simpler approach to the problem.

I urge you to support SB 299 to make this change.

Christine A. Sasse

Christine A. Sasse
Finance Director

cc: Dave Dengel, City Manager

Post-it® FAX Note	7871	Date	2/13/04	PAGE	1
To	Shelly Ryan	From	Christine Sasse		
Company	Prindstone	Co.	City of Valdez		
Phone #		Phone #			
Fax #	907-770-8150	Fax #			

I sent an identical letter to Com Bundy



Go Home Happy

Border Entertainment, LLC
dba Blockbuster Video

206 E. Northern Lights Blvd.
Anchorage, Alaska 99503

Phone (907) 277-8525
Facsimile (907) 277-8532

February 12, 2004

Senator Johnny Ellis
Alaska State Capitol, Room 9
Juneau, Alaska 99801

Re: Senate Bill 299

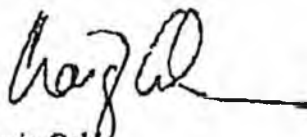
Dear Senator Ellis:

I want to go on record supporting the passage of Senate Bill 299. Our current bad check statute allows us to collect up to \$25 to cover "costs incurred" for collecting bad checks. The problem is that this creates an accounting burden for businesses to track and record all costs instead of assigning a fixed penalty. The proposed change in the statute would set a reasonable handling fee that is not subject to challenge. That's the way many other states deal with the same problem.

Alaska's businesses should not have additional burdens placed upon them by having to document costs incurred to collect their bad checks.

We strongly urge you to support SB 299 to make this simple change.

Respectfully yours,


Craig Cobb
Vice President

Anchorage
Fairbanks
Juneau
Kenai
Wasilla
Soldotna
Eagle River
Kodiak
North Pole



Durrell Law Group P.C.
Solutions for Life and Business

1400 West Benson Blvd.
Suite 370
Anchorage, Alaska 99503

Phone: 907 258.3224
Fax: 907 258.3229
www.durrell.com

BRIAN W. DURRELL
Direct: 907 258.3225
bdurrell@durrell.com

February 27, 2004

VIA FACSIMILE (907) 465-3766

Representative Max Gruenberg
House of Representatives
Mail Stop 3100, State Capitol
Juneau, Alaska 99801-1182

VIA FACSIMILE (907) 465-3799

Representative John Harris
House of Representatives
Mail Stop 3100, State Capitol
Juneau, Alaska 99801-1182

Rc: SB 299/HB516

Dear Representatives Harris and Gruenberg:

I want to go on record supporting the passage of SB 299/HB 516. Our current bad check statute allows merchants and financial institutions in Alaska to collect up to \$25 to cover "costs incurred" for collecting the bad check. This creates an unnecessary accounting burden for businesses to track and record collection costs. A fixed penalty would be a simpler, more efficient remedy, and would add certainty to an otherwise ambiguous statute. The proposed change in the statute would set a reasonable handling fee that would not be subject to challenge. Many other states deal with this issue in the same simple, concrete manner.

My law office represents businesses, financial institutions, and credit and collection agencies that would benefit from this legislation. Alaska businesses should not have unnecessary burdens placed upon them. They should not have to keep track of the actual costs incurred to collect their bad checks. We strongly urge you to support SB 299/HB 516.

Very truly yours,

DURRELL LAW GROUP, P.C.

Brian W. Durrell

BWD:jk

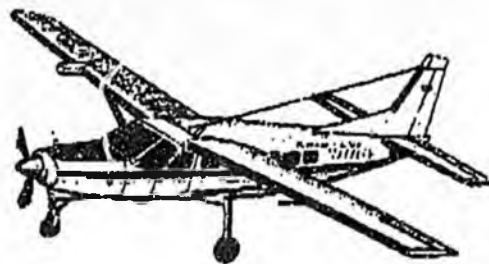
Hageland Aviation Services, Inc.

4700 W. International Airport Rd., Ste. 202A

P.O. Box 220610

Anchorage, AK 99522-0610

Tel. 1-907-245-0119



Mar. 4, 2004

RE: House Bill 516

Dear Representative Bruce Weyhrauch, Chairman House State Affairs:

I am writing on behalf of Hageland Aviation Services, Inc. to request your support for passage of House Bill 516. The current bad check statute allows us to collect up to \$25 to cover "costs incurred" for collecting a bad check. This creates an accounting burden on businesses to track and record costs of collection, instead of assigning a fixed penalty to the person writing the bad check. The proposed change in the statute would set a reasonable handling fee that is not subject to challenge.

Please help Alaska businesses by eliminating the requirement to document the costs of collecting bad checks. Many other states have removed this administrative burden by simply assigning a fixed penalty.

On behalf of all Alaska businesses, I strongly urge you to support HB 516 to make this simple change.

Sincerely,

Bruce Tweto
VP

3/04/04

RE: House Bill 516

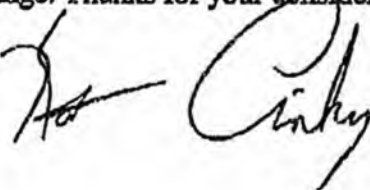
Dear Representative Bruce Weyhrauch;

I am writing on behalf of Tom Kat Cinko Inc. to request your support for the passage of House Bill 516. The current bad check statute allows us to collect up to \$25.00 to cover "costs incurred" for collecting a bad check. This creates an accounting burden on businesses to track and record costs of collection, instead of assigning a fixed penalty to the person writing the bad check. The proposed change in the statute would set a reasonable handling fee that is not subject to challenge.

Please help Alaska Businesses by eliminating the requirement to document the costs of collecting bad checks. Many other states have been successful in eliminating this administrative burden, by assigning a fixed penalty.

On behalf of all Alaska businesses, I strongly urge you to support HB 516 to make this simple change. Thanks for your consideration.

Sincerely,



Kathi Cinkosky
Owner Operator



2700 W. Commodore Way
Seattle, WA 98199
(800) 528-0191
(206) 270-9609
(206) 213-0103 Fax

Dear Representative Bruce Weyharauch
Chairman House State Affairs
Fax: 807 465 2273

RE: House Bill 516

Dear Representative Weyhrauch:

I am writing on behalf of Delta Western, Inc., which is actively engaged in business in Alaska, to request your support for the passage of House Bill 516. The current bad check statute allows us to collect up to \$25.00 to cover "costs incurred" for collecting a bad check. This creates an accounting burden on businesses to track and record costs of collection, instead of assigning a fixed penalty to the person writing the bad check. The proposed change in the statute would set a reasonable handling fee that is not subject to challenge.

Please help Alaska businesses by eliminating the requirement to document the costs of collecting bad checks. Many other states have removed this administrative burden by simply assigning a fixed penalty.

On behalf of all Alaska businesses, I strongly urge you to support HB 516 to make this simple change.

Sincerely,



Ronald Bean

Chief Financial Officer

The UPS Store #2050
1830 E Parks Hwy, Suite A-113
Wasilla, AK 99654
907.376.6245 (MAIL) Tel
907.373.2329 (2FAX) Fax
Hours of Operation M-F 8-8, Sat 10-5
Sun 12-4



The UPS Store

Fax Cover

To: Honorable Bruce Weyrauch

Fax #: (907) 465-2273

Date: March 3, 2004

of Pages (Including cover Sheet): 1

From: Carole Coppock

Phone #: (907) 376-6245

Subject: House Bill 516

Dear Representative Weyrauch:

My husband and I own four businesses in Alaska. Three are retail business services stores and we accept checks from the public as payment every day. We have a number of checks returned to us for NSF. For several years I attempted to collect on these bad checks myself. It often required several phone calls to the customer and then if they did not come in voluntarily, I had to go to their bank with the check and my business license and hope to catch their account with some money in it. Often I went more than once. This was extremely tedious and there were checks that were never honored because I never did find any money in the account.

It is not worth the time and trouble for me to do this any longer, my time and trouble were often worth far more than the dollar amount of the check. How do you quantify time and trouble? I do not work for an hourly rate so I cannot say it took me 1 and 1/2 hours to get my money. My merchandise is already gone and I have to restock it without having been paid, but maybe I will be paid at some point in the future when the price is different. How do you quantify that? The law that is presently in force requires me to be able to document the costs I have incurred to collect on the NSF check if the customer wants me to. This is very burdensome and nearly impossible for a store owner to do. Although I was unaware I was supposed to do this, keeping all these records would take quite a lot of my time at some undefined hourly cost. We are told in our business training that an owner's time ought to be worth \$100 an hour because an owner ought to be marketing, budgeting, planning, etc. all things that an hourly associate cannot do but that are of the highest financial benefit to a business.

We feel it is fair and equitable to set a flat fee of \$30.00 for check collection service. This would not be something I would HAVE to charge if I did not wish to in case a good long-time customer made a mistake. But it has been my experience that frequently customers know they are writing short checks and do it more than once. I have had as many as three short checks from the same person in hand. A flat fee for collection service would be consistent in all stores, the customers would know up front that it was going to be pretty costly to write a bad check, and there would be no tedious requirement for me to prove how much I had to spend to collect.

Please support HB 516 to accomplish this.

Sincerely yours, *Carole R. Coppock*

Carole R. Coppock, owner The UPS Store 2050, 3191, 2852, and AK 103

New Name.
New Low UPS Rates.
Same Helpful Services.

If you are not the intended recipient, do not disclose, copy, distribute or use this information. If you received this transmission in error, please call immediately to arrange return of the documents at no cost to you.

Northern Lights Avionics



CRS #CL4R115M

900 Merrill Field Drive
Anchorage, Alaska 99501
(907) 277-4811 (907) 278-6651 fax

www.NLAvionics.com

March 3, 2004

Representative Bruce Weyrauch
Chairman, House State Affairs
Re: House Bill 516
Fax: (907) 465-2273

Dear Representative Weyrauch,

I am writing on behalf of Northern Lights Avionics, Inc. to request your support for the passage of House Bill 516. The current bad check statute allows us to collect up to \$25 to cover "costs incurred" for collecting a bad check. This creates an accounting burden on businesses to track and record costs of collection, instead of assigning a fixed penalty to the person writing the bad check. The proposed change in the statute would set a reasonable handling fee that is not subject to challenge.

Please help Alaska businesses by eliminating the requirement to document the costs of collecting bad checks. Many other states have removed this administrative burden by simply assigning a fixed penalty.

On behalf of all Alaskan businesses, I strongly urge you to support HB 516 to make this simple change.

Sincerely,



Gary R. Bennett
President
Northern Lights Avionics, Inc.

sk

BROWN'S
ELECTRICAL SUPPLY CO., INC.

365 Industrial Way
Anchorage, Alaska 99501
(907) 272-2259
Fax (907) 279-7495

March 2, 2003

Dear Legislator:

I support the passage of House Bill 516 and Senate Bill 299. The changes in Section 1. AS 09.68.115(a)

from: (2) the defendant fails to tender, before the action begins, an amount equal to at least the amount of the check plus costs incurred by the plaintiff up to a maximum of \$25

to: (2) the defendant fails to tender, before the action begins, an amount equal to the amount of the check plus \$30

would help clarify the current statute. It would further relieve businesses of the work involved in tracking all costs associated with the recovery of funds from dishonored checks. This legislation would help business keep the acceptance of checks from our customers as a sound and viable choice.

Sincerely,



Leon T. Brown, Jr.
Vice President

LTB/ns

SAMPLE LETTER

RE: House Bill 516

Dear Representative (Name i Arby's)

I am writing on behalf of Arby's to request your support for the passage of House Bill 516. The current bad check statute allows us to collect up to \$25 to cover "costs incurred" for collecting a bad check. This creates an accounting burden on businesses to track and record costs of collection, instead of assigning a fixed penalty to the person writing the bad check. The proposed change in the statute would set a reasonable handling fee that is not subject to challenge.

Please help Alaska businesses by eliminating the requirement to document the costs of collecting bad checks. Many other states have removed this administrative burden by simply assigning a fixed penalty.

On behalf of all Alaska businesses, I strongly urge you to support HB 516 to make this simple change.

Sincerely,



(signature)

Printed Name

Title

Theodore J. Navame

Ops

Zan Inc. DBA Arby's

CONTACT INFORMATION:

Please fax your letter on company letterhead to:

Representative Bruce Weyhrauch, Chairman House State Affairs

Re: House Bill 516

FAX: 907-465-2273

Please fax a copy of your letter to:

Shelly Ryan

Cornerstone Credit Services

FAX: 907-770-8147

Amanda Hawes
Director of Accounting
Alyeska Resort
PO Box 249
Girdwood, AK 99587-0249

March 3, 2004

Attn: Rep. Bruce Weybrauch
Chairman House State Affairs
Re: House Bill 516

Dear Legislator,

I support the passage of House Bill 516. It helps clarify the current statute and relieves businesses of the burden of attempting to track all costs associated with collecting dishonored checks. Please help businesses retain the payment option of accepting checks from customers by passing this legislation.



ALYESKA RESORT

Sincerely,

Amanda K. Hawes
Director of Accounting
Alyeska Resort

P.O. Box 249

GIRDWOOD, ALASKA 99587

TELEPHONE (907) 754-1111

FAX (907) 754-2200



HB

520

ALASKA STATE LEGISLATURE

Representative Bruce Weyhrauch

HOUSE DISTRICT 4



ALASKA
STATE CAPITOL
JUNEAU, ALASKA
99801-1182

Memo

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

To: Members
House State Affairs Committee

From: Rep. Bruce Weyhrauch
Chair, State Affairs

A handwritten signature in cursive that reads "Bruce Weyhrauch".

Date: May 7, 2004

RE: Waiving HB 520 – Regulatory Commission of Alaska

I recommend that HB 520 be waived from this committee to House Labor and Commerce. This bill relates to the expenses of investigation, hearing, or public advocacy before the Regulatory Commission of Alaska, to calculation of the regulatory cost charge for public utilities and pipeline carriers to include the Department of Law's costs of its public advocacy function, to inspection of certain books and records by the attorney general when participating as a party in a matter before the Regulatory Commission of Alaska. A copy of the Sponsor's Statement is attached as explanation. Your signature below indicates your support of this action by this committee.

A handwritten signature in cursive, likely "Rep. Holm".

Rep. HolmA handwritten signature in cursive, likely "Rep. Seaton".

Rep. SeatonA handwritten signature in cursive, likely "Rep. Lynn".

Rep. LynnA handwritten signature in cursive, likely "Rep. Coghill".

Rep. CoghillA handwritten signature in cursive, likely "Rep. Berkowitz".

Rep. BerkowitzA handwritten signature in cursive, likely "Rep. Gruenberg".

Rep. Gruenberg

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: HB520-Law-RAPA-2-16-C
 Bill Version: HB 520
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: LAW
 Title "An Act relating to the expenses of investigation, RDU CIVIL
hearing, or public advocacy before the Regulatory..." Ccomponent Regulatory Affairs Public Advocacy
 Sponsor House State Affairs
 Requester House State Affairs Component No. _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1007 Interagency Receipts	(1,012.8)	(1,012.8)	(1,012.8)	(1,012.8)	(1,012.8)	(1,012.8)
1141 RCA Receipts	1,012.8	1,012.8	1,012.8	1,012.8	1,012.8	1,012.8
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

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

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 This bill amends AS 42.05.254 by clarifying that the general costs of public advocacy will continue to be paid from the established regulatory cost charge mechanism.

 The bill also exempts state agencies from reimbursing the Regulatory Commission of Alaska (commission) for commission costs in proceeding to which the state agency is a party. The bill would require utilities, pipeline carriers, and pipelines to pay the costs of contract expert witnesses retained by the attorney general when the attorney general appears as a public advocate for regulatory affairs before the commission. Additionally, the bill provides the Department of Law the same access to utility and pipeline carrier books and records to the same extent as had been previously allowed commission investigatory staff.

Prepared by: Kathryn A. Daughhete, Director Phone 465-3673
 Division Administrative Services Date/Time 3/1/04 5:01 PM
 Approved by: Kathryn Daughhotee for Gregg D. Renkes, Attorney General Date 3/1/2004
 Agency Department of Law

FISCAL NOTE

**STATE OF ALASKA
2004 LEGISLATIVE SESSION**

BILL NO. HB 520

ANALYSIS CONTINUATION

Continuing in the spirit of Executive Order 111, the Governor's FY 2005 amended budget completes the transfer of responsibility and oversight for the regulatory public advocacy function by transferring the associated staff positions and adding additional interagency receipt authority to the newly created Regulatory Affairs Public Advocacy section in the Department of Law. Through the statutory changes proposed in this legislation, the new section shall be budgeted directly from the regulatory receipts rather than through an interagency transfer of funds. This fiscal note converts the receipts portion only but may require further amending to include the transfer of expenditure authorization and positions if the portion of the Governor's amended budget that would make that change is not adopted.

ALASKA STATE LEGISLATURE

Representative Bruce Weyhrauch

HOUSE DISTRICT 4



ALASKA
STATE CAPITOL
JUNEAU, ALASKA
99801-1182

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

Sponsor Statement

HB 520

HB 520, introduced by request of the Attorney General, deals with reimbursement by state agencies and the public advocacy role of the AG's office before the Regulatory Commission of Alaska (RCA).

I. Reimbursement

HB 520 exempts state agencies from reimbursing the Regulatory Commission of Alaska for commission costs in proceedings to which the state agency is a party. The commission has the power under AS 42.05.651 and AS 42.06.610 to allocate its costs for its proceedings among the parties to the proceedings "as is just under the circumstances." The commission takes that power a step too far by interpreting this statute to permit it to order state agencies appearing before it as parties to pay commission costs even though this point is not stated explicitly. This bill explicitly exempts state agencies from paying commission costs, but would not affect the commission's ability to require reimbursement from parties that are not state agencies.

The Administration believes that it is appropriate to exempt state agencies because allowing one state agency to order another agency to pay its costs provides no net fiscal benefit to the State of Alaska. In fact, the agency subject to the order expends resources to prepare and request an appropriation from the legislature to pay the commission and the legislature expends resources examining and acting on the request.

There are other reasons why state agencies should be exempt from payment. Requiring an agency to pay commission costs out of the agency's budget discourages agencies from filing cases or appearing as parties before the commission. The Department of Law (DOL) participates as a party in commission proceedings to protect the State of Alaska's interests as owner of its oil and gas resources. Under AS 42.04.070(c), the DOL, at the commission's request, may also participate when it is in the public interest for the attorney general to do so. Finally, under AS 44.23.020(e), the DOL may elect to participate as a public advocate for regulatory affairs before the commission.

The DOL considers the public interest involved and the efficient use of its limited resources when deciding whether to become a party to protect the public interest in a commission proceeding. The possibility that the DOL will be required to remit payments to the commission should not be part of that decision.

~ More ~

II. Public Advocacy by the AG before the RCA

Under AS 42.04.070(c) and AS 44.23.020(e), the Attorney General (AG) may participate as the public advocate for regulatory affairs before the commission. This bill would allow the AG or the AG's designee access to utility or pipeline carrier records necessary to carry out this public advocacy function in the same manner as commission public advocacy staff previously did when participating as a party in commission adjudicatory proceedings. Parties before the commission routinely submit expert testimony to support their positions. In certain cases, the DOL needs to contract with experts for a specialized analysis and testimony in order to fulfill its public advocate duty. The DOL has insufficient resources available to pay for such expertise. Therefore, this bill provides that a utility, pipeline carrier, or pipeline whose filing is the subject of an adjudicatory proceeding before the commission must pay the costs of experts retained by the DOL acting in its role as public advocate. This new provision is necessary in order to ensure that the rate-paying public is adequately represented before the commission. The bill takes an approach similar to that of the insurance code, where the director of insurance may retain professionals and experts as examiners, the reasonable cost of which shall be paid by the insurer being examined, under AS 21.06.140(d).

Finally, this bill clarifies that the general costs of public advocacy on matters before the commission will continue to be paid from the existing regulatory cost charge mechanism under AS 42.05.254 and AS 42.06.286.

Historically, personnel within the RCA performed advocacy on behalf of the public interest. Therefore, the cost of that advocacy was a part of the commission's budget funded by receipts from the regulatory cost charge. Executive Order 111, which went into effect on July 1, 2003, transferred the responsibility for public advocacy from the commission to the attorney general and established the public advocacy function within the Department of Law. Accordingly, commission personnel who were once responsible for public advocacy now act under the direction of the DOL. The bill amends existing statutes to expressly provide that regulatory cost charge receipts continue to pay the costs associated with the public advocacy function that is now administered by the DOL. It does not alter the regulatory cost charge mechanism in any way.

Contact: Linda Sylvester
465-4963

Released: February 23, 2004

ALASKA STATE LEGISLATURE

Representative Bruce Weyhrauch

HOUSE DISTRICT 4



ALASKA
STATE CAPITOL
JUNEAU, ALASKA
99801-1182

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

Synopsis of HB 520

Generally:

- The bill results from the transfer of authority for public advocacy on utility matters before the Regulatory Commission of Alaska (RCA) under EO 111, which went into effect on July 1, 2003.
- Advocacy on behalf of the public interest was historically performed by personnel within the RCA, but EO 111 transferred that responsibility from the RCA to the Attorney General and established the public advocacy function within the Department of Law with the addition of AS 44.23.020(e). RCA personnel historically responsible for public advocacy now act under the authority and direction of the Department of Law.

Accordingly:

- HB 520 completes the prior transfer of authority by expressly providing for various aspects of its execution, as regards public advocacy and access to records.

Specifically, the bill would:

- Provide the Department of Labor with the same access to records formerly obtained by the RCA's public advocacy staff. *See secs. 4, 6, 10, 14, and 15;*
- Explicitly exempt state agencies (including Dept. of Law) from paying the costs of RCA proceedings to which the state agency is a party. *See secs. 5, 11, 12, and 13;*
- And provide for direct payment by the utility of the costs of expert assistance retained by the Dept. of Law to represent the public before the RCA. Utilities may recover the case-specific cost in the same manner as any other rate case expense. Payment of such costs by the utility ("cost-causer"), whose filing is the subject of an RCA proceeding, is an approach similar that of the insurance code (AS 21.06.140) where the cost of examiners retained by the director of insurance are paid by the insurer being examined. *See secs. 5, 11, 12, and 15.*

STATE OF ALASKA

FRANK H. MURKOWSKI,
GOVERNOR

DEPARTMENT OF LAW
OFFICE OF THE ATTORNEY GENERAL

P.O. BOX 110300
JUNEAU, ALASKA 99811-0300
PHONE: (907) 465-3600
FAX: (907) 465-2075

March 2, 2004

The Honorable Bruce Weyhrauch, Chair
House State Affairs Committee
State Capital, Room 102
Juneau, AK 99811

Re: HB 520 - Synopsis and Section by Section Analysis

Dear Representative Weyhrauch:

Thank you for scheduling a hearing on HB 520 relating to the expenses of investigation, hearing, or public advocacy before the Regulatory Commission of Alaska, to calculation of the regulatory cost charge for public utilities and pipeline carriers to include the Department of Law's costs of its public advocacy function, and to inspection of certain books and records by the attorney general when participating as a party in a matter before the Regulatory Commission of Alaska.

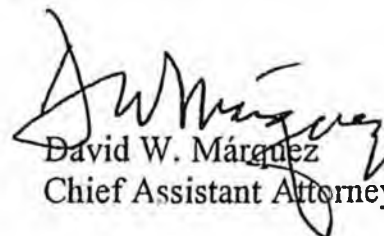
Attached is a synopsis of the bill and section by section analysis to aid the committee's hearing process.

If you need additional information, please contact me at 465-3600 or Assistant Attorney General Daniel Patrick O'Tierney at 269-5100.

Sincerely,

GREGG D. RENKES
ATTORNEY GENERAL

By:


David W. Marquez
Chief Assistant Attorney General

DWM:DEB:pvp

cc: Mike Tibbles, Legislative Director, Office of the Governor
Daniel Patrick O'Tierney, Assistant Attorney General

HB 520 Section by Section Analysis

Sections 1, 2, 3, 7 & 8: These sections clarify that the general costs of public advocacy for utility matters before the Regulatory Commission of Alaska (RCA) will continue to be paid from the existing regulatory cost charge mechanism under AS 42.05.254 and AS 42.06.286.

Advocacy on behalf of the public interest has historically been performed by personnel within the RCA. Therefore, the cost of that advocacy was a part of the RCA's budget funded by receipts from the regulatory cost charge, not from the general fund. Effective July 1, 2003, Executive Order 111 transferred the responsibility for public advocacy from the RCA to the attorney general and established the public advocacy function within the Department of Law (DOL).

These sections of HB 520 amend existing statutes to expressly provide that regulatory cost charge receipts will continue to pay the costs associated with the public advocacy function that is now administered by the DOL. These sections complete the transfer of authority by expressly providing for its execution as regards funding the DOL's public advocacy budget component. (Public advocacy funding is currently administered through a separate RDU within the RCA. It will be transferred from the DCED to DOL.) They do not change the regulatory cost charge mechanism.

Sections 4 & 9: These sections of HB 520 provide the attorney general with access to utility or pipeline carrier books and records when the attorney general participates in RCA dockets in a public interest advocacy role under AS 42.04.070(c) or AS 44.23.020(e).

Before the transfer of authority to the attorney general under Executive Order 111, public interest advocacy was performed by RCA staff, who had a statutory right to unfettered access to utility or pipeline carrier records in order to perform this function. AS 42.05.501; AS 42.06.440. Such access allows efficient and economical use of state resources to investigate public utility and pipeline carrier public interest issues that have been suspended by the commission for a comprehensive review and hearing. The need for efficient and economical access has not changed by transferring the responsibility of public interest advocacy to the attorney general. The amendments to AS 42.05.501 and AS 42.06.440 effectuate these goals.

Sections 6 & 10: These sections of HB 520 work in tandem with Sections 4 and 9 of HB 520. The amendments recognize that public utilities and pipeline carriers may need to request that documents obtained by the attorney general under the amendments contemplated by Sections 4 and 9 be held confidential from public disclosure under the Public Records Act. AS 40.25 *et. seq.* Sections 6 and 10 provide a vehicle for public utilities and pipeline carriers to do so, which request would then be reviewed by the commission for a good cause determination.

Sections 5 & 11: First, these sections explicitly exempt other state agencies from reimbursing the RCA for costs under AS 42.05.651 and AS 42.06.610 in proceedings to which the state agency is a party. Existent law does not expressly include or exclude state agencies from paying RCA costs. Allowing one state agency to order another state agency to pay its costs provides no net fiscal benefit to the State of Alaska. In fact, the agency subject to the RCA order expends resources to prepare and request an appropriation from the legislature to pay the RCA and the legislature expends resources examining and acting on the request. These sections would not affect the RCA's ability to require reimbursement from parties that are not state agencies.

Second, these sections require utilities, pipeline carriers, and pipelines to pay the specific costs of contract expert witnesses retained by the DOL when the attorney general appears on behalf of the public before the RCA. Parties before the RCA routinely submit expert testimony to support their respective positions. These sections provide that the party whose filing is the subject of an RCA adjudicatory proceeding shall make direct payment to the expert for the costs of any such expert retained by the public advocate to address the filing. This approach is similar to that of the insurance code, where the director of insurance may retain experts as examiners, the cost of which is paid by the insurer being examined under AS 21.06.140 and AS 21.06.160. Utilities may recover the case-specific costs in the same manner as any other rate case expense.

Sections 12 & 13: These sections amend the uncodified law to provide that specific provisions enacted by Sections 5 and 11 of this Act apply to RCA orders issued in related proceedings begun before the effective date of the Act and that those specific provisions are retroactive to May 30, 2003.

Section 14: This section amends the uncodified law to instruct the revisor of statutes to change the heading of AS 42.05.501.

Section 15: This section provides for an effective date of July 1, 2004.

Contact: Daniel Patrick O'Tierney
Senior Assistant Attorney General
for Regulatory Affairs
Office of the Public Advocate
State of Alaska Department of Law
907.269.5100
daniel_patrick_o'tierney@law.state.ak.us

HB 520: "An Act relating to the expenses of investigation, hearing, or public advocacy before the Regulatory Commission of Alaska, to calculation of the regulatory cost charge for public utilities and pipeline carriers to include the Department of Law's costs of its public advocacy function, to inspection of certain books and records by the attorney general when participating as a party in a matter before the Regulatory Commission of Alaska; and providing for an effective date."

SYNOPSIS

➤ Generally:

- the bill is necessitated by the transfer of authority for public advocacy on utility matters before the Regulatory Commission of Alaska (RCA) under last year's Executive Order 111.
- advocacy on behalf of the public interest was historically performed by personnel within the RCA. E.O.111 transferred that responsibility from the RCA to the Attorney General and established the public advocacy function within the Department of Law (DOL). AS 44.23.020(e). RCA personnel historically responsible for public advocacy now act under the authority and direction of the DOL.

➤ Accordingly:

- the draft bill completes the prior transfer of authority by expressly providing for various aspects of its execution, as regards public advocacy funding and access to records.

➤ Specifically, the bill would:

- provide the DOL with the same access to records formerly obtained by the RCA's public advocacy staff. *See* Sections 4, 6, 9, 10, 14 & 15;
- clarify that regulatory cost charge receipts (not general fund) will continue to pay for the general costs of public advocacy function now administered by the DOL, just as those receipts historically paid for public advocacy costs when the function was performed under the RCA. *See* Sections 1, 2, 3, 7, 8 & 15;
- explicitly exempt state agencies from paying the costs of RCA proceedings to which the state agency is a party. *See* Sections 5, 11, 12 & 13;

- and provide for direct payment by the utility of the costs of expert assistance retained by the DOL to represent the public before the RCA. Utilities may recover the case-specific cost in the same manner as any other rate case expense. Payment of such costs by the utility ("cost-causer"), whose filing is the subject of an RCA proceeding, is an approach similar that of the insurance code (AS 21.06.140) where the cost of examiners retained by the director of insurance are paid by the insurer being examined. *See* Sections 5, 11, 12 and 15.

Contact: Daniel Patrick O'Tierney
Senior Assistant Attorney General
for Regulatory Affairs
Office of the Public Advocate
State of Alaska Department of Law
907.269.5100
daniel_patrick_o'tierney@law.state.ak.us

Introduced in the House: 3/5/03
Referred: Labor and Commerce, Judiciary

Introduced in the Senate: 3/6/03
Referred: Labor and Commerce, Judiciary

EXECUTIVE ORDER NO. 111

1 Under the authority of art. III, sec. 23, of the Alaska Constitution, I order the
2 following:

3 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
4 to read:

5 **FINDINGS.** As governor, I find that the transfer of certain responsibilities and
6 functions relating to advocacy on behalf of the public in matters that come before the
7 Regulatory Commission of Alaska from that agency to the attorney general would be in the
8 best interests of efficient administration. This transfer will assure that the authority of the
9 attorney general to determine and advocate for the nature and scope of the public interest in a
10 particular regulatory matter is properly acknowledged and implemented, and it will avoid
11 possible duplication of effort or the taking of inconsistent positions by separate agencies of
12 state government.

13 * **Sec. 2.** AS 42.04.070 is amended to read:

14 **Sec. 42.04.070. Powers and duties of commission chair.** (a) The chair of
15 the commission shall

- 16 (1) employ the commission staff;
17 (2) establish and implement a time management system for the
18 commission;
19 (3) assign the work of the commission to members and staff of the
20 commission so that matters before the commission are resolved as expeditiously and
21 competently as possible; when assigning a matter, the chair shall also set a date by
22 which time the matter should be completed.

23 (b) The chair of the commission may appoint a hearing examiner or an

1 administrative law judge to hear a matter that has come before the commission; a
 2 member of the commission may serve as hearing examiner or, if qualified, as an
 3 administrative law judge.

4 (c) The chair of the commission shall request [DIRECT] the attorney
 5 general [PUBLIC ADVOCACY SECTION] to participate as a party in a matter when
 6 the commission believes that it is in the public interest for the attorney general to do
 7 so.

8 * Sec. 3. AS 44.23.020 is amended by adding a new subsection to read:

9 (e) There is established within the Department of Law the function of public
 10 advocacy for regulatory affairs. The attorney general shall participate as a party in a
 11 matter that comes before the Regulatory Commission of Alaska when the attorney
 12 general determines that participation is in the public interest.

13 * Sec. 4. AS 42.04.150 is repealed.

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

16 TRANSITION. (a) Litigation, hearings, investigations, and other proceedings
 17 pending under a law repealed by this Order, or in connection with functions transferred by
 18 this Order, continue in effect and may be continued and completed notwithstanding a transfer
 19 or repeal provided for in this Order.

20 (b) Contracts, rights, liabilities, and obligations created by or under a law repealed by
 21 this Order, and in effect on June 30, 2003, remain in effect notwithstanding this Order's taking
 22 effect. Records, equipment, appropriations, and other property of an agency of the state
 23 whose functions are transferred under this Order shall be transferred to implement the
 24 provisions of this Order.

25 * Sec. 6. This Order takes effect July 1, 2003.

DATED: _____

 Frank H. Murkowski
 Governor

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Alaska Telephone Association

201 E. 56th, Suite 114
Anchorage, AK 99518
(907) 563-4000
FAX (907) 562-3776
www.alaskatel.org

Greg Berberich
President

James Rowe
Executive Director
jrowe@arctic.net

March 5, 2004

Rep. Bruce Weyhrauch
Chair
State Affairs Committee
Alaska State Legislature

RE: HB520 – Regulatory Commission of Alaska – In Opposition

Dear Rep. Weyhrauch:

On March 8 the State Affairs Committee is scheduled to take testimony on HB520, a bill relating to expenses of investigation, hearing and public advocacy before the Regulatory Commission of Alaska. The Alaska Telephone Association, representing fourteen rural local exchange telephone companies in the state, for the following reasons, strongly opposes this bill.

In an adjudicatory proceeding in which the attorney general participates as a public advocate, this bill would require the utility to pay for any experts used by the AG (§5d).

- The bill doesn't place any limits or checks on fees charged by the experts. Because the expert fee is paid by the utility, there is no incentive for the AG or the experts to control costs. In fact there is incentive for the AG to use more experts and for experts to inflate their costs because they know there is no check.
- The language in the bill uses the plural, "experts." With no incentive to hire only one expert, the costs passed on to customers could certainly increase the cost of doing business in Alaska.

It also protects any state agency from having to pay costs allocated to it by the Commission (§5c).

- If the payment of allocated costs by a state agency is questionable, perhaps the Commission is more likely to allocate those costs to the utility in which case the customer must pay.
- This legislation will increase utilities' costs and ultimately customers' rates.

I apologize to you and the committee for not being available to address our concerns and answer your questions in person. Prior commitments will have me out of state and unavailable by teleconference at that hour. Along with other ATA members, I will be in Juneau the week of March 15th and hope you will hold HB520 pending an opportunity for further discussion.

Sincerely,



Jim Rowe



AKPIRG

ALASKA PUBLIC INTEREST RESEARCH GROUP

WWW.AKPIRG.ORG

PO Box 101093 ♦ Anchorage, Alaska 99510-1093 ♦ Ph: (907) 278-3661 ♦ Fax: (907) 278-9300 ♦ email: akpirg@akpirg.org

To: House State Affairs Committee

Re: ~~House Bill 520 – Dept. of Law – Public Advocacy Function~~

Members of the Committee:

House Bill 520 will complete the transfer of the Public Advocacy Section of the (Regulatory Commission of Alaska) RCA, and incumbent duties, to the Department of Law. While there may be arguments as to whether this section is best place in the Dept. of Law, Executive Order 111 has been enacted. The best way to protect consumers is to make sure that this new section has at its disposal all the necessary methods to assure vigorous consumer protection.

The Dept. of Law should have the same access to records that was afforded to the RCA. This bill will provide for that and will also provide for the use of regulatory cost charge receipts to fund this section, as it did for the RCA.

HB 520 will also expand consumer protection efforts under this new section of the Dept. of Law by enacting direct payment by utility or pipeline carriers of expert witness costs retained by the Dept. of Law when representing the public before the RCA. This will enable the Dept. to vigorously pursue the interests of Alaskan consumers.

Thank you for the opportunity to comment on this bill.

Sincerely,

Steve Cleary
AkPIRG Executive Director

Alaska Telephone Association

201 E. 56th, Suite 114
Anchorage, AK 99518
(907) 563-4000
FAX (907) 562-3776
www.alaskatel.org

Greg Berberich
President

James Rowe
Executive Director
jrowe@arctic.net

April 13, 2004

Rep. Bruce Weyhrauch
Chairman, House State Affairs Committee
Alaska State Legislature
Juneau, Alaska 99801-1182

APR 16 2004

RE: HB 520

Dear Rep. Weyhrauch:

As you are aware, the Alaska Telephone Association opposed **HB 520** as introduced earlier this session. We found it offensive that the fees of consultants retained by the Department of Law (DOL) in advocacy proceedings before the Regulatory Commission of Alaska would be paid directly by the utility involved in the proceeding. Such a policy lacked any incentive to minimize costs – all of which would have been passed on to customers. You have the thanks of this association for keeping that version of HB 520 in committee.

Over the past few weeks we have worked with the DOL to produce language that would be acceptable to us as a committee substitute for HB 520. We believe utilities and the public would benefit by the more pronounced degree of separation between the advocacy and adjudicatory arms of the regulatory process that this new language would provide. We would welcome the opportunity to offer testimony on this committee substitute before your committee.

Sincerely,



Jim Rowe

HB

523

23-GH2021X
Kurtz
4/26/04

CS FOR HOUSE BILL NO. 523(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 RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to qualifications of voters, requirements and procedures regarding
2 independent candidates for President and Vice-President of the United States, voter
3 registration and voter registration records, voter residence, precinct boundary and
4 polling place designation and modification, recognized political parties, voters
5 unaffiliated with political parties, early voting, absentee voting, ballot design, ballot
6 counting, optically scanned and electronically generated ballots, voting electronically,
7 voting by mail, voting machines, vote tally systems, initiative, referendum, recall, and
8 definitions in the Alaska Election Code; relating to incorporation elections; and
9 providing for an effective date."

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

11 * Section 1. AS 15.05.020 is amended to read:

12 **Sec. 15.05.020. Rules for determining residence of voter. For the purpose**

1 of determining residence for voting, the place of residence is governed by the
2 following rules:

3 (1) A person may not be considered to have gained a residence solely
4 by reason of presence nor may a person lose it solely by reason of absence while in the
5 civil or military service of this state or of the United States or of absence because of
6 marriage to a person engaged in the civil or military service of this state or the United
7 States, while a student at an institution of learning, while in an institution or asylum at
8 public expense, while confined in public prison, while engaged in the navigation of
9 waters of this state [,] or the United States or of the high seas, while residing upon an
10 Indian or military reservation, or while residing in the Alaska Pioneers' Home.

11 (2) The residence of a person is that place in which the person's
12 habitation is fixed, and to which, whenever absent, the person has the intention to
13 return. If a person resides in one place, but does business in another, the former is the
14 person's place of residence. Temporary work sites [CONSTRUCTION CAMPS] do
15 not constitute a dwelling place.

16 (3) A change of residence is made only by the act of removal joined
17 with the intent to remain in another place. There can only be one residence.

18 (4) A person does not lose residence if the person leaves home and
19 goes to another country, state, or place in this state for temporary purposes only and
20 with the intent of returning.

21 (5) A person does not gain residence in any place to which the person
22 comes without the present intention to establish a permanent dwelling at that place.

23 (6) A person loses residence in this state if the person votes in another
24 state's election, either in person or by absentee ballot, and will not be eligible to vote
25 in this state until again qualifying under AS 15.05.010.

26 (7) [REPEALED]

27 (8) The term of residence is computed by including the day on which
28 the person's residence begins and excluding the day of election.

29 ~~(8)~~ [(9) REPEALED]

30 (10) The address of a voter as it appears on the [AN] official voter
31 registration record [CARD] is presumptive evidence of the person's voting residence.

1 This presumption is negated only if [BY] the voter notifies [NOTIFYING] the
2 director in writing of a change of voting residence.

3 * Sec. 2. AS 15.07.060(a) is amended to read:

4 (a) Each applicant who requests registration or reregistration shall supply the
5 following information:

6 (1) the applicant's name and sex;

7 (2) if issued, the applicant's State of Alaska driver's license number or
8 State of Alaska identification card number, or the last four digits of the applicant's
9 social security number;

10 (3) the applicant's date of birth;

11 (4) the applicant's Alaska residence address, as specified in
12 regulations adopted by the director [AND OTHER NECESSARY INFORMATION
13 ESTABLISHING RESIDENCE, INCLUDING THE TERM OF RESIDENCE IN
14 THE STATE AND IN THE DISTRICT, IF REQUESTED];

15 (5) a statement of whether the applicant has previously been
16 registered to vote in another jurisdiction, and, if so, the jurisdiction and the address of
17 the previous registration;

18 (6) a declaration that the applicant [REGISTRANT] will be 18 years
19 of age or older within 90 days after [OF] the date of registration;

20 (7) a declaration that the applicant [REGISTRANT] is a citizen of the
21 United States;

22 (8) the date of application;

23 (9) the applicant's signature or mark;

24 (10) any former name under which the applicant was registered to vote
25 in the state;

26 (11) an oath [ATTESTATION] that the information provided by the
27 applicant in (1) - (10) of this subsection is true; and

28 (12) a certification that the applicant understands that a false statement
29 on the application may make the applicant subject to prosecution for a misdemeanor
30 under this title or AS 11.

31 * Sec. 3. AS 15.07 is amended by adding a new section to read:

1 **Sec. 15.07.195. Certain information in voter registration records**
2 **confidential.** (a) The following information set out in state voter registration records
3 is confidential and is not open to public inspection:

- 4 (1) the voter's age or date of birth;
5 (2) the voter's social security number, or any part of that number;
6 (3) the voter's driver's license number;
7 (4) the voter's telephone number, if shown in those records;
8 (5) the voter's voter identification number;
9 (6) the voter's place of birth;
10 (7) the voter's signature.

11 (b) In addition to the information in (a) of this section, the name and address
12 of a voter who has been the victim of domestic violence shall be confidential and not
13 open to public inspection if the voter requests in writing that the voter's name and
14 address not be released.

15 (c) Notwithstanding other provisions, and in compliance with federal law,
16 information made confidential by this section may be released by the division

17 (1) to a local, state, or federal government agency, including to the
18 child support enforcement agency created in AS 25.27.010 or the child support
19 enforcement agency of another state; the agency receiving information under this
20 paragraph may use the information only for governmental purposes authorized under
21 law;

22 (2) in compliance with a court order;

23 (3) to a person holding a writ of execution against the person or
24 property of the voter; or

25 (4) if the voter about whom information has been requested has
26 provided written consent to the release.

27 * **Sec. 4.** AS 15.10.090 is repealed and reenacted to read:

28 **Sec. 15.10.090. Notice of precinct boundary or polling place designation**
29 **and modification.** The director shall give full public notice if a precinct is established
30 or abolished or if the boundaries of a precinct are designated, abolished, or modified,
31 or if the location of a polling place is changed. Public notice must include

1 (1) whenever possible, sending written notice of the change to each
2 affected registered voter in the precinct;

3 (2) providing notice of the change

4 (A) by publication three times in a local newspaper of general
5 circulation in the precinct; or

6 (B) if there is not a local newspaper of general circulation in
7 the precinct, by posting written notice in three conspicuous places as close to
8 the precinct as possible; at least one posting location must be in the precinct;

9 (3) posting notice of the change on the Internet site of the division of
10 elections; and

11 (4) providing notification of the change to the appropriate municipal
12 clerks, community councils, tribal groups, presiding officers, Native villages, and
13 village regional corporations established under 43 U.S.C. 1606 (Alaska Native Claims
14 Settlement Act).

15 * **Sec. 5.** AS 15.15.030(6) is repealed and reenacted to read:

16 (6) For each contested office, the division shall rotate the order in
17 which candidates' names appear on the ballot to ensure, as much as reasonably
18 possible, that each candidate's name appears at the top of the list an equal number of
19 times on the ballots that are distributed.

20 * **Sec. 6.** AS 15.15.030(7) is amended to read:

21 (7) The general election ballot shall be designed with the names of
22 candidates of each political party, and of any independent candidates qualified
23 under AS 15.30.026, for the office of President and Vice-President of the United
24 States placed in the same section on the ballot rather than the names of electors of
25 President and Vice-President.

26 * **Sec. 7.** AS 15.15.030(13) is amended to read:

27 (13) The [NOTWITHSTANDING ANY OTHER PROVISION OF
28 THIS TITLE, THE] director may provide for the optical scanning of ballots
29 [VOTING BY USE OF ELECTRONIC BALLOTING EQUIPMENT OR
30 OPTICALLY SCANNED BALLOTS] where the requisite equipment is available. [IF
31 THE DIRECTOR PROVIDES FOR VOTING BY USE OF ELECTRONIC

1 BALLOTING EQUIPMENT, THE DIRECTOR SHALL PROVIDE ELECTRONIC
2 BALLOTING EQUIPMENT THAT WOULD ALLOW VOTERS WITH
3 DISABILITIES, INCLUDING THOSE WHO ARE BLIND OR VISUALLY
4 IMPAIRED, TO CAST PRIVATE, INDEPENDENT, AND VERIFIABLE
5 BALLOTS.]

6 * **Sec. 8.** AS 15.15.030 is amended by adding a new paragraph to read:

7 (14) The director may provide for voting by use of electronically
8 generated ballots by a voter who requests to use a machine that produces electronically
9 generated ballots.

10 * **Sec. 9.** AS 15.15 is amended by adding a new section to read:

11 **Sec. 15.15.032. Use of electronically generated ballots.** (a) If the director
12 provides for voting by use of electronically generated ballots, the director shall
13 provide balloting equipment that would allow voters with disabilities, including those
14 who are blind or visually impaired, to cast private, independent, and verifiable ballots.
15 The director may not provide for more than one machine that produces electronically
16 generated ballots in a precinct or in a regional supervisor's office, except where the
17 director determines that additional machines are needed to accommodate the needs of
18 individuals with disabilities, including individuals with physical limitations or visual
19 impairments.

20 (b) Software for voting by use of electronically generated ballots shall be
21 tested and certified under AS 15.20.900.

22 (c) The director shall provide for a paper record of each electronically
23 generated ballot that can be

24 (1) reviewed and corrected by the voter at the time the vote is cast; and

25 (2) used for a recount of the votes cast at an election in which
26 electronically generated ballots were used."

27 * **Sec. 10.** AS 15.15.040 is amended by adding a new subsection to read:

28 (d) Every sample ballot containing the names of candidates must also include
29 the following statement: "**Candidates' names may appear in a different order on**
30 **the actual ballot.**"

31 * **Sec. 11.** AS 15.15.350(a) is amended to read:

1 (a) The director may adopt regulations prescribing the manner in which the
2 precinct ballot count is accomplished so as to ensure [ASSURE] accuracy in the count
3 and to expedite the process. The election board shall account for all ballots by
4 completing a ballot statement containing (1) the number of official ballots received;
5 (2) the number of official ballots voted; (3) the number of official ballots spoiled; (4)
6 the number of official ballots unused and either destroyed or returned for
7 destruction to the elections supervisor or the election supervisor's designee. The
8 board shall count the number of questioned ballots and [SHALL] compare that
9 number to the number of questioned voters in the register. Discrepancies shall be
10 noted and the numbers included in the certificate prescribed by AS 15.15.370. The
11 election board, in hand-count precincts, shall count the ballots in a manner that allows
12 watchers to see the ballots when opened and read. A person handling the ballot after it
13 has been taken from the ballot box and before it is placed in the envelope for mailing
14 may not have a marking device in hand or remove a ballot from the immediate vicinity
15 of the polls.

16 * Sec. 12. AS 15.20.045(b) is amended to read:

17 (b) The director may designate by regulation adopted under AS 44.62
18 (Administrative Procedure Act) locations at which absentee voting stations will be
19 operated for 15 days [ON OR AFTER THE 15TH DAY] before an election and on
20 election day [UP TO AND INCLUDING THE DATE OF THE ELECTION]. The
21 director shall supply absentee voting stations with ballots for all house districts in the
22 state and shall designate absentee voting officials to serve at absentee voting stations.

23 * Sec. 13. AS 15.20.064(a) is amended to read:

24 (a) For 15 days before an election and on election day, a [A] qualified voter
25 who meets the requirements set out in this section may vote in locations designated
26 by the director [EARLY IN THE OFFICE OF AN ELECTION SUPERVISOR ON
27 OR AFTER THE 15TH DAY BEFORE AN ELECTION UP TO AND INCLUDING
28 ELECTION DAY].

29 * Sec. 14. AS 15.20.064(b) is amended to read:

30 (b) The election supervisor or other election official shall issue a ballot to the
31 voter upon

- 1 (1) exhibition of proof of identification as required in AS 15.15.225;
2 (2) verification that the voter's residence address appearing on the
3 official registration list is current [AND WITHIN THE ELECTION SUPERVISOR'S
4 JURISDICTION]; and
5 (3) the voter's signing the early voting register.

6 * Sec. 15. AS 15.20.066(b) is amended to read:

7 (b) An absentee ballot that is completed and returned by the voter by
8 electronic transmission must

9 (1) contain the following statement: "I understand that, by using
10 electronic transmission to return my marked ballot, I am voluntarily waiving a portion
11 of my right to a secret ballot to the extent necessary to process my ballot, but expect
12 that my vote will be held as confidential as possible, [.]" followed by the voter's
13 signature and date of signature; and

14 (2) be accompanied by a statement executed under oath as to the
15 voter's identity; the statement under oath must be witnessed by

16 (A) a commissioned or noncommissioned officer of the armed
17 forces of the United States;

18 (B) an official authorized by federal law or the law of the state
19 in which the absentee ballot is cast to administer an oath; or

20 (C) a [TWO] United States citizen [CITIZENS] who is [ARE]
21 18 years of age or older.

22 * Sec. 16. AS 15.20.081(d) is amended to read:

23 (d) Upon receipt of an absentee ballot by mail, the voter, in the presence of a
24 notary public, commissioned officer of the armed forces including the National Guard,
25 district judge or magistrate, United States postal official, registration official, or other
26 person qualified to administer oaths, may proceed to mark the ballot in secret, to place
27 the ballot in the secrecy sleeve, to place the secrecy sleeve in the envelope provided,
28 and to sign the voter's certificate on the envelope in the presence of an official listed in
29 this subsection who shall sign as attesting official and shall date the signature. If none
30 of the officials listed in this subsection is reasonably accessible, an absentee voter
31 shall sign the voter's certificate in the presence of one person who is a United States

1 citizen and is [TWO PERSONS OVER THE AGE OF] 18 years of age or older, who
2 shall sign as a witness [WITNESSES] and attest to the date on which the voter signed
3 the certificate in the person's [THEIR] presence, and, in addition, the voter shall
4 provide the certification prescribed in AS 09.63.020.

5 * **Sec. 17.** AS 15.20.081(h) is amended to read:

6 (h) Except as provided in AS 15.20.480, an absentee ballot returned by mail
7 from outside the United States or from an overseas voter qualifying under
8 AS 15.05.011 [A MILITARY APO OR FPO ADDRESS] that has been marked and
9 mailed not later than election day may not be counted unless the ballot is received by
10 the election supervisor not later than the close of business on the 15th day following
11 the election.

12 * **Sec. 18.** AS 15.20.800(b) is amended to read.

13 (b) If the director conducts an election under (a) of this section by mail, the
14 director shall send a ballot for each election described in (a) of this section to each
15 person whose name appears on the official registration list prepared under
16 AS 15.07.125 for that election. The director shall send ballots by first class,
17 nonforwardable mail. The ballot shall be sent to the address stated on the official
18 registration list unless the

19 (1) voter has notified the director or an election supervisor of a
20 different address to which the ballot should be sent; or

21 (2) address on the official registration list has been identified as
22 being an undeliverable address [THE DIRECTOR SHALL SEND BALLOTS BY
23 FIRST CLASS, NONFORWARDABLE MAIL].

24 * **Sec. 19.** AS 15.20 is amended by adding a new section to article 5 to read:

25 **Sec. 15.20.910. Standards for voting machines and vote tally systems.** The
26 director may approve a voting machine or vote tally system for use in an election in
27 the state upon consideration of factors relevant to the administration of state elections,
28 including whether the Federal Election Commission has certified the voting machine
29 or vote tally system to be in compliance with the voting system standards approved by
30 the Federal Election Commission as required by 42 U.S.C. 15481(a)(5) (Help America
31 Vote Act of 2002).

1 * **Sec. 20.** AS 15.30 is amended by adding a new section to read:

2 **Sec. 15.30.026. Qualifications for independent candidates for President of**
3 **the United States; selection of candidate for Vice-President; selection of electors.**

4 (a) A person who desires to be an independent candidate for President of the United
5 States must file with the director not earlier than January 1 of a presidential election
6 year and not later than the 90th day before a presidential general election a petition
7 signed by qualified voters of the state equal in number to at least one percent of the
8 number of voters who cast ballots in an election under this chapter for President of the
9 United States at the last presidential general election. The petition must state that the
10 signers desire the named candidate for President of the United States to appear on the
11 ballot as an independent candidate for president at the next succeeding presidential
12 general election.

13 (b) In order to appear on the ballot, a candidate who has qualified for ballot
14 status under (a) of this section shall certify the following information to the director on
15 or before September 1 of the year of the presidential general election:

16 (1) the names of the electors for the independent candidate for
17 President of the United States, equal to the number of senators and representatives to
18 which the state is entitled in Congress;

19 (2) the name of a candidate for Vice-President, selected by the
20 independent candidate; and

21 (3) the name, Alaska mailing address, and signature of the candidate's
22 state campaign chair, who must be an Alaska resident.

23 * **Sec. 21.** AS 15.30.050 is amended to read:

24 **Sec. 15.30.050. Interpretation of votes cast for candidates for President**
25 **and Vice-President [VICE PRESIDENT].** In voting for presidential electors, a vote
26 marked for the candidates for President and Vice-President [VICE PRESIDENT] is
27 considered and counted as a vote for the presidential electors of the party or for the
28 presidential electors named under AS 15.30.026, as appropriate.

29 * **Sec. 22.** AS 15.30.090 is amended to read:

30 **Sec. 15.30.090. Duties of electors.** After any vacancies have been filled, the
31 electors shall proceed to cast their votes for the candidates for the office of President

1 and Vice-President [VICE PRESIDENT] of the party that [WHICH] selected them as
2 candidates for electors, or for the candidates for the office of President and Vice-
3 President under AS 15.30.026 if the electors were named under AS 15.30.026, and
4 shall perform the duties of electors as required by the constitution and laws of the
5 United States. The director shall provide administrative services and the Department
6 of Law shall provide legal services necessary for the electors to perform their duties.

7 * Sec. 23. AS 15.45.030 is amended to read:

8 **Sec. 15.45.030. Form of application.** The application must [SHALL]
9 include the

10 (1) [THE] proposed bill; [TO BE INITIATED,]

11 (2) printed name, signature, address, and date of birth of not less
12 than 100 qualified voters who will serve as sponsors; each signature page must
13 include a statement that the sponsors are qualified voters who signed the application
14 with the proposed bill attached; and [,]

15 (3) [THE] designation of an initiative committee consisting of three of
16 the sponsors who subscribed to the application and [SHALL] represent all sponsors
17 and subscribers in matters relating to the initiative; the designation must include the
18 name, mailing address, and signature of each committee member [, AND

19 (4) THE SIGNATURES AND ADDRESSES OF NOT LESS THAN
20 100 QUALIFIED VOTERS].

21 * Sec. 24. AS 15.45.060 is amended to read:

22 **Sec. 15.45.060. Designation of sponsors.** The qualified voters who subscribe
23 to the application in support of the proposed bill are designated as sponsors. The
24 initiative committee may designate additional sponsors by giving written notice to the
25 lieutenant governor of the names and addresses of those so designated.

26 * Sec. 25. AS 15.45.090 is amended to read:

27 **Sec. 15.45.090. Preparation of petition.** If the application is certified, the
28 lieutenant governor shall prescribe the form of and prepare petitions containing (1) a
29 copy of the proposed bill if the number of words included in both the formal and
30 substantive provisions of the bill is 500 or less; [,] (2) an impartial summary of the
31 subject matter of the bill; [,] (3) the warning prescribed in AS 15.45.100; [,] (4)

1 sufficient space for the printed name, date of birth, signature, and address of each
2 person signing the petition; [,] (5) sufficient space at the bottom of each signature
3 page for the information required by AS 15.45.130(8); [,] and (5) other specifications
4 prescribed by the lieutenant governor to ensure [ASSURE] proper handling and
5 control. Petitions, for purposes of circulation, shall be prepared by the lieutenant
6 governor in a number reasonably calculated to allow full circulation throughout the
7 state and shall be sequentially numbered [. THE LIEUTENANT GOVERNOR
8 SHALL NUMBER EACH PETITION AND SHALL KEEP A RECORD OF THE
9 PETITION DELIVERED TO EACH SPONSOR]. Upon request of the initiative
10 committee, the lieutenant governor shall report to the initiative committee the
11 number of persons who voted in the preceding general election.

12 * Sec. 26. AS 15.45 is amended by adding a new section to read:

13 **Sec. 15.45.105. Qualifications of circulator.** To circulate a petition booklet,
14 a person shall be

- 15 (1) a citizen of the United States;
- 16 (2) 18 years of age or older; and
- 17 (3) a resident of the state as determined under AS 15.05.020.

18 * Sec. 27. AS 15.45.120 is amended to read:

19 **Sec. 15.45.120. Manner of signing and withdrawing name from petition.**
20 Any qualified voter may subscribe to the petition by printing the voter's name, date
21 of birth, and address, and by signing the voter's name [AND ADDRESS]. A person
22 who has signed the initiative petition may withdraw the person's name only by giving
23 written notice to the lieutenant governor before the date the petition is filed.

24 * Sec. 28. AS 15.45.130 is repealed and reenacted to read:

25 **Sec. 15.45.130. Certification of circulator.** Before being filed, each petition
26 shall be certified by an affidavit by the person who personally circulated the petition.
27 In determining the sufficiency of the petition, the lieutenant governor may not count
28 subscriptions on petitions not properly certified at the time of filing or corrected before
29 the subscriptions are counted. The affidavit must state in substance that

- 30 (1) the circulator signing the affidavit meets the residency, age, and
31 citizenship qualifications for circulating a petition under AS 15.45.105;

- 1 (2) the person is the only circulator of that petition;
- 2 (3) the signatures were made in the circulator's actual presence;
- 3 (4) to the best of the circulator's knowledge, the signatures are those of
- 4 the persons whose names they purport to be;
- 5 (5) the signatures are of persons who were qualified voters on the date
- 6 of signature;
- 7 (6) the circulator has not entered into an agreement with a person or
- 8 organization in violation of AS 15.45.110(c);
- 9 (7) the circulator has not violated AS 15.45.110(d) with respect to that
- 10 petition; and
- 11 (8) if the circulator has received payment or agreed to receive payment
- 12 for the collection of signatures on the petition, before circulating the petition, the
- 13 circulator prominently placed, in the space provided under AS 15.45.090(5), the name
- 14 of each person or organization that has paid or agreed to pay the circulator for
- 15 collection of signatures on the petition.

16 * **Sec. 29.** AS 15.45.200 is amended to read:

17 **Sec. 15.45.200. Display of proposed law.** The director shall provide each

18 election board with five [10] copies of the proposed law being initiated, and the

19 election board shall display at least one copy [THREE COPIES] of the proposed law

20 in a conspicuous place in the room where the election is held.

21 * **Sec. 30.** AS 15.45.270 is amended to read:

22 **Sec. 15.45.270. Form of application.** The application must [SHALL]

23 include

- 24 (1) the act to be referred;
- 25 (2) a statement of approval or rejection;
- 26 (3) the printed signature, address, and date of birth of not less
- 27 than 100 qualified voters who will serve as sponsors; each signature page must
- 28 include a statement that the sponsors are qualified voters who signed the application
- 29 with the act to be referred and the statement of approval or rejection
- 30 [PROPOSED BILL] attached; and
- 31 (4) [(3)] the designation of a referendum committee consisting of three

1 of the sponsors who subscribed to the application and [SHALL] represent all
2 sponsors and subscribers in matters relating to the referendum; the designation must
3 include the name, address, and signature of each committee member [AND

4 (4) THE SIGNATURES AND ADDRESSES OF NOT FEWER
5 THAN 100 QUALIFIED VOTERS].

6 * Sec. 31. AS 15.45.290 is amended to read:

7 **Sec. 15.45.290. Designation of sponsors.** The qualified voters who subscribe
8 to the application in support of the referendum are designated as sponsors. The
9 referendum committee may designate additional sponsors by giving notice to the
10 lieutenant governor of the names and addresses of those so designated.

11 * Sec. 32. AS 15.45.320 is amended to read:

12 **Sec. 15.45.320. Preparation of petition.** If the application is certified, the
13 lieutenant governor shall, within seven calendar days after the date of certification,
14 prescribe the form of, and prepare, a petition containing (1) a copy of the act to be
15 referred, if the number of words included in both the formal and substantive
16 provisions of the bill is 500 or less; [,] (2) the statement of approval or rejection;
17 (3) an impartial summary of the subject matter of the act; (4) [, (3)] the warning
18 prescribed in AS 15.45.330; (5) [, (4)] sufficient space for the printed name, date of
19 birth, signature, and address of each person signing the petition; (6) sufficient
20 space at the bottom of each page for the information required by
21 AS 15.45.360(8); [SIGNATURES AND ADDRESSES,] and (7) [(5)] other
22 specifications prescribed by the lieutenant governor to ensure [ASSURE] proper
23 handling and control. Petitions, for purposes of circulation, shall be prepared by the
24 lieutenant governor in a number reasonably calculated to allow full circulation
25 throughout the state and shall be sequentially numbered [. THE LIEUTENANT
26 GOVERNOR SHALL NUMBER EACH PETITION AND SHALL KEEP A
27 RECORD OF THE PETITIONS DELIVERED TO EACH SPONSOR]. Upon request
28 of the referendum committee, the lieutenant governor shall report to the referendum
29 committee [SPECIFY] the number of persons who voted in the preceding general
30 election.

31 * Sec. 33. AS 15.45 is amended by adding a new section to read:

1 **Sec. 15.45.335. Qualifications of circulator.** To circulate a petition booklet,
2 a person shall be

- 3 (1) a citizen of the United States;
4 (2) 18 years of age or older; and
5 (3) a resident of the state as determined under AS 15.05.020.

6 * **Sec. 34.** AS 15.45.340 is amended by adding new subsections to read:

7 (b) A circulator may not receive payment or agree to receive payment that is
8 greater than \$1 a signature, and a person or an organization may not pay or agree to
9 pay an amount that is greater than \$1 a signature, for the collection of signatures on a
10 petition.

11 (c) A person or organization may not knowingly pay, offer to pay, or cause to
12 be paid money or other valuable thing to a person to sign or refrain from signing a
13 petition.

14 (d) A person or organization that violates (b) or (c) of this section is guilty of a
15 class B misdemeanor.

16 (e) In this section,

- 17 (1) "organization" has the meaning given in AS 11.81.900;
18 (2) "other valuable thing" has the meaning given in AS 15.56.030;
19 (3) "person" has the meaning given in AS 11.81.900.

20 * **Sec. 35.** AS 15.45.350 is amended to read:

21 **Sec. 15.45.350. Manner of signing and withdrawing name from petition.**
22 Any qualified voter may subscribe to the petition by printing the voter's name, date
23 of birth, and address, and by signing the voter's name [AND ADDRESS]. A person
24 who has signed the referendum petition may withdraw the person's name only by
25 giving written notice to the lieutenant governor before the date the petition is filed.

26 * **Sec. 36.** AS 15.45.360 is repealed and reenacted to read:

27 **Sec. 15.45.360. Certification of circulator.** Before being filed, each petition
28 shall be certified by an affidavit by the person who personally circulated the petition.
29 In determining the sufficiency of the petition, the lieutenant governor may not count
30 subscriptions on petitions not properly certified at the time of filing or corrected before
31 the subscriptions are counted. The affidavit must state in substance that

1 (1) the person signing the affidavit meets the residency, age, and
2 citizenship qualifications for circulating a petition under AS 15.45.335;

3 (2) the person is the only circulator of the petition;

4 (3) the signatures were made in the circulator's actual presence;

5 (4) to the best of the circulator's knowledge, the signatures are the
6 signatures of persons whose names they purport to be;

7 (5) the signatures are of persons who were qualified voters on the date
8 of signature;

9 (6) the circulator has not entered into an agreement with a person or
10 organization in violation of AS 15.45.340(b);

11 (7) the circulator has not violated AS 15.45.340(c) with respect to that
12 petition; and

13 (8) before circulation of the petition, the circulator prominently placed,
14 in the space provided under AS 15.45.320(6), if the circulator has received payment or
15 agreed to receive payment for the collection of signatures on the petition, the name of
16 each person or organization that has paid or agreed to pay the circulator for collection
17 of signatures on the petition.

18 * Sec. 37. AS 15.45.430 is amended to read:

19 **Sec. 15.45.430. Display of act being referred.** The director shall provide
20 each election board with five [10] copies of the act being referred, and the election
21 board shall display at least one copy [THREE COPIES] of the act in a conspicuous
22 place in the room where the election is held.

23 * Sec. 38. AS 15.45.500 is amended to read:

24 **Sec. 15.45.500. Form of application.** The application must include

25 (1) the name and office of the person to be recalled;

26 (2) the grounds for recall described in particular in not more than 200
27 words;

28 (3) the printed name, signature, address, and date of birth of
29 qualified voters equal in number to 10 percent of those who voted in the
30 preceding general election in the state or in the senate or house district of the
31 official sought to be recalled; each signature page must include a statement that the

1 [SPONSORS ARE] qualified voters [WHO]

2 (A) will serve as sponsors; and

3 (B) signed the application with

4 (i) the name and office of the person to be recalled;

5 and

6 (ii) the statement of grounds for recall attached; and

7 (4) the designation of a recall committee consisting of three of the
 8 qualified voters [SPONSORS] who subscribed to the application and shall
 9 represent all sponsors and subscribers in matters relating to the recall; the designation
 10 must include the name, mailing address, and signature of each committee
 11 member

12 [(5) THE SIGNATURES OF AT LEAST 100 QUALIFIED VOTERS
 13 WHO SUBSCRIBE TO THE APPLICATION AS SPONSORS FOR PURPOSES OF
 14 CIRCULATION; AND

15 (6) THE SIGNATURES AND ADDRESSES OF QUALIFIED
 16 VOTERS EQUAL IN NUMBER TO 10 PERCENT OF THOSE WHO VOTED IN
 17 THE PRECEDING GENERAL ELECTION IN THE STATE OR IN THE SENATE
 18 OR HOUSE DISTRICT OF THE OFFICIAL SOUGHT TO BE RECALLED].

19 * Sec. 39. AS 15.45 is amended by adding a new section to read:

20 **Sec. 15.45.515. Designation of sponsors.** The qualified voters who subscribe
 21 to the application in support of the recall are designated as sponsors. The recall
 22 committee may designate additional sponsors by giving notice to the lieutenant
 23 governor of the names, addresses, and dates of birth of those so designated.

24 * Sec. 40. AS 15.45.560 is amended to read:

25 **Sec. 15.45.560. Preparation of petition.** If [UPON CERTIFYING] the
 26 application is certified, the director shall prescribe the form of, and prepare, a petition
 27 containing (1) the name and office of the person to be recalled; [,] (2) the statement of
 28 the grounds for recall included in the application; [,] (3) the statement of warning
 29 required in AS 15.45.570; [,] (4) sufficient space for the printed name, date of birth,
 30 signature, and address of each person signing the petition; [SIGNATURES AND
 31 ADDRESSES, AND] (5) sufficient space at the bottom of each page for the