

ALASKA LEGISLATURE COMMITTEE FILES, 2003-2004 8672

11065 HOUSE STATE AFFAIRS

309

HCR

26



Representative  
**Kelly Wolf**  
145 Main Street Loop  
Road, Suite 221  
Kenai, Alaska 99611  
(907) 283-2690  
Fax: (907) 283-2763

## Alaska State Legislature



While in Session  
State Capitol, Room 418  
Juneau, Alaska 99801-1182  
(907) 465-2693  
Fax: 465-3835  
Toll Free:  
1 866-463-2693

House District 33

### House of Representatives

#### **Sponsor Statement**

#### **HCR 26 Permanent Fund Investments in Alaska**

The Alaska Permanent fund corporation has invested billions of dollars in corporations worldwide. Today Alaska owns stock in approximately 2000 corporations nation wide and 1000 corporations overseas; lending creditability that Alaska has influenced corporate America in other regions of the world. While at the same time, less than 1% of the permanent fund is invested here in Alaska. A change in the Permanent Fund Corporation's policy toward investing at a higher percent in Alaska could energize our economy.

With House Concurrent Resolution 26 businesses and organizations would know they have the Permanent fund trustees' and legislature's support in encouraging Corporate America investments in growing Alaska's economy.

I urge your support in sending this message to the corporate world; "Alaska is open for business" as one of the world's largest corporate investors.

**Committee Substitute**  
**HCR26 – Relating to investments in Alaska by corporate**  
**America in which the permanent fund invests**

After Line 13 Add new section:

**Whereas** Alaska's own economic well being is tied to businesses in Alaska; and  
**Whereas** Alaska's health and well being of our communities is assisted by one or more of the nearly 7000 nonprofit organizations in Alaska; and

**Whereas** by enactment of this resolution we recognize we, as members of Alaska's Legislature, are providing opportunity for Alaska's nonprofit and for profit sectors to declare their independence through encouraging them to recognize the powerful buying support the \$24,000,000,000 permanent fund represents;

Line 15 – after “to encourage investments in” change Alaska to Alaska's; Then add:  
nonprofit and for profit sectors

Page Two – Line 2 – After Corporation, Please delete: “for public record.” Then add: and  
make available at public request.

## GRANT STOCKS

| NAME                         | # OF SHARES | COST        | MARKET      |
|------------------------------|-------------|-------------|-------------|
| 3 M CoCom                    | 325,400     | 32,190,101  | 40,121,820  |
| 3 M com corp                 | 184,300     | 1,941,014   | 853,309     |
| Abbott Laboratories          | 775,700     | 25,857,527  | 31,028,000  |
| Aetna                        | 108,462     | 4,137,619   | 4,459,958   |
| Affiliated computer svcs inc | 279,700     | 11,998,125  | 14,726,205  |
| Anheuser-Bush                | 1,690,828   | 71,817,329  | 81,836,076  |
| Avon                         | 105,400     | 3,950,898   | 5,677,898   |
| Black & Decker               | 25,400      | 890,345     | 1,089,406   |
| Boeing Company               | 317,928     | 10,542,570  | 10,488,455  |
| Bristol Myer Squibb          | 1,537,860   | 43,303,715  | 36,032,060  |
| Caterpillar                  | 169,200     | 6,099,704   | 7,735,824   |
| Cheveron Texaco              | 652,758     | 47,564,945  | 43,395,352  |
| Coca Cola                    | 4,300       | 245,119     | 277,393     |
| Coca Cola Co                 | 1,236,000   | 57,303,252  | 54,186,240  |
| Coca Cola Enterprises        | 850,800     | 18,290,121  | 18,479,376  |
| Colgate Palmolive            | 735,092     | 34,896,977  | 38,540,874  |
| Deere Company                | 100,400     | 4,157,426   | 4,625,428   |
| Dell Computer corpcom        | 1,731,800   | 39,585,711  | 46,308,332  |
| Dow Chemical                 | 755,990     | 23,210,613  | 22,706,160  |
| Electronic Artscom           | 208,400     | 11,548,082  | 10,372,068  |
| Eli Lilly Co                 | 557,548     | 28,994,700  | 35,404,298  |
| Evergreen                    | 189,830     | 4,564,184   | 5,524,053   |
| Fannie Mae                   | 1,331,600   | 84,514,917  | 85,661,828  |
| Ford Motor Corp              | 846,171     | 12,100,649  | 7,869,391   |
| Forest Laboratories          | 163,700     | 12,945,998  | 16,078,614  |
| GCI (Stoops)                 | 30,700      | 210,390     | 205,997     |
| General Electric             | 6,577,712   | 173,891,778 | 161,417,053 |
| Harley Davidson              | 154,800     | 6,774,472   | 7,151,760   |
| Hewlett Packard              | 2,393,068   | 45,277,540  | 41,735,106  |
| Home Depot                   | 1,414,809   | 39,691,504  | 33,983,617  |
| Intel Corp                   | 3,748,400   | 80,601,280  | 58,362,588  |
| JC Penney                    | 79,900      | 2,642,592   | 1,838,499   |
| Kraft                        | 822,100     | 29,174,508  | 32,127,668  |
| Lowe's Companies inc         | 414,400     | 10,414,186  | 15,540,000  |
| Microsoft corp com           | 3,547,000   | 185,157,392 | 204,059,900 |
| Nike                         | 243,800     | 11,391,049  | 10,875,918  |
| Pepsi America                | 74,600      | 1,113,969   | 1,001,878   |
| Pepsi Bottling group         | 146,544     | 3,320,860   | 3,769,047   |
| Pepsico inc                  | 1,965,730   | 76,942,959  | 83,289,946  |
| PPG Industries               | 277,000     | 15,726,960  | 13,891,550  |
| Procter Gamble               | 1,025,700   | 67,949,555  | 88,148,658  |
| Safeway (uk)                 | 1,662,120   | 7,806,300   | 5,788,385   |
| Safeway inc. com new         | 135,500     | 7,543,589   | 3,585,760   |
| SC Johnson                   | 2,395,904   | 100,690,236 | 128,684,004 |
| Sears (Shaub)                | 119,000     | 4,215,790   | 2,877,420   |
| Tyco Ltd                     | 935,107     | 25,753,844  | 15,982,626  |
| Wal-Mart                     | 3,102,300   | 121,921,109 | 156,929,958 |

# PFD Corporation Investments

| <u>Co</u>                       | <u># of stocks</u> | <u>\$ paid</u> | <u>Market Value</u> |
|---------------------------------|--------------------|----------------|---------------------|
| <i>Safeway inc<br/>Com new</i>  | 153,500            | 7,543,589      | 3,585,760           |
| <i>Safeway(uk)<br/>Gpbo .25</i> | 1,662,120          | 7,806,300      | 5,788,385           |
| <i>J C Penney</i>               | 79,900             | 2,642,592      | 1,838,499           |
| <i>Sears (Shaub)</i>            | 119,000            | 4,215,790      | 2,877,420           |
| <i>Aetna (Stoops)</i>           | 108,462            | 4,137,619      | 4,459,958           |
| <i>GCI (Stoops)</i>             | 30,700             | 210,390        | 205,997             |
| <i>Evergreen</i>                | 189,830            | 4,564,184      | 5,524,053           |



**Alaska Permanent Fund Corporation**

P.O. Box 25500 Juneau, Alaska 99802-5500  
(907) 465-2047

April 5, 2004

Representative Bruce Weyhrauch  
Chair, House State Affairs Committee  
Alaska State Legislature  
Capitol Room 102

Representative Weyhrauch,

Both Bob Bartholomew and I will be out of state and not available to attend the hearing on House Concurrent Resolution 26 on April 8.

The Alaska Permanent Fund Corporation does encourage investment in Alaska. The Alaska Certificate of Deposit program provides up to \$200 million to local banks. Every summer Alaskan students are placed in internships with our money managers across the United States and in London where they can get real world investment experience. Pathways Capital Management, the private equity manager for the APFC, is directed in their contract to provide semi-annual education forums in Alaska and to seek investment opportunities within the state.

As a practical matter, neither APFC nor the Board of Trustees have direct contact with the companies in which the Fund holds equity. We employ managers that purchase and sell equities on our behalf. The APFC owns shares of over 2000 US corporations and over 1000 overseas corporations, but the exact number changes on a daily basis.

In order to ensure adequate diversification, the Fund never holds a significant portion of any company, rarely owning even 1% of a company's shares. This limited ownership does not grant the APFC any direct influence on the operations of these companies.

If you have any questions about APFC's investment policies please let me know.

Sincerely,

A handwritten signature in black ink that reads "Robert D. Storer".

Robert D. Storer  
Executive Director

HJR

3

# Alaska State Legislature

## House of Representatives



Official Business

State Capitol  
Juneau, AK. 99801-1182

**Representative Harry Crawford—District 21**  
**Representative Eric Croft—District 25**

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### **SPONSOR STATEMENT—SPONSOR SUBSTITUTE HOUSE JOINT RESOLUTION 3**

SSHJR-3 proposes a constitutional amendment that would give constitutional protection to the dividend program of the Alaska Permanent Fund. It will make the Permanent Fund Dividend permanent.

This resolution is an exact reiteration of the popular initiative proposed by former Governor Jay Hammond earlier this year. SSHJR-3 would require permission from the people by way of popular vote before the Legislature could spend any of the Permanent Fund earnings that would normally go to the dividend.

The Resolution would also maintain the distribution formulas used to calculate the dividend that were in place on July 1, 2002. This will further guarantee that the Permanent Fund Dividend Program will remain intact as it has been in recent years.

With the ongoing budget deficit, it is in the interest of the Alaskan public to guarantee that the dividend on which many people depend be constitutionally protected.

# FISCAL NOTE

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

Fiscal Note Number: 1  
 Bill Version: SSHJR 3  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Revenue  
 Title Const. Amend. Permanent Fund BRU Permanent Fund Corp.  
 Component Permanent Fund Corp.  
 Sponsor Representative Crawford  
 Requester House State Affairs Component No. 109

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

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

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

|                             |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|
| <b>CAPITAL EXPENDITURES</b> |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|

|                               |  |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|--|
| <b>CHANGE IN REVENUES ( )</b> |  |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|--|

**FUND SOURCE** (Thousands of Dollars)

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

Estimate of any current year (FY2004) cost: 0.0

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

**POSITIONS**

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| Full-time |  |  |  |  |  |  |
| Part-time |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |

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

HJR 3 would ask voters in the next general election whether to approve a constitutional amendment that would require distributions from the Permanent Fund earnings reserve be as provided in the existing statutes for determining the annual amount available for appropriation and the amount of the dividend.

HJR 3 would not affect the budgeted costs to manage and invest the Permanent Fund, nor would it change the amount of income earned by Permanent Fund investments.

Prepared by: Robert D. Storer, Executive Director  
 Division Alaska Permanent Fund Corporation  
 Approved by: William Corbus, Commissioner  
 Agency Department of Revenue

Phone (907) 465-2047  
 Date/Time 1/12/04 9:24 AM  
 Date 1/12/2004

# FISCAL NOTE

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

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: SSHJR3  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: OOG  
 Title Constitutional Amendment relating to RDU Elections  
Alaska permanent fund. Component Elections  
 Sponsor Representatives Crawford & Croft  
 Requester House State Affairs Component No. 21

**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            | 1.5        |            |            |            |            |            |
| Supplies               |            |            |            |            |            |            |
| Equipment              |            |            |            |            |            |            |
| Land & Structures      |            |            |            |            |            |            |
| Grants & Claims        |            |            |            |            |            |            |
| Miscellaneous          |            |            |            |            |            |            |
| <b>TOTAL OPERATING</b> | <b>1.5</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

|                             |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|
| <b>CAPITAL EXPENDITURES</b> |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|

|                               |  |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|--|
| <b>CHANGE IN REVENUES ( )</b> |  |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|--|

**FUND SOURCE** (Thousands of Dollars)

|  |            |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts                  |            |            |            |            |            |            |
| 1003 GF Match                          |            |            |            |            |            |            |
| 1004 GF                                | 1.5        |            |            |            |            |            |
| 1005 GF/Program Receipts               |            |            |            |            |            |            |
| 1037 GF/Mental Health                  |            |            |            |            |            |            |
| Other (Specify Type-Do not abbreviate) |            |            |            |            |            |            |
| <b>TOTAL</b>                           | <b>1.5</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

Estimate of any current year (FY2004) cost: 0.0

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

**POSITIONS**

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| Full-time |  |  |  |  |  |  |
| Part-time |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |

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

This figure includes the cost of providing information about this issue in the Official Election Pamphlet, as required by AS 15.58. If this measure requires the printing of an 8-1/2 by 18 inch ballot, the cost will increase by \$22.0.

Prepared by: Leonard G. Jones Phone 465-3051  
 Division: Division of Elections Date/Time 2/18/04 9:33 AM  
 Approved by: Laura A. Glaiser, Director Date 2/18/2004  
 Agency: Office of the Lt. Governor, Division of Elections

**FISCAL NOTE**

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

Fiscal Note Number: 1  
Bill Version: SSHJR 3  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Revenue  
Title Const. Amend. Permanent Fund BRU Permanent Fund Corp.  
Component Permanent Fund Corp.  
Sponsor Representative Crivford  
Requester House State Aff. Component No. 109

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

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

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

|                             |  |  |  |  |  |  |
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| <b>CAPITAL EXPENDITURES</b> |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|

|                               |  |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|--|
| <b>CHANGE IN REVENUES ( )</b> |  |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|--|

**FUND SOURCE (Thousands of Dollars)**

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

Estimate of any current year (FY2004) cost: 0.0Mark 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)

HJR 3 would ask voters in the next general election whether to approve a constitutional amendment that would require distributions from the Permanent Fund earnings reserve be as provided in the existing statutes for determining the annual amount available for appropriation and the amount of the dividend.

HJR 3 would not affect the budgeted costs to manage and invest the Permanent Fund, nor would it change the amount of income earned by Permanent Fund investments.

Prepared by: Robert D. Storer, Executive Director Phone (907) 465-2047  
Division Alaska Permanent Fund Corporation Date/Time 1/12/04 9:24 AM  
Approved by: William Corbus, Commissioner Date 1/12/2004  
Agency Department of Revenue

**Subject:** [Fwd: SS HJR 3]

**Date:** Wed, 18 Feb 2004 08:43:17 -0900

**From:** Bruce Weyhrauch <Representative\_Bruce\_Weyhrauch@Legis.state.ak.us>

**Organization:** Alaska State Legislature

**To:** Ginny Austerman <Ginny\_Austerman@legis.state.ak.us>

for the file

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**Subject:** SS HJR 3

**Date:** Mon, 16 Feb 2004 22:09:37 -0900

**From:** Mary Griswold <mgrt@xyz.net>

**To:** Representative\_Bruce\_Weyhrauch@legis.state.ak.us

SS HJR 3

I do not support SS HJR 3.

The Conference of Alaskans provided the most stimulating, thoughtful discussion on these important issues I have heard to date. It was hard to tear myself from the audio stream on Gavel to Gavel.

Robert Storer's excellent presentation on POMV should be required reading for every Alaskan. I can't imagine legislators or voters turning it down once they understand it and the repercussions of not adopting it. I strongly favor a state income tax before using permanent fund earnings for essential government services. I thank the delegates for broaching the subject.

I favor dedicating the dividend in the Constitution, primarily to assure wary voters that their dividend is truly safe. There is too much at stake to unnecessarily risk voter rejection.

I favor an 80/20 split of the 5% payout because this is the most defensible math to preserve a comparable dividend. It is consistent with the performance model which I trust better than short term projections and look backs. The model stipulates 8% nominal return, 3% inflation, and 5% real return over time. Right now we are using half of the nominal return for dividends. To equal this after POMV's implicit inflation-procoring, we must use 80% of the 5% payout. This is straightforward and bridges our fiscal gap when accompanied by a 3% state income tax based on the federal adjusted gross income and more reasonable taxes on oil development.

Please let's adopt 5 POMV as a tool to better protect the value of the permanent fund far into the future, preserve the dividend program as Alaskans have learned to count on, and take a big step toward fiscal responsibility. Please support POMV plus 80% for dividends.

Sincerely,

Mary Griswold  
P.O. Box 1417  
Homer, AK 99603  
235-3725



**Alaska Division of Elections**

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**INITIATIVE PETITION BILL LANGUAGE  
by Petition Sponsors**

**Petition ID: 02FUND**

**AN INITIATIVE PROTECTING THE PERMANENT FUND  
DIVIDEND DISTRIBUTION FORMULA AND PROTECTING  
EARNINGS OF THE PERMANENT FUND**

**Posted 09/05/02**

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**Proposed Bill:**

**AN INITIATIVE PROTECTING THE PERMANENT FUND DIVIDEND DISTRIBUTION FORMULA  
AND PROTECTING EARNINGS OF THE PERMANENT FUND**

**BE IT ENACTED BY THE PEOPLE OF THE STATE OF ALASKA:**

**Section 1.** The method of calculation of the permanent fund dividend as set forth in AS 37.13.140, AS 37.13.145, and AS 43.23.025, and any other related statutes and regulations, shall not be changed, nor may these statutes or regulations be changed, amended, or repealed, either directly or indirectly, without an affirmative vote of sixty percent (60%) of those voters of the State of Alaska voting on this question at a regular or special election.

**Section 2.** The statutes and regulations referenced in Section 1 above shall continue in full force and effect in the form that these statutes and regulations existed on July 1, 2002, unless they are amended or changed by a vote of the people as required in Section 1 above.

**Section 3.** No earnings of the permanent fund shall be used for general governmental purposes without an affirmative vote authorizing this use of sixty percent (60%) of those voters of the State of Alaska voting on this question at a regular or special election.

**Section 4.** The provisions of this Act are independent and severable, and if any provision of this Act, or the applicability of any provision to any person or circumstance, shall be held to be invalid by a court of competent jurisdiction, the remainder of this Act shall not be affected and shall be given effect to the fullest extent practicable.

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## Alaska Division of Elections

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### Official Election Pamphlet -- Special Advisory Vote - Full Text of Bill

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[SENATE CS FOR CS FOR HOUSE BILL NO. 1001 (FINANCE) AM S]

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

\* **Section 1. ADVISORY VOTE.** At a special election to be held on September 14, 1999, in substantial compliance with the election laws of the state, including absentee voting and the preparation, publication, and mailing of an election pamphlet under AS 15.58.010 - 15.58.090, the lieutenant governor shall place before the qualified voters of the state a question advisory to the legislature and the governor. The election pamphlet for the special election must comply with AS 15.58.020(6), including the requirement that it contain statements that advocate voter approval or rejection of the question. Notwithstanding AS 15.60.005 and other laws relating to preparation of the ballot proposition, the question shall appear on the ballot in the following form:

#### QUESTION

Preamble: The people of Alaska created the Alaska Permanent Fund to save a portion of Alaska's petroleum revenue for the future. After investing those savings, the original intent and purpose was to use the earnings from those investments when Alaska's petroleum revenues declined. Petroleum revenues have now declined substantially and are forecast to continue to decline. Our reliance upon declining oil production and volatile oil prices constitutes an unsustainable state budget system. The governor and state legislature seek the public's judgment regarding a stable and sustainable long-term balanced budget plan.

Balanced Budget Plan: This will preserve the permanent fund dividend, inflation-proof the permanent fund, support public services, and establish a Citizens' Balanced Budget Task Force.

The Balanced Budget Plan will:

1. Spending Reductions: Continue state general fund budget reductions and commit to long-term budget discipline and efficiencies.
2. Permanent Fund Protection: Guarantee the Alaska permanent fund principal remains untouched. Inflation-proof the permanent fund to protect its value for all Alaskans, including future generations.
3. Permanent Fund Dividends: Guarantee a dividend to eligible Alaskan residents at a minimum of \$1,700 in 1999 and \$1,700 in 2000. Thereafter, the dividend will be approximately \$1,340 and will continue to grow with the value of the permanent fund. After accounting for inflation-proofing, the

dividend will be based on 50 percent of the annual earnings payment.

4. **Funding for Essential Public Services:** After payment of permanent fund dividends and inflation-proofing the fund, prioritize the annual investment earnings payment for essential public services.
5. **Accountability:** Fully disclose expenditures from the permanent fund earnings with each annual permanent fund dividend.
6. **Balanced Budget Task Force:** Establish a Citizens' Balanced Budget Task Force to present options to further reduce state spending and identify appropriate future revenue sources.
7. **Income Tax:** No personal income tax is enacted as part of this plan.

Question: After paying annual dividends to residents and inflation-proofing the permanent fund, should a portion of permanent fund investment earnings be used to help balance the state budget?

YES or NO

**\*Section 2.** This Act takes effect immediately under AS 01.10.070(c).

[Click here for the ballot language](#)

[Click here for the Legislative Affairs Agency Summary](#)



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*Alaska Division of Elections Home Page*

**Election Summary Report**  
**State of Alaska Special Election**  
**Summary for Jurisdiction Wide, All Races OFFICIAL**  
**RESULTS**

09/30/99

13:40:21

**Long-Term Financial Plan**

|                          |               |         |
|--------------------------|---------------|---------|
| Precincts Reporting      | 453/453       | 100.00% |
| Ballots Cast/Reg. Voters | 186087/446245 | 41.70%  |
| Total Votes              | 184990        |         |
| <hr/>                    |               |         |
| YES                      | 30994         | 16.75%  |
| NO                       | 153996        | 83.25%  |

# MEMORANDUM

State of Alaska  
Department of Law

To: Hon. Loren Leman  
Lieutenant Governor

Date: January 24, 2003

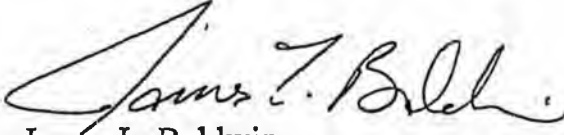
File No.: 663-03-0045

OFFICE OF THE

JAN 27 2003

Tel. No.: 465-3600

LIEUTENANT GOVERNOR

From:   
James L. Baldwin  
Assistant Attorney General  
Governmental Affairs - Juneau

Re: Review of initiative application  
relating to protection of permanent  
fund earnings - 02PERM

At your request, we have reviewed a proposed initiative measure relating to the Alaska Permanent Fund. The measure is entitled:

An initiative protecting the permanent fund dividend distribution formula and protecting earnings of the permanent fund.

We believe that you must reject this application because the proposed initiative includes subject matter that may not be enacted by initiative. Our analysis follows.

The initiative measure contains three essential provisions:

- (1) existing statutes calculating the amount of the permanent fund dividend may not be amended or repealed without a vote of the people at a special or general election;
- (2) statutes calculating the amount of the permanent fund dividend in effect on July 1, 2002 remain in effect until they are amended or repealed by a law passed by the legislature and ratified by a vote of the people at a special or general election;
- (3) the initiative prohibits use of permanent fund earnings for general government purposes without an appropriation made by law which is ratified by a vote of the people.

The scope of our review is set by statute and confirmed by court decision. An initiative committee is required under AS 15.45.020 to submit an initiative application to the lieutenant governor for review. In *Boucher v. Engstrom*, 528 P.2d 456 (Alaska 1974) the Alaska Supreme Court concluded that the lieutenant governor's review of an initiative

application under AS 15.45.010 - 15.45.080 was intended to extend to whether or not the proposed bill complies with the particular constitutional and statutory provisions regulating initiatives. *Id.* at 461. Our initial inquiry is whether the proposed initiative constitutes a "law" within the scope of the initiative process contemplated in article XI of the Alaska Constitution. Even assuming that the initiative proposes to enact a law, article XI, section 7 specifically precludes use of the initiative process "to dedicate revenues, make or repeal appropriations, create courts, define the jurisdiction of courts or prescribe their rules, or enact local or special legislation."

We believe that the initiative proposes to amend or revise powers and procedures that are established in the Alaska Constitution. It is well established that a statute or an initiative cannot be used to amend or revise the Alaska Constitution. *Starr v. Hagglund*, 374 P.2d 316, 317 (Alaska 1962); *see also 5 Proceedings of the Alaska Constitutional Convention*, 3439-3440 (January 28, 1956); *cf. Bess v. Ulmer*, 985 P.2d 979 (Alaska 1999) (revision of state constitution may be accomplished only by constitutional convention). The constitution may only be amended or revised using the procedures authorized in article XIII. The proposed initiative would limit the legislature's power of appropriation by making any appropriation of permanent fund earnings for "general government purposes" effective only after it has been referred to the voters for approval. This provision would effectively amend article XI, section 7 which prohibits the referendum from being "applied . . . to appropriations . . ."

The initiative also would establish additional requirements for enactment of appropriation bills into law. The initiative would amend the enactment process set out in article II to require that a public vote be a necessary step in the enactment of certain appropriations of permanent fund income. The legislature may well have the authority to condition the effect of a specific bill upon voter approval. However, it would be a substantial change in power to require voter approval as a necessary step for all appropriation bills which authorize the expenditure of permanent fund earnings for general government purposes. We believe this amounts to a major qualitative change in the enactment procedures set out in article II of the Alaska Constitution.

The initiative also amends or revises the legislature's appropriation power by delegating a part of that power to the electorate. The Alaska Supreme Court previously invalidated a statute enacted by the legislature that delegated to the governor the power to make post-enactment reductions in appropriations. *State v. Fairbanks North Star Borough*, 736 P.2d 1140 (Alaska 1987). The court reasoned that the delegation to the governor was essentially without limitation and could be exercised to effect a total repeal of parts of the general appropriations act. 736 P.2d at 1143. The initiative proposed here would permit the electorate to reject appropriations with the same effect as a veto. The

Alaska Constitution provides: "Unless clearly inapplicable, the law-making powers assigned to the legislature may be exercised by the people through the initiative, subject to the limitations of Article XI." Alaska Const. art. XII, sec. 11. From this we conclude that if the legislature cannot make such a delegation by law, the subject matter is not within its law-making power. If the legislature cannot by statute give up the appropriation power, the initiative sponsors would be similarly barred from using direct legislation to give this power to the electorate.

Finally, even if we were to find that the initiative proposes a law, it would not be appropriate for the initiative because the proposed measure includes restricted subject matter. Under existing law, the earnings reserve account is available for expenditure through exercise of the legislature's plenary power of appropriation. The initiative would end the legislature's sole discretion to authorize expenditure of the earnings reserve of the Alaska Permanent Fund. The earnings reserve account would be available to finance government operations only after an affirmative ratification vote. A large sum of money would be removed from the unrestricted category of assets in the state treasury. The effect of this would run counter to the intent of the framers of the constitution in establishing restrictions on the use of the initiative.

Victor Fisher explained the concerns that underlie initiative restrictions:

Further restrictions on direct legislation were added after expressions of concern about its potential use affecting fiscal legislation, local laws, judicial system, and other "critical" areas. . . . The limitations upon direct popular legislative authority were a compromise designed to reserve basic authorities to the people while protecting the state against rash, discriminatory, and irresponsible acts.

V. Fischer, *Alaska's Constitutional Convention* 80 - 81 (1975). It is debatable whether it would be rash or irresponsible to require voter approval of expenditures from permanent fund earnings. However, for our purposes it is relevant that the initiative proposes "fiscal legislation" intending to make state revenues more difficult to spend. This measure has inherent popular appeal because of the direct connection between permanent fund earnings and the permanent fund dividend. Enactment of the initiative could hobble the state treasury by placing a substantial obstacle in the way of using permanent fund earnings as a source of appropriations to finance the necessary and proper costs of government. The danger arises as existing financial reserves are depleted and replacement revenue sources are not enacted. This difference in treatment amounts to a segregation of the earnings reserve which is the functional equivalent of a dedication of

Hon. Loren Leman  
Re: Our file 663-03-0045

January 24, 2003  
Page 4

those revenues. For these reasons, we believe that the initiative violates the restriction against using the initiative to dedicate revenue.

For the reasons set out in this memorandum, we recommend that you deny the sponsors' application.

JLB:jn

**AN INITIATIVE PROTECTING THE PERMANENT FUND  
DIVIDEND DISTRIBUTION FORMULA AND PROTECTING  
EARNINGS OF THE PERMANENT FUND**

**BE IT ENACTED BY THE PEOPLE OF THE STATE OF ALASKA:**

**Section 1.** The method of calculation of the permanent fund dividend as set forth in AS 37.13.140, AS 37.13.145, and AS 43.23.025, and any other related statutes and regulations, shall not be changed, nor may these statutes or regulations be changed, amended, or repealed, either directly or indirectly, without an affirmative vote of a majority of those voters of the State of Alaska voting on this question at a regular or special election.

**Section 2.** The statutes and regulations referenced in Section 1 above shall continue in full force and effect in the form that these statutes and regulations existed on July 1, 2002, unless they are amended or changed by a vote of the people as required in Section 1 above.

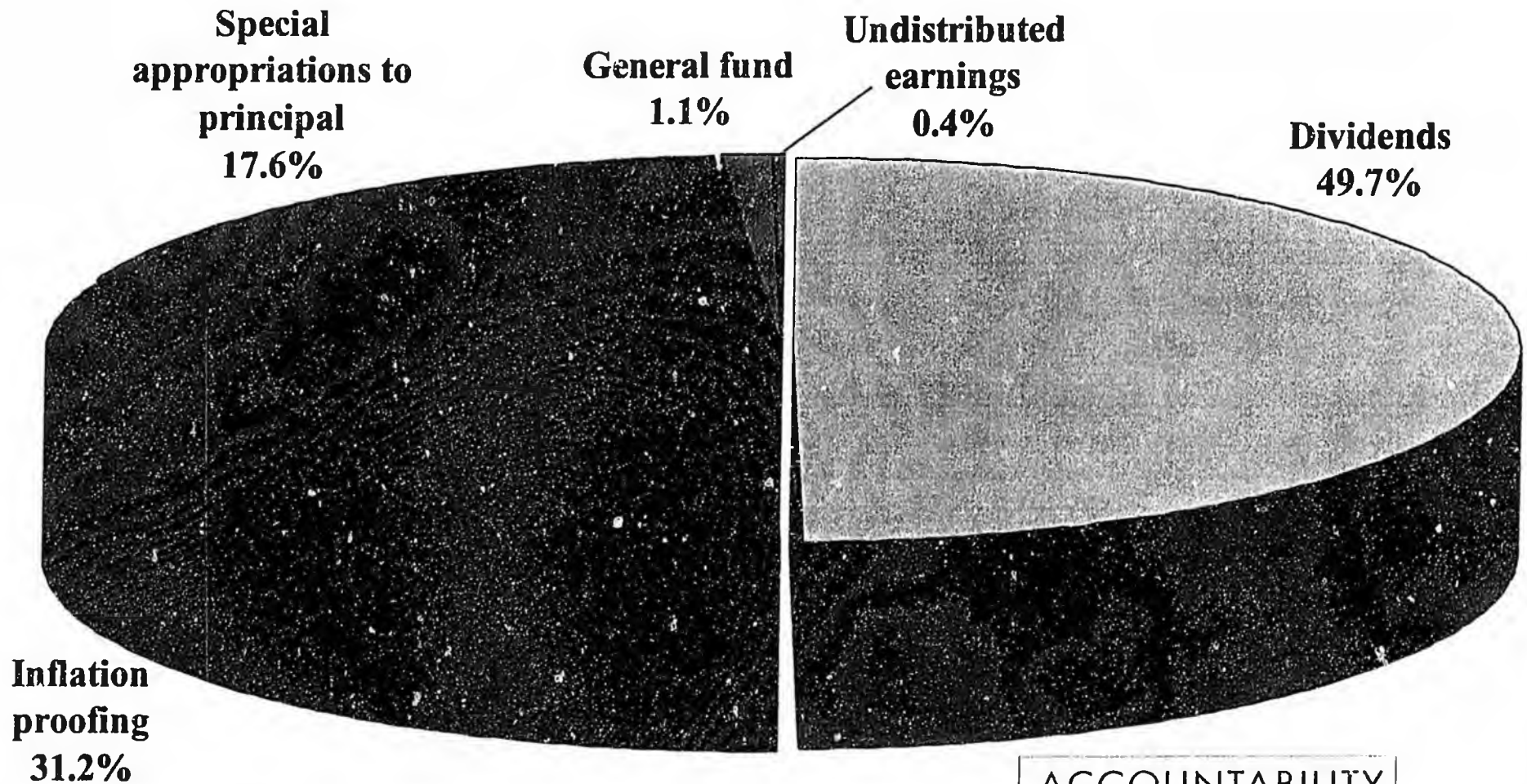
**Section 3.** No earnings of the permanent fund shall be used for general governmental purposes without an affirmative vote authorizing this use of a majority of those voters of the State of Alaska voting on this question at a regular or special election.

**Section 4.** The provisions of this Act are independent and severable, and if any provision of this Act, or the applicability of any provision to any person or circumstance, shall be held to be invalid by a court of competent jurisdiction, the remainder of this Act shall not be affected and shall be given effect to the fullest extent practicable.



# Use of realized earnings

**\$25.2 billion in realized income,  
FY78 – FY03**



**ACCOUNTABILITY**

TO ALASKANS, FOR ALASKANS

1: SS HJR 3]

**Subject:** [Fwd: SS HJR 3]

**Date:** Wed, 18 Feb 2004 08:43:17 -0900

**From:** Bruce Weyhrauch <Representative\_Bruce\_Weyhrauch@Legis.state.ak.us>

**Organization:** Alaska State Legislature

**To:** Ginny Austerman <Ginny\_Austerman@legis.state.ak.us>

for the file

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**Subject:** SS HJR 3

**Date:** Mon, 16 Feb 2004 22:09:37 -0900

**From:** Mary Griswold <mgrt@xyz.net>

**To:** Representative\_Bruce\_Weyhrauch@legis.state.ak.us

SS HJR 3

I do not support SS HJR 3.

The Conference of Alaskans provided the most stimulating, thoughtful discussion on these important issues I have heard to date. It was hard to tear myself from the audio stream on Gavel to Gavel.

Robert Storer's excellent presentation on POMV should be required reading for every Alaskan. I can't imagine legislators or voters turning it down once they understand it and the repercussions of not adopting it. I strongly favor a state income tax before using permanent fund earnings for essential government services. I thank the delegates for broaching the subject.

I favor dedicating the dividend in the Constitution, primarily to assure wary voters that their dividend is truly safe. There is too much at stake to unnecessarily risk voter rejection.

I favor an 80/20 split of the 5% payout because this is the most defensible math to preserve a comparable dividend. It is consistent with the performance model which I trust better than short term projections and look backs. The model stipulates 8% nominal return, 3% inflation, and 5% real return over time. Right now we are using half of the nominal return for dividends. To equal this after POMV's implicit inflation-proofing, we must use 80% of the 5% payout. This is straightforward and bridges our fiscal gap when accompanied by a 3% state income tax based on the federal adjusted gross income and more reasonable taxes on oil development.

Please let's adopt 5 POMV as a tool to better protect the value of the permanent fund far into the future, preserve the dividend program as Alaskans have learned to count on, and take a big step toward fiscal responsibility. Please support POMV plus 80% for dividends.

Sincerely,

Mary Griswold  
P.O. Box 1417  
Homer, AK 99603  
235-3725

Suzanne Ross McDowell  
202.429.6209  
[smcdowell@steptoelaw.com](mailto:smcdowell@steptoelaw.com)

September 22, 2003

The Honorable Gregg D. Renkes  
Attorney General  
State of Alaska  
Department of Law  
123 4th Street, 5th Floor  
Juneau, AK 99801-1141

**Re: Federal Income Tax Status of Alaska Permanent Fund  
and Alaska Permanent Fund Corporation**

Dear Mr. Renkes:

You have requested our opinion concerning the application of the federal income tax laws to the Alaska Permanent Fund ("APF" or "Fund") and the Alaska Permanent Fund Corporation ("APFC" or "Corporation"). Specifically, you have asked:

1. Whether the Fund or the Corporation, as currently constituted, is subject to federal income tax;
2. Whether incorporating into the Alaska Constitution (the "Alaska Constitution" or "Constitution") a requirement for a payment of a dividend to residents of Alaska from the Fund, generally known as the permanent fund dividend, would affect the federal income tax status of the Fund or the Corporation; and
3. Whether providing in the Constitution that a portion of earnings from the Fund must be used to defray the State's obligations to fund public education would affect the federal income tax status of the Fund or the Corporation.

As more fully explained below, in our opinion, the Fund, as currently constituted, should not be subject to federal income tax because it is an asset of the State of Alaska and its income is earned directly by the State of Alaska or, in the alternative, because it is an integral part of the State of Alaska. We further conclude that the Corporation, as currently constituted, should not be subject to federal income tax because it is an integral part of the State of Alaska or, in the alternative, because its income, if any, is excluded from federal income tax under Section 115(1) of the Internal Revenue Code (the "Code").

to allow the maximum use of disposable income from the fund for purposes designated by law.”

The Alaska Constitution does not specify the organizational form of the Fund. The Fund is treated as a segregated permanent fund on the State’s books without its own legal identity. The Fund’s annual reports and the legislative history of the Fund, as compiled by the Rural Research Agency in 1986 on request from the Alaska legislature, refer to the fund as a “trust.”<sup>2</sup> The Permanent Fund Dividend Division, a division of the Department of Revenue that is responsible for dividend distributions from the Fund, characterizes the Fund on its website as a “savings trust.”<sup>3</sup> The Fund also has been characterized as a “savings account.”<sup>4</sup>

APF is managed by the Alaska Permanent Fund Corporation (“APFC”), which is described in the Alaska Statutes as a “public corporation and government instrumentality in the Department of Revenue.” Alaska Stat. § 37.13.040. The Fund is exempt from all state taxes and assessments. Alaska Stat. § 37.13.180.

## 2. Funding

As provided in the Alaska Constitution, Article IX, Section 15 and Section 37.13.010(a) of the Alaska Statutes,<sup>5</sup> APF derives revenues from the following sources:

1. 25% of all mineral lease rentals, royalties, royalty sale proceeds, net profit shares, bonuses and federal mineral revenue sharing payments; and
2. any other money appropriated to or otherwise allocated by law to APF.

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<sup>2</sup> See APF 2002 Annual Report, available at <http://www.apfc.org/library/AnRptArch.cfm?s=5>; Alaska’s Permanent Fund, Legislative History, Intent and Operations, Rural Research Agency Report (Jan. 1986), *abridged for The Trustee’s Papers Vol. 5*, available at <http://www.apfc.org/library/tp5.cfm?s=5>.

<sup>3</sup> See *Division Overview*, available at <http://www.pfd.state.ak.us/OVERVIEW.HTM>.

<sup>4</sup> See *History of the Fund and of Alaska*, available at <http://www.apfc.org/library/pfhistory.cfm?s=5>; APF 2002 Annual Report (Preamble), available at <http://www.apfc.org/library/AnRptArch.cfm?s=5>.

<sup>5</sup> As amended by 2003 Alaska Sess. Laws ch. 22, § 3.

APF's assets reached \$5 billion by 1984.<sup>12</sup> In 1986, the Fund's annual net income exceeded \$1 billion for the first time.<sup>13</sup> As of June 30, 2003, APF's market value was \$24.2 billion.

The Division of Finance of the State of Alaska reports the assets and earnings of APF in the State's annual financial statements.<sup>14</sup> APF and its income are considered by Moody's and Standard & Poor's for purposes of establishing the state's bond ratings.<sup>15</sup>

### 3. Disposition of Income

The Alaska Constitution requires that the income of APF be deposited in the general fund of the State of Alaska, unless otherwise provided by law. *See* Alaska Const. art. IX, § 15. Thus, the legislature determines how the income from the Fund will be spent. As discussed below, the legislature has enacted several provisions that provide for income to be deposited in funds other than the general fund.

Income from the Fund is deposited as earned into an earnings reserve account that is established as a separate account in the Fund. Alaska Stat. § 37.13.145(a). Net income of the Fund is computed annually as of the last day of the fiscal year in accordance with generally accepted accounting principles, excluding any unrealized gains and losses. Alaska Stat. § 37.13.140.

At the end of each fiscal year, the income of the Fund is disposed of as follows. A portion of the income, specified by statute, is transferred from the earnings reserve account to a separate dividend fund (the "Dividend Fund") to be distributed to residents of Alaska. Alaska Stat. § 37.13.145(b). After the transfer to the Dividend Fund, an amount sufficient to offset the effect of inflation on the principal of the Fund during that fiscal year is transferred from the earnings reserve account to the principal of the Fund. Alaska Stat. § 37.13.145(c). Any balance remaining after transfers to the Dividend Fund and to the principal of the Fund to offset inflation is retained in the earnings reserve account and is available for legislative appropriation. *See* Alaska Stat. § 37.13.145. No portion of the balance can be disbursed without legislative action. *Hickel v. Cowper*, 874

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<sup>12</sup> *See Landmarks in Permanent Fund History, available at* <http://www.apfc.org/library/FundHistoryC.cfm?s=5> (1984-1988).

<sup>13</sup> *See Landmarks in Permanent Fund History, available at,* <http://www.apfc.org/library/FundHistoryD.cfm?s=5> (1989-2003).

<sup>14</sup> *See, e.g.,* State of Alaska Department of Administration, Division of Finance, Comprehensive Annual Financial Report, FY 2002 at p. 22.

<sup>15</sup> Memorandum from Debt Manager, Treasury Division to Alaska Permanent Fund Corporation (Sept. 18, 2003).

6. has not been disqualified by reason of felony conviction.

**B. Alaska Permanent Fund Corporation ("APFC")**

**1. Establishment of APFC**

The Alaska Constitution does not specify how APF should be managed. When APF was first established, it was managed by the Alaska Commissioner of Revenue. Alaska Stat. § 37.10.065, *repealed by* 1980 Alaska Sess. Laws ch. 18, § 10. In 1980, APFC was created for the purpose of "provid[ing] a mechanism for the management and investment of [APF] assets . . ." Alaska Stat. § 37.13.030.<sup>17</sup>

The statute established APFC as "a public corporation and government instrumentality in the Department of Revenue managed by the board of trustees." Alaska Stat. § 37.13.040. APFC is treated as a state agency. 1987-1 Op. (Inf.) Att'y Gen. Alas. 473, File No. 66-87-0420 (June 22, 1987); 1982 Op. (Inf.) Att'y Gen. Alas., File No. 366-269-83 (Dec. 2, 1982). As a state agency, APFC is subject to the Alaska Administrative Procedure Act; the Executive Budget Act; statutes regarding public records, public meetings, conflicts of interest, and adoption of regulations; multiple provisions of the Alaska Statutes relating to public officers and employees; and various contracting and procurement requirements applicable to state agencies. *See* 1993 Op. Att'y Gen. Alas., File No. 663-93-0250 (Jan. 26, 1993); Op. Att'y Gen. No. 366-269-83 (citing *ASHA v. Dixon*, 496 P.2d 649 (Alaska 1972)).

APFC is exempt from all state taxes and assessments. Alaska Stat. § 37.13.180. APFC is immune from suit except to the extent that legislation has been enacted into law consenting to suits against the State. Op. Att'y Gen. 366-269-83. APFC uses the same fiscal year as the state.<sup>18</sup> The enabling statute did not specify the term of existence of APFC. Thus, the legislature can abolish APFC at will and transfer its functions back to the Department of Revenue or to another state agency.

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<sup>17</sup> In addition to managing the Fund, APFC has managed the assets of certain other funds designated by law. Alaska Stat. §37.13.050. It is our understanding that the only other fund that APFC is currently managing is a portion of the Alaska mental health trust fund. *See* Alaska Stat. § 37.13.300.

<sup>18</sup> *See* APF 2002 Annual Report, p 32. We also understand, based on discussions with staff of APFC, that APF, APFC and the State of Alaska use the same taxpayer identification number.

Alaska Stat. § 39.25.110 (11)(B); Op. Att'y Gen. No. 366-269-83.<sup>22</sup> Instead, APFC employees are subject to APFC's own position classification plan and salary schedules. The salaries of APFC employees are established by the board based on the recommendation of the compensation committee (consisting of at least three members of the board of trustees of APFC who are appointed by the Chairman of the board. Alaska Stat. § 37.13.100; APFC Bylaws art. II, § 5(a)(2)). However, provisions generally applicable to state employees, such as those related to travel expenses, leaves of absence, insurance and supplemental benefits in lieu of social security, retirement benefits and deferred compensation, apply to APFC employees. Op. Att'y Gen. No. 366-269-83. The trustees and employees of APFC are covered under the state's combined casualty insurance policy, the state's performance bond, and the state's self-insurance risk management plan. *Id.* The trustees and employees of APFC are protected from personal liability to the same extent as other state employees and are entitled to indemnity from the state. *Id.*

Legal advice is provided to APFC by the Alaska Attorney General. Op. Att'y Gen. No. 366-269-83.

#### 4. Operating Budget

The source of APFC's operating budget is the revenue generated by APF's investments. Alaska Stat. § 37.13.150. APFC submits an annual budget to the state legislature pursuant to the Executive Budget Act. Alaska Stat. § 37.13.150; Op. Att'y Gen. No. 366-269-83. APFC's budget is included in the State's operating budget.<sup>23</sup> Pursuant to its budget authorization, APFC pays its expenses out of the revenues generated by the Fund's investments.<sup>24</sup> Salaries and benefits of APFC employees are paid via the State of Alaska payroll system. APFC reimburses the State for the cost of its payroll.<sup>25</sup> Any unused budget authorization lapses and is treated as income of the Fund.<sup>26</sup> *See* Alaska Stat. § 37.13.150. All operating funds of APFC are public funds subject to the constitutional requirement that they be used only for a public purpose and may not be

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<sup>22</sup> Employees who are exempt from the State Personnel Act are referred to as being in "the exempt service" of the State. *See* Alaska Stat. § 39.25.110. The exempt service contains 38 classes of employees, including investment officers in the Department of Revenue, who are exempt from the State Personnel Act. *See id.*; Alaska Stat. § 39.25.110(26). Employees of the legislature, the court system, the Governor's office, and several boards, commissions and authorities are also exempt.

<sup>23</sup> *See* Alaska Stat. § 37.13.150; Alaska Sess. Laws ch. 83, § 1 (2003) (Department of Revenue).

<sup>24</sup> *See* Alaska Stat. § 37.13.150

<sup>25</sup> Dept. of Revenue/APFC Reimbursable Services Agreement, No. 0430053.

<sup>26</sup> Alaska Stat. § 37.13.150.

also participate are typically held through limited liability companies, although a few older real estate interests are still held by general partnerships or limited partnerships.<sup>27</sup>

## 6. Accounting and Oversight

The board publishes an annual report for distribution to the Governor, the State legislature and the public. Alaska Stat. § 37.13.170. The report contains audited financial statements, a statement of the amount of money received by the Fund from each investment during the period covered, a list of investments with their fair market values, a description of Fund investment activity, an evaluation of the Fund's performance in light of the goals in Section 37.13.020 of the Alaska Statutes, an evaluation of investment criteria utilized by the board and any other relevant information. Alaska Stat. § 37.13.170. In addition to the annual report, the board is required to submit long-range and quarterly investment reports to the Legislative Budget and Audit Committee. Alaska Stat. § 37.13.120(d). The Legislative Budget and Audit Committee has oversight responsibility over APFC's operations. Alaska Stat. § 37.13.160. Policies for the day-to-day management of APFC, however, are set by the board. Alaska Stat. § 37.13.120.

Meetings of the board are subject to the Alaska Open Meetings Act. 1985 Op. Att'y Gen. Alas. 193, File No. 366-364-85 (Feb. 21, 1985); Op. Att'y Gen. No. 663-93-0397. Alaska statutes regarding public records, conflicts of interest, and adoption of regulations apply to APFC. Op. Att'y Gen. No. 366-269-83. All books and records of APFC, unless confidential, are available for public inspection. Alaska Stat. § 37.13.200; APFC Bylaws, art. IV, § 2.

## C. Constitutional Amendments

Amendments to the Alaska Constitution that would require specific disbursements from the Fund are currently under consideration. Specifically, there is under consideration a constitutional amendment that would require payment of the permanent fund dividend to residents of Alaska. Proposals to amend Article IX, section 15 of the Alaska Constitution by incorporating into the Constitution current statutory provisions regarding payment of the permanent fund dividend are currently pending in both the House and the Senate of the Alaska state legislature.<sup>28</sup> It is understood, however, that the objective of these proposals -- placing a requirement to pay the permanent fund dividend in the Constitution -- may ultimately be achieved through different language.

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<sup>27</sup> Memorandum from Donald E. Percival, Heller Ehrman White & McAuliffe, to Alaska Department of Law (Sept. 17, 2003).

<sup>28</sup> See Sponsor Substitute for House Jt. Res. 3, 23<sup>rd</sup> Alaska Legislature (2003); Senate Jt. Res. 19, 23<sup>rd</sup> Alaska Legislature (2003).

## 2. Integral Parts of States

Similarly, the Service takes the position that income earned by an integral part of a state or a political subdivision is not subject to federal income tax. An organization operated without any independent organizational form and controlled by government officers is generally treated as an integral part of a state. *See* Rev. Rul. 87-2, 1987-1 C.B. 18; GCM 39601 (Jan. 25, 1985). If an organization has a separate organizational form, the entity may nevertheless be treated as an integral part of the state. *See* GCM 34164 (July 14, 1969); GCM 39601 (Jan. 25, 1985); Treas. Reg. § 301.7701-1(a)(3). As more fully discussed below, whether a separate entity is treated as an integral part of a state depends upon a number of factors, the most important of which are governmental control and governmental funding.

## 3. Code Section 115(1)

If the separate form of an entity is not disregarded and the organization is treated as an entity separate from the state, then the income earned by the entity will be subject to tax unless its income is excluded from tax under Code Section 115(1) or another provision of the Code such as Section 501(a). Code Section 115(1) excludes from tax income that (a) is derived from the exercise of any essential governmental function and (b) accrues to a state or political subdivision.

## 4. Legal Authorities

Because the doctrine of implied statutory tax immunity is a product of the Service's interpretation of the internal revenue laws and its long-standing administrative practice, there are no statutory provisions or regulations relating to this doctrine. The primary sources of authority are the Service's revenue rulings that are published in the Internal Revenue Bulletin. Taxpayers may rely on published revenue rulings and it is the policy of the Service to adhere to its published positions in administering the tax laws and in litigation. *See* IRS Chief Counsel Notice CC-2002-043 (Oct. 17, 2002).<sup>31</sup>

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constitutionally taxed, *e.g.*, tax revenues, the scope of the doctrine of constitutional intergovernmental tax immunity is uncertain. *See South Carolina v. Baker*, 485 U.S. 505; *Michigan Educ. Trust v. United States*, 40 F.3d 817 (6th Cir. 1994). Because of the uncertain scope of any constitutional immunity, as well as the Service's longstanding reliance on statutory construction rather than constitutional doctrine, we do not think it is necessary or helpful to consider the doctrine of constitutional immunity in this opinion.

<sup>31</sup> IRS Chief Counsel Notice CC-2002-043 was issued in response to negative publicity surrounding the Service's litigating position in *Rauerhorst v. Commissioner*, 119 T.C. 157 (2002), in which the Service took a position that was inconsistent with a

**B. Doctrine of Implied Statutory Immunity**

**1. Income of a State vs. Income of an Integral Part of a State**

As noted above, both income derived directly by a state and income derived by an integral part of a state are exempt from tax under the doctrine of implied statutory immunity. In theory, if income is earned directly by a state, then it is not taxed and no further analysis is necessary. If income is not earned directly by a state, then a determination must be made as to whether the income has been earned by a separate independent entity or by an integral part of the state. In practice, however, when funds are dedicated to a specific purpose and set aside on a state's books, the Service frequently analyzes the federal tax issues in terms of whether such funds are an integral part of a state and not in terms of whether they are a direct activity of a state.

For example, in PLR 8216088 (Jan. 22, 1982), at issue was a retirement trust fund ("Retirement Fund") created to provide retirement benefits to public school employees of the state. Retirement Fund consisted of several separate accounts held by the state treasury to be used for the benefit of members of the state's public employees' retirement system. Retirement Fund was governed by a board which the relevant statute characterized as an independent administrative board of the state. The statute provided for appropriations for operating expenses of the board from the state treasury. The state treasurer was the custodian of Retirement Fund and all payments from Retirement Fund were made by the state treasurer in accordance with requisitions signed by the secretary of the board and ratified by resolution of the board. Despite the fact that Retirement Fund consisted only of accounts in the state treasury, the Service ruled that both the board and Retirement Fund were integral parts of the state.

In PLR 199722029 (Feb. 28, 1997), the Service characterized a bank account belonging to a governmental entity as an integral part of the entity rather than simply an asset of the entity. PLR 199722029 dealt with a fund created to provide a means of equalizing telephone rates charged to customers of smaller telecommunications companies in a state ("Equalization Fund"). Equalization Fund was created by the state's public utility commission ("PUC"), itself an integral part of the state, and funded through a surcharge on the end-users of telephone services. Equalization Fund was referred to in PUC proceedings as a "program." PUC had the right to terminate Equalization Fund. Equalization Fund and the income therefrom were the property of PUC. PUC delegated the administration of Equalization Fund, including the investment authority over Equalization Fund, to Y, a private provider of telecommunications services in the state. Y functioned as an agent of PUC. To fulfill its duties, Y placed Equalization Fund in a separate bank account to avoid any possible commingling of Equalization Fund with the property of Y. PUC retained the powers of control and supervision over Equalization Fund and the bank account. PUC retained the right to terminate Y's appointment as

The Supreme Court had the right to override the governors' decisions regarding distributions. The Supreme Court had the right to abolish Lawyer's Trust Fund by court order. In that event, any balance then on hand would be transferred, at the Court's discretion, either to another state agency, an organization described in Section 501(c)(3) of the Code, or State A's general fund.

**b. Other Authorities**

The Service has issued hundreds of private letter rulings, General Counsel Memoranda and other guidance which, as noted above, do not have the precedential effect of a published Revenue Ruling. These authorities are not always entirely consistent with one another and typically do not contain detailed analyses. Consequently, they engender some confusion as to what factors are determinative of integral part status. Nevertheless, to the extent that the Service consistently cites the same factors in its analyses on the integral part test, the rulings are an indication of the Service's current approach to the integral part test.

**i. Critical Factors**

In general, the determination of whether an enterprise is an integral part of the state is based on all the facts and circumstances of the case, but with particular emphasis placed upon two factors: (a) the state's degree of control over the enterprise; and (b) the state's financial commitment to the enterprise. *See, e.g.*, PLR 199809013 (Nov. 7, 1997); FSA 001794 (Apr. 29, 1996).<sup>34</sup> In evaluating these two factors, the Service may examine: (1) the extent of the state's involvement in the enterprise's administration and activities; (2) the use of state employees, acting in their governmental capacities, to conduct the business of the enterprise; (3) the extent of the state's control over the

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<sup>34</sup> The two factors that are critical in the Service's integral part analysis, state control and state financial commitment, have different origins. The state control requirement is derived from Revenue Ruling 87-2, which is discussed above. The state financial commitment requirement is derived from the decision in *Maryland Savings-Share Insurance Corp. v. United States*, 308 F. Supp. 761 (D. Md.), *rev'd on other grounds*, 400 U.S. 4 (1970). At issue in *Maryland Savings-Share Insurance Corp.* was the entity's qualification under Section 115 of the Code rather than under the integral part test. Despite the fact that the requirement of state financial commitment was developed in the context of Section 115 analysis, the Service began applying this requirement under the integral part test. There are no published rulings that define the integral part test as the product of state control and state financial commitment. In numerous private letter rulings and FSAs, however, including the two rulings cited above, the Service identified state control and state financial commitment as the critical factors in its integral part analysis.

- The state or its political subdivision or agency determines the ultimate disposition of the assets of the enterprise. Rev. Rul. 87-2, 1987-2 C.B. 18; PLR 199923029 (Mar. 11, 1999).
- The state or its political subdivision or agency supervises the management of the enterprise. PLR 200243040 (July 29, 2002).
- The enterprise reports periodically to state officials or the state legislature. Rev. Rul. 87-2, 1987-2 C.B. 18; GCM 39601 (Jan. 25, 1985); PLR 199627016 (Apr. 5, 1996).
- The enterprise is subject to periodic audits by the state, its political subdivision or agency. PLR 200116017 (Jan. 12, 2001); PLR 199923029 (Mar. 11, 1999).
- The enterprise and/or its board members are subject to state statutes governing other governmental entities of the state. PLR 200243040 (July 29, 2002); PLR 199923029 (Mar. 11, 1999).
- The enterprise has no capacity to sue and be sued in its own name. *See* PLR 199722029 (Feb. 28, 1997).
- The state or its political subdivision or agency has the authority to terminate the enterprise. Rev. Rul. 87-2, 1987-2 C.B. 18; PLR 199923029 (Mar. 11, 1999).
- The state or its political subdivision or agency has control over the daily operations of the enterprise by its power to fund the operations of the enterprise. PLR 200031045 (May 9, 2000).
- The enterprise's financial results are consolidated into the financial statements of the state or its political subdivision or agency. PLR 199952073 (Sept. 27, 1999).

Not all of these factors need to be present for an enterprise to be considered an integral part of a state. Moreover, none of these factors by itself is dispositive. For example, in GCM 39315 (Dec. 21, 1984), the fact that the entity was empowered to sue and be sued in its own name was not considered inconsistent with integral part status. In GCM 39315, the Service did not need to determine whether the entity was an integral part of the government because the entity's income would have been excluded from tax either under the integral part test or under Code Section 115. It is significant, however, that the Service clearly thought that the entity could qualify as an integral part of the state even though it could sue and be sued in its own name. Similarly, in PLR 200126032 (Sept. 14, 2000), not all of the entity's employees were treated as state employees. Notwithstanding that fact, the Service determined from the balance of the factors that the entity was an integral part of the state.

### iii. Separate Organizational Structures: Importance of Law of Formation

An important factor relevant to the determination of state control is whether the corporation was formed under general state law relating to corporations or under a special

- The state or its political subdivision or agency has legal ownership of the assets of the enterprise. PLR 199722029 (Feb. 28, 1997); PLR 200116017 (Jan. 12, 2001).
- The state has appropriated funds for the use of the enterprise. PLR 199923029 (Mar. 11, 1999).
- The state or its political subdivision or agency has transferred property to the enterprise. PLR 200031045 (May 9, 2000).
- The state has pledged its full faith and credit for debt obligations used to support the enterprise. PLR 199627016 (Apr. 5, 1996).
- Unexpended funds of the enterprise revert to the state or its political subdivision or agency. PLR 200243040 (July 29, 2002).
- The state or its political subdivision or agency pays the wages of the state employees administering the enterprise. PLR 200243040 (July 29, 2002).
- The enterprise does not reimburse the state for services provided to it by state employees. PLR 199952073 (Sept. 27, 1999).
- The enterprise receives revenues under a contract with a state or its political subdivision or agency. PLR 199923029 (Mar. 11, 1999).
- The state is entitled to the profits generated by the entity. PLR 199909013 (Nov. 25, 1998).
- Upon dissolution, all assets of the enterprise pass to the state, its political subdivision or agency. PLR 200116017 (Jan. 12, 2001).

Not all of these factors need to be present to satisfy the state financial commitment requirement. For example, in PLR 199722029 (Feb. 28, 1997), the requirement of state financial commitment was held to be met because the assets of the enterprise were owned by an integral part of the state, even though the enterprise was funded by surcharges on private individuals rather than by contributions from the state.

#### **v. Public Purpose and Private Benefit**

As discussed above, the determination of whether an enterprise qualifies as an integral part of a state generally turns on two principal factors: state control and state financial commitment. The Service's rulings in this area do not generally address the issue of whether an enterprise serves a public purpose or provides a private benefit. None of the rulings we reviewed expressly stated that an enterprise must serve a public purpose in order to be treated as an integral part of a state. In several rulings the Service made statements to the effect that the particular enterprises under consideration served a public purpose, but did not discuss the meaning of the term. For example, in Revenue Ruling 87-2, the Service noted that the income of Lawyer's Trust Fund was "disbursed . . . for public purposes" but did not specify what "public purposes" Lawyer's Trust Fund served. In PLR 200222007 (Feb. 20, 2002), the Service described a fund as having been established "for the public purpose of insuring the existence of an orderly market [of

qualified as an integral part of the state); PLR 8216088 (Jan. 22, 1982) (fund to provide retirement benefits to public school employees qualified as an integral part).

In PLR 199840032 (July 1, 1998), a fund ("Reimbursement Fund") was established by the public utility commission ("PUC"), an integral part of the state, for the purpose of reimbursing telecommunications providers who provided discounted service to qualifying schools, libraries, hospitals, health clinics and community-based organizations. Reimbursement Fund was funded by surcharges on end-users of telecom services. Reimbursement Fund was managed by a committee appointed and controlled by PUC. PUC determined the amounts and recipients of disbursements from Reimbursement Fund. The Service ruled that Reimbursement Fund was an integral part of PUC and did not address whether Reimbursement Fund served a public purpose. *See also* PLR 8931042 (May 8, 1989) (fund established to subsidize the utility rates of the poor held to be an integral part).

In PLR 200222007 (Feb. 20, 2002), a fund ("Disaster Fund") was established by the state legislature "for the public purpose of insuring the existence of an orderly market of [certain types of insurance] for State residents and businesses." Disaster Fund paid insureds' claims when losses occurred. Finding that the state control and the state financial commitment requirements were satisfied, the Service ruled that Disaster Fund was an integral part of the state. Except for the conclusory statement that Disaster Fund was established for a specific public purpose, the public purpose requirement was not discussed. *See also* PLR 9507037 (Nov. 21, 1994) (Florida state disaster fund, organized to reimburse private insurers for a percentage of losses from a natural disaster, was an integral part of the state because the fund was controlled by state officials and the state had a financial interest in the fund), *supplemented by*, PLR 9522039 (Mar. 6, 1995) (amendments to the enabling statute enacted after the issuance of the initial ruling would not adversely affect the initial ruling); PLR 9706006 (Nov. 8, 1996) (California state disaster fund, established to provide disaster insurance coverage to private persons, was an integral part of the state because the fund was controlled by state officials and the state made a substantial financial commitment to the fund).

In sum, although the public purpose language appears in a number of rulings, there is no specific requirement that an entity must serve a public purpose in order to qualify as an integral part of a state. Likewise, there is no specific prohibition against private benefit; and in fact, in a number of rulings, entities that made distributions to private individuals were held to be integral parts of a state and the issue of private benefit was not even raised.

fund to State X and its political subdivisions. The income of the fund was allocated among and accrued to State X and its political subdivisions in proportion to the number of units held by each participant. Each participant was entitled to withdraw any amount from its account in the fund at any time. The Service ruled that, since the participating political subdivisions and State X had an unrestricted right to receive their proportionate share of the fund's income as it was earned, the fund's income accrued to them within the meaning of Code Section 115.

The Service's view of the accrual requirement is more lenient than the view espoused by the courts. Older judicial decisions had required actual receipt of the income. *See Bear Gulch Water Co. v. Commissioner*, 116 F.2d 975 (9th Cir.), *cert. denied*, 314 U.S. 652 (1941). Other judicial decisions, particularly more recent ones, have held that the receipt of the income may either be actual or constructive. *See City of Bethel v. United States*, 594 F.2d 1301 (9th Cir.), *cert. denied*, 444 U.S. 980 (1979); *Omaha Pub. Power Dist. v. O'Malley*, 232 F.2d 805 (8th Cir.), *cert. denied*, 352 U.S. 837 (1956).

### 3. Private Benefit

Section 115 does not contain an express prohibition against private benefit. In recent years, however, the Service has taken the position that Code Section 115 will not apply if the operation of the enterprise involves more than an incidental private benefit. For example, in Rev. Rul. 90-74, 1990-2 C.B. 34, the Service considered the application of Code Section 115 to the income of certain risk-sharing pools operated on behalf of state and local governments. The entity was formed, operated, and funded by various political subdivisions to pool their casualty risks or other risks arising from their obligations concerning public liability, workers' compensation, or employees' health. Revenue Ruling 90-74 held that the income of such risk-sharing pools was excluded from gross income under Code Section 115 only if private interests neither participated in the entity nor benefited more than incidentally from the entity. The payments to covered workers were considered an incidental benefit to them.

### 4. Return Requirement

Corporations are required to file annual federal income tax returns on Form 1120 even if their income is excluded under Code Section 115(1). Code § 6012(a); Rev. Rul. 77-261, 1977-2 C.B. 45; PLR 8728057 (Apr. 15, 1987).

**b. The Fund's Principal Is Derived From Natural Resources That Are the Property of the State.**

Article IX, Section 15 of the Alaska Constitution provides that "[a]t least twenty-five percent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the State shall be placed in a permanent fund, the principal of which shall be used only for those income-producing investments specifically designated by law as eligible for permanent fund investments." The courts have held that Alaska's natural resources and the earnings generated thereby belong to the State of Alaska. *Beattie v. United States*, 635 F. Supp. 481, 491 (D. Alaska 1986), *aff'd*, *Greisen v. United States*, 831 F.2d 916, 918 (9th Cir. 1987), *cert. denied*, 485 U.S. 1006 (1988). In creating the Fund, the State did not renounce or disclaim its proprietary interest in the assets placed in the Fund. The Alaska Attorney General's office has issued an opinion advising that the assets of the Fund are owned by the State of Alaska. 1983 Op. Att'y Gen. Alas. 112, File No. 366-656-83 (Aug. 10, 1983).

**c. Income Earned From Investment of the Fund's Principal Is Disbursed as Provided by State Law.**

The Constitution requires "[a]ll income from the permanent fund [to] be deposited in the general fund unless otherwise provided by law." Alaska Const. art. IX, § 15. Thus, the Constitution envisions a perpetual cycle in which the Fund derives its principal from the revenues of the State and then adds earnings from the investment of the Fund's principal back to the revenues of the State, to be disbursed as provided under state law. From 1977-1979, the earnings of the Fund were in fact deposited in the general fund. Under currently applicable provisions of Alaska law, the earnings of the Fund are deposited in the earnings reserve account from which transfers are made to the principal of the Fund to offset the effect of inflation and to the Dividend Fund to make disbursements to residents of the State.<sup>38</sup> Alaska Stat. § 37.13.145(b), (c). In *Beattie*, the court held that the earnings of the Fund were subject to the requirement of the Alaska Constitution that state funds can be expended only for public purposes, thus implicitly holding that the earnings of the Fund are state funds. 635 F. Supp. at 483.

**d. The State has Absolute Control Over the Fund**

As befits the owner of property, the State of Alaska has complete control over the Fund. When the Fund was first established, the Alaska Department of Revenue managed the Fund. In 1980, APFC was established by state statute to manage the Fund. However,

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<sup>38</sup> The earnings in the earnings reserve account may be appropriated by the state legislature in the same manner as amounts in the general fund. *See Cowper*, 874 P.2d 922.

**i. Establishment of the Fund.**

In Revenue Ruling 87-2, the state Supreme Court, a branch of the state government, established Lawyer's Trust Fund. APF was established by a constitutional amendment to the Alaska Constitution. The amendment was passed by a two-thirds vote of each house of the legislature, a branch of state government, and approved by majority vote of the people of Alaska. Alaska Const. art. XIII, § 1.

**ii. Governance of the Fund.**

In Revenue Ruling 87-2, the state Supreme Court had control over the appointment and removal of the nine members of the governing board of Lawyer's Trust Fund. APF itself does not have a governing board. However, the governor appoints and has the power to remove members of the board of trustees of APFC, which was created by state statute to manage the Fund. There is no meaningful distinction between Revenue Ruling 87-2 and Alaska's situation with reference to fund governance.

**iii. Reporting Requirements.**

In Revenue Ruling 87-2, a Supreme Court judge attended all meetings of the governing board and reported to the court on the meeting. In addition, Lawyer's Trust Fund submitted quarterly reports to the Supreme Court. Again, APF has no existence separate from the State but APFC reports to the governor, the state legislature and the public. Specifically, APFC publishes an annual report for distribution to the Governor, the State legislature and the public and quarterly reports for submission to the Legislative Budget and Audit Committee. The Legislative Budget and Audit Committee has oversight responsibility for the activities of APFC. Meetings of the board of APFC are open to the public. All books and records of APFC, unless privileged, are available for public inspection.

**iv. Disbursement of Funds.**

In Revenue Ruling 87-2, amounts were disbursed from Lawyer's Trust Fund for public purposes and the Supreme Court had ultimate control over those disbursements. As funds of the State, the income of APF must, under the Alaska Constitution, be disbursed for public purposes. Moreover, because the Constitution provides that income from the Fund is to be deposited in the general fund of Alaska unless otherwise provided by law, the State of Alaska controls the disbursement of funds through the legislative process. As noted above, the legislature has exercised this power by passing statutes to protect the value of the Fund from erosion through inflation and to make disbursements to residents through the Dividend Fund.

The Honorable Gregg D. Renkes  
September 22, 2003  
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1985); PLR 199722029 (Feb. 28, 1997); PLR 200243040 (July 29, 2002); PLR 199627016 (Apr. 5, 1996).

These factors in combination make a compelling case that the state control requirement is met.

## ii. State Financial Commitment

The principal of the Fund is funded entirely by the State's mineral revenues, special appropriations by the State legislature, and the income from investment of the Fund's principal. There are no requirements for any private contributions. The operating costs of APFC, which is the manager of APF, are paid out of the income of the Fund, pursuant to a budget that is approved under the provisions of the Executive Budget Act that governs the budgetary appropriations of all State agencies.

## iii. Public Purpose and Private Benefit

As discussed above, there is no specific requirement that integral parts of a state serve a public purpose. Likewise, there is no specific prohibition against private benefit. In any event, APF serves a public purpose and does not provide a private benefit. Although a portion of the income of APF is used to pay dividends to the residents of Alaska, the payment of dividends should not be deemed to constitute a private benefit. Under the Constitution of Alaska, the income of the Fund can be expended only for public purposes. *See Beattie*, 635 F. Supp. at 483. The payment of dividends is made pursuant to state law, in accordance with the public purposes stated therein. Specifically, the Dividend Fund program has the following public purposes: (1) to provide equitable distribution of a portion of the State's energy wealth to Alaskans; (2) to encourage people to remain Alaska residents, thereby reducing population turnover in the state; and (3) to encourage awareness and interest in the management of the Fund. 1980 Alaska Sess. Laws ch. 21, § 1(b). Thus, as in Revenue Ruling 87-2, the Fund's distributions, including the dividends, are made for public purposes, as provided by State law.

The Fund resembles those entities that disburse medical or retirement benefits to private persons or to entities that ensure the availability of certain services to private persons. As discussed above, numerous rulings treat such entities as integral parts of a state. *See, e.g.*, PLR 200243040 (July 29, 2002); PLR 200210024 (Nov. 29, 2001); PLR 8216088 (Jan. 22, 1982); PLR 8931042 (May 8, 1989); PLR 200222007 (Feb. 20, 2002); PLR 200140032 (July 3, 2001). Like those entities, the Fund satisfies the key requirements under the integral part test -- state control and state financial commitment -- and thus, like those entities, the Fund should be treated as an integral part of the State even if it is assumed that payments of Fund dividends constitute a private benefit.

must file a federal income tax return. An integral part of a state is not required to file a return, while a separate corporate entity that is not treated as an integral part of a state is required to file a return, even if it has no gross income or tax liability. Code § 6012(a)(2); Rev. Rul. 78-316, 1978-1 C.B. 259.

**a. State Control**

Much of the discussion above regarding whether the Fund would be considered an integral part of the State relies on the fact that the State controls and funds the corporation that manages the Fund, and is equally germane to the question whether the corporation itself would be considered an integral part of the State. As noted above, APFC was created by state statute and can be terminated at any time. Moreover, it is a part of the Department of Revenue, and is treated as a State agency. In addition, the Governor's control over appointments to the board of APFC, and the fact that employees of APFC are employees of the State are indicative of State control over APFC. Further, the fact that the operating budget of APFC is subject to the Executive Budget Act and that budgeted amounts are paid out of the Fund's income demonstrate that the State is the sole source of funding for APFC.

The significant difference between the Fund and APFC is that APFC was formed as a "public corporation" and a "government instrumentality" while APF has no separate legal identity. On these facts, it must be determined whether the Corporation is so "subservient" to the State that its corporate form should be ignored and it should be treated as an integral part of the State.

The fact that APFC was created by a special statute rather than under general State laws governing corporations indicates that APFC is an integral part of the State. *See* GCM 34164 (July 14, 1969). APFC does not possess a regular corporate form and is not subject to the general corporate laws of the State of Alaska. *Cf.* GCM 34164 (July 14, 1969). APFC's organizational attributes, duties and obligations are prescribed in its enabling statute. *See* PLR 200116017 (Jan. 12, 2001). APFC is located within the Department of Revenue and is treated as a State agency subject to State statutes governing other governmental entities. *See* PLR 199627016 (Apr. 5, 1996); PLR 200243040 (July 29, 2002).

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not be deductible and that gross income would not be entirely offset by deductible expenses. However, it is likely that gross income would be entirely, or almost entirely, offset by deductible expenses. Moreover, as discussed below, if APFC does not qualify as an integral part of the State of Alaska, its income should be excluded from gross income under Code Section 115(1).

**c. Summary**

In our opinion APFC should be treated as an integral part of the State because it was formed under a special statute rather than the general corporation law, the State of Alaska exercises control over APFC through the appointment of its board and detailed statutory provisions regarding its operations, and it is funded entirely by State appropriations pursuant to the Executive Budget Act. Its income, if any, should be excluded from federal income tax under the authority of GCM 14407 and Revenue Ruling 87-2, and it should not be required to file income tax returns.

**2. APFC's Income, if Any, Should Be Excludable Under Section 115(1) of the Code**

In the unlikely event that APFC is not treated as an integral part of the State, the income of APFC, if any, should be excluded from gross income under Section 115(1) of the Code because (a) APFC is exercising an essential governmental function; and (b) the income of APFC, if any, accrues to the State of Alaska. Because APFC's activities are limited to managing and investing the assets of APF and other funds, all of which are assets of the State, APFC's activities should not raise any private benefit issues.

**a. Essential Governmental Function**

The purpose of APFC is to manage and invest the property of the Fund. Based on the Service's holding in Revenue Ruling 77-261 that investment of state funds is an essential governmental function, APFC should be treated as performing an essential governmental function.<sup>42</sup> Although the investments at issue in Revenue Ruling 77-261 were short-term investments and limited to high-grade money market instruments, the reasoning in Revenue Ruling 77-261 did not turn on the type of investments. Thus, the proposition that investment of state funds is an essential governmental function should hold true regardless of the type of investments involved or the term of the investments.

**b. Accrual**

As discussed above, APFC does not have any source of income. However, the State's payment of APFC's operating expenses might be treated as a reimbursement of expenses that is includable in gross income for federal income tax purposes. *See, e.g.*, PLR 200332025 (Jan. 7, 2003) (ruling that reimbursement of operating expenses of an entity providing telecommunications services to the poor was income under Section 61 of

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<sup>42</sup> As noted above, APFC manages other funds designated by law. It is our understanding, based on discussions with staff in the Law Department, that all funds managed by APFC are property of the State of Alaska.

The Honorable Gregg D. Renkes  
September 22, 2003  
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fund dividend would not change the source of the Fund's revenue, and thus the state financial commitment test should be held to be satisfied.

The state control test likewise should be held to be satisfied. Under current law, the State of Alaska controls the Fund through the constitutional provision establishing the Fund and through various statutory provisions. The incorporation into the State Constitution of a requirement to pay a permanent fund dividend or the addition of provisions to the State Constitution that provide for disbursements for public education from the Fund should not affect the State's control over the Fund. The fact that the State Constitution is higher in the hierarchy of State law and subject to different procedures than a state statute for passage and amendment does not change the fact that the constitution is the law of the State. *See Marbury v. Madison*, 5 U.S. (1 Cranch) 137, 176-77 (1803) (holding that the federal Constitution is the supreme law of the land). Further, it does not change the substance and effect of the provisions at issue for purposes of federal income tax law. If the provisions that would be incorporated into the Alaska Constitution under the proposed amendments would not cause the Fund to be taxable when included in State statutes, they should not cause the Fund to be taxable when included in the State Constitution.

The requirement that a constitutional amendment be ratified by the voters of Alaska does not diminish State control over the Fund or result in private control over the Fund. In framing or amending a constitution, the people act in their collective capacity as a body politic rather than as private individuals. The act of the people framing or amending a constitution is an act of lawmaking as much as an act of a state legislature passing a statute is an act of lawmaking. *See Robert F. Williams, State Constitutional Law Processes*, 24 Wm. & Mary L. Rev. 169, 175-77 (1983). The only difference between them is that an act of voter-approved lawmaking is an expression of direct democracy while an act of legislative lawmaking is an expression of representative democracy. Although constitutional law ranks higher than statutory law, both of these bodies of law are closely intertwined in many states because many constitutional provisions are not self-executing and require implementing legislation. *See Robert F. Williams, The Brennan Lecture: Interpreting State Constitutions as Unique Legal Documents*, 27 Okla. City U.L. 189, 222 (Spring 2002); G. Alan Tarr, *Understanding State Constitutions* 22-23 (1998).

In our opinion, because a state constitution is a form of state law, the adoption of a constitutional amendment requiring payment of a permanent fund dividend should have no effect on the federal income tax status of the Fund. In other words, any provision that would not affect the federal income tax status of the Fund if included in the Alaska Statutes would not affect the status of the Fund merely because the provision was incorporated into the Constitution.

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LEON T. VANCE  
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October 13, 2003

Representative Bruce Weyhrauch, Chairman  
House State Affairs Committee  
Alaska State Legislature  
Alaska State Capitol  
Juneau, Alaska 99801-1182

Re: HJR 3  
Subject: Revised Estimate

Dear Bruce:

Thank you for your email of October 9 and the legal opinion attached to it. I reviewed the legal opinion prepared by Suzanne Ross McDowell of Steptoe & Johnson, dated September 22, 2003, and believe that it provides a thorough context for analyzing the issues you have raised. Aspects of the questions presented to Ms. McDowell are different from the specific questions you have raised concerning HJR 3 (for example, HJR 3 does not contain a requirement for funding public education), but the primary issue concerning the impact of amending the Alaska Constitution to require the payment of a dividend is present and Ms. McDowell addresses it squarely. She does note that she is addressing the general concept of a constitutional amendment, and not any specific amendment, but Ms. McDowell's opinion contains the framework for analyzing a specific amendment requiring the payment of a dividend.

If I were permitted to use Ms. McDowell's opinion as a reference point for laying out the issues, I could prepare an opinion for you more cost effectively. I estimate that I could prepare an opinion for approximately \$4000, based on approximately 20 hours of work at my rate of \$180 per hour.

Thank you again for considering me for this assignment. Please let me know if you need any other information.

Sincerely,

*Leon T. Vance*

Leon T. Vance

HJR

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23-LS0178VD  
Cook  
3/28/03

**CS FOR HOUSE JOINT RESOLUTION NO. 4( )**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-THIRD LEGISLATURE - FIRST SESSION**

**BY**

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

**Sponsor(s): REPRESENTATIVES SAMUELS AND ROKEBERG, Stoltze, Dahlstrom, Croft, Holm, Anderson, Meyer, McGuire**

**A RESOLUTION**

1 **Proposing amendments to the Constitution of the State of Alaska relating to the**  
2 **duration of regular sessions of the legislature.**

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

4 **\* Section 1.** Article II, sec. 8, Constitution of the State of Alaska, is amended to read:

5       **Section 8. Regular Sessions.** (a) The legislature shall convene in regular  
6 session each year on the fourth Monday in January, but the month and day may be  
7 changed by law. Each regular session is limited to ninety [THE LEGISLATURE  
8 SHALL ADJOURN FROM REGULAR SESSION NO LATER THAN ONE  
9 HUNDRED TWENTY] consecutive calendar days [FROM THE DATE IT  
10 CONVENES] except that a regular session may be extended once for up to ten  
11 consecutive calendar days. An extension of the regular session requires the  
12 affirmative vote of at least two-thirds of the membership of each house of the  
13 legislature. The legislature shall adopt as part of the uniform rules of procedure  
14 deadlines for scheduling session work not inconsistent with provisions controlling the  
15 length of the session.

16 **\* Sec. 2.** Article II, sec. 8, Constitution of the State of Alaska, is amended by adding a new

1 subsection to read:

2 (b) Notwithstanding (a) of this section, when a person is elected governor who  
 3 ~~was not serving in that office before the election,~~ <sup>immediately</sup> the first regular session held after *ead*  
 4 ~~that election is limited to one hundred ten consecutive calendar days.~~ <sup>A</sup> The session may  
 5 be extended as provided in (a) of this section.

6 \* Sec. 3. Article XV, Constitution of the State of Alaska, is amended by adding a new  
7 section to read:

8 **Section 30. Transition; Regular Legislative Session Duration.** The 2004  
 9 amendments to Section 8 of Article II first apply to the Second Regular Session of the  
 10 Twenty-Fourth Legislature and apply thereafter. During the First Regular Session of  
 11 the Twenty-Fourth Legislature, Section 8 of Article II applies as it read on January 1,  
 12 2004.

13 \* Sec. 4. The amendments proposed by this resolution shall be placed before the voters of  
 14 the state at the next general election in conformity with art. XIII, sec. 1, Constitution of the  
 15 State of Alaska, and the election laws of the state.

# FISCAL NOTE

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HJR 4  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Legislature  
 Title: Proposing an amendment to the BRU: Leg Council, Leg Operating Budget  
Constitution of the State of Alaska relating to the duration..... Component: All  
 Sponsor: Representatives Samuels, Rokeberg..  
 Requester: Representative Samuels Component No.: 782

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

Note: Amounts do not include inflation unless otherwise noted below

| OPERATING EXPENDITURES | FY 2004    | FY 2005        | FY 2006        | FY 2007        | FY 2008        | FY 2009        |
|------------------------|------------|----------------|----------------|----------------|----------------|----------------|
| Personal Services      | 0.0        | (516.0)        | (516.0)        | (516.0)        | (516.0)        | (516.0)        |
| Travel                 | 0.0        | (330.0)        | (330.0)        | (330.0)        | (330.0)        | (330.0)        |
| Contractual            | 0.0        | (21.0)         | (21.0)         | (21.0)         | (21.0)         | (21.0)         |
| Supplies               | 0.0        | (21.0)         | (21.0)         | (21.0)         | (21.0)         | (21.0)         |
| Equipment              |            |                |                |                |                |                |
| Land & Structures      |            |                |                |                |                |                |
| Grants & Claims        |            |                |                |                |                |                |
| Miscellaneous          |            |                |                |                |                |                |
| <b>TOTAL OPERATING</b> | <b>0.0</b> | <b>(888.0)</b> | <b>(888.0)</b> | <b>(888.0)</b> | <b>(888.0)</b> | <b>(888.0)</b> |

|                             |            |            |            |            |            |            |
|-----------------------------|------------|------------|------------|------------|------------|------------|
| <b>CAPITAL EXPENDITURES</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |
|-----------------------------|------------|------------|------------|------------|------------|------------|

|                               |            |            |            |            |            |            |
|-------------------------------|------------|------------|------------|------------|------------|------------|
| <b>CHANGE IN REVENUES ( )</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |
|-------------------------------|------------|------------|------------|------------|------------|------------|

**FUND SOURCE** (Thousands of Dollars)

|   |            |                |                |                |                |                |
|---|------------|----------------|----------------|----------------|----------------|----------------|
| 1002 Federal Receipts                   |            |                |                |                |                |                |
| 1003 GF Match                           |            |                |                |                |                |                |
| 1004 GF                                 | 0.0        | (888.0)        | (888.0)        | (888.0)        | (888.0)        | (888.0)        |
| 1005 GF/Program Receipts                |            |                |                |                |                |                |
| 1037 GF/Mental Health                   |            |                |                |                |                |                |
| Other (Specify Type--Do not abbreviate) |            |                |                |                |                |                |
| <b>TOTAL</b>                            | <b>0.0</b> | <b>(888.0)</b> | <b>(888.0)</b> | <b>(888.0)</b> | <b>(888.0)</b> | <b>(888.0)</b> |

Estimate of any current year (FY2003) cost: \_\_\_\_\_

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

**POSITIONS**

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| Full-time |  |  |  |  |  |  |
| Part-time |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |

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

HJR 4 would amend the Constitution of the State of Alaska by limiting the regular session to 90 days. If this resolution is passed and approved by the voters at the next general election in 2004, the earliest the 90 day session limit would be in effect would be 2005. The Legislature would realize a cost savings of approximately \$29.6 per day for each day of a shorter session. Shortening the session by 30 days would result in a cost savings of, 30 times \$29.6, or \$888.0 per year.

The Legislature traditionally charges expenses occurring during session to session expense accounts and expenses occurring during the interim to interim expense accounts. For example: Most legislative staff payroll costs are charged to operating expense accounts during the interim. Staff salaries for most

Prepared by: Karla Schofield, Deputy Director Phone 465-3850  
 Division: Administrative Services Date/Time 2/10/03 4:33 PM  
 Approved by: Pamela A. Varni, Executive Director Date 2/10/2003  
 Agency: Legislative Affairs Agency

**FISCAL NOTE**

**STATE OF ALASKA  
2003 LEGISLATIVE SESSION**

**BILL NO. HJR 4**

**ANALYSIS CONTINUATION**

legislative staffers are charged to session during the session. The legislative payroll is higher during a legislative session. If the regular session were shortened to 90 days, the session payroll would decrease and the interim payroll would increase. There would be a decrease in the total amount of the payroll due to the higher cost of personal services during a session. The majority of the personal services costs would be a transfer of costs between allocations.

The costs below are for items not needed for a shorter session.

|  | Per Day | times<br>30 days | Total |
|--|---------|------------------|-------|
| <b>Personal Services</b>   | 17.2    | 30               | 516.0 |
| <b>Travel</b>  |         |                  |       |
| Session per diem costs 12.0<br>per day. If session were shortened<br>more long term per diem claims<br>would be filed during the year,<br>approximately 1.0 per day<br>12.0 - 1.0 = 11.0 | 11.0    | 30               | 330.0 |
| <b>Contractual</b>   |         |                  |       |
| Telephones, chaplin fees,<br>copier maintenance  | 0.7     | 30               | 21.0  |
| <b>Supplies</b>  | 0.7     | 30               | 21.0  |
| Lounge supplies  |         |                  |       |
| Printshop paper supplies   | _____   |                  | _____ |
|  | 29.6    |                  | 888.0 |
| <br>   |         |                  |       |
| Current number of session days   | 120     |                  |       |
| Proposed number of session days  | 90      |                  |       |
|  | _____   |                  |       |
|  | 30      |                  |       |



# REPRESENTATIVE RALPH SAMUELS

HOUSE DISTRICT 29

## Sponsor Statement House Joint Resolution 4

**Proposing an amendment to the Constitution of the State of Alaska relating to the duration of a regular session.**

By Representatives Samuels and Rokeberg

House Joint Resolution 4 proposes an amendment to Alaska's Constitution that would limit regular legislative sessions to 90 consecutive calendar days. If this resolution passes, the proposed constitutional amendment would be presented to the voters at the 2004 general election. The voters would then decide the fate of this proposal.

Ninety days is more than enough time for the Legislature to complete its business. In an era of decreasing budgets, reducing the session by thirty days would save state funds. Shorter sessions would: (1) save almost \$1 million in per diem and staffing costs; (2) aid in candidate recruitment; (3) and focus the public attention. Other states can do their work in 90 days or less -- Alaska should be able to accomplish this also. Fourteen other states have legislative session of 90 days or less.

Another benefit of shorter sessions is that Alaskans want citizen-legislators. They feel legislators should be able to carry on a livelihood outside of legislative work. Shorter sessions would encourage a larger number of people to run for office and still be able to make a living at their everyday jobs.

Prior to 1984, the Legislature had no time limit on the number of days it could remain in session. The voters approved the present 120-day limit on November 6, 1984. Since that time, it has been amply proven that the Alaska Legislature can operate within a time limit. It is now time to shorten that session limit so that the business of the people can be addressed in a reasonable manner within a reasonable time limit.

Your positive consideration of this measure would be appreciated.

Email: [Representative\\_Ralph\\_Samuels@legis.state.ak.us](mailto:Representative_Ralph_Samuels@legis.state.ak.us)

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## Legislative Sessions

### Annual v. Biennial

In the early 1960s, only 19 state legislatures met annually. The remaining 31 held biennial regular sessions. All but three (Kentucky, Mississippi and Virginia) held their biennial session in the odd-numbered year. Ten of the 19 states with annual sessions limited the "off-year" to consideration of budgetary and fiscal matters.

By the mid-1970s, the number of states meeting annually grew tremendously--up from 19 to 41. However, several of these states used a "flexible" session format in which the total days of session time was divided between two years; these states included Minnesota, North Carolina, Tennessee and Vermont.

Today, 44 state legislatures meet annually. The remaining six states--Arkansas, Montana, Nevada, North Dakota, Oregon and Texas--hold session every other year. All of the biennial legislatures hold their regular sessions in the odd year. Six states have limited scope sessions--that is, where one year of the biennium is limited to consideration of specific types of legislation. The states with limited scope sessions are Connecticut, Louisiana, Maine, New Mexico, North Carolina and Wyoming.

Kentucky, New Hampshire and Washington were the last states to change from biennial to annual regular sessions; these states held their first annual sessions in 2001, 1985 and 1981, respectively.

There are several basic arguments used by the respective proponents of annual or biennial sessions. Listed below are the ones set out by political scientists, William Keefe and Morris Ogul.

| For Annual Sessions  | For Biennial Sessions   |
|--|---|
| 1. The biennial format is unsuitable for dealing with the complex and continuing problems which confront today's legislatures. The responsibilities of a legislature have become so burdensome that they can no longer be discharged on an alternate-year basis. | 1. There are enough laws. Biennial sessions constitute a safeguard against precipitate and unseemly legislative action.   |
| 2. More frequent meetings may serve to raise the status of the legislature, thereby helping to check the flow of power to the executive branch.  | 2. Yearly meetings of the legislature will contribute to legislative harassment of the administration and its agencies.   |
| 3. Continuing legislative oversight of the administration becomes more feasible with annual sessions, and that administrative accountability for the execution of legislative policies is more easily enforced.  | 3. The interval between sessions may be put to good advantage by individual legislators and interim study commissions, since there is never sufficient time during a session to study proposed legislation. |
| 4. States may respond more rapidly to new federal laws which require state participation.  | 4. The biennial system affords legislators more time to renew relations with constituents, to mend political fences and to campaign for reelection.   |
| 5. The legislature cannot operate effectively in fits and starts. Annual sessions may help make the policy-making process more timely and orderly.   | 5. Annual sessions inevitably lead to a spiraling of legislative costs, for the legislators and other assembly personnel are brought together twice as often.   |
| 6. Annual sessions would serve to diminish the need for special sessions.  |   |

## Session Length

In the early 1960s, 17 states did not place restrictions on the length of their legislative sessions. In another 10 states, the limits were indirect--being set by restrictions on legislator compensation, per diem or travel reimbursements. Several states increased their session length. These were Colorado (from 120 to 160); Georgia (from 80 to 85); Kansas (from 90 to 120); Minnesota (from 90 to 120); and South Dakota (from 60 to 75).

Throughout the 1970s, 1980s and early 1990s, session limitations were becoming more defined. Fewer states had unrestricted sessions, and the number of states with indirect session limits had fallen.

Currently, only 12 states do not place a limit on the length of regular session. The remaining 38 set limits through a variety of ways. Constitutional provisions establish the limits in 28 states. Indirect limits on legislator compensation, per diem or mileage reimbursement are in effect in 3 states. Statutory provisions set the restrictions in 4, and another 3 use chamber rules.

### Limits on Session Length

| State       | 1962-63                                  | 1972-73  | 1982-83  | Nov 2001  |
|-------------|--|--|--|---|
| Alabama     | 36 L                                     | 36 L   | 30 L in 105 C  | 30 L in 105 C<br>(by statute)   |
| Alaska      | None                                     | None   | None   | 120 C   |
| Arizona     | 63 C<br>(indirect)                       | None   | Sat of week in<br>which 100 <sup>th</sup> C<br>falls<br>(chamber rule)                       | Sat of week in<br>which 100 <sup>th</sup> C<br>falls<br>(chamber rule)                        |
| Arkansas    | 60 C                                     | 60 C   | 60 C   | 60 C  |
| California  | Odd-120 C<br>Even-30 C                   | None   | None   | Even-Nov 30<br>(constitution)<br><br>Odd-Sept 12<br>Even-Aug 31<br>(chamber rule)             |
| Colorado    | 160 C within<br>biennium<br>(indirect)   | None   | Odd-None<br>Even-140 C   | 120 C   |
| Connecticut | Wed after 1 <sup>st</sup><br>Mon in June | Odd-Wed after<br>1 <sup>st</sup> Mon in June<br>Even-Wed after<br>1 <sup>st</sup> Mon in May | Odd-Wed after 1 <sup>st</sup><br>Mon in June<br>Even-Wed after<br>1 <sup>st</sup> Mon in May | Odd-Wed after 1 <sup>st</sup><br>Mon in June<br>Even- Wed after<br>1 <sup>st</sup> Mon in May |
| Delaware    | Odd-90 L<br>Even-30 L                    | June 30  | June 30  | June 30   |
| Florida     | 60 C                                     | 60 C   | 60 C   | 60 C  |
| Georgia     | Odd-45 C<br>Even-40 C                    | Odd-45 L<br>Even-40 L  | 40 L   | 40 L  |
| Hawaii      | Odd-60 C<br>Even-30 C                    | 60 L   | 60 L   | 60 L  |
| Idaho       | 60 C<br>(indirect)                       | 60 C<br><br>(indirect)   | None   | None  |
| Illinois    | None<br>(by                              | None   | None   | None  |

|               | custom-July<br>1)                   |   |  |   |
|---------------|-------------------------------------|---|--|---|
| Indiana       | 61 C                                | Odd-61 L or<br>April 30<br>Even-30 L or<br>March 15 | Odd-61 L or April<br>30<br>Even-30 L or<br>March 15  | Odd-Apr 29<br>Even-Mar 14<br>(by statute)   |
| Iowa          | None                                | None  | (indirect)   | Odd-110 C<br>Even-100 C<br>(indirect)   |
| Kansas        | Odd-90 L<br>Even-30 C<br>(indirect) | Odd-90 C<br>Even-60 C<br>(indirect)                 | Odd-None<br>Even-90 C  | Odd-None<br>Even-90 C   |
| Kentucky      | 60 L                                | 60 L  | 60 L   | Odd: 30 L or Mar<br>30<br>Even:60 L or Apr<br>15  |
| Louisiana     | Odd-30 C<br>Even-60 C               | Odd-30 C<br>Even 60 C                               | 60 L in 85 C   | Odd-60 L in 85 C<br><br>Even-30 L in 45<br>C  |
| Maine         | None                                | None  | Odd-100 L<br>Even-50 L   | Odd-3 <sup>rd</sup> Wed in<br>June<br>Even-3 <sup>rd</sup> Wed in<br>Apr<br>(by statute)  |
| Maryland      | Odd-90 C<br>Even-30 C               | 90 C  | 90 C   | 90 C  |
| Massachusetts | None                                | None  | None   | Formal sessions:<br>Odd-3 <sup>rd</sup> Wed in<br>November<br>Even-July 31<br><br>Informal sessions:<br>None<br>(by chamber rule) |
| Michigan      | None                                | None  | None   | None  |
| Minnesota     | 120 L                               |   | 120 L total within<br>biennium or 1 <sup>st</sup><br>Mon after 3 <sup>rd</sup> Sat<br>in May each year | 120 L total within<br>biennium or 1 <sup>st</sup><br>Mon after 3 <sup>rd</sup> Sat<br>in May each year                            |

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|                |                       |   |   |   |
|----------------|-----------------------|---|---|---|
| Mississippi    | None                  | 90 C except year after gubernatorial election, then 125 C | 90 C except year after gubernatorial election, then 125 C | 90 C except year after gubernatorial election, then 125 C |
| Missouri       | July 15               | Odd-June 30<br>Even-May 15                                | Odd-June 30<br>Even-May 15                                | May 30  |
| Montana        | 60 C                  | 60 L  | 90 L  | 90 L  |
| Nebraska       | None                  | Odd-90 L<br>Even-60 L                                     | Odd-90 L<br>Even-60 L                                     | Odd-90 L<br>Even-60 L                                     |
| Nevada         | 60 C<br>(indirect)    | 60 C<br>(indirect)  | 60 C<br>(indirect)  | 120 C   |
| New Hampshire  | July 1<br>(indirect)  | 90 days or July 1<br>(indirect)                           | 90 L or July 1<br>(indirect)                              | 45 L or July 1<br>(indirect)                              |
| New Jersey     | None                  | None  | None  | None  |
| New Mexico     | 60 C                  | Odd-60 C<br>Even-30 C                                     | Odd-60 C<br>Even 30 C                                     | Odd-60 C<br>Even-30 C                                     |
| New York       | None                  | None  | None  | None  |
| North Carolina | 120 C<br>(indirect)   |   | None  | None  |
| North Dakota   | 60 L                  | 60 L  | 80 L  | 80 L  |
| Ohio           | None                  | None  | None  | None  |
| Oklahoma       | None                  | 90 L  | 90 L  | Last Fri in May   |
| Oregon         | None                  | None  | None  | None  |
| Pennsylvania   | None                  | None  | None  | None  |
| Rhode Island   | 60 L<br>(indirect)    | 60 L<br>(indirect)  | 60 L<br>(indirect)  | None  |
| South Carolina | None                  | None  | 1 <sup>st</sup> Thurs in June<br>(by statute)             | 1 <sup>st</sup> Thurs in June<br>(by statute)             |
| South Dakota   | Odd-45 L<br>Even-30 L | Odd-45 L<br>Even-30 L                                     | Odd-40 L<br>Even-35 L                                     | Odd-40 L<br>Even-35 L                                     |
| Tennessee      | 75 C<br>(indirect)    |   | 90 L<br>(indirect)  | 90 L<br>(indirect)  |

|               |                       |                       |                        |                        |
|---------------|-----------------------|-----------------------|------------------------|------------------------|
| Texas         | 140 C                 | 140 C                 | 140 C                  | 140 C                  |
| Utah          | 60 C                  | Odd-60 C<br>Even-20 C | Odd-60 C<br>Even-20 C  | 45 C                   |
| Vermont       | None                  |                       | (indirect)             | None                   |
| Virginia      | 60 C<br>(indirect)    | Odd-30 C<br>Even-60 C | Odd-30 C<br>Even-60 C  | Odd-30 C<br>Even-60 C  |
| Washington    | 60 C                  | 60 C                  | Odd-105 C<br>Even-60 C | Odd-105 C<br>Even-60 C |
| West Virginia | Odd-60 C<br>Even 30 C | 60 C                  | 60 C                   | 60 C                   |
| Wisconsin     | None                  | None                  | None                   | None                   |
| Wyoming       | 40 C                  | Odd-40 L<br>Even 20 L | Odd-40 L<br>Even-20 L  | Odd-40 L<br>Even-20 L  |

**Key:**

C = calendar day  
L = legislative day

No highlight = annual session  
Turquoise highlight = biennial session  
Gray highlight = "flexible" session format

**For more information:**

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*As of November 2001*

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**ALASKA STATE LEGISLATURE**  
**SESSION LENGTH AND PERCENTAGE OF DAYS WITH FLOOR SESSIONS, 1981-2000**

| LEGISLATURE   | YEAR               | HOUSE          |                   |                        |                               | SENATE      |                   |                        |                               |
|---|--------------------|----------------|-------------------|------------------------|-------------------------------|-------------|-------------------|------------------------|-------------------------------|
|   |                    | SPEAKER        | SESSION LENGTH(1) | DAYS NOT IN SESSION(2) | PERCENTAGE OF DAYS IN SESSION | PRESIDENT   | SESSION LENGTH(1) | DAYS NOT IN SESSION(2) | PERCENTAGE OF DAYS IN SESSION |
| Twelfth   | 1981(4)<br>1982    | J. Duncan      | 165               | 45                     | 68%                           | J. Kerttula | 164               | 46                     | 73%                           |
|   |                    | J. Duncan      | 143               | 54                     |                               | J. Kerttula | 144               | 38                     |                               |
| Thirteenth  | 1983<br>1984       | J. Hayes       | 161               | 62                     | 64%                           | J. Kerttula | 162               | 45                     | 71%                           |
|   |                    | J. Hayes       | 152               | 53                     |                               | J. Kerttula | 152               | 46                     |                               |
| Fourteenth<br>(First legislature under 120-day session limit) | 1985(4)<br>1986    | B. Grussendorf | 119               | 50                     | 57%                           | D. Bennett  | 119               | 33                     | 73%                           |
|   |                    | B. Grussendorf | 120               | 52                     |                               | D. Bennett  | 120               | 33                     |                               |
| Fifteenth   | 1987(4)<br>1988    | B. Grussendorf | 122               | 54                     | 58%                           | J. Falks    | 121               | 33                     | 72%                           |
|   |                    | B. Grussendorf | 121               | 49                     |                               | J. Falks    | 121               | 36                     |                               |
| Sixteenth   | 1989<br>1990(4)    | S. Cotten      | 121               | 50                     | 61%                           | T. Kelly    | 121               | 32                     | 74%                           |
|   |                    | S. Cotten      | 122(3)            | 46                     |                               | T. Kelly    | 121               | 33                     |                               |
| Seventeenth   | 1991<br>1992(4)    | B. Grussendorf | 122(3)            | 54                     | 57%                           | R. Ellason  | 121               | 55                     | 55%                           |
|   |                    | B. Grussendorf | 122(3)            | 53                     |                               | R. Ellason  | 121               | 56                     |                               |
| Eighteenth  | 1993<br>1994(4)    | R. Barnes      | 121               | 54                     | 57%                           | R. Hallford | 121               | 44                     | 60%                           |
|   |                    | R. Barnes      | 121               | 51                     |                               | R. Hallford | 121               | 54                     |                               |
| Nineteenth  | 1995<br>1996(4)    | G. Phillips    | 121               | 46                     | 59%                           | D. Pearce   | 121               | 42                     | 60%                           |
|   |                    | G. Phillips    | 122(3)            | 54                     |                               | D. Pearce   | 122(3)            | 54                     |                               |
| Twentieth   | 1997<br>1998(4)    | G. Phillips    | 119               | 50                     | 59%                           | M. Miller   | 119               | 48                     | 65%                           |
|   |                    | G. Phillips    | 121               | 49                     |                               | M. Miller   | 121               | 37                     |                               |
| Twenty-First  | 1999(4)<br>2000(4) | B. Porter      | 121               | 52                     | 56%                           | D. Pearce   | 121               | 38                     | 69%                           |
|   |                    | B. Porter      | 115               | 53                     |                               | D. Pearce   | 115               | 35                     |                               |

Notes:

(1) Session lengths as published in "Summary of Alaska Legislation," Legislative Affairs Agency, Alaska State Legislature.

(2) Information obtained from Alaska State Legislature's printed House and Senate Journals, and Legislative Affairs Agency Follownews Database.

(3) House adjourned after midnight on the 121st day.

(4) Legislature went into special session.

May 9, 1997

Vo

# The Anchorage Times

Publisher: BILL J. ALLEN

"Believing in Alaskans, putting Alaska first"

Editors: DENNIS FRADLEY, PAUL JENKINS, WILLIAM J. TOBIN

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## Too darned long

**WITH THE** end of the 1997 legislative session in sight, let's suggest again that it's time to make a fundamental change in the way Alaska lawmakers do their business.

We're not talking about the conduct or results of this session. We are not criticizing legislators, individually or collectively.

The change that's needed is in the system itself.

Simply put, the state's annual legislative session last too long.

As things now stand, lawmakers meet for four months every year.

For one-third of every year, the principal focus of government is on events happening in the state House and Senate. The workings of the bureaucracy may go on, albeit with some considerable distractions from the Capitol, but the attention of the top administration leaders — the commissioners, their deputies and various department heads — is riveted on what is happening in the Legislature.

Once adjournment is reached, each department of the government spends the next three months dealing with implementation of any new laws that affect their respective operations, and struggling with financial changes caused by budget cuts and changes in line-item appropriations.

And during the final one-third of the year the administration — all the departments, commissioners, deputy commissioners and workers down the line — must concentrate on planning for the next session, preparing new bills for introduction, working on the next budget, and generally gearing up to do battle all over again.

It's a wonder anything gets done.

**THERE IS** a solution.

By statute or by constitutional amendment, it should be mandated that the Legislature handle the state budget process on a two-year cycle — rather than dealing with appropriations annually.

Every other year, legislators should meet for a short session — 45 days at the maximum — to consider only a biennial budget. No other legislation would be considered, other than that required to address items that are judged to be absolute emergencies.

On the alternate years, the legislators would meet to consider general legislation — no budget work at all. Without the need to deal with budgets and funding, the work of this session would not require lawmakers to be in Juneau for four months of the year.

Maybe, under this scenario, they could get the work done in 60 days. Certainly 90 would be sufficient, under any circumstances.

The grim need for legislators to be in Juneau for a third of the year would be eliminated. And the administration would have much more time to concentrate on the job of running the state.

This is not rocket science. This is not plowing new fields in government. Any number of states now operate, very successfully, in

Sam Bishop, Opinion Page Editor; 459-7574

1 Feb 1997

FAIRBANKS

**Daily News - Miner**"Independent in All Things ... Neutral in None"  
Established in 1903CHARLES L. GRAY  
Publisher EmeritusPAUL J. MASSEY  
PublisherKELLY BOSTIAN  
Managing EditorSAM BISHOP  
Editorial Page Editor**WHAT OTHERS SAY****Set a 90-day legislative session**

Among the more pertinent pieces of legislation filed this session is a proposed amendment to the state Constitution that would limit the 120-day session to 90 days. If passed, House Joint Resolution No. 1 would require a vote of the people.

It's a worthy concept that keeps surfacing, especially with legislators who live elsewhere, and we think it merits discussion.

Here's why: Every year, Christmas and New Year holidays are very nearly ruined for people preparing to return to Juneau for the session. First, they must wind down their duties and close up their offices before Christmas. Then, they must pack up their belongings and hit the road around the New Year to make it to Juneau in time to settle in for the session.

New legislators must be in Juneau by about Jan. 4 so they can take part in orientations. Some legislators and staff members must catch a ferry. Many arrive in the capital exhausted, having had their family time over the holidays completely disrupted.

This has spawned an annual sense of dread among many involved in the Legislature, a dread that isn't easily dissolved by the friendliness of Juneau. As one staff member put it, they feel as though they are gerbils on a treadmill: "We get here (Juneau) with a bad attitude."

Rep. Norm Rokeberg and Rep. Jerry Sanders are putting their efforts behind the resolution, the very one that died of neglect last session. Rokeberg argues the Legislature could start later, perhaps in February or early March. So much of what the Legislature does must wait until the March budget forecast from the Department of Revenue, so why not wait to get started until some of the real nuts-and-bolts work can be done?

Years ago, the people of Alaska became frustrated with the Legislature when sessions-without-limits dragged on until June or July. Thus, the 120-day limit was passed by voters. We think an even shorter session would be just as responsive, more cost-effective for the people of Alaska, and possibly even more productive. Other states do it.

Although Juneau would feel an economic impact, the perceived need to move the capital to Anchorage or elsewhere would become far less important.

The idea of a shorter session also is in line with the concept of a citizen-statesman government, one that has legislators spending more time in their districts, working in their own professions and being available to listen to their constituents. And that's a capital idea that would benefit the state as a whole.

—Juneau Empire, Jan. 26

**LETTERS TO THE EDITOR**

The Fairbanks Daily News-Miner welcomes letters to the editor. We reserve the right to edit or reject any letter.

**Did Lippo****Strange sequence smells no good**

WASHINGTON — In his "errors were made" press conference, President Clinton became flustered when asked by The Washington Post's John Harris if he had found anything "unusual or suspicious" in large payments by the Lippo Group to Clinton's friend Webster Hubbell just after he was forced out of the Justice Department and before he went to jail.

"I didn't know about it," he insisted. "And I can't imagine who could have ever arranged to do something improper like that and no one around here know about it. It's just not — we — we did not know anything about it."

Later in his answer he added "before it happened," because his blanket denial was untrue. His closest confidential aide, Bruce Lindsey, had already told the Senate he was aware of the payments to the disgraced Hubbell by Clinton's Asian friends. But the president now claims that the "improper" arrangement was kept secret from him "till I read about it in the press."

Consider: The financially desperate Hubbell, who could have sunk the Clintons if he turned against them, received a bundle from the same Asian crew bankrolling Clinton campaigns; he

**When bala****Sen. Lott wants Social Security, not highway fund, in the formula**

By LAWRENCE M. O'ROURKE

WASHINGTON — Trent Lott, the Senate Republican Leader, has a bit of an inconsistency problem with trust funds.

It's a critical inconsistency because it lies at the center of the debate over whether the Constitution should be amended to require an annual balanced federal budget.

Both the Senate and House intend to vote in February. If each chamber approves the amendment by a two-thirds majority, it will be sent to the states. If three-fourths of the states ratify, the balanced budget amendment becomes part of the Constitution.

The resolution of Lott's inconsistency is pivotal because his issues involve two of America's most popular federal programs: Social Security and the building and repair of highway bridges.

**Thumbs up to discussion of a shorter legislative session.**

The group of freshman and sophomore representatives investigating the measure raise some strong arguments for a more compact session. A number of other states have shorter sessions than Alaska's 121 days.

The Wyoming Legislature meets for not more than 40 days in odd-numbered years in General Session and for approximately 20 days in even numbered years for a Budget Session. South Dakota conducts the state's business in an annual 40-day session. Kentucky for the first time this year injected a 30-day session between its traditional 90-day biennial sessions.

Many Alaska legislators, especially first timers, become frustrated with the slow, unproductive pace of the first half of the session. A shorter session would require a greater sense of urgency and allow for far less posturing and lobbying.

A House State Affairs subcommittee this week considered four proposed constitutional amendments, all of which would reduce the length of the session. Rep. Lisa Murkowski's amendment calls for the state budget to follow a two-year cycle, noting that more long range planning would need to come first.

There are many extenuating factors to examine before deciding on the merits of a shorter session, however, the efficiencies of short sessions are well proven in other states. A shorter session may look pretty good to our state legislators if they are going to be moving into a vacant Wal-Mart building in Wasilla as suggested this week by Mark Chryson, a sponsor of the petition to move the legislature from Juneau to the Matanuska-Susitna Borough near Anchorage.

# JUNEAU EMPIRE

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## Shorter session, better government

**A**mong the more pertinent pieces of legislation filed this session is a proposed amendment to the state Constitution that would limit the 120-day session to 90 days. If passed, House Joint Resolution No. 1 would require a vote of the people.

It's a worthy concept that keeps surfacing, especially with legislators who live elsewhere, and we think it merits discussion.

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# Legislative Research Services

Alaska State Legislature  
Legislative Affairs Agency  
Division of Legal and Research Services

State Capitol  
Juneau, AK 99801  
Phone: 907-465-3991  
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March 25, 2003

## Memorandum

TO: Representative Ralph Samuels

FROM: Patricia Young  
Manager

RE: Session Length and Bills Passed

You asked for information on session length and the number of bills passed during various Legislatures. We include, as Attachment A, pertinent pages from the *Summary of Alaska Legislation 2002* showing information on legislative sessions since statehood, as well as pages showing the numbers of bills introduced in each chamber and the number that became law during each Legislature.

For each Legislature, the Legislative Affairs Agency also publishes a *Final Status of Bills and Resolutions*, and these contain a statistical summary of measures before the House and a similar summary for measures before the Senate. As Attachment B, we include information on the number of bills and resolutions passed by both chambers from 1979 through 1992. This information was taken from the various editions of the *Final Status of Bills and Resolutions*. Please note that because of the way legislation was tabulated in prior years, the numbers may be somewhat high. In some instances, a bill may have passed one chamber in a different form than it passed the other chamber and no concurrence or rescission occurred. While such legislation is counted as having passed both bodies, it did not pass in the same form and, thus, could not become law.

We also include, as Attachment C, a copy of a research report showing the number of bills passed during the final two weeks of session in 1985-87. This report, and supplemental information, is 88.113.

I hope this is helpful. Please let us know if you have questions or need additional information.

## LEGISLATIVE SESSIONS SINCE STATEHOOD

| Legislature/Session<br>& Number of Days   | Day/Date<br>Convened                                 | Day/Date<br>Adjourned                                | Adjournment Time                            |   |
|---|--|--|---|---|
|   |  |  | SENATE                                      | HOUSE   |
| 1ST LEGISLATURE: 1959 - 1960<br>1st Session - 81 days<br>2nd Session - 65 days  | Mo 1/26/59<br>Mo 1/25/60                             | Tu 4/16/59<br>Tu 3/29/60                             | 9:50pm<br>12:00pm                           | 9:45pm<br>12:00pm                                 |
| 2ND LEGISLATURE: 1961 - 1962<br>1st Session - 74 days<br>2nd Session - 81 days  | Mo 1/23/61<br>Mo 1/22/62                             | Th 4/6/61<br>Th 4/12/62                              | 2:01am<br>1:22am                            | 2:20am<br>1:10am                                  |
| 3RD LEGISLATURE: 1963 - 1964<br>1st Session - 76 days<br>2nd Session - 85 days*<br>1st Special Session - 3 days<br>*Formal recess, 40 days        | Mo 1/28/63<br>Mo 1/27/64<br>Mo 8/31/64               | Sa 4/13/63<br>Sa 5/30/64<br>We 9/2/64                | 10:46am<br>1:00am<br>11:12am                | 10:45am<br>1:00am<br>11:08am                      |
| 4TH LEGISLATURE: 1965 - 1966<br>1st Session - 75 days<br>2nd Session - 84 days  | Mo 1/25/65<br>Mo 1/24/66                             | Fr 4/9/65<br>Su 4/17/66                              | 4:32am<br>1:14am                            | 4:35am<br>1:28am                                  |
| 5TH LEGISLATURE: 1967 - 1968<br>1st Session - 77 days<br>1st Special Session - 6 days<br>2nd Session - 86 days                                    | Mo 1/23/67<br>Fr 9/29/67<br>Mo 1/22/68               | Su 4/9/67<br>We 10/4/67<br>Tu 4/16/68                | 11:35am<br>2:37am<br>8:05am                 | 11:32am<br>2:35am<br>8:00am                       |
| 6TH LEGISLATURE: 1969 - 1970<br>1st Session - 95 days<br>2nd Session - 147 days   | Mo 1/27/69<br>Mo 1/12/70                             | Th 5/1/69<br>Su 6/7/70                               | 4:18am<br>3:33am                            | 4:30am<br>3:51am                                  |
| 7TH LEGISLATURE: 1971 - 1972<br>1st Session - 121 days<br>2nd Session - 161 days  | Mo 1/11/71<br>Mo 1/10/72                             | Tu 5/11/71<br>Tu 6/18/72                             | 3:23am<br>12:50am                           | 3:26am<br>12:59am                                 |
| 8TH LEGISLATURE: 1973 - 1974<br>1st Session - 90 days<br>1st Special Session - 27 days<br>2nd Session - 96 days<br>2nd Special Session - 4 days   | Mo 1/8/73<br>We 10/17/73<br>Mo 1/21/74<br>Mo 6/17/74 | Sa 4/7/73<br>Mo 11/12/73<br>Fr 4/27/74<br>Th 6/20/74 | 5:45pm<br>4:35pm<br>8:21pm<br>6:17pm        | 5:50pm<br>4:35pm<br>8:25pm<br>6:12pm              |
| 9TH LEGISLATURE: 1975 - 1976<br>1st Session - 139 days<br>2nd Session - 142 days  | Mo 1/20/75<br>Mo 1/12/76                             | Sa 6/7/75<br>Tu 6/1/76                               | 2:30am<br>8:19am                            | 2:43am<br>8:14am                                  |
| 10TH LEGISLATURE: 1977 - 1978<br>1st Session - 141 days<br>2nd Session - 161 days   | Mo 1/10/77<br>Mo 1/9/78                              | Mo 5/30/77<br>Su 6/18/78                             | 10:41am<br>9:32pm                           | 12:33pm<br>11:36pm                                |
| 11TH LEGISLATURE: 1979 - 1980<br>1st Session - 112 days<br>1st Special Session - 3 days<br>2nd Session - 145 days<br>2nd Special Session - 3 days | Mo 1/15/79<br>Mo 8/6/79<br>Mo 1/14/80<br>Mo 9/22/80  | Su 5/6/79<br>We 8/8/79<br>Fr 6/6/80<br>We 9/24/80    | 12:15pm<br>2:16pm<br>8:43pm (6/5)<br>9:38am | 3:00pm<br>7:26pm (8/7)<br>1:01am<br>2:55am (9/23) |
| 12TH LEGISLATURE: 1981 - 1982<br>1st Session - 165 days<br>1st Special Session - 3 days<br>2nd Session - 144 days                                 | Mo 1/12/81<br>Mo 7/13/81<br>Mo 1/11/82               | Th 6/25/81<br>We 7/15/81<br>We 6/3/82                | 7:06pm (6/24)<br>6:11pm (7/14)<br>5:35pm    | 12:23am<br>1:32am<br>7:23am (6/2)                 |
| 13TH LEGISLATURE: 1983 - 1984<br>1st Session - 162 days<br>2nd Session - 152 days   | Mo 1/17/83<br>Mo 1/9/84                              | Mo 6/27/83<br>Fr 6/8/84                              | 9:39am<br>4:38pm                            | 9:28pm (6/26)<br>4:05pm                           |

Sent to you by  
**LEGISLATIVE RESEARCH  
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Terry Miller LOB, Room 305  
455-3991 (phone) 455-3908 (fax)

## LEGISLATIVE SESSIONS SINCE STATEHOOD

| Legislature/Session<br>& Number of Days  | Day/Date<br>Convened   | Day/Date<br>Adjourned  | Adjournment Time   |   |
|--|--|--|--|---|
|  |  |  | SENATE   | HOUSE   |
| 14TH LEGISLATURE: 1985 - 1986<br>1st Session - 119 days<br>1st Special Session -30 days*<br>2nd Session - 120 days   | Mo 1/14/85<br>Mo 7/15/85<br>Mo 1/13/86                                 | Su 5/12/85<br>Tu 8/13/85<br>Mo 5/12/86                                   | 9:42pm<br>*<br>11:54pm                                     | 10:52pm<br>*<br>11:59pm                           |
| * The First Special Session of the Fourteenth Legislature (considering the question of impeachment of Governor Sheffield) adjourned in 30 days under Article II, Section 9, Constitution of the State of Alaska. |  |  |  |   |
| 15TH LEGISLATURE: 1987 - 1988<br>1st Session - 122 days**<br>1st Special Session - 3 days<br>2nd Session - 121 days  | Mo 1/19/87<br>Mo 7/1/87<br>Mo 1/11/88                                  | We 5/20/87<br>Fr 7/3/87<br>Tu 5/10/88                                    | 11:58pm (5/19)<br>1:31am<br>4:12am                         | 1:30am<br>12:12am<br>6:04am                       |
| ** The First Session of the Fifteenth Legislature was extended by a proclamation by the Governor.  |  |  |  |   |
| 16TH LEGISLATURE: 1989 - 1990<br>1st Session - 121 days<br>2nd Session - 122 days<br>1st Special Session - 14 days   | Mo 1/9/89<br>Mo 1/8/90<br>Mo 6/25/90                                   | Tu 5/9/89<br>We 5/9/90<br>Su 7/8/90                                      | 11:59pm<br>11:59pm (5/8)<br>5:13pm                         | 11:32pm<br>12:01am<br>5:00pm                      |
| 17TH LEGISLATURE: 1991 - 1992<br>1st Session - 122 days<br>2nd Session - 122 days<br>1st Special Session - 4 days<br>2nd Special Session - 8 days  | Mo 1/21/91<br>Mo 1/13/92<br>We 05/13/92<br>Mo 06/15/92                 | We 5/22/91<br>We 5/13/92<br>Sat 5/16/92<br>Mon 6/22/92                   | 9:39pm (5/21)<br>11:59pm (5/12)<br>4:56pm (5/15)<br>3:44pm | 12:37am<br>12:06am<br>5:40am<br>4:17pm            |
| 18TH LEGISLATURE: 1993 - 1994<br>1st Session - 121 days<br>2nd Session - 121 days<br>1st Special Session:<br>Senate - 7 days<br>House - 5 days<br>2nd Special Session - 3 days                                   | Mo 1/11/93<br>Mo 1/10/94<br><br>Tu 5/10/94<br>Th 5/12/94<br>Mo 9/26/94 | Tu 5/11/93<br>Tu 5/10/94<br><br>Mon 5/16/94<br>Mon 5/16/94<br>We 9/28/94 | 9:02pm<br>unclear<br><br>4:36pm<br><br>12:35am             | 9:11pm<br>11:59pm<br><br>6:15pm<br>12:40am        |
| 19TH LEGISLATURE: 1995 - 1996<br>1st Session - 121 days<br>2nd Session - 122 days<br>1st Special Session - 30 days   | Mo 1/16/95<br>Mo 1/8/96<br>We 5/8/96                                   | Tu 5/16/95<br>We 5/8/96<br>Th 6/6/96                                     | 10:05pm<br>12:18am<br>4:37pm                               | 10:13pm<br>12:13am<br>4:51pm                      |
| 20TH LEGISLATURE: 1997 - 1998<br>1st Session - 119 days<br>2nd Session - 122 days<br>1st Special Session - 7 days<br>2nd Special Session - 2 days  | Mo 1/13/97<br>Mo 1/12/98<br>Tu 5/26/98<br>Mo 7/20/98                   | Su 5/11/97<br>We 5/13/98<br>Mon 6/1/98<br>Tu 7/21/98                     | 11:04pm<br>12:09am<br>1:26pm<br>9:25pm                     | 11:43pm<br>12:03am<br>1:51pm<br>8:57pm            |
| 21ST LEGISLATURE - 1999 - 2000<br>1st Session - 121 days<br>1st Special Session - 6 days<br>2nd Special Session - 9 days<br>2nd Session - 115 days<br>3rd Special Session - 3 days                               | Tu 1/19/99<br>Th 5/20/99<br>We 9/22/99<br>Mo 1/10/00<br>Th 5/4/00      | Tu 5/19/99<br>Tu 5/25/99<br>Th 9/30/99<br>We 5/3/00<br>Sa 5/6/00         | 11:56pm<br>6:06pm<br>6:55pm<br>7:11pm<br>11:47am           | 11:53pm<br>6:10pm<br>6:39pm<br>7:46pm<br>11:40am  |
| 22ND LEGISLATURE - 2001 - 2002<br>1st Session - 121 days<br>1st Special Session - 3 days<br>2nd Session - 123 days (extended)<br>2nd Special Session - 5 days<br>3rd Special Session - 4 days                    | Mo 1/8/01<br>Th 6/7/01<br>Mo 1/14/02<br>Fr 5/17/02<br>Mo 6/24/02       | Tu 5/8/01<br>Sa 6/9/01<br>Th 5/16/02<br>Tu 5/21/02<br>Th 6/27/02         | 11:48pm<br>10:55am<br>11:59:59pm***<br>5:32pm<br>12:41am   | 11:52pm<br>10:41am<br>11:58pm<br>5:08pm<br>1:42am |
| ***Under the provisions of art. II, sec. 8 of the Alaska Constitution, the Senate was adjourned sine die at midnight, May 16, 2002.  |  |  |  |   |

NOTE: All Special Sessions were called by the Governor, except the 1st Special Session of the 14th Legislature, and the 1st Special Session of the 17th Legislature, which were called by the Legislature.

**HISTORICAL SUMMARY**  
1959 - present

| LEGISLATURE/SESSION<br>& NUMBER OF DAYS | BILLS INTRODUCED |            |            | BILLS<br>BECAME LAW |
|---|------------------|------------|------------|---------------------|
|   | HOUSE            | SENATE     | TOTAL      |                     |
| <b>1ST LEGISLATURE: 1959 - 1960</b>     |                  |            |            |                     |
| 1st Session - 81 days                   | 249              | 132        | 381        | 200                 |
| 2nd Session - 65 days                   | <u>225</u>       | <u>127</u> | <u>352</u> | <u>187</u>          |
| Total                                   | 474              | 259        | 733        | 387                 |
| <b>2ND LEGISLATURE: 1961 - 1962</b>     |                  |            |            |                     |
| 1st Session - 74 days                   | 285              | 178        | 463        | 147                 |
| 2nd Session - 81 days                   | <u>211</u>       | <u>120</u> | <u>331</u> | <u>169</u>          |
| Total                                   | 496              | 298        | 794        | 316                 |
| <b>3RD LEGISLATURE: 1963 - 1964</b>     |                  |            |            |                     |
| 1st Session - 76 days                   | 238              | 191        | 429        | 104                 |
| 2nd Session - 85 days*                  | 230              | 168        | 398        | 119                 |
| 1st Special Session - 3 days            | <u>9</u>         | <u>0</u>   | <u>9</u>   | <u>8</u>            |
| Total                                   | 477              | 359        | 836        | 231                 |
| *Formal recess, 40 days                 |                  |            |            |                     |
| <b>4TH LEGISLATURE: 1965 - 1966</b>     |                  |            |            |                     |
| 1st Session - 75 days                   | 289              | 192        | 481        | 117                 |
| 2nd Session - 84 days                   | <u>238</u>       | <u>149</u> | <u>387</u> | <u>169</u>          |
| Total                                   | 527              | 341        | 868        | 286                 |
| <b>5TH LEGISLATURE: 1967 - 1968</b>     |                  |            |            |                     |
| 1st Session - 77 days                   | 348              | 203        | 551        | 139                 |
| 1st Special Session - 6 days            | 17               | 17         | 34         | 31                  |
| 2nd Session - 86 days                   | <u>364</u>       | <u>209</u> | <u>573</u> | <u>236</u>          |
| Total                                   | 729              | 429        | 1,158      | 406                 |
| <b>6TH LEGISLATURE: 1969 - 1970</b>     |                  |            |            |                     |
| 1st Session - 95 days                   | 411              | 350        | 761        | 120                 |
| 2nd Session - 147 days                  | <u>466</u>       | <u>252</u> | <u>718</u> | <u>253</u>          |
| Total                                   | 877              | 602        | 1,479      | 373                 |
| <b>7TH LEGISLATURE: 1971 - 1972</b>     |                  |            |            |                     |
| 1st Session - 121 days                  | 470              | 247        | 717        | 131                 |
| 2nd Session - 161 days                  | <u>363</u>       | <u>189</u> | <u>552</u> | <u>208</u>          |
| Total                                   | 833              | 436        | 1,269      | 339                 |
| <b>8TH LEGISLATURE: 1973 - 1974</b>     |                  |            |            |                     |
| 1st Session - 90 days                   | 424              | 259        | 683        | 91                  |
| 1st Special Session - 27 days           | 10               | 9          | 19         | 8                   |
| 2nd Session - 96 days                   | 438              | 278        | 716        | 147                 |
| 2nd Special Session - 4 days            | <u>9</u>         | <u>8</u>   | <u>17</u>  | <u>9</u>            |
| Total                                   | 881              | 554        | 1,435      | 255                 |
| <b>9TH LEGISLATURE: 1975 - 1976</b>     |                  |            |            |                     |
| 1st Session - 139 days                  | 538              | 474        | 1,010      | 220                 |
| 2nd Session - 142 days                  | <u>397</u>       | <u>289</u> | <u>686</u> | <u>279</u>          |
| Total                                   | 935              | 761        | 1,696      | 499                 |
| <b>10TH LEGISLATURE: 1977 - 1978</b>    |                  |            |            |                     |
| 1st Session - 141 days                  | 552              | 370        | 922        | 155                 |
| 2nd Session - 161 days                  | <u>434</u>       | <u>272</u> | <u>706</u> | <u>182</u>          |
| Total                                   | 986              | 642        | 1,628      | 337                 |
| <b>11TH LEGISLATURE: 1979 - 1980</b>    |                  |            |            |                     |
| 1st Session - 112 days                  | 503              | 289        | 792        | 87                  |
| 1st Special Session - 3 days            | 3                | 2          | 5          | 4                   |
| 2nd Session - 145 days                  | 533              | 299        | 832        | 176                 |
| 2nd Special Session - 3 days            | <u>0</u>         | <u>0</u>   | <u>0</u>   | <u>3</u>            |
| Total                                   | 1,039            | 590        | 1,629      | 270                 |

| LEGISLATURE/SESSION<br>& NUMBER OF DAYS              | BILLS INTRODUCED |            |            | BILLS<br>BECAME LAW |
|--|------------------|------------|------------|---------------------|
|  | HOUSE            | SENATE     | TOTAL      |                     |
| 12TH LEGISLATURE: 1981 - 1982                        |                  |            |            |                     |
| 1st Session - 165 days                               | 620              | 606        | 1,226      | 120                 |
| 1st Special Session - 3 days                         | 0                | 1          | 1          | 0                   |
| 2nd Session - 144 days                               | <u>274</u>       | <u>292</u> | <u>566</u> | <u>144</u>          |
| Total  | 894              | 899        | 1,793      | 264                 |
| 13TH LEGISLATURE: 1983 - 1984                        |                  |            |            |                     |
| 1st Session - 162 days                               | 449              | 318        | 767        | 109                 |
| 2nd Session - 152 days                               | <u>273</u>       | <u>236</u> | <u>509</u> | <u>171</u>          |
| Total  | 722              | 554        | 1,276      | 280                 |
| 14TH LEGISLATURE: 1985 - 1986                        |                  |            |            |                     |
| 1st Session - 119 days                               | 448              | 322        | 770        | 105                 |
| 1st Special Session - 30 days                        | 0                | 0          | 0          | 0                   |
| 2nd Session - 120 days                               | <u>262</u>       | <u>167</u> | <u>429</u> | <u>146</u>          |
| Total  | 710              | 489        | 1,199      | 251                 |
| 15TH LEGISLATURE: 1987 - 1988                        |                  |            |            |                     |
| 1st Session - 122 days                               | 327              | 310        | 637        | 96                  |
| 1st Special Session - 3 days                         | 2                | 2          | 4          | 5                   |
| 2nd Session - 121 days                               | <u>238</u>       | <u>208</u> | <u>446</u> | <u>173</u>          |
| Total  | 567              | 520        | 1,087      | 274                 |
| 16TH LEGISLATURE: 1989 - 1990                        |                  |            |            |                     |
| 1st Session - 121 days                               | 360              | 331        | 691        | 117                 |
| 2nd Session - 122 days                               | 230              | 221        | 459        | 211                 |
| 1st Special Session - 14 days                        | <u>5</u>         | <u>4</u>   | <u>9</u>   | <u>1</u>            |
| Total  | 603              | 556        | 1,159      | 329                 |
| 17TH LEGISLATURE: 1991 - 1992                        |                  |            |            |                     |
| 1st Session - 122 days                               | 356              | 313        | 669        | 96                  |
| 2nd Session - 122 days                               | 236              | 164        | 400        | 137                 |
| 1st Special Session - 4 days                         | 6                | 6          | 12         | 5                   |
| 2nd Special Session - 8 days                         | <u>4</u>         | <u>2</u>   | <u>6</u>   | <u>1</u>            |
| Total  | 602              | 485        | 1,087      | 239                 |
| 18TH LEGISLATURE: 1993 - 1994                        |                  |            |            |                     |
| 1st Session - 121 days                               | 304              | 218        | 522        | 83                  |
| 2nd Session - 121 days                               | 244              | 163        | 407        | 131                 |
| 1st Special session<br>(7 days Senate, 5 days House) | 0                | 0          | 0          | 8                   |
| 2nd Special session - 3 days                         | <u>2</u>         | <u>2</u>   | <u>4</u>   | <u>2</u>            |
| Total  | 550              | 383        | 933        | 224                 |
| 19TH LEGISLATURE: 1995 - 1996                        |                  |            |            |                     |
| 1st Session - 121 days                               | 352              | 187        | 539        | 105                 |
| 2nd Session - 122 days                               | 202              | 140        | 342        | 146                 |
| 1st Special Session - 30 days                        | <u>10</u>        | <u>12</u>  | <u>22</u>  | <u>6</u>            |
| Total  | 564              | 339        | 903        | 257                 |
| 20TH LEGISLATURE: 1997 - 1998                        |                  |            |            |                     |
| 1st Session - 119 days                               | 289              | 206        | 495        | 113                 |
| 2nd Session - 122 days                               | 202              | 154        | 356        | 142                 |
| 1st Special Session - 7 days                         | 1                | 2          | 3          | 1                   |
| 2nd Special Session - 2 days                         | <u>1</u>         | <u>1</u>   | <u>2</u>   | <u>0</u>            |
| Total  | 493              | 363        | 856        | 256                 |

| LEGISLATURE/SESSION<br>& NUMBER OF DAYS | BILLS INTRODUCED |          |          | BILLS<br>BECAME LAW |
|---|------------------|----------|----------|---------------------|
|   | HOUSE            | SENATE   | TOTAL    |                     |
| <b>21ST LEGISLATURE: 1999 - 2000</b>    |                  |          |          |                     |
| 1st Session - 121 days                  | 253              | 185      | 438      | 94                  |
| 1st Special Session - 6 days            | 1                | 1        | 2        | 2                   |
| 2nd Special Session - 9 days            | 0                | 0        | 0        | 2                   |
| 2nd Session - 115 days                  | 195              | 129      | 324      | 136                 |
| 3rd Special Session - 3 days            | <u>2</u>         | <u>2</u> | <u>4</u> | <u>2</u>            |
| Total                                   | 451              | 317      | 768      | 236                 |
| <b>22ND LEGISLATURE: 2001 - 2002</b>    |                  |          |          |                     |
| 1st Session - 121 days                  | 276              | 229      | 505      | 103                 |
| 1st Special Session - 3 days            | 0                | 0        | 0        | 1                   |
| 2nd Session - 123 days                  | 256              | 143      | 399      | 143                 |
| 2nd Special Session - 5 days            | 8                | 12       | 20       | 5                   |
| 3rd Special Session - 4 days            | <u>2</u>         | <u>2</u> | <u>4</u> | <u>2</u>            |
| Total                                   | 542              | 386      | 928      | 254                 |

**Legislation Passed by Both Houses  
1979 - 1992**

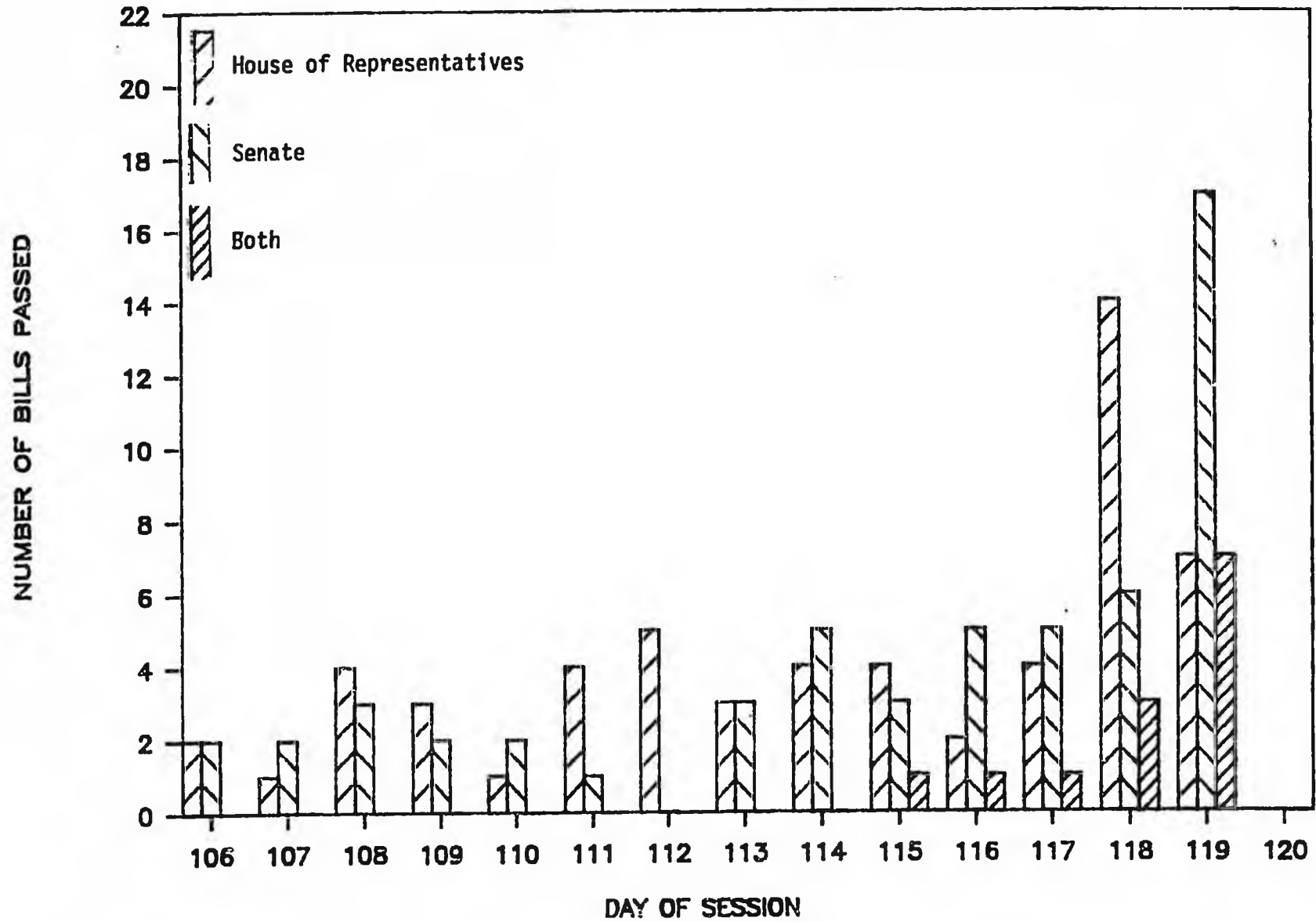
| Legislature  | Senate Bills | House Bills | Total Bills | Senate Resolutions | House Resolutions | Total Resolutions |
|--------------|--------------|-------------|-------------|--------------------|-------------------|-------------------|
| <b>11th</b>  |              |             |             |                    |                   |                   |
| 1979         | 54           | 62          | 116         | 18                 | 15                | 33                |
| 1980         | 95           | 104         | 199         | 20                 | 29                | 49                |
| <b>Total</b> | <b>149</b>   | <b>166</b>  | <b>315</b>  | <b>38</b>          | <b>44</b>         | <b>82</b>         |
| <b>12th</b>  |              |             |             |                    |                   |                   |
| 1981         | 75           | 58          | 133         | 26                 | 20                | 46                |
| 1982         | 92           | 69          | 161         | 10                 | 10                | 20                |
| <b>Total</b> | <b>167</b>   | <b>127</b>  | <b>294</b>  | <b>36</b>          | <b>30</b>         | <b>66</b>         |
| <b>13th</b>  |              |             |             |                    |                   |                   |
| 1983         | 54           | 59          | 113         | 11                 | 18                | 29                |
| 1984         | 90           | 92          | 182         | 17                 | 24                | 41                |
| <b>Total</b> | <b>144</b>   | <b>151</b>  | <b>295</b>  | <b>28</b>          | <b>42</b>         | <b>70</b>         |
| <b>14th</b>  |              |             |             |                    |                   |                   |
| 1985         | 48           | 59          | 107         | 8                  | 17                | 25                |
| 1986         | 64           | 90          | 154         | 19                 | 15                | 34                |
| <b>Total</b> | <b>112</b>   | <b>149</b>  | <b>261</b>  | <b>27</b>          | <b>32</b>         | <b>59</b>         |
| <b>15th</b>  |              |             |             |                    |                   |                   |
| 1987         | 47           | 57          | 104         | 18                 | 22                | 40                |
| 1988         | 94           | 88          | 182         | 36                 | 33                | 69                |
| <b>Total</b> | <b>141</b>   | <b>145</b>  | <b>286</b>  | <b>54</b>          | <b>55</b>         | <b>109</b>        |
| <b>16th</b>  |              |             |             |                    |                   |                   |
| 1989         | 60           | 59          | 119         | 42                 | 31                | 73                |
| 1990         | 103          | 112         | 215         | 38                 | 45                | 83                |
| <b>Total</b> | <b>163</b>   | <b>171</b>  | <b>334</b>  | <b>80</b>          | <b>76</b>         | <b>156</b>        |
| <b>17th</b>  |              |             |             |                    |                   |                   |
| 1991         | 52           | 54          | 106         | 27                 | 34                | 61                |
| 1992         | 74           | 75          | 149         | 21                 | 29                | 50                |
| <b>Total</b> | <b>126</b>   | <b>129</b>  | <b>255</b>  | <b>48</b>          | <b>63</b>         | <b>111</b>        |

Source: Final Status of Bills and Resolutions, Statistical Summary, Legislative Affairs Agency.  
 Statistics used: House Bills and Resolutions -- Number that passed the Senate.  
 Senate Bills and Resolutions -- Number that passed the House.

Prepared by the Legislative Research Agency, August 1992.

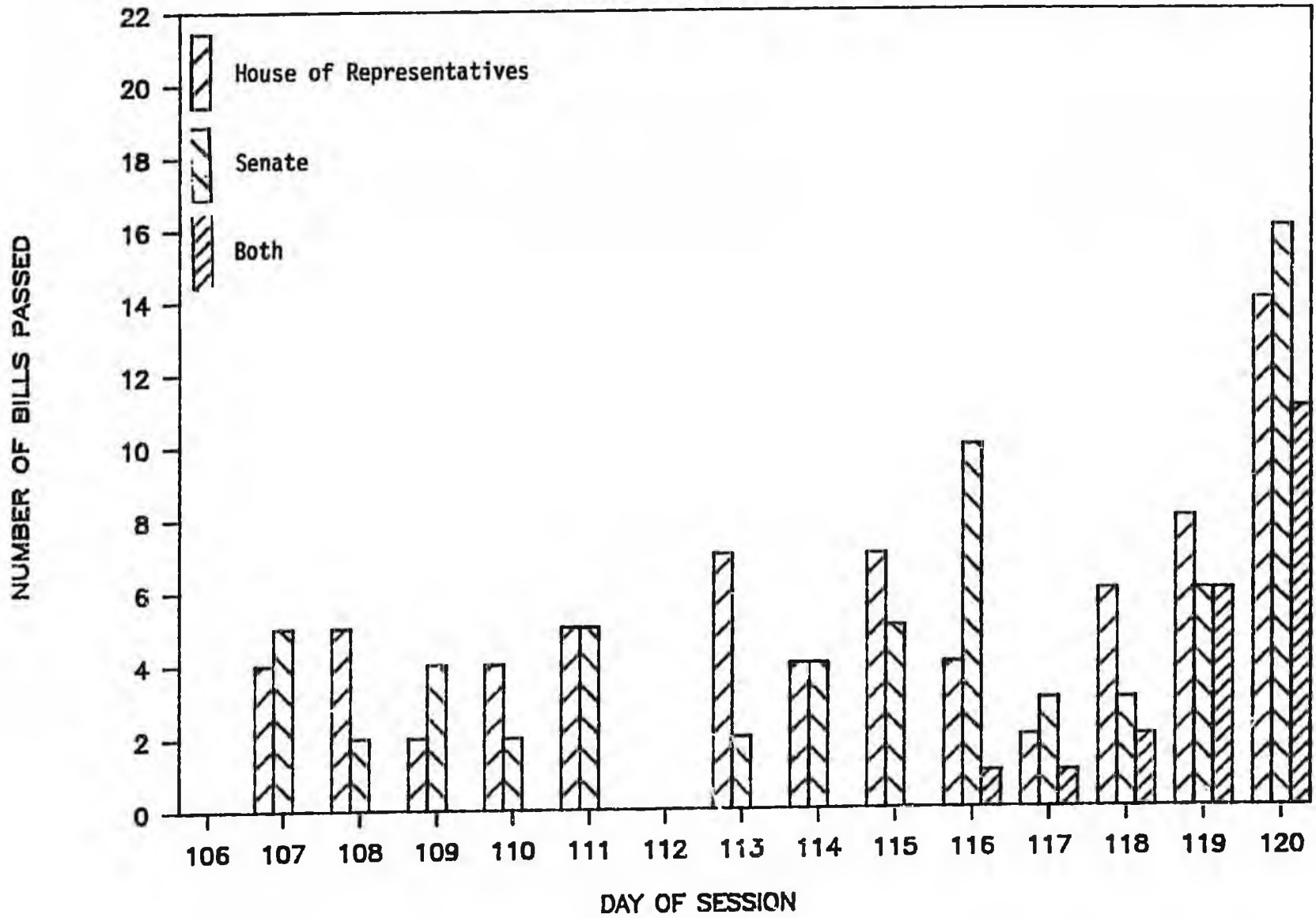
# BILLS PASSED BY LEGISLATURE — 1985

LAST TWO WEEKS OF SESSION



# BILLS PASSED BY LEGISLATURE — 1987

LAST TWO WEEKS OF SESSION



**Table 1**  
**Number of Bills and Resolutions Passed During Legislative Session**  
**Fourteenth Alaska Legislature - 1st Session - 1985**

|                               | HOUSE<br>NUMBER OF BILLS PASSED |             |             |             | SENATE<br>NUMBER OF BILLS PASSED |             |             |             | BOTH<br>NUMBER OF BILLS PASSED |             |            |            |
|-------------------------------|---------------------------------|-------------|-------------|-------------|----------------------------------|-------------|-------------|-------------|--------------------------------|-------------|------------|------------|
|                               | HB                              | SB          | HR          | SR          | HB                               | SB          | HR          | SR          | HB                             | SB          | HR         | SR         |
| <b>Session Total</b>          | <b>110</b>                      | <b>48</b>   | <b>38</b>   | <b>8</b>    | <b>59</b>                        | <b>33</b>   | <b>17</b>   | <b>20</b>   | <b>59</b>                      | <b>48</b>   | <b>17</b>  | <b>8</b>   |
| Day 106                       | 2                               | 0           | 1           | 0           | 0                                | 2           | 0           | 0           | 0                              | 0           | 0          | 0          |
| Day 107                       | 1                               | 0           | 0           | 0           | 0                                | 2           | 0           | 1           | 0                              | 0           | 0          | 0          |
| Day 108                       | 2                               | 2           | 2           | 0           | 1                                | 2           | 0           | 0           | 0                              | 0           | 0          | 0          |
| Day 109                       | 3                               | 0           | 0           | 0           | 1                                | 1           | 0           | 0           | 0                              | 0           | 0          | 0          |
| Day 110                       | 1                               | 0           | 0           | 1           | 0                                | 2           | 1           | 0           | 0                              | 0           | 0          | 0          |
| Day 111                       | 4                               | 0           | 0           | 0           | 0                                | 1           | 0           | 2           | 0                              | 0           | 0          | 0          |
| Day 112                       | 5                               | 0           | 0           | 0           | 0                                | 0           | 0           | 0           | 0                              | 0           | 0          | 0          |
| Day 113                       | 2                               | 1           | 0           | 0           | 0                                | 3           | 0           | 0           | 0                              | 0           | 0          | 0          |
| Day 114                       | 4                               | 0           | 0           | 0           | 2                                | 3           | 1           | 1           | 0                              | 1           | 0          | 0          |
| Day 115                       | 3                               | 1           | 2           | 0           | 0                                | 3           | 0           | 2           | 0                              | 1           | 0          | 0          |
| Day 116                       | 1                               | 1           | 2           | 0           | 1                                | 4           | 0           | 0           | 1                              | 0           | 0          | 0          |
| Day 117                       | 3                               | 1           | 2           | 0           | 4                                | 1           | 0           | 1           | 1                              | 2           | 0          | 0          |
| Day 118                       | 10                              | 4           | 1           | 0           | 2                                | 4           | 0           | 1           | 4                              | 3           | 0          | 0          |
| Day 119                       | 1                               | 6           | 0           | 0           | 16                               | 1           | 0           | 1           | 0                              | 0           | 0          | 0          |
| Day 120                       | 0                               | 0           | 0           | 0           | 0                                | 0           | 0           | 0           | 0                              | 0           | 0          | 0          |
| <b>14 Day Totals</b>          | <b>42</b>                       | <b>16</b>   | <b>10</b>   | <b>1</b>    | <b>27</b>                        | <b>29</b>   | <b>2</b>    | <b>9</b>    | <b>6</b>                       | <b>7</b>    | <b>1</b>   | <b>0</b>   |
| <b>Daily Percent of Total</b> |                                 |             |             |             |                                  |             |             |             |                                |             |            |            |
| Day 106                       | 1.8                             | 0.0         | 2.6         | 0.0         | 0.0                              | 2.4         | 0.0         | 0.0         | 0.0                            | 0.0         | 0.0        | 0.0        |
| Day 107                       | 0.9                             | 0.0         | 0.0         | 0.0         | 0.0                              | 2.4         | 0.0         | 5.0         | 0.0                            | 0.0         | 0.0        | 0.0        |
| Day 108                       | 1.8                             | 4.2         | 5.3         | 0.0         | 1.7                              | 2.4         | 0.0         | 0.0         | 0.0                            | 0.0         | 0.0        | 0.0        |
| Day 109                       | 2.7                             | 0.0         | 0.0         | 0.0         | 1.7                              | 1.2         | 0.0         | 0.0         | 0.0                            | 0.0         | 0.0        | 0.0        |
| Day 110                       | 0.9                             | 0.0         | 0.0         | 12.5        | 0.0                              | 2.4         | 5.9         | 0.0         | 0.0                            | 0.0         | 0.0        | 0.0        |
| Day 111                       | 3.6                             | 0.0         | 0.0         | 0.0         | 0.0                              | 1.2         | 0.0         | 10.0        | 0.0                            | 0.0         | 0.0        | 0.0        |
| Day 112                       | 4.5                             | 0.0         | 0.0         | 0.0         | 0.0                              | 0.0         | 0.0         | 0.0         | 0.0                            | 0.0         | 0.0        | 0.0        |
| Day 113                       | 1.8                             | 2.1         | 0.0         | 0.0         | 0.0                              | 3.6         | 0.0         | 0.0         | 0.0                            | 0.0         | 0.0        | 0.0        |
| Day 114                       | 3.6                             | 0.0         | 0.0         | 0.0         | 3.4                              | 3.6         | 5.9         | 5.0         | 0.0                            | 2.1         | 0.0        | 0.0        |
| Day 115                       | 2.7                             | 2.1         | 5.3         | 0.0         | 0.0                              | 3.6         | 0.0         | 10.0        | 0.0                            | 2.1         | 0.0        | 0.0        |
| Day 116                       | 0.9                             | 2.1         | 5.3         | 0.0         | 1.7                              | 4.8         | 0.0         | 0.0         | 0.0                            | 2.1         | 0.0        | 0.0        |
| Day 117                       | 2.7                             | 2.1         | 5.3         | 0.0         | 6.8                              | 1.2         | 0.0         | 5.0         | 1.7                            | 0.0         | 0.0        | 0.0        |
| Day 118                       | 9.1                             | 8.3         | 2.6         | 0.0         | 3.4                              | 4.8         | 0.0         | 5.0         | 1.7                            | 4.2         | 0.0        | 0.0        |
| Day 119                       | 0.9                             | 12.5        | 0.0         | 0.0         | 27.1                             | 1.2         | 0.0         | 5.0         | 6.8                            | 6.3         | 0.0        | 0.0        |
| Day 120                       | 0.0                             | 0.0         | 0.0         | 0.0         | 0.0                              | 0.0         | 0.0         | 0.0         | 0.0                            | 0.0         | 0.0        | 0.0        |
| <b>14 Day Totals</b>          | <b>38.2</b>                     | <b>33.3</b> | <b>26.3</b> | <b>12.5</b> | <b>45.8</b>                      | <b>34.9</b> | <b>11.8</b> | <b>45.0</b> | <b>10.2</b>                    | <b>14.6</b> | <b>5.9</b> | <b>0.0</b> |

**Note:** HB - House Bills  
 SB - Senate Bills  
 HR - House Resolutions  
 SR - Senate Resolutions

Prepared by the House Research Agency, January 1988, (88-113S1; 100287-12).

**Table 3**  
**Number of Bills and Resolutions Passed During Legislative Session**  
**Fifteenth Alaska Legislature - 1st Session - 1967**

|                               | HOUSE<br>NUMBER OF BILLS PASSED |             |             |            | SENATE<br>NUMBER OF BILLS PASSED |             |             |             | BOTH<br>NUMBER OF BILLS PASSED |             |            |            |
|-------------------------------|---------------------------------|-------------|-------------|------------|----------------------------------|-------------|-------------|-------------|--------------------------------|-------------|------------|------------|
|                               | HB                              | SB          | HR          | SR         | HB                               | SB          | HR          | SR          | HB                             | SB          | HR         | SR         |
|                               | <b>Session Total</b>            | <b>106</b>  | <b>47</b>   | <b>41</b>  | <b>18</b>                        | <b>57</b>   | <b>106</b>  | <b>22</b>   | <b>48</b>                      | <b>57</b>   | <b>47</b>  | <b>22</b>  |
| <b>Day 106</b>                | 0                               | 0           | 0           | 0          | 0                                | 0           | 0           | 0           | 0                              | 0           | 0          | 0          |
| <b>Day 107</b>                | 4                               | 0           | 2           | 0          | 0                                | 5           | 0           | 2           | 0                              | 0           | 0          | 0          |
| <b>Day 108</b>                | 4                               | 1           | 2           | 0          | 0                                | 2           | 0           | 0           | 0                              | 0           | 0          | 0          |
| <b>Day 109</b>                | 2                               | 0           | 0           | 0          | 0                                | 4           | 0           | 1           | 0                              | 0           | 0          | 0          |
| <b>Day 110</b>                | 3                               | 1           | 1           | 0          | 0                                | 2           | 1           | 0           | 0                              | 0           | 0          | 0          |
| <b>Day 111</b>                | 4                               | 1           | 1           | 0          | 0                                | 5           | 0           | 1           | 0                              | 0           | 0          | 0          |
| <b>Day 112</b>                | 0                               | 0           | 0           | 0          | 0                                | 0           | 0           | 0           | 0                              | 0           | 0          | 0          |
| <b>Day 113</b>                | 7                               | 0           | 0           | 0          | 0                                | 2           | 1           | 0           | 0                              | 0           | 0          | 0          |
| <b>Day 114</b>                | 4                               | 0           | 0           | 0          | 1                                | 3           | 0           | 1           | 0                              | 0           | 0          | 0          |
| <b>Day 115</b>                | 6                               | 1           | 1           | 0          | 1                                | 4           | 0           | 0           | 0                              | 0           | 0          | 0          |
| <b>Day 116</b>                | 3                               | 1           | 1           | 0          | 3                                | 7           | 0           | 0           | 1                              | 0           | 0          | 0          |
| <b>Day 117</b>                | 1                               | 1           | 0           | 0          | 0                                | 3           | 0           | 1           | 0                              | 1           | 0          | 0          |
| <b>Day 118</b>                | 2                               | 4           | 3           | 1          | 2                                | 1           | 1           | 2           | 1                              | 1           | 0          | 1          |
| <b>Day 119</b>                | 1                               | 7           | 0           | 0          | 4                                | 2           | 0           | 1           | 1                              | 5           | 0          | 0          |
| <b>Day 120</b>                | 4                               | 10          | 2           | 0          | 11                               | 5           | 0           | 0           | 8                              | 3           | 0          | 0          |
| <b>14 Day Totals</b>          | <b>45</b>                       | <b>27</b>   | <b>13</b>   | <b>1</b>   | <b>22</b>                        | <b>45</b>   | <b>3</b>    | <b>9</b>    | <b>11</b>                      | <b>10</b>   | <b>0</b>   | <b>1</b>   |
| <b>Daily Percent of Total</b> |                                 |             |             |            |                                  |             |             |             |                                |             |            |            |
| <b>Day 106</b>                | 0.0                             | 0.0         | 0.0         | 0.0        | 0.0                              | 0.0         | 0.0         | 0.0         | 0.0                            | 0.0         | 0.0        | 0.0        |
| <b>Day 107</b>                | 3.8                             | 0.0         | 4.9         | 0.0        | 0.0                              | 4.7         | 0.0         | 4.2         | 0.0                            | 0.0         | 0.0        | 0.0        |
| <b>Day 108</b>                | 3.8                             | 2.1         | 4.9         | 0.0        | 0.0                              | 1.9         | 0.0         | 0.0         | 0.0                            | 0.0         | 0.0        | 0.0        |
| <b>Day 109</b>                | 1.9                             | 0.0         | 0.0         | 0.0        | 0.0                              | 3.8         | 0.0         | 2.1         | 0.0                            | 0.0         | 0.0        | 0.0        |
| <b>Day 110</b>                | 2.8                             | 2.1         | 2.4         | 0.0        | 0.0                              | 1.9         | 4.5         | 0.0         | 0.0                            | 0.0         | 0.0        | 0.0        |
| <b>Day 111</b>                | 3.8                             | 2.1         | 2.4         | 0.0        | 0.0                              | 4.7         | 0.0         | 2.1         | 0.0                            | 0.0         | 0.0        | 0.0        |
| <b>Day 112</b>                | 0.0                             | 0.0         | 0.0         | 0.0        | 0.0                              | 0.0         | 0.0         | 0.0         | 0.0                            | 0.0         | 0.0        | 0.0        |
| <b>Day 113</b>                | 6.6                             | 0.0         | 0.0         | 0.0        | 0.0                              | 1.9         | 4.5         | 0.0         | 0.0                            | 0.0         | 0.0        | 0.0        |
| <b>Day 114</b>                | 3.8                             | 0.0         | 0.0         | 0.0        | 1.8                              | 2.8         | 0.0         | 2.1         | 0.0                            | 0.0         | 0.0        | 0.0        |
| <b>Day 115</b>                | 5.7                             | 2.1         | 2.4         | 0.0        | 1.8                              | 3.8         | 0.0         | 0.0         | 0.0                            | 0.0         | 0.0        | 0.0        |
| <b>Day 116</b>                | 2.8                             | 2.1         | 2.4         | 0.0        | 5.3                              | 6.6         | 0.0         | 0.0         | 1.8                            | 0.0         | 0.0        | 0.0        |
| <b>Day 117</b>                | 0.9                             | 2.1         | 0.0         | 0.0        | 0.0                              | 2.8         | 0.0         | 2.1         | 0.0                            | 2.1         | 0.0        | 0.0        |
| <b>Day 118</b>                | 1.9                             | 8.5         | 7.3         | 5.6        | 3.5                              | 0.9         | 4.5         | 4.2         | 1.8                            | 2.1         | 0.0        | 5.6        |
| <b>Day 119</b>                | 0.9                             | 14.9        | 0.0         | 0.0        | 7.0                              | 1.9         | 0.0         | 2.1         | 1.8                            | 10.6        | 0.0        | 0.0        |
| <b>Day 120</b>                | 3.8                             | 21.3        | 4.9         | 0.0        | 19.3                             | 4.7         | 0.0         | 0.0         | 14.0                           | 6.4         | 0.0        | 0.0        |
| <b>14 Day Totals</b>          | <b>42.5</b>                     | <b>57.4</b> | <b>31.7</b> | <b>5.6</b> | <b>39.6</b>                      | <b>42.5</b> | <b>13.6</b> | <b>18.8</b> | <b>19.3</b>                    | <b>21.3</b> | <b>0.0</b> | <b>5.6</b> |

**Note:** HB - House Bills  
 SB - Senate Bills  
 HR - House Resolutions  
 SR - Senate Resolutions

Prepared by the House Research Agency, January 1968, (85-113s3; 100287-12).

**ALASKA STATE LEGISLATURE**  
**SESSION LENGTH AND PERCENTAGE OF DAYS WITH FLOOR SESSIONS, 1981-2000**

| LEGISLATURE   | YEAR               | HOUSE          |                   |                        |                               | SENATE      |                   |                        |                               |
|---|--------------------|----------------|-------------------|------------------------|-------------------------------|-------------|-------------------|------------------------|-------------------------------|
|   |                    | SPEAKER        | SESSION LENGTH(1) | DAYS NOT IN SESSION(2) | PERCENTAGE OF DAYS IN SESSION | PRESIDENT   | SESSION LENGTH(1) | DAYS NOT IN SESSION(2) | PERCENTAGE OF DAYS IN SESSION |
| Twelfth   | 1981(4)<br>1982    | J. Duncan      | 165               | 45                     | 68%                           | J. Kerttula | 164               | 46                     | 73%                           |
|   |                    | J. Duncan      | 143               | 54                     |                               | J. Kerttula | 144               | 38                     |                               |
| Thirteenth  | 1983<br>1984       | J. Hayes       | 161               | 62                     | 64%                           | J. Kerttula | 162               | 45                     | 71%                           |
|   |                    | J. Hayes       | 152               | 53                     |                               | J. Kerttula | 152               | 46                     |                               |
| Fourteenth<br>(First legislature under 120-day session limit) | 1985(4)<br>1986    | B. Grussendorf | 119               | 50                     | 57%                           | D. Bennett  | 119               | 33                     | 73%                           |
|   |                    | B. Grussendorf | 120               | 52                     |                               | D. Bennett  | 120               | 33                     |                               |
| Fifteenth   | 1987(4)<br>1988    | B. Grussendorf | 122               | 54                     | 58%                           | J. Falks    | 121               | 33                     | 72%                           |
|   |                    | B. Grussendorf | 121               | 49                     |                               | J. Falks    | 121               | 36                     |                               |
| Sixteenth   | 1989<br>1990(4)    | S. Cotten      | 121               | 50                     | 61%                           | T. Kelly    | 121               | 32                     | 74%                           |
|   |                    | S. Cotten      | 122(3)            | 46                     |                               | T. Kelly    | 121               | 33                     |                               |
| Seventeenth   | 1991<br>1992(4)    | B. Grussendorf | 122(3)            | 54                     | 57%                           | R. Eliason  | 121               | 55                     | 55%                           |
|   |                    | B. Grussendorf | 122(3)            | 53                     |                               | R. Eliason  | 121               | 56                     |                               |
| Eighteenth  | 1993<br>1994(4)    | R. Barnes      | 121               | 54                     | 57%                           | R. Halford  | 121               | 44                     | 60%                           |
|   |                    | R. Barnes      | 121               | 51                     |                               | R. Halford  | 121               | 54                     |                               |
| Nineteenth  | 1995<br>1996(4)    | G. Phillips    | 121               | 46                     | 59%                           | D. Pearce   | 121               | 42                     | 60%                           |
|   |                    | G. Phillips    | 122(3)            | 54                     |                               | D. Pearce   | 122(3)            | 54                     |                               |
| Twentieth   | 1997<br>1998(4)    | G. Phillips    | 119               | 50                     | 59%                           | M. Miller   | 119               | 48                     | 65%                           |
|   |                    | G. Phillips    | 121               | 49                     |                               | M. Miller   | 121               | 37                     |                               |
| Twenty-First  | 1999(4)<br>2000(4) | B. Porter      | 121               | 52                     | 56%                           | D. Pearce   | 121               | 38                     | 69%                           |
|   |                    | B. Porter      | 115               | 53                     |                               | D. Pearce   | 115               | 35                     |                               |

Notes:

(1)Session lengths as published in "Summary of Alaska Legislation," Legislative Affairs Agency, Alaska State Legislature.

(2)Information obtained from Alaska State Legislature's printed House and Senate Journals, and Legislative Affairs Agency Followviews Database.

(3)House adjourned after midnight on the 121st day.

(4)Legislature went into special session.

HJR 4

I speak in support of HJR 4; A resolution proposing an amendment to the Constitution of the State of Alaska relating to the duration of a regular session.

Given there are no Fiscal Note attachments;

I did an informal cost analysis of what 30 days of a Legislative session costs.

20 Senators X \$171.00 per diem x 30 days = \$102,600.00

40 representatives x \$170.00 per diem x 30 days = \$205,200.00

3 aides x per (58) Senator and Representative x \$2,500.00 = \$435,000.00

5 aides x per President of the Senate & Speaker of the House x \$2,500.00 = \$25,000.00

16 pages x \$2,000.00 = \$32,000.00

\$3,000.00 ea. Moving cost average = \$180,000.00

35 support staff x \$2,500.00 = \$87,500.00

(documents, supply, print shop, security, ect.)

Senators have unlimited travel and use several trips to go home on weekends.

House of Representatives have 2 trips per year.

Senators x \$500.00 per trip = \$10,000.00

Electricity & Utilities = \$5,000.00

A 90 day session would contribute a low ball park estimate of \$1,082,300.00 savings.

The Honorable Governor Murkowski is asking the people and his administration to tighten its belt, the Legislature can be the lead belt tighteners.

The savings of a 90 day session can be used to fund healthcare for our elders and children, help fund the VPSO's, or repair potholes and snow removal on highways.

I recently sat through a presentation by Judge Tom Steward, he mentioned the Alaska Legislature in 1955 had a 60 day session.

Thank you for your consideration,

Patricia Phillips  
P.O. Box 33  
Pelican, Alaska 99832

HJR

9

# FISCAL NOTE

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

Fiscal Note Number: 2  
 Bill Version: CSHJR9(W&M)  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: OOG  
 Title Constitutional Amendment relating to BRU Elections  
an appropriation limit and a spending limit. Component Elections  
 Sponsor Rep. Stoltze, Kohring, Rokeberg  
 Requester House Ways and Means Component No. 21

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

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

| OPERATING EXPENDITURES | FY 2004    | FY 2005    | FY 2006    | FY 2007    | FY 2008    | FY 2009    |
|------------------------|------------|------------|------------|------------|------------|------------|
| Personal Services      |            |            |            |            |            |            |
| Travel                 |            |            |            |            |            |            |
| Contractual            |            | 1.5        |            |            |            |            |
| Supplies               |            |            |            |            |            |            |
| Equipment              |            |            |            |            |            |            |
| Land & Structures      |            |            |            |            |            |            |
| Grants & Claims        |            |            |            |            |            |            |
| Miscellaneous          |            |            |            |            |            |            |
| <b>TOTAL OPERATING</b> | <b>0.0</b> | <b>1.5</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

|                             |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|
| <b>CAPITAL EXPENDITURES</b> |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|

|                               |  |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|--|
| <b>CHANGE IN REVENUES ( )</b> |  |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|--|

**FUND SOURCE** (Thousands of Dollars)

|   |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts                   |            |            |            |            |            |            |
| 1003 GF Match                           |            |            |            |            |            |            |
| 1004 GF                                 |            | 1.5        |            |            |            |            |
| 1005 GF/Program Receipts                |            |            |            |            |            |            |
| 1037 GF/Mental Health                   |            |            |            |            |            |            |
| Other (Specify Type--Do not abbreviate) |            |            |            |            |            |            |
| <b>TOTAL</b>                            | <b>0.0</b> | <b>1.5</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

Estimate of any current year (FY2003) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| Full-time |  |  |  |  |  |  |
| Part-time |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |

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

This figure includes the cost of providing information about this issue in the Official Election Pamphlet, as required by AS 15.58. If this measure requires the printing of an 8-1/2 by 18 inch ballot, the cost will increase by \$22.0.

Prepared by: Lauri Allred Phone 465-5347  
 Division: Division of Elections Date/Time 5/2/03 10:29 AM  
 Approved by: Laura A. Glaiser, Director Date 5/2/2003  
 Agency: Office of the Lt. Governor, Division of Elections

# ALASKA STATE LEGISLATURE

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

*Member:*  
House Finance Committee  
Legislative Council



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

*Interim:*  
PO Box 464  
Chugiak, AK 99567

## REPRESENTATIVE BILL STOLTZE

BIRCHWOOD • BUTTE • CHUGIAK • EKLUTNA • FAIRVIEW LOOP  
KNIK RIVER ROAD • LAZY MOUNTAIN • PALMER • PETERS CREEK  
Representative\_Bill\_Stoltze@legis.state.ak.us

### Sponsor Statement

For

### House Joint Resolution 9

**“Proposing amendments to the Constitution of the State of Alaska  
relating to an appropriation limit and a spending limit.”**

---

I believe that the adoption of an effective, reasonable constitutional spending limit to be an essential first step to developing any new long-range fiscal plan for the state. This step will establish guidelines by which the legislature will execute its power of appropriation and will create a more consistent pattern for state spending.

The existing constitutional appropriation limit, adopted by voters in 1981, has not worked as anticipated and has never been effective in restraining state spending. One main reason for its failure is that the starting amount of \$2.5 billion and the escalation factor based on inflation and population growth was too liberal. Given the increases in inflation and population over the last 20 years, the spending limit imposed by Article IX, Section 16 is more than \$6 billion. That is about \$3 billion more than appropriated in Fiscal Year 2002.

The key to this proposed amendment is to start with a base appropriation limit that is equal to the appropriation level of the earliest complete fiscal year. All increases in spending would require a three-fourths vote whether the increase was presented as an increment in the statewide appropriation measures or through another piece of legislation as a fiscal note or stand-alone appropriation. The intent of this approval process is to allow the legislature to focus on significant increases apart from the ongoing needs of general government expenditures.

Specified appropriations are excluded from the appropriation limit for reasons already established in law.

If the amount appropriated exceeds the limit, the governor shall reduce expenditures by the executive branch for its operation and administration in order to bring expenditures back in line with the constitutional limit.

Sponsor Statement  
HJR 9  
February 3, 2003

And finally, an additional provision states that this appropriation guideline remain in place for six years, if passed by a vote of the people, and if it is not revised or passed again in a general election, it would be removed as a Constitutional provision. This caveat is included to either eliminate a provision that may not be working as anticipated without cost to the state or allow revisions to the provision as deemed necessary by future legislatures and Alaskan citizens.

Without a meaningful constitutional amendment in place that limits the amount of state expenditures, there is no guarantee that the state will restrain, let alone reduce, spending. HJR 9 would limit state spending and is a key component of any new long-range plan to ensure Alaska's long-term fiscal health.

# ALASKA STATE LEGISLATURE

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

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House Finance Committee  
Legislative Council



*Session:*  
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PO Box 404  
Chugiak, AK 99567

## REPRESENTATIVE BILL STOLTZE

Representative\_Bill\_Stoltze@legis.state.ak.us

### Sectional Analysis For House Joint Resolution 9

**“Proposing amendments to the Constitution of the State of Alaska relating to an appropriation limit and a spending limit.”**

- Section 1 (a)** Rewrites the existing constitutional spending limit to be based on a flat spending base. Exceptions of certain types of appropriations and reappropriations are clearly defined and would not be included in the appropriation limit.
- (b)** Permits an appropriation that would exceed the limit established in Section 1 (a) to be made by an affirmative three-fourths vote of the legislature.
- Section 2** Amends the constitution by adding a new section that this resolution would provide for a six-year time limit for the spending limit. At the end of six years, the spending limit would need to be revised, and therefore require a vote of the people, or it would simply be removed from the Constitution.
- Section 3** This section directs the Lt. Governor to place this initiative on the ballot at the next general election.

DISTRICT 16

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

# LEGAL SERVICES

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

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

State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

January 30, 2003

**SUBJECT:** Appropriation Limit (Work Order No. 23-LS0435)

**TO:** Representative Bill Stoltze  
Attn: Barbara Bitney

**FROM:** Tamara Brandt Cook  
Director *TBC*

Here is a copy of the resolution proposing a constitutional amendment to the appropriation limit that you requested. I must warn you that I cannot be sure this or a similar appropriation limit would be found to be a valid constitutional amendment that may be proposed by the legislature. It might be an invalid revision under the holding of the Alaska Supreme Court in Bess v. Ulmer, 985 P.2d 979 (Alaska 1999). It appears to me that the proposal would meet the four factors identified by the court as indicative of a valid amendment: (1) the proposal is simple to express and understand; (2) it is complete within itself; (3) it relates to only one subject; and (4) it substantially affects only a few sections of the constitution. There is an outside chance, I suppose, that the court would view the requirement for continuing votes on the spending limit contained in sec. 2 of the resolution as an additional subject, but this seems a remote risk. The real worry is that the court in Bess suggested that, aside from the four factors, if a fundamental power of one of the branches of state government is significantly altered, this could also result in the type of "sweeping change" that is not permitted to be accomplished in an amendment to the state constitution proposed by the legislature. It is possible that the court would view a substantial restriction on the legislative power of appropriation, such as here proposed, as amounting to such a significant alteration as to constitute an impermissible revision.

TBC:med  
03-082.med

Enclosure