

ALASKA LEGISLATURE COMMITTEE FILES, 2003-2004 8672

11233 SENATE LABOR & COMMERCE

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Anchorage Daily News

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Tribal Casinos face long odds, history suggests

NATIVES: State's lack of Indian reservations raises legal questions.

By TOM KIZZIA

Anchorage Daily News

(Published: April 17, 2003)

Legalizing video gambling machines would bring Alaska a step closer to allowing tribal casinos. But other large hurdles would remain because of the unique status of Alaska Natives.

Federal law limits tribal gambling to games that are legal in the state where the tribe is located. Current law in Alaska allows only bingo, pull-tabs and raffles to benefit nonprofit groups.

Video gambling would take Alaska into a new category of casino-type games. Tribes could follow suit -- at least in theory. Because tribes wouldn't be subject to state law, the games wouldn't have to be stuck in bars, as the Legislature has proposed. A tribal casino could be filled with video gambling machines.

But there is a big catch.

A tribal gambling operation has to be built on "Indian land" -- a legal term for land that is held in some way by the federal government for the benefit of Native Americans.

Because Alaska Natives don't have reservation lands set aside by treaties, it's an open question whether such land exists here. Past tribal efforts to establish "Indian land" claims have failed in court.

The only clear exception is the Metlakatla reservation near Ketchikan. Presumably the Metlakatla tribe could take steps to follow the state into the video gambling business, a state official said Wednesday.

"Once beyond Metlakatla, it is a political and legal question as to what is Indian land," Larry Persily, deputy commissioner of revenue, said. "This administration is wrestling with it, as past administrations have, and there is no definitive answer."

In 1995, the Legislature banned casino-type games because tribes were planning to push the legal question and start their own casinos. Such games had been legal in Alaska only for charitable "Monte Carlo" nights. But that would have been enough to open the way for tribal games, lawyers said at the time.

The Indian land question next came to a head in 1996 when a federal appeals court recognized some Native corporation land here as "Indian country" under tribal jurisdiction. But that decision was overturned by the U.S. Supreme Court in the so-called Venetie decision of 1998.

The Venetie case left open the possibility of several smaller categories of Indian land, such as federally restricted Native townships and Native allotments. Efforts by tribal governments in Barrow, Akiachak and Kenai to establish Indian-land claims were rejected as recently as last year by a lower federal court.

The National Indian Gaming Commission, a regulatory body, has also rejected such claims in the past.

But the courts have not rendered a final verdict in those matters, said Heather Kendall-Miller, the Native American Rights Fund lawyer in Anchorage who argued the Venetie case to the Supreme Court.

The legal efforts to establish Indian land in Alaska have been relatively low-key as long as the only potential benefit was tribally run pull-tab and bingo games. Casino-type games could inspire greater legal and political interest, Persily said.

"If someone were to say you might open a casino, that might make it high enough stakes to force a legal resolution," Persily said.

Tribal casinos would not be subject to state taxation. But a tribal government must sign a legal "compact" with the host state before opening a casino, and those compacts often include provisions for revenue sharing in lieu of taxes, Kendall-Miller said.

States are required to negotiate "in good faith" with tribes to establish compacts. But those negotiations sometimes break down and result in legal disputes.

Reporter Tom Kizzia can be reached at tkizzia@adn.com or in Homer at 235-4244.

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Alaska State Senate



Senator Robin Taylor
District A

SPONSOR STATEMENT

Senate Bill 178
Establishing A State Lottery

Senate Bill 186
Electronic Gaming Machines

Senate Bill 178 and Senate Bill 186 were both introduced for one purpose and one purpose only -- to explore a new source of revenue for the State of Alaska.

SB 178 establishes a state lottery through the creation of a lottery corporation as a public corporation of the state. The bill provides for the membership, powers and employees, including an executive director of the corporation. It is this quasi-governmental entity that would set the rules and regulations for implementation of a state lottery.

SB 186 adds electronic gaming to current statutes. The main section of the bill (Section 20) authorizes permittees to conduct electronic gaming through registered vendors. The bill establishes minimum percentages that must be paid from the net machine income of each electronic gaming machine to the state, the permittee, the vendor and the municipality. The legislation also limits the number of machines for which a permittee may have endorsements for and the number a vendor may have and requires a minimum 80% payout.

In past years, similar bills have been introduced in both bodies of the Legislature. However, this year the issue takes on a new perspective as both the Governor and Legislature research ways to increase revenues. SB 178, the lottery bill, and SB 186, allowing electronic gaming machines, provide realistic revenue options for consideration.

According to the Department of Revenue, a state lottery such as powerball with multiple games and prizes is estimated to bring in approximately 5 - 10 million dollars annually. The expansion of pull-tabs and bingo to electronic gaming has the potential of generating 50 million dollars annually after prizes are awarded but before state operating expenses.

There are many elements of the gaming industry that must be thoroughly reviewed and discussed. Expanding gaming within the state is a choice that must be examined by

individual legislators and their constituency. It is, however, an option that I believe should be included in the revenue generating discussions because it is an option of individual choice and is an optional expenditure rather than a mandated tax inflicted on all Alaskans.

SB 178 and SB 186 are the initial concepts to work from should the Senate decide to pursue the expansion of gaming on any level in Alaska. Finally, it is important to me as the sponsor to ensure Alaska's charities still reap the benefits of the proceeds.

SB

180

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CSSB 180(L&C)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Department: Labor and Workforce Development
 Title: Safety Code Task Force BRU: Labor Standards and Safety
 Component: Mechanical Inspection
 Sponsor: Senator Therriault
 Requester: Senate L&C Component Number: 346

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						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: None

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)

The bill would have a person from the department appointed to an advisory panel to the Safety Code Task Force. The department assumes all meetings will be through teleconference at no cost to the department.

Prepared by: Grey Mitchell, Director Phone: 465-4855
 Division: Labor Standards and Safety Date/Time: 4/24/03 7:17 PM
 Approved by: Greg O'Claray, Commissioner Date: 04/24/03
 Agency: Department of Labor and Workforce Development

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CSSB 180 (L&C)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
 Title Safety Code Task Force BRU Occupational Licensing (117)
 Component Occupational Licensing
 Sponsor Senator Therriault
 Requester Senate Labor & Commerce Component No. 2360

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						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	0.0					
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other 1156 - Receipt Supported Services						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

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)

CSSB 180 (L&C) establishes a Safety Code Task Force with a representative from the Division of Occupational Licensing to serve on the advisory panel to the Task Force. Although the Task Force is allowed to meet as frequently as necessary, and allows for meetings and votes by teleconference, the division representative is anticipated to participate by teleconference. Therefore, no travel funds are necessary to implement this bill.

Prepared by: Jennifer Strickler, Administrative Manager Phone 907-465-2144
 Division Occupational Licensing Date/Time 4/25/03 12:00 PM
 Approved by: Edgar Blatchford, Commissioner Date 4/25/2003
 Agency Department of Community & Economic Development

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CSSB 180(L&C)
 () Publish Date: 4/8/2003

Revision Date/Time (Note if correction): _____ Dept. Affected: Dept of Public Safety
 Title Safety Code Task Force BRU Fire Prevention
 Component Fire Prevention Operations
 Sponsor Senator Therriault
 Requester Senate Finance Component No. 494

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	0.0	0.0	0.0	0.0	0.0
Travel	2.5	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	2.5	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	2.5	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	2.5	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0
Other (Specify Type--Do not abbreviate)	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	2.5	0.0	0.0	0.0	0.0	0.0

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

ANALYSIS: (Attach a separate page if necessary)

SB 180 determines no meeting schedule, frequency or location. It is our assumption that at least 3 meetings will take place where committee members will want to meet in person. This could take place in Anchorage, Juneau or any other location in the state. This fiscal note only addresses the cost of travel and per diem. All other meetings could be teleconferenced. If additional meetings are required the fiscal note could increase and if fewer meetings are required the fiscal note could decrease.

Prepared by: Kelly Nicoello
 Division: Fire Prevention
 Approved by: Commissioner William Tandeske
 Agency: Department of Public Safety

Phone 269-5491
 Date/Time 4/25/03 12:02 PM
 Date 4/25/2003

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 180
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Legislature
 Title "An Act establishing the Safety Code BRU Legislative Council
Task Force; and providing for an effective date." Component Council and Subcommittees
 Sponsor Senator Therriault Legislative Operating Budget
 Requester Senator Therriault Component No. 783

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					
Travel	19.0					
Contractual	0.7					
Supplies	1.0					
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	20.7	0.0	0.0	0.0	0.0	0.0

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	20.7					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	20.7	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: 0.0
 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)

SB 180 establishes a nine member Safety Code Task Force in the Legislative Branch of Government. The President of the Senate, the Speaker of the House, and the Governor will each appoint one member. The remaining members of the Task Force will be appointed jointly by the President of the Senate and the Speaker of the House of Representatives. The Governor shall appoint one person from DCED, Division of Occupational Licensing, one person from Public Safety, Division of Fire Prevention, and one person from the Department of Labor and Workforce Development to act as an advisory panel to the Task Force. The Task Force shall review available published safety codes and recommend one family of codes to be adopted for the State. The Task Force shall submit a written report of its findings and recommendations to the Legislature on or before the first day of the Second Regular Session of the

Prepared by: Karla Schofield, Deputy Director Phone 465-3852
 Division Administrative Services Date/Time 4/24/03 9:54 AM
 Approved by: Pamela Varni, Executive Director Date 4/24/2003
 Agency Legislative Affairs Agency

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

BILL NO. SB 180

ANALYSIS CONTINUATION

Twenty-Third Alaska State Legislature.

Personal Services staff costs for assisting the Safety Code Task Force will be absorbed within existing Legislative Budgets.

Travel

If the Task Force meets in FY03 the meeting will most likely be by teleconference. Any costs for a meeting in FY03 will be absorbed within existing budgets.

It is anticipated the Safety Code Task Force will hold three meetings in FY04, one meeting in Anchorage and two meetings in Fairbanks. Three days are budgeted for each meeting. This fiscal note contains funding for the travel costs of the Task Force members and one Legislative staff. It does not include any travel funds for the advisory panel made up of state employees, as the costs of their travel, if any, will be absorbed within existing Executive Branch budgets.

For the purposes of this fiscal note, Task Force members are assumed to be one from Ketchikan, one from Juneau, three from Fairbanks, and four from Anchorage.

Cost of Anchorage Meeting - \$ 7,000; Cost of 2 Fairbanks Meetings - \$ 12,000; Total Travel \$ 19,000

Contractural

It is anticipated the Task Force will require a contractual budget for long distance phone costs for members of the Task Force, and a postage budget for conducting the business of the Task Force and for mailing the report to interested parties. The Task Force will use the State of Alaska On Line Public Notice System to provide notice of meetings and will not require an advertising budget for this purpose. Costs for teleconferencing meetings and printing the Task Force report will be absorbed in the Legislative Affairs Agency budget. \$ 700

Supplies

The Task Force will require a supply budget to purchase copies of available published codes for review and to purchase other items necessary for conducting the business of the Task Force. \$1,000

Equipment

No equipment will need to be purchased for the Task Force.

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 4/8/03

FURTHER: Finance

Date of 5-Day Notice: _____
in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: _____

Labor and Commerce Committee considered SENATE BILL NO. 180

SB 180 SAFETY CODE TASK FORCE

"An Act establishing the Safety Code Task Force; and providing for an effective date."

and recommends:

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

Senate Bill:

- same title
- new title

House Bill:

- same title
- technical title
- new: SCR # _____

NEW FISCAL NOTE(S):

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	No REC	AMEND
<i>Betty Davis</i>			✓	
<i>[Signature]</i>			X	
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
CHAIR: <i>[Signature]</i>	✓			

23-LS0928VD
Bannister
4/16/03

CS FOR SENATE BILL NO. 180(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

**Offered:
Referred:**

Sponsor(s): SENATOR THERRIAULT

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing the Safety Code Task Force; and providing for an effective date."**

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

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

5 **SAFETY CODE TASK FORCE.** (a) There is established in the legislative branch of
6 state government the Safety Code Task Force. The task force shall consist of nine voting
7 members, as follows:

- 8 (1) one member appointed by the president of the senate;
- 9 (2) one member appointed by the speaker of the house of representatives;
- 10 (3) one member appointed by the governor;
- 11 (4) the following members appointed jointly by the president of the senate and
12 the speaker of the house of representatives:

- 13 (A) one member representing the construction design community;
- 14 (B) one member representing the construction engineering community;
- 15 (C) one member representing construction general contractors;

- 1 (D) one member representing the mechanical construction industry;
2 (E) one member representing the electrical construction industry; and
3 (F) one member representing the plumbing construction industry.

4 (b) The task force shall

5 (1) discuss the features of the available published safety codes and
6 recommend one family of codes to be adopted for the state; and

7 (2) discuss and make recommendations on having one state agency
8 responsible for the adoption and administration of all safety codes.

9 (c) The governor shall appoint a person from the Division of Occupational Licensing
10 in the Department of Community and Economic Development, a person from the Division of
11 Fire Prevention in the Department of Public Safety, and a person from the Department of
12 Labor and Workforce Development to act as an advisory panel to the task force. The advisory
13 panel may only participate in the operations of the task force by providing advice to the
14 members of the task force on how the issues addressed by the task force currently affect the
15 advisory panel members' respective agencies and how any proposals would affect those
16 agencies in the future.

17 (d) The members of the task force appointed under (a)(1) and (2) shall serve as co-
18 chairs of the task force.

19 (e) The task force shall meet as frequently as its members determine necessary to
20 perform the task force's work and may meet during the interim between sessions. The task
21 force may meet and vote by teleconference.

22 (f) The members of the task force appointed under (a) of this section are not eligible
23 for compensation but are entitled to per diem and travel expenses authorized for boards and
24 commissions under AS 39.20.180.

25 (g) The task force shall submit a written report of its findings and recommendations to
26 the legislature on or before the first day of the Second Regular Session of the Twenty-Third
27 Alaska State Legislature.

28 * **Sec. 2.** This Act is repealed on the first legislative day of the Second Regular Session of
29 the Twenty-Third Alaska State Legislature.

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

Subject: Urgent for todays meeting SB 180

Date: Tue, 15 Apr 2003 13:11:36 -0800

From: "Greg Moore" <Greg.Moore@nana-colt.com>

To: <Senator_Con_Bunde@legis.state.ak.us>

Senator Bunde,

NANA/Colt Engineering of Anchorage wishes to communicate our request for a Committee Substitute to SB 180. After reading over the present form of the bill and discussing with numerous other persons involved in the engineering and safety communities we view Senate Bill 180 as having a biased side to the proposed task force make-up.

The proposed Task Force does not include a member of the Fire Protection Industry or a member of the Civil/Architectural Construction Community in Alaska and shows the signs of being swayed towards a favorable vote to the Department of Labor's position. The selection by the Senate President and one member representing the Construction General Contractors, one member representing the Mechanical Contractors, one member representing the Electrical Contractors and the one member representing the Plumbing Contractors are all regulated by the Department of Labor.

The Department of Public Safety only regulates Fire Protection Companies and their personnel. This is why the Fire Marshal's Office has been the perfect entity to watch-over the Public's Safety when it comes to Code Enforcement of the Alaska adopted Model Building Codes.

As part of a Committee Substitute NANA/Colt Engineering would also request that the member appointed by the Governor is the Chair. We are aware that the Governor's Office has meet with both commissioners and is taking an impartial position but does wish this item to be settled.

Greg Moore

NANA/Colt Engineering, LLC

700 G Street, ATO-500

Anchorage, Alaska 99501

Work - 907-273-4449

Fax - 907-273-3990

gent for todays meeting SB 180

Cell - 907-230-2438

Subject: Urgent for todays meeting SB 180

Date: Tue, 15 Apr 2003 13:11:36 -0800

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To: <Senator_Con_Bunde@legis.state.ak.us>

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Greg Moore

NANA/Colt Engineering, LLC

700 G Street, ATO-500

Anchorage, Alaska 99501

Work - 907-273-4449

Fax - 907-273-3990

Urgent for todays meeting SB 180

Cell - 907-230-2438



Alaska Professional Design Council • PO Box 100515 • Anchorage AK 99501-0515

12 April 2003

MEMBER SOCIETIES

Alaska Society of Professional Engineers

Alaska Society of Professional Land Surveyors

American Congress on Surveying & Mapping Alaska Section

American Institute of Architects Alaska Chapter

American Consulting Engineers Council of Alaska

American Society of Civil Engineers Alaska Section

American Society of Landscape Architects Alaska Chapter

Architecture/Engineering Marketing Association of Alaska

Professional Engineers in Private Practice Alaska Chapter

American Society of Interior Designers

Senator Gene Therriault
State Capitol, Room 107
Juneau Alaska 99801

Dear Senator Therriault:

The Alaska Professional Design Council would like to thank you for introducing Senate Bill 180 establishing a task force to review the issue of safety code adoption in Alaska. Building safety is of paramount importance to all Alaskans and of particular interest to APDC. We provide these comments in an effort to ensure a balanced and efficient task force that will be able to review and provide the Legislature with positive, succinct recommendations in a very short time frame.


Our recommendations encompass two sections of the proposed legislation; taskforce membership [Section 1 (a)], and scope of work [Section 1 (b)].

First, regarding taskforce membership – there are several organizations that have statewide membership and members with a working knowledge of the safety codes from a design, ownership and enforcement perspective. Those organizations include the APDC, American Institute of Architects (AIA), American Society of Heating, Refrigeration and Air-conditioning Engineers (ASHRAE), American Society of Civil Engineers (ASCE), Alaska State Homebuilders Association, Building Owners and Managers Association (BOMA), and municipal building officials. Each of these constituencies bring a unique perspective to the discussion, and should be included in the taskforce as voting members. At a minimum, voting members should include one mechanical engineer, one structural engineer, one architectural or building professional, one representative from the building owners group, and one building official. APDC would also like to note that the electrical code is the same for both competing sets of code and therefore suggest that the Electrical Contractor position on the taskforce is not required.

Regarding the taskforce scope – APDC appreciates the desire to keep the scope of the task force limited to just selection of a set of safety codes, but respectfully suggests that the role of the taskforce should be focused on identifying a fair and equitable process by which codes should be adopted in Alaska. Our concern is that if one code is selected through a political process this time around, the likelihood of a political showdown occurring every three years is very high. APDC also suggests that the taskforce provide recommendations on consolidation of code oversight. There are currently several State Departments and Divisions responsible for adoption and implementation of various components of the safety codes. Putting one Department in charge of the code selection process that involves the other State Agencies as well as the impacted constituencies, will result in selection of a set of Safety Codes that provide the maximum safety benefit to all Alaskans.

APDC appreciates your interest in building safety and we look forward to working with you on this issue.

Sincerely,


Sam Kito III, PE
Chair, Legislative Liaison Committee
(907) 723-4686
skito@pci.net

cc: Senator Con Bunde, Chair Senate Labor & Commerce Committee
Lt Gov. Loren Leman

www.apdc-ak.org

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April 11, 2003

Senator Con Bunde
Chair, Senate Labor and Commerce
By FAX (907) 465-3871

Re: SB 180

Dear Senator Bunde:

It is critical that any task force set up to address the code issues facing Alaska be technically versed and familiar with the various issues. The specifics that face each engineering and construction discipline are as specific as the individual codes themselves. To assure this requires representation by the major disciplines dealing with their own code issues – not just architectural but structural, mechanical and so forth. Covering this adequately will take at least four different individuals, each from their own discipline. This is as true for design as it is for construction.

In addition, this task force should look at the inefficiencies caused by having different aspects of permitting scattered about state government. Building codes (life safety) are in Public Safety. Storm water and drainage are in DEC. Mechanical and Electrical codes are in Labor. Each takes a different view and approach to the process. The Department of Labor for instance refuses to review plans or offer code interpretations. They say in essence – “build it, and if we don’t like what you build we’ll cite you”. This is not conducive to orderly, planned development. In many ways it is a serious barrier.

In closing, thank you for considering such a task force. If done right, composed of technically informed and fair-minded people this could be a real help in resolving these issues.

Sincerely,

Jonathan P. Kumin
President, Kumin Associates, Inc.

Cc: Senator Gene Therriault, sponsor
FAX 465-3884

Alaska State Legislature

SENATOR
GENE THERRIAULT

Mailing Address:
119 N. Cushman, Suite 101
Fairbanks, Alaska 99701
(907) 488-0857
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While in session
State Capitol
Juneau, Alaska
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Senate

Senate Bill 180: "An Act establishing the Safety Code Task Force; and providing for an effective date."

Sponsor: Senator Gene Therriault 

There are five primary safety codes dealing with construction in Alaska which are under the jurisdiction of two different Departments. The Fire, Building, and Mechanical Codes are under the jurisdiction of the Fire Marshall at the Department of Public Safety. The Plumbing and Electrical Codes are governed by the Department of Labor. Each department is responsible for adopting a family of codes to bring uniformity and consistency to the construction industry. However, the current delegation of authority to the respective departments has caused a set of conflicts and discrepancies.

The mission of the Safety Code Task Force is to suggest options for consolidation of our code administration function. The Task Force will be charged with presenting recommendations to the legislature by the first day of the Second Regular Session of the Twenty-Third Alaska State Legislature.

The Safety Code Task force will consist of 9 members representing parties affected by the adoption of Safety Codes in the state. The make up of the task force is as follows:

- Appointee of the Senate President, Co-Chair
- Appointee of the Speaker of the House, Co-Chair
- Appointee of the Governor

The following members are to be appointed jointly by the Senate President and the Speaker of the House:

- Representative of the construction design community
- Representative of the construction engineering community
- Representative for general contractors
- Representative for mechanical contractors
- Representative for electrical contractors
- Representative for plumbing contractors

In addition an advisory panel will be appointed by the Governor representing the Division of Occupational Licensing, the Division of Fire Prevention, and the Department of Labor and Workforce Development. The purpose of this group is to advise the Task Force on the effect of any changes in code adoption to their respective agencies.

AMENDMENT

OFFERED IN THE SENATE

TO: SB 180

- 1 Page 2, line 1:
- 2 Delete "construction mechanical contractors"
- 3 Insert "the mechanical construction industry"
- 4
- 5 Page 2, line 2:
- 6 Delete "construction electrical contractors"
- 7 Insert "the electrical construction industry"
- 8
- 9 Page 2, line 3:
- 10 Delete "construction plumbing contractors"
- 11 Insert "the plumbing construction industry"

A M E N D M E N T

OFFERED IN THE SENATE

TO: SB 180

1 Page 2, line 4, following "shall":

2 Insert "(1)"

3

4 Page 2, line 5, following "state":

5 Insert "; and

6 (2) discuss and make recommendations on having one state agency

7 responsible for the adoption and administration of all safety codes"

SB

186

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

April 25, 2003

SUBJECT: Sectional Summary - SB 186 (23-LS0953\D)
TO: Senator Robin Taylor
FROM: Gerald P. Luckhaupt 
Legislative Counsel

You have requested a sectional summary of the above-described bill. As a preliminary matter, please note that a sectional summary of a bill should not be considered an authoritative interpretation of a bill - the bill itself is the best statement of its contents.

Section 1. Provides that electronic gaming is not subject to the one percent fee on net proceeds from charitable gaming.

Sections 2- 4, 6, 8 - 13, 16 - 19, and 21 - 22. Make conforming amendments for the addition of electronic gaming and electronic gaming vendors in new AS 05.15.300 added in sec. 20.

Section 5. Allows permittees (municipalities and qualified organizations) to be issued permits to utilize electronic gaming machines.

Section 7. Prohibits permittees from using operators to conduct electronic gaming.

Section 14. Authorizes electronic gaming as charitable gaming activity in Alaska.

Section 15. Exempts electronic gaming from the maximum prize limitations of this subsection.

Section 20. This is the statutory "meat" of the bill. This bill section authorizes permittees to conduct electronic gaming through vendors who are registered by the permittee with the department and issued an endorsement by the department. This bill section: (1) establishes minimum percentages that must be paid from the net machine income of each electronic gaming machine to the state, the permittee, the vendor, and the municipality the gaming is conducted in; (2) limits the number of machines that a permittee may have endorsements for and the number of machines a vendor may have; (3) establishes requirements for electronic gaming machines including a minimum payoff percentage of 80 percent; and (4) licenses electronic gaming machine manufacturers and distributors.

Senator Robin Taylor
April 25, 2003
Page 2

Section 23. Amends the criminal penalty provision of AS 05.15.680 by providing definitions for culpable mental states and by making conforming amendments for the addition of electronic gaming.

Section 24. Adds new crimes to AS 05.15.680.

Section 25. Provides definitions including a definition for electronic gaming vendor.

Section 26. Exempts authorized electronic gaming machines from the definition of gambling device for the purpose of our illegal gambling statutes in AS 11.

Sections 27 - 29. Provides an exemption from municipal sales and use taxes on electronic gaming and electronic gaming machines.

Section 30. Provides a repealer.

Section 31. Allows the department to begin adopting regulations to implement the bill before the effective date of the substantive provisions of the bill.

Sections 32 and 33. Provides effective dates.

GPL:mdr
03-090.mdr

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 178
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title: State Lottery BRU: Revenue Operations
 Component: Tax Division
 Sponsor: Senator Taylor
 Requester: Senate Labor and Commerce Component No.: 2476

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						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	**	**	**	**	**	**

CAPITAL EXPENDITURES	**	**	**	**	**	**
-----------------------------	-----------	-----------	-----------	-----------	-----------	-----------

CHANGE IN REVENUES ()	**	**	**	**	**	**
-------------------------------	-----------	-----------	-----------	-----------	-----------	-----------

FUND SOURCE (Thousands of Dollars)

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

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:

This bill establishes a public corporation for administering a State Lottery.

**The Department of Revenue is not able to estimate the revenue or expenses associated with passage of this bill. The expenses and revenue will be completely contingent on the types of games chosen and how these games are administered. Because this Act does not specify either of these variables, no credible estimate is possible.

Per-capita sales vary from \$45 in Nebraska to \$1,151 in Rhode Island. In South Dakota per-capita sales are \$36 without video lottery terminals and \$843 with video lottery terminals. Some states, such as Oregon, have eight different games, while others, such as New Mexico, have just four state lottery games.

Expenses vary by type of game, by location and by ownership status. For example, Oregon owns and maintains all of its video lottery terminals and thus has large expenses relative to South Dakota, where the terminals are owned privately.

Prepared by: Larry Persily Phone 465-5469
 Division: Tax Division and Commissioner's Office Date/Time April 27, 2003, 1 p.m.
 Approved by: Larry Persily, Deputy Commissioner Date 4/27/2003
 Agency: Larry Persily, Deputy Commissioner

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB186
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title Charitable Gaming / Electronic Gaming BRU Revenue Operations
 Component Tax Division
 Sponsor Senator Taylor
 Requester Senate Labor & Commerce Component No. 2476

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	828.5	1,151.4	1,151.4	1,151.4	1,151.4	1,151.4
Travel	116.0	116.0	116.0	116.0	116.0	116.0
Contractual	3,098.0	948.0	948.0	948.0	948.0	948.0
Supplies	18.0	18.0	18.0	18.0	18.0	18.0
Equipment	153.0					
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	4,213.5	2,233.4	2,233.4	2,233.4	2,233.4	2,233.4

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

CHANGE IN REVENUES ()		10,700.0	15,700.0	20,700.0	23,700.0	25,700.0
-------------------------------	--	----------	----------	----------	----------	----------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	4,213.5	2,233.4	2,233.4	2,233.4	2,233.4	2,233.4
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	4,213.5	2,233.4	2,233.4	2,233.4	2,233.4	2,233.4

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	19	19	19	19	19	19
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation would allow charitable organizations to contract with vendors, after state approval of the agreement, for the operation of video gaming terminals in bars or package liquor stores. Also, private clubs with a gaming permit could place terminals in their own club. Net revenue would be shared between the organizations (30%), vendors (30%), the state (15%) and municipalities (25%). Boroughs and cities would be restricted from collecting sales tax on this gaming activity. Vendors would be responsible for all costs of the terminals and their operation. State approval would be required of the terminals, which would be required to pay out a minimum of 80% in prizes with a maximum prize of \$1,000 for a game. There would be an annual fee of \$100 per machine and a \$100 fee for each gaming location. The projected expenses and revenues in this fiscal note reflect our best estimate for net machine income and fees.

Prepared by: Larry Persily and Brett Fried
 Division: Tax Division and Commissioner's Office
 Approved by: Larry Persily, Deputy Commissioner
 Agency: Department of Revenue

Phone 465-5469
 Date/Time 4/30/2003 1 p.m.
 Date 4/30/2003

Revenue

Alaska's unique mix of games, geography and lack of experience with electronic gaming make revenue estimation particularly difficult. The only credible sources available are current Alaska charitable gaming statistics and electronic gaming statistics from other states. The following information should help explain why we used the South Dakota video lottery as our reference case and how we arrived at our revenue estimates.

Our estimate (using the reference case) is that, within five years of the establishment of electronic gaming in the state, the gross receipts (credits played, not actual cash played) from electronic gaming machines could be as high as \$1.8 billion. In comparison, current gross receipts from pull-tabs are \$274 million, and \$67 million from bingo.

Reference Case

We chose South Dakota as the reference case because South Dakota has the following similarities to Alaska:

1. With a total population in 2002 of 761,063, South Dakota is closest in population to Alaska (643,786) of all the states that have electronic gaming machines. Oregon has a population of 3.5 million, and Montana has 909,453.
2. Electronic gaming machines are restricted in South Dakota to places with liquor licenses and the maximum allowable number is 10. In contrast Oregon allows only five machines per establishment and Montana allows 20.
3. The machines in South Dakota are privately owned and managed by a state-owned central computing system, just as would be set up for Alaska in this legislation. Montana's are privately owned, but they do not have a central computing system, and Oregon's are owned by the state.

We also looked at statistics for Montana and Oregon and net machine income estimates using these two states as our base. We used the population of potential gamers, not the total population, to compare between states. In 2000, Alaska had 410,474, South Dakota had 515,188, and Oregon had 2,429,348 individuals 21 years of age or older. However, in Montana the minimum age is 18 so we used the number of individuals 18 years of age or older (672,133). Using the South Dakota reference case, within five years, the state would receive approximately \$25 million before expenses. If Oregon were used as the reference case, then Alaska would receive \$12 million (for Montana it would be \$27 million).

Charitable Gaming / Electronic Gaming

SB186

April 30, 2003

Page 3 of 4

Visitors

Alaska has a thriving visitor industry and some tourist dollars would certainly be spent on electronic gaming in the state. It is, however, extremely important to realize that all of the other states being used as comparison states also have tourism industries. The number of annual visitors to Alaska in 2001 was approximately 1.5 million. In comparison, in 2001, 2.6 million individuals visited Mount Rushmore in South Dakota. About 3.6 million visited Montana and nearly 30 million visited Oregon. In other words, using other states to estimate revenue already includes a strong tourist component. Additionally, in general, cruise ships, which account for much of Alaska tourism, come equipped with full casinos that can be operated whenever cruise ships are three miles away from the dock.

Substitution for Pull-Tabs

We could not find an example of another state that had a large pull-tab component before the introduction of electronic gaming. However, the province of Saskatchewan, Canada, had a large pull tab component before the introduction of electronic gaming. In FY 1993, gross receipts from pull-tabs were \$124 million. With the introduction of electronic gaming in FY 1994, this dropped to \$108, and then, within five years, dropped to \$46 million, for a total decline of 63 percent.

Timing

Because electronic gaming machines are expensive, the initial setup is complicated and contracts must be negotiated between the permittee and vendor, we expect it will take a full year after passage of this legislation before we could start the gaming. However, once the machines have begun to be played, we expect the market to develop in a similar way to the way the market developed in South Dakota. That is, in the first year revenue would be about 40%, second year 60%, third year 80% and fourth year 90% of what it would be in a mature electronic gaming environment.

Fees

Permittees must pay the state an annual fee of \$100 per machine and \$100 per location. This has the potential of (using the reference case) raising more than \$700,000 a year. Additionally, manufacturers and distributors must pay a fee of \$5,000 to conduct business in the state.

Other Revenue Estimation Methods

We used a *revenue per capita* model but another method would be to use a *devices per capita* model. If we used a devices per capita model, we would still estimate net machine income in a mature market at \$165 million, with approximately \$25 million going to the state before expenses. This assumes that the number of machines per establishment would average 5.8 machines. This is the same as South Dakota, which currently averages 5.8. The Alaska number is estimated using the ratio of Alaska gamers to the number of South Dakota gamers multiplied by the total number of electronic gaming machines in South Dakota divided by the number of establishments in Alaska.

Municipal Exclusion Provision

Probably the largest unknown is a result of the provision that municipalities can vote to exclude electronic gaming from their communities. If a large community such as Anchorage chose to exclude electronic gaming, then our revenue estimates would be far too high. Because it is not possible to predict which communities will take advantage of this provision, there is no adjustment in the revenue estimates for communities that may decide not to participate.

Operating Expenses

Estimating expenses is difficult because of Alaska's geography, high-cost environment and unique features of this bill. It is made more difficult by the fact that other states such as South Dakota include video gaming as part of a lottery organization. However, there are some costs that Alaska will have to pay. The following estimates are mostly modeled on South Dakota:

- (1) Dial-Up Central Computer System: In South Dakota, they switched to a leased system in 1999. The system cost South Dakota around \$2.8 million upfront and around \$650,000 per year. According to International Gaming Technology Inc., purchasing the machine would cost around \$5.5 million, with maintenance at about \$250,000 a year.
- (2) Electronic Gaming Machines: The machines are paid for by the permittee. However, it is unclear who would pay for the upkeep and maintenance of these machines.
- (3) Telecommunications costs: This could be very expensive in Alaska and it is also unclear from the bill who would pay these costs.
- (4) Investigators: In Montana they have 13 investigators and in Oregon they utilize between 30 and 40 officers to conduct criminal investigations and background checks. We estimate that we would need one supervisor and four other investigators to conduct background and financial investigations, on site inspections and testing the machines to see if they meet the approval of the state.
- (5) Accountants: We estimate that we would need a senior accountant, three accounting technicians and an administrative assistant.
- (6) Communications: We estimate that we would need a director of public relations and a communication specialist to help promote and manage publicity for the games.
- (7) Programming and computer operations: We estimate that we would need three computer operators and an analyst programmer supervisor.
- (8) Licensing Manager and Validation Clerk: The remaining two positions would be a licensing manager and a validation clerk.
- (9) We also expect that formal appeals of department actions will require the addition of one hearing officer to the Commissioner's Office.

In Montana license and other fees collected from manufacturers and vendors fully pays for their program, which costs \$3 million a year to administer. If we assume that Alaska does not have to pay telecommunication costs, or any of the costs of maintaining the electronic gaming machines then a very rough estimate would be approximately \$4.25 million in the first year and about \$2.5 million a year after the initial up-front leasing fee.

Alaska State Senate



Senator Robin Taylor
District A

SPONSOR STATEMENT

Senate Bill 178
Establishing A State Lottery

Senate Bill 186
Electronic Gaming Machines

Senate Bill 178 and Senate Bill 186 were both introduced for one purpose and one purpose only -- to explore a new source of revenue for the State of Alaska.

SB 178 establishes a state lottery through the creation of a lottery corporation as a public corporation of the state. The bill provides for the membership, powers and employees, including an executive director of the corporation. It is this quasi-governmental entity that would set the rules and regulations for implementation of a state lottery.

SB 186 adds electronic gaming to current statutes. The main section of the bill (Section 20) authorizes permittees to conduct electronic gaming through registered vendors. The bill establishes minimum percentages that must be paid from the net machine income of each electronic gaming machine to the state, the permittee, the vendor and the municipality. The legislation also limits the number of machines for which a permittee may have endorsements for and the number a vendor may have and requires a minimum 80% payout.

In past years, similar bills have been introduced in both bodies of the Legislature. However, this year the issue takes on a new perspective as both the Governor and Legislature research ways to increase revenues. SB 178, the lottery bill, and SB 186, allowing electronic gaming machines, provide realistic revenue options for consideration.

According to the Department of Revenue, a state lottery such as powerball with multiple games and prizes is estimated to bring in approximately 5 - 10 million dollars annually. The expansion of pull-tabs and bingo to electronic gaming has the potential of generating 50 million dollars annually after prizes are awarded but before state operating expenses.

There are many elements of the gaming industry that must be thoroughly reviewed and discussed. Expanding gaming within the state is a choice that must be examined by

individual legislators and their constituency. It is, however, an option that I believe should be included in the revenue generating discussions because it is an option of individual choice and is an optional expenditure rather than a mandated tax inflicted on all Alaskans.

SB 178 and SB 186 are the initial concepts to work from should the Senate decide to pursue the expansion of gaming on any level in Alaska. Finally, it is important to me as the sponsor to ensure Alaska's charities still reap the benefits of the proceeds.

Alaska King Crab

adn.com

Anchorage Daily News

Print Page

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TRIBAL CASINOS face long odds, history suggests

NATIVES: State's lack of Indian reservations raises legal questions.

By TOM KIZZIA

Anchorage Daily News

(Published: April 17, 2003)

Legalizing video gambling machines would bring Alaska a step closer to allowing tribal casinos. But other large hurdles would remain because of the unique status of Alaska Natives.

Federal law limits tribal gambling to games that are legal in the state where the tribe is located. Current law in Alaska allows only bingo, pull-tabs and raffles to benefit nonprofit groups.

Video gambling would take Alaska into a new category of casino-type games. Tribes could follow suit -- at least in theory. Because tribes wouldn't be subject to state law, the games wouldn't have to be stuck in bars, as the Legislature has proposed. A tribal casino could be filled with video gambling machines.

But there is a big catch.

A tribal gambling operation has to be built on "Indian land" -- a legal term for land that is held in some way by the federal government for the benefit of Native Americans.

Because Alaska Natives don't have reservation lands set aside by treaties, it's an open question whether such land exists here. Past tribal efforts to establish "Indian land" claims have failed in court.

The only clear exception is the Metlakatla reservation near Ketchikan. Presumably the Metlakatla tribe could take steps to follow the state into the video gambling business, a state official said Wednesday.

"Once beyond Metlakatla, it is a political and legal question as to what is Indian land," Larry Persily, deputy commissioner of revenue, said. "This administration is wrestling with it, as past administrations have, and there is no definitive answer."

In 1995, the Legislature banned casino-type games because tribes were planning to push the legal question and start their own casinos. Such games had been legal in Alaska only for charitable "Monte Carlo" nights. But that would have been enough to open the way for tribal games, lawyers said at the time.

The Indian land question next came to a head in 1996 when a federal appeals court recognized some Native corporation land here as "Indian country" under tribal jurisdiction. But that decision was overturned by the U.S. Supreme Court in the so-called Venetie decision of 1998.

The Venetie case left open the possibility of several smaller categories of Indian land, such as federally restricted Native townships and Native allotments. Efforts by tribal governments in Barrow, Akiachak and Kenai to establish Indian-land claims were rejected as recently as last year by a lower federal court.

The National Indian Gaming Commission, a regulatory body, has also rejected such claims in the past.

But the courts have not rendered a final verdict in those matters, said Heather Kendall-Miller, the Native American Rights Fund lawyer in Anchorage who argued the Venetie case to the Supreme Court.

The legal efforts to establish Indian land in Alaska have been relatively low-key as long as the only potential benefit was tribally run pull-tab and bingo games. Casino-type games could inspire greater legal and political interest, Persily said.

"If someone were to say you might open a casino, that might make it high enough stakes to force a legal resolution," Persily said.

Tribal casinos would not be subject to state taxation. But a tribal government must sign a legal "compact" with the host state before opening a casino, and those compacts often include provisions for revenue sharing in lieu of taxes, Kendall-Miller said.

States are required to negotiate "in good faith" with tribes to establish compacts. But those negotiations sometimes break down and result in legal disputes.

Reporter Tom Kizzia can be reached at tkizzia@adn.com or in Homer at 235-4244.

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Support

[Fwd: Gambling]

Subject: [Fwd: Gambling]

Date: Tue, 15 Apr 2003 15:59:35 -0800

From: Con Bunde <Senator_Con_Bunde@Legis.state.ak.us>

Organization: Alaska State Legislature

To: Jane Alberts <Jane_Alberts@legis.state.ak.us>

----- Original Message -----

Subject: Gambling

Date: Tue, 15 Apr 2003 23:25:40 +0000

From: dtinjum@att.net

To: Representative_Beverly_Masek@legis.state.ak.us (Beverly Masek),
Representative_Bob_Lynn@legis.state.ak.us (Bob Lynn),
Senator_Georgianna_Lincoln@legis.state.ak.us (Georgianna Lincoln),
Representative_Pete_Kott@legis.state.ak.us (Pete Kott),
Representative_Beth_Kerttula@legis.state.ak.us (Beth Kerttula),
Representative_Mary_Kapsner@legis.state.ak.us (Mary Kapsner),
Representative_Reggie_Joule@legis.state.ak.us (Reggie Joule),
Representative_Jim_Holm@legis.state.ak.us (Jim Holm),
Senator_Lyman_Hoffman@legis.state.ak.us (Lyman Hoffman),
Representative_Cheryll_Heinze@legis.state.ak.us (Cheryll Heinze),
Representative_David_Guttenberg@legis.state.ak.us (David Guttenberg),
Senator_Gretchen_Guess@legis.state.ak.us (Gretchen Guess),
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Representative_Les_Gara@legis.state.ak.us (Les Gara),
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Senator_Johnny_Ellis@legis.state.ak.us (Johnny Ellis),
Senator_Bettye_Davis@legis.state.ak.us (Bettye Davis),
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Representative_Mike_Chenault@legis.state.ak.us (Mike Chenault),
Senator_Con_Bunde@legis.state.ak.us (Con Bunde),
Representative_Ethan_Berkowitz@legis.state.ak.us (Ethan Berkowitz),
Representative_Tom_Anderson@legis.state.ak.us (Tom Anderson)

I am so happy to see you discussing gambling and want to encourage you all to legalize casinos, as well. Certainly it will enhance our revenues and won't only tap Alaskans for money, but will also give our visitors another way to contribute to our revenue source.

This will provide hundreds of jobs, will enhance the living conditions to many of our population, as well as diversify our economy.

Please give this your very serious consideration in this session. I feel it is time to really grab this deficit by the throat and get on top of revenues for our coffers.

Thank you and keep up the good work... We enjoy gavel-to-gavel alot.
Ray

Subject: Gambling and Voting

Date: Tue, 22 Apr 2003 01:48:23 +0000

From: dtinjum@att.net

To: Representative_Reggie_Joule@legis.state.ak.us (Reggie Joule),
Representative_Jim_Holm@legis.state.ak.us (Jim Holm),
Senator_Lyman_Hoffman@legis.state.ak.us (Lyman Hoffman),
Representative_Cheryll_Heinze@legis.state.ak.us (Cheryll Heinze),
Representative_Mike_Hawker@legis.state.ak.us (Mike Hawker),
Representative_David_Guttenberg@legis.state.ak.us (David Guttenberg),
Senator_Gretchen_Guess@legis.state.ak.us (Gretchen Guess),
Representative_Max_Gruenberg@legis.state.ak.us (Max Gruenberg),
senator_lyda_green@legis.state.ak.us (Lyda Green),
Representative_Carl_Gatto@legis.state.ak.us (Carl Gatto),
Representative_Les_Gara@legis.state.ak.us (Les Gara),
Senator_Hollis_French@legis.state.ak.us (Hollis French),
Representative_Richard_Foster@legis.state.ak.us (Richard Foster),
Representative_Hugh_Fate@legis.state.ak.us (Hugh Fate),
Senator_Kim_Elton@legis.state.ak.us (Kim Elton),
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Senator_Fred_Dyson@legis.state.ak.us (Fred Dyson),
Senator_Bettye_Davis@legis.state.ak.us (Bettye Davis),
Representative_Nancy_Dahlstrom@legis.state.ak.us (Nancy Dahlstrom),
Representative_Eric_Croft@legis.state.ak.us (Eric Croft),
Representative_John_Coghill@legis.state.ak.us (John Coghill),
Representative_Sharon_Cissna@legis.state.ak.us (Sharon Cissna),
Representative_Mike_Chenault@legis.state.ak.us (Mike Chenault),
Senator_Con_Bunde@legis.state.ak.us (Con Bunde),
Representative_Tom_Anderson@legis.state.ak.us (Tom Anderson)

Elected Officials: It is time to get serious about getting the budget in order. I have a strong desire to see gambling in this state, and encourage all of you to vote for a package that includes lotteries and video poker, along with casinos for our native population. Jobs, living conditions, and diversifying the economy come to mind as good reasons to enact this package.

I do not believe for a minute that this will endanger our lifestyle, or ruin our system socially. It cannot be as damaging as it will be if you don't get this budget in order, or if you balance the budget on the backs of the elderly, the children, or the disadvantaged.

So please vote in favor of this package. It is time..... Thank you, Ray Tinjum

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Jen

April 18, 2003

Senator Carl Bundy

Dear Senator Bundy,

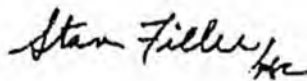
In 2002, Sitka CHARR had an ideal gross of \$1,085,922.00. At a tax rate of 5%, we would have paid \$54,296.10 in State tax. We paid \$7,124.82 State tax in 2002, 3% of the adjusted gross, a difference of \$47,171.28. For permittees, like Sitka CHARR, there is only one place from which the additional tax can come and that is to reduce the donations to charities.

Being a qualifying organization with a permit for charitable gaming using vendors to sell pull tabs, we receive 70% of the ideal net when we hand the game to the vendor. We pay for the pull tab cards and the tax out of our 70%. In 2002, Sitka CHARR gave away \$124,865.70. (A list of donations is attached.) Permittees who do charitable gaming through self-directed activities or vendors, give away a much higher percentage of their money than operators. Because of State cut backs in every area school activities are being curtailed, people who need assistance with food or heat are not receiving it from the State agencies. Donations from charitable gaming have helped to fill the gaps in these areas. Communities will be the ones hurt by this enormous tax increase.

The Borough of Sitka does not allow operators within its boundaries. Therefore, we use vendors instead of an operator and receive 70% of the ideal net. Allowing qualifying organizations to run their own gaming and the institution of electronic gaming would more do for the State and the municipalities than this tax increase on all charitable gaming.

We appreciate all that you do for Sitka. Please, look into electronic gaming as a revenue source and not such a high tax increase on charitable gaming as it is run now.

Sincerely,



Stan Filler
President Sitka CHARR
P.O. Box 777
Sitka, AK 99835

Opposition

Subject: House Bill 240: No lottery! No video gaming!

Date: Fri, 18 Apr 2003 15:04:15 -0700

From: boanak@juno.com

**To: Senator_Con_Bunde@legis.state.ak.us, Senator_John_Cowdery@legis.state.ak.us,
Senator_Bettye_Davis@legis.state.ak.us, Senator_Fred_Dyson@legis.state.ak.us,
Senator_Johnny_Ellis@legis.state.ak.us, Senator_Kim_Elton@legis.state.ak.us,
Senator_Hollis_French@legis.state.ak.us, Senator_Lyda_Green@legis.state.ak.us,
Senator_Gretchen_Guess@legis.state.ak.us, Senator_Lyman_Hoffman@legis.state.ak.us,
Senator_Georgianna_Lincoln@legis.state.ak.us, Senator_Scott_Ogen@legis.state.ak.us,
Senator_Donny_Olson@legis.state.ak.us, Senator_Ralph_Seekins@legis.state.ak.us,
Senator_Ben_Stevens@legis.state.ak.us, Senator_Gary_Stevens@legis.state.ak.us,
Senator_Robin_Taylor@legis.state.ak.us, Senator_Gene_Therriault@legis.state.ak.us,
Senator_Thomas_Wagoner@legis.state.ak.us, Senator_Gary_Wilken@legis.state.ak.us**

April 18, 2003

To all lawmakers:

First, I've been an Alaskan resident since 1968. Second, I'm a Republican and a super-voter. And third, Pete Kott should be stretched over a crap table and flogged with a bag of dice!

No wise and decent person would ever be a party to the fleecing of a weaker brother. Nor would they treat lightly the imminent danger of addiction and ruin inherent in gambling. No matter what the rationale.

Pause for a moment and look at who is pushing this bill. The bar owners! The front men for an industry responsible for more heartache and social calamity than any other enterprise in America. Hellooooooo!

Shame on you who vote for this!

Robert O. Townsend
3819 Young St. #1
Anchorage, AK. 99508

[Fwd: MY THOUGHTS ON PROPOSED GAMING LEGISLATION]

Subject: [Fwd: MY THOUGHTS ON PROPOSED GAMING LEGISLATION]

Date: Thu, 17 Apr 2003 08:19:11 -0800

From: Con Bunde <Senator_Con_Bunde@Legis.state.ak.us>

Organization: Alaska State Legislature

To: Jane Alberts <Jane_Alberts@legis.state.ak.us>

----- Original Message -----

Subject: MY THOUGHTS ON PROPOSED GAMING LEGISLATION

Date: Wed, 16 Apr 2003 22:15:02 -0800

From: Maryann Brooks <wbrooks@gci.net>

To: <Undisclosed-Recipient:;>

The people who engage in gambling activities are the people who can least afford it. The revenue we bring in is offset by the increased social program needs, so it zeros out. Even if there should be some overall gain in revenues, it would not justify the detrimental effects on family life - especially in the native communities. Cordially, Wiley Brooks, RPA District 28 Chairman

Subject: [Fwd: Re: Welcome to Legupdate!]
Date: Thu, 17 Apr 2003 08:18:34 -0800
From: Con Bunde <Senator_Con_Bunde@Legis.state.ak.us>
Organization: Alaska State Legislature
To: Jane Alberts <Jane_Alberts@legis.state.ak.us>

----- Original Message -----

Subject: Re: Welcome to Legupdate!
Date: Thu, 17 Apr 2003 00:13:29 -0800
From: "Barbara Mishler" <phbem@uaa.alaska.edu>
To: Con Bunde <Senator_Con_Bunde@Legis.state.ak.us>

Dear Con,

Put me in the "Against" column for state lotteries and video gambling. It's a tawdry business for the state to be dealing with. Also, it just increases the number of people who need social services because somebody in the family gambles the money away before going home with the grocery money. THE STATE SHOULD NOT ENCOURAGE PEOPLE TO BE IRRESPONSIBLE! Actually the fairest tax is a graduated income tax; but since the rich own the lobbyists, there's not a chance that will happen.

Hope you manage to get at least some sleep between now and the end of the session.

Cheers, Barbara Mishler

----- Original Message -----

From: Con Bunde <Senator_Con_Bunde@Legis.state.ak.us>
Date: Monday, March 17, 2003 1:42 pm
Subject: Welcome to Legupdate!

> Welcome to my Legislative Update! I'm pleased that you are
> interested
> in receiving it. I have added your address to the mailing list. You
> will receive future updates with a "blind" address to protect
> recipients' privacy.
>
> I have appreciated the current feedback I've received. I would also
> appreciate hearing your suggestions, concerns, or questions and
> those of
> your neighbors in Senate District P. So please do contact me at any
> time.
>
> I have attached my Legislative Update about practice tests and
> report
> cards. I hope you find it useful. I have also attached a few
> previous updates that I hope you will find useful as well.
>
> Also, if you change your e-mail address, please let me know so as to
> avoid any interruption of service.
>
> Thanks again,
> Con
>
>

Subject: [Fwd: No More Gambling]
Date: Thu, 17 Apr 2003 10:38:36 -0800
From: Con Bunde <Senator_Con_Bunde@Legis.state.ak.us>
Organization: Alaska State Legislature
To: Jane Alberts <Jane_Alberts@legis.state.ak.us>

----- Original Message -----

Subject: No More Gambling
Date: Thu, 17 Apr 2003 09:23:21 -0800
From: "Craig Wm. Black" <chilcoot@mtaonline.net>
Reply-To: "Craig Wm. Black" <chilcoot@mtaonline.net>
Organization: Al Peck's Used Fruit
To: "Con Bunde" <Senator_Con_Bunde@Legis.state.ak.us>
References: <3E9ED8A2.11C1FC66@Legis.state.ak.us>

I'm one of your Eagle River constituents. I love Las Vegas, was there last month. But I'd hate for Alaska to increase gambling in this state. Alaska simply doesn't have the population base to support an attractive form of gambling. Check out how dingy and depressing pull tab parlors are. Horrible!

Please, no expansions in gambling.

Craig Black

No Gambling

David Alexander wrote on 4/16/03:

> Dear Con,

>

> The gambling proposals from the Special Committee on Economic Development,
> Trade, and Tourism and coming before the House Special Ways and Means
> Committee are an easy way out of a very tough situation. Gambling leads to
> problems- period. This is one case where the domino theory operates in real
> life. Pull tabs lead to lotteries lead to video poker lead to Alaska Native
> casinos (I realize this represents mixed legal authority, especially with
> regard to the possibility of Alaska Native involvement, but the Legislature
> needs to exert some moral authority here by standing against an inherently
> corrupt practice.) why should we repeat the mistakes that other states
> have made? I trust the Senate will deliberate differently. Gambling is to
> all of crime what marijuana is to drug abuse.

>

> Thank you,

>

> Maribel and David Alexander



PRESBYTERY OF ALASKA

5750 Glacier Highway, C-16 • Juneau, AK 99801

(907) 780-6100
FAX (907) 780-4017

presbyt1@alaska.net
INBOX: PRY ALASKA

January 19, 2004

The Honorable Con Bunde
Alaska State Senator, District P
Room 506
State Capitol
Juneau, AK 99801-1182

Dear Senator Bunde:

At the 2003 Fall Stated Meeting of the Presbytery of Alaska, held on October 10-12, 2003 in Sitka, Alaska, the Presbytery voted to approve the enclosed resolution expressing opposition to the practice of video poker in the State of Alaska, whether it be publicly or privately operated. Included with the Presbytery's adoption of this resolution was a request that the Presbytery's clerk transmit this resolution to the members of the Alaska State Legislature.

The Presbytery in approving this resolution is very concerned that the introduction of video poker within our state could seriously increase the social problems faced by the state. We believe that whatever benefits might accrue from video poker will be overwhelmed by the problems it will cause. Details on some of the problems the Presbytery is concerned about are contained within the resolution itself.

On behalf of the Presbytery, which is made up of 15 Presbyterian churches from Metlakatla and Ketchikan to the south and Yakutat to the north, I sincerely encourage you to read this resolution and hope that you will consider this position when the Legislature acts on proposals which could lead to the legalization of video poker within the State of Alaska.

Sincerely,

Elder Guy Warren
Stated Clerk
Presbytery of Alaska

**A Resolution by the Presbytery of Alaska Delegates in Sitka, Alaska, October 2003
In Opposition to Video Poker in Alaska.**

WHEREAS, as followers of Jesus Christ, we are called to work toward healing of persons afflicted with gambling addictions and to protect vulnerable populations from becoming addicted, and

WHEREAS, gambling addiction is increasing in the United States and over 8.1 million Americans have a gambling problem, and

WHEREAS, 66% of individuals suffering from pathological gambling turn to crime, one out of five attempt suicide, and many face bankruptcy, divorce and other family problems, and

WHEREAS, gambling addiction is more prevalent among the poor, various ethnic groups, and youth, and

WHEREAS, the gambling industry and some members of the Alaska State Legislature are promoting bringing video poker into the State of Alaska as a source of income, and

WHEREAS, video poker has been called "the crack cocaine of gambling" and is the most dangerous and most addictive of all current forms of legalized gambling, and

WHEREAS, since video poker was introduced in Oregon in 1991, the number of Gamblers Anonymous groups has grown from 3 to 30, and

WHEREAS, 81% of the problem gamblers in Oregon's state-subsidized gambling treatment programs gambled primarily on video poker and had an average gambling debt of \$16,000, which was more than half the average annual income of the group, and

WHEREAS, video poker is rejected by communities faster than any other form of gambling;

THEREFORE, LET IT BE RESOLVED that the Presbytery of Alaska declares opposition to the practice of video poker in the State of Alaska, whether it be publicly or privately operated;

FURTHERMORE, BE IT RESOLVED that Governor Frank H. Murkowski and members of the Alaska State Legislature be urged to oppose the establishment of video poker in Alaska.

SB

192

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 192
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Department: Labor and Workforce Development
 Title: DOL Teachers and Training Programs BRU: Office of the Commissioner
 Component: Commissioner's Office
 Sponsor: Senator Stevens
 Requester: Senate HES Component Number: 340

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						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: None

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)*

This bill would allow certified teachers employed by the Department of Labor and Workforce Development to remain in the Teachers' Retirement System. The department does not anticipate a financial impact from this legislation.

Prepared by: JoEllen Hanrahan, Director Phone: 465-2720
 Division: Administrative Services Division Date/Time: 4/29/03 2:41 PM
 Approved by: Greg O'Claray, Commissioner Date: 04/29/03
 Agency: Department of Labor and Workforce Development

SESSION ADDRESS:
Alaska State Capitol
Juneau, Alaska 99801-1182
(907) 465-4925
Fax: (907) 465-3517
Toll Free: 1-800-821-4925

Senator Gary Stevens
Alaska State Legislature

INTERIM ADDRESS:
112 Mill Bay Road
Kodiak, Alaska 99615
(907) 486-4925
Fax: (907) 486-5264



SPONSOR STATEMENT-TERS/PERS BILL

This year, Governor Murkowski has proposed transferring the Alaska Vocational Technical Center (AVTEC) from the Department of Education and Early Development to the Alaska Department of Labor and Workforce Development. While the transfer of the school will be accomplished through the FY 2002 budget process, Senate Bill 192 will allow the transfer to occur with minimal disruption to the staff and operation of the school.

SB 192 would specifically grant statutory authority to the Department of Labor and Workforce Development to employ teachers who are members of the Teachers Retirement System (TRS) and would enable current AVTEC instructional staff to remain members of the TRS after AVTEC transfers to the Department of Labor and Workforce Development. It also would allow future AVTEC instructional staff to become TRS members. Without this bill, the current teachers at AVTEC would need to transfer to the Public Employees Retirement System (PERS). This would not only be unfair to employees who were originally hired under the TRS system, but it would hamstring AVTEC management in their teacher recruitment efforts. The management of AVTEC has found it advantageous to offer a TRS retirement benefit as an incentive to attract experienced teachers to accept employment at AVTEC. It would be a disincentive to experienced teachers who have accrued years of TRS membership at other educational institutions in the state to consider employment at AVTEC under PERS.

SB 192 also would make amendments to clarify that AVTEC and the Kotzebue Technical Center will continue to be under the oversight, planning, and coordination responsibilities of the Alaska Workforce Investment Board (AWIB) through the Department of Labor and Workforce Development.

In summary, this bill would implement good public policy by facilitating the transfer of AVTEC from one agency to another, allowing employees to remain in TRS, by giving management a tool to attract quality employees, and by clarifying the authorities and responsibilities of AWIB.

I urge your prompt consideration and passage of this important bill.

AMENDMENT

OFFERED IN THE SENATE HEALTH, EDUCATION
AND SOCIAL SERVICES COMMITTEE
TO: SB 192

BY Senator G. Stevens

1 Page 1, line 6, following "Center;"

2 Insert "relating to local workforce investment areas and boards; repealing the
3 business incentive training program;"

4

5 Page 2, following line 11:

6 Insert a new bill section to read:

7 **** Sec. 2.** AS 23.15.550(a) is amended to read:

8 (a) The Alaska Workforce Investment Board is established in the
9 department. The board consists of the following voting members, not to exceed
10 26:

11 (1) the lieutenant governor or the lieutenant governor's designee;

12 (2) the commissioners of community and economic development,
13 education and early development, health and social services, and labor and
14 workforce development, or each respective commissioner's designee;

15 (3) one representative from the University of Alaska;

16 (4) four additional representatives of education, with one from local
17 public education, one from secondary vocational education, one from a
18 postsecondary vocational education institution, and one from adult basic
19 education;

20 (5) four representatives of business and industry [, WITH AT
21 LEAST ONE REPRESENTATIVE FROM THE LOCAL WORKFORCE

1 INVESTMENT BOARDS APPOINTED UNDER 29 U.S.C. 2832];

2 (6) four representatives of organized labor that the governor shall
3 appoint from lists of nominees submitted by recognized state labor organizations;
4 the governor may reject a list submitted under this paragraph and request that
5 another list be submitted;

6 (7) at least one representative from an organization representing
7 employment and training needs of Alaska Natives;

8 (8) at least one representative of a community-based service
9 organization;

10 (9) at least one representative who has personal or professional
11 experience with developmental disabilities; and

12 (10) at least one and up to five additional members of the private
13 sector to ensure a private sector majority and regional and local representation on
14 the board."
15

16 Renumber the following bill sections accordingly.
17

18 Page 3, following line 10:

19 Insert a new bill section to read:

20 **** Sec. 4.** AS 23.15.645(b) is amended to read:

21 (b) When a grant is awarded to the board, the department shall annually
22 provide to the board a priority list of targeted projects or services, based on
23 unemployment statistics, unemployment insurance claims, occupational and
24 industrial projections, availability of other training and employment programs, and
25 other relevant data. The department shall also provide annually to the board a
26 priority list of criteria for eligibility to maximize services to those people most in
27 need of training under AS 23.15.620 - 23.15.660. In developing the priority list
28 for targeted projects and services, the department shall solicit comments from the
29 Department of Education and Early Development, the Department of Community

1 and Economic Development, the University of Alaska, organized labor, and the
2 board [, AND THE ADMINISTRATIVE ENTITIES OF THE LOCAL
3 WORKFORCE INVESTMENT AREAS ESTABLISHED FOR THE BOARD].
4 The department shall give preference to projects and services that train individuals
5 in industries identified in the resident hire report required under AS 36.10.130 as
6 employing a disproportionate percentage of nonresident individuals."
7

8 Renumber the following bill sections accordingly.
9

10 Page 3, following line 15:

11 Insert a new bill section to read:

12 "* Sec. 6. AS 23.15.651(c), 23.15.660(2), 23.15.700, 23.15.710, 23.15.720, 23.15.730,
13 23.15.740, 23.15.750, 23.15.760, 23.15.770, 23.15.780, 23.15.790, 23.15.800, and
14 23.15.810 are repealed."
15

16 Renumber the remaining bill section accordingly.

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

April 29, 2003

SUBJECT: Sectional Summary of Senate Bill 192
(Work Order No. 23-LS0994)

TO: Senator Gary Stevens
Attn: Doug

FROM: Barbara R. Craver *BRC*
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. This adds certificated teachers working for the Department of Labor and Workforce Development to the Teachers Retirement System.

Section 2. This change reflects the move of the Kotzebue Technical Center and the Alaska Vocational Technical Center into the Department of Labor and Workforce Development, from the Department of Education and Early Learning.

Section 3. Adds teachers employed by the Department of Labor and Workforce Development to the list of exempt employees.

Section 4. Effective date.

If I may be of further assistance, please advise.

BRC:med
03-453.med



Great careers for Alaska's future

April 24, 2003

Senator Fred Dyson
Alaska State Legislature
State Capitol
Juneau, Alaska 99811

Dear Senator Dyson,

I am writing to you today in support of SB 192. Senate Bill 192 is an important part of the overall effort needed to insure an effective transition of the Alaska Vocational Technical Center (AVTEC) from the Department of Education & Early Development to the Department of Labor and Workforce Development (DOLWD). This legislation will allow certificated instructional staff currently employed at AVTEC to remain in the Teacher Retirement System (TRS) after the transition to DOLWD. AVTEC employs some of the highest quality and technically competent instructors in Alaska. Many of these are mid-career professionals who have earned ten or more years of TRS member service. These instructors should be held harmless and allowed to remain in the TRS as AVTEC transitions to DOLWD. I appreciate your serious consideration of this bill and would be happy to answer any questions you might have on the impact it will have for AVTEC.

Sincerely,

Fred W. Esposito
Director

SB

194

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 4/23/03

FURTHER: Finance

Date of 5-Day Notice: _____
 (in accordance with Uniform Rule 23)

DATE TURNED
 IN TO OFFICE: _____

Labor and Commerce Committee considered SENATE BILL NO. 194

SB 194 LIQUOR DELIVERED TO HOTELS/CRUISE SHIPS

"An Act authorizing delivery of up to two bottles of distilled spirits to a cruise ship passenger or hotel guest."

and recommends:

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

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

NEW FISCAL NOTE(S):

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	NO REC	AMEND
<i>Ralph Jackson</i>	✓			
<i>[Signature]</i>	X			
CHAIR: <i>[Signature]</i>	✓			

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 194
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Public Safety
 Title Liquor Delivered to Hotels/Cruise Ships BRU Alcohol Beverage Control Board
 Component Alcohol Beverage Control Board
 Sponsor Senator Gary Stevens
 Requester Senate Labor and Commerce Component No. _____

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						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (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 legislation would allow a licensed package store in Alaska to deliver up to two bottles of distilled spirits in a gift basket to a hotel guest or cruise ship passenger, in addition to up to two bottles of wine or champagne. The statute currently allows the delivery of up to two bottles of wine or champagne.

This legislation is not expected to affect the operating expenses of the ABC Board.

Prepared by: Doug Griffin, Executive Director Phone 269-0350
 Division Alcoholic Beverage Control Board Date/Time 5/12/03 1:15 PM
 Approved by: Commissioner William Tandeske Date 5/12/2003
 Agency Department of Public Safety

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB194
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: _____ Revenue _____
 Title Liquor Delivered to BRU ABC Board
Hotels / Cruise Ships Component ABC Board
 Sponsor Senator Gary Stevens
 Requester Senato: Labor and Commerce Component No. 100

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						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (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 legislation would allow a licensed package store in Alaska to deliver up to two bottles of distilled spirits in a gift basket to a hotel guest or cruise ship passenger, in addition to up to two bottles of wine or champagne. The statute currently allows the delivery of up to two bottles of wine or champagne.

This legislation is not expected to affect the operating expenses of the ABC Board.

Prepared by: Doug Griffin, Executive Director Phone 269-0350
 Division Alcoholic Beverage Control Board Date/Time 5/11/03 1:41 PM
 Approved by: Larry Persily, Deputy Commissioner Date 5/11/2003
 Agency Department of Revenue

SESSION ADDRESS:
Alaska State Capitol
Juneau, Alaska 99801-1182
(907) 465-4925
Fax: (907) 465-3517
Toll Free: 1-800-821-4925

Senator Gary Stevens Alaska State Legislature

INTERIM ADDRESS:
112 Mill Bay Road
Kodiak, Alaska 99615
(907) 486-4925
Fax: (907) 486-5264



SPONSOR STATEMENT – SB 194

SB 194, "An act authorizing delivery of up to two bottles of distilled spirits to a cruise ship passenger or hotel guest", is a straightforward bill that brings distilled spirits on par with wine or champagne. Current Alaska liquor laws allow a package store to deliver not more than two bottles of wine or champagne in a gift basket with a floral arrangement to a cruise ship passenger or a hotel guest. When this statutory change was made, distilled spirits were inadvertently omitted from the bill.

SB 194 corrects this omission by allowing a package store to deliver not more than two bottles of distilled spirits in a gift basket with a floral arrangement to a cruise ship passenger or a hotel guest. I urge your support.

SB

2009

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CSSB209 (L&C)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
 Title Marine Pilot for Foreign Pleasure Craft BRU Occupational Licensing (117)
 Component Occupational Licensing
 Sponsor Senators Ben Stevens, Therriault
 Requester Senate Labor and Commerce Component No. 2360

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						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (1156)	102.0	102.0	102.0	102.0	102.0	102.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other 1156 - Receipt Supported Services						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

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)

CSSB 209 (L&C) exempts foreign pleasure craft of 60 feet or less in overall length from the mandatory pilotage requirement. New funds are not required to implement this bill.

However, the bill is anticipated to generate new revenue as a result of civil fines imposed and the application fee for waiver from the pilotage requirement. Based on the fee proposed in the bill and estimates from the industry, the revenue is based on: 1) 6 pleasure crafts at 60' = 6 x \$1,500 = \$9,000; 2) 12 pleasure crafts at 120' = 12 x \$4,500 = \$54,000; 3) 6 pleasure crafts at 160' = 6 x \$6,500 = \$39,000. The revenue estimate is repeated in subsequent years however, the actual revenue will be based on the number of foreign registered pleasure crafts entering State waters.

Prepared by: Jennifer Strickler, Administrative Manager Phone 907-465-2144
 Division Occupational Licensing Date/Time 5/8/03 4:08 PM
 Approved by: Edgar Blatchford, Commissioner Date 5/8/2003
 Agency Department of Community & Economic Development

Senator Ben Stevens
Senate Majority Leader



Sponsor Statement

CSSB 209 (Work Draft), "An Act relating to exemption of certain foreign pleasure craft from the mandatory pilotage requirements"

SB 209 authorizes an exemption from marine pilotage in Alaskan waters for certain foreign registered pleasure craft. A recent Legislative Budget and Audit Committee audit report supports these changes. This legislative audit (#08-20015-02 November 1, 2002) states under Recommendation No. 4, "The Board of Marine Pilots should seek statutory authority to allow the board the discretion to grant waivers of pilotage requirements to large pleasure craft."

In this legislation, vessels of 60' or less will be exempted from all pilotage laws. Yachts greater than 60' and less than 173' may be granted a waiver from pilotage after an application process and review by the Board of Marine Pilots or their designee. A fee based on the size of the vessel will be charged for each application. For example, the smallest yacht at 61' would pay \$1500.00; a 100' vessel \$3500; and the largest 173' boat \$7150.00

Even if granted a waiver, upon entering pilotage waters, these yachts must employ a pilot from the first pilot station into the initial port of entry in each pilotage region. The same procedure will be followed as the vessels leave Alaska pilotage waters. These vessels must work with an agent licensed in Alaska. The legislation also authorizes a civil penalty of \$10,000 for any violation of the Act.

The intent of SB 209 is to accomplish the recommendation identified in the Budget and Audit report and provide Alaskan coastal communities with increased tourism opportunities.

Senator Ben Stevens
State Capitol
Juneau, Alaska 99801
907-465-4993
Fax: 907-465-3872

Senator Ben Stevens
Senate Majority Leader



Sectional Analysis

CSSB 209 (Work Draft), "An Act relating to exemption of certain foreign pleasure craft from the mandatory pilotage requirements"

Sec. 1. Imposes \$10,000 civil fine for violation of pilotage laws

Sec. 2. Outlines fee structure for application of a waiver from pilotage

Sec. 3. Exempts foreign flagged pleasure craft of 60' or less from pilotage laws

Sec.4. (b) Adds application and fee process for waivers of vessels between 60'-173'. A decision on approval or denial of the waiver shall be made within 30 days. If waiver is granted, vessels are required to have a marine pilot aboard at the first pilot station upon entering pilotage waters into the port of entry. They must also take a pilot aboard at their last port out to the pilot station. This will take place in each new pilotage region. The Board of Marine Pilots may adopt other regulations it considers necessary.

(c) Adds the definition of "for hire" and "pleasure craft"

Senator Ben Stevens
State Capitol
Juneau, Alaska 99801
907-465-4993
Fax: 907-465-3872



May 8, 2003

Senator Ben Stevens
State Capitol
Juneau, AK 99801

RE: SB 209-exempting certain yachts from marine pilotage

Dear Senator:

I recently began a small business that works with owners and managers of large pleasure yachts who desire to cruise in Alaska, although I've worked in the yacht industry for the past 8 years. I book and coordinate trips and provide services to guests and crew while in port. I would like to bring to your attention a situation that I understand may have been caused inadvertently when Alaska's marine pilotage statutes were last revised in 1995. It has, however, the potential to significantly impact the economy of several communities in Alaska.

At that time, language was included in the Alaska Marine Pilotage Act, which mandated employment of state licensed marine pilots on all foreign flagged pleasure craft larger than 300 gross tons. At the same time, all American flagged pleasure craft of every size were exempted from pilotage laws. (Washington State currently exempts yachts under 200' and 500 tons.) In 1995, visits to Alaskan ports by large yachts were not a common occurrence, and no one could have foreseen the rapid expansion in this lucrative segment of the boating community. Prior to that date, pilots were not required on any pleasure craft.

After conversations with a variety of people involved with the legislation, it has become clear that the 300 gross ton exemption was somewhat arbitrarily selected to address a particular vessel traveling in Alaska that summer. Eight years later, this tonnage level has become unworkable considering the present trend in pleasure craft. There are 507 yachts of over 80' currently under construction worldwide. Although a significant number of these vessels are being constructed in US shipyards, owners may prefer to flag (register) these pleasure craft in other countries for any number of reasons, including the rise in anti-American sentiment in many areas of the world. Approximately 90% of these yachts are registered under the British flag and have a British or American master.

The economic impact of this unenforceable state mandate to the port communities in Alaska is substantial. Because of the current law, a number of yacht owners and brokers are choosing other areas of the East coast and the Pacific Northwest for cruising opportunities. Although Alaska is the premier yachting destination, many in the yachting community choose not to pay the cost of hiring a marine pilot and contending with the inconvenience of including an extra, unfamiliar, crewperson aboard for an extended cruise of many weeks. It is estimated that these yachts spend an additional 30% over the cost of these cruises to pay for food, beverages, dockage, and fuel in ports during their visits. This does not include the amount additionally spent on personal shopping, in restaurants, or on local tours by family, guests and crew.

Alaska Yacht Services And Provisioning

P.O. Box 32320, Juneau, AK 99803 tel: 907.789.2491 cel: 954-683-0983 fax: 907.789.2492 email: aysap1@aol.com

Senator Stevens
May 8, 2003
Page 2

Alaska's small coastal communities, many who are struggling from the loss of timber jobs and the decline in commercial fishing, may miss out on millions of dollars in economic opportunity. From florists to liquor stores, from hair salons to car rentals-literally dozens of small businesses in these port communities can participate in the economic benefits brought to Alaska by these yachts. Because of the current world situation, yacht owners are re-positioning their vessels to avoid Europe and many are considering safer US waters for the summer. Alaska is perfectly positioned to receive the revenue resulting from these changes.

We are supporting the recent changes which will exempt yachts under 60' from all pilotage regulations and provide a waiver application system for vessels from 60' to 173'. The recent legislative audit (#08-20015-02 November 1, 2002) from the Legislative Budget and Audit Committee states, under Recommendation No. 4, "The Board of Marine Pilots should seek statutory authority to allow the board the discretion to grant waivers of pilotage requirements to large pleasure craft." In their response, the representative of the Commissioner of the Department of Community and Economic Development, a board member of 8 years, agreed.

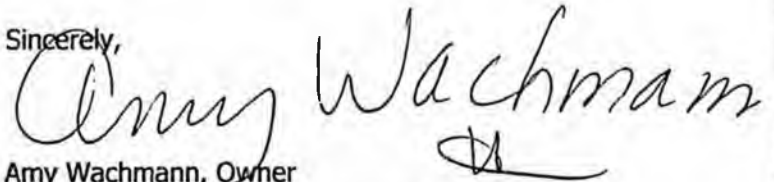
As a small businessperson raised in Alaska, I also want to guarantee that the vessels are safely navigated, ensuring the protection of life, property and the marine environment. Owners of multi-million dollar vessels do not entrust them to captains or masters without the proper knowledge, education and experience to competently operate them. British captains undergo an extensive training and continuing education process. These vessels carry the most up-to-date navigational aids, Shipboard Oil Spill Pollution Emergency Plans, and US Certificates of Financial Responsibility and Water Quality Insurance. In addition, a new Alaska regulation that becomes final this month requires certain yachts to establish additional proof of financial responsibility for potential pollution discharges.

We also want to help ensure that marine incidents do not occur. With this application process in place, the State of Alaska would have information, which is currently not available to them in any form, regarding the number of yachts cruising in our waters and the impacts these vessels have on Alaska. Fees will be charged to apply for this waiver and used to offset the costs of operating the Board of Marine Pilots.

The support from Alaskans on this issue has been gratifying. The Southeast Conference, the communities of Sitka, Ketchikan, Whittier, Juneau and Haines, as well as local Chamber of Commerce's and many small businesses have all written letters of support for a waiver for these yachts. They are extremely aware of the positive impacts these very desirable independent tourists could have on their economy.

We are working with yacht owners and these port communities and businesses to assure passage of SB 209 to end the inequity of this unenforceable state mandate. Thank you for your consideration of this legislation. Please feel free to contact me, or Kate Tesar, if you need any further information.

Sincerely,



Amy Wachmann, Owner
Alaska Yacht Services & Provisioning

DAVID L. SOKOL
302 SOUTH 36TH STREET
SUITE 400
OMAHA, NEBRASKA 68131

RECEIVED
JUN 19 2002
DIVISION OF
OCCUPATIONAL LICENSING
JUNEAU

June 14, 2002

The Honorable Tony Knowles
State Capitol
P. O. Box 110001
Juneau, AK 99811-0001

Dear Governor Knowles:

I would like to bring to your attention a situation which I believe may have been caused inadvertently; however, it has the potential to significantly impact the economy of several southeastern communities in Alaska.

Several years ago I had the privilege of being a guest on a private motor yacht that cruised the waterways of southeastern Alaska, primarily in the areas between Ketchikan, Sitka and Juneau. I, and the other seven guests, had a wonderful time shopping in Sitka and Juneau, fishing and sightseeing in some of America's most beautiful waterways. Following on this experience, two years ago I had the opportunity to purchase my own boat and it was our intention to spend this summer in southeastern Alaska.

Unfortunately, when my captain was preparing the cruise this spring he came across *Alaska Statute 08.62.180* which deals with marine pilotage requirements in Alaska. While we are familiar with typical pilotage requirements in other states and countries, this law is unique, in our understanding, in that it essentially requires full time pilotage not just in and out of harbors, but also throughout the waterways. Further, there are no qualification exemptions for demonstrated captain proficiency.

As such, pursuant to this statute we must essentially hire a pilot from one of the two companies providing this service for the entirety of our cruise. I contacted both of these firms in Ketchikan and was informed that the cost would be \$1,400.00 to \$2,200.00 per day depending on our schedule. This would equate to approximately \$72,000.00 for our summer cruise. Because of this requirement we have altered our plans and we are going to spend the summer in British Columbia. This is obviously a severe disappointment given that I am an American citizen.

I do fully understand the need for appropriate pilotage requirements under certain circumstances; however I believe that this statute's lack of flexibility is unreasonable. By way of example, our boat is approximately 135 feet in length and we have three licensed captains as part of our seven-person crew. Our captain is fully licensed to 1600 gross

Page Two
Governor Tony Knowles
June 14, 2002

RECEIVED
JUN 19 2002
DIVISION OF
OCCUPATIONAL LICENSING
JUNEAU

tons and is intimately familiar with the Alaskan waterways. Under *AK 08.62.180* those qualifications are irrelevant; however, in British Columbia we received a pilotage exemption in less than two weeks.

We would recommend to you a change in *AK 08.62.180* to either allow an exemption process for qualified captains or to place a reasonable length limitation (possibly 200 feet or less) exemption for pleasure craft with properly licensed captains. While the statute currently has gross tonnage limitations, I believe you will find such measurements inconsistent and difficult to administer due to the many tonnage conventions utilized in the United States and Internationally.

The real damage caused by making these pilotage requirements unreasonable is to the small towns of southeast Alaska. I have become aware of eleven vessels that have chosen to not cruise in Alaskan waters this summer. I am certain there are others as well. In our own case we would have had 48 guests (6 cruises with 8 guests) over the summer, seven crew living with the boat all summer, fuel, food, fishing licenses, tackle, airline traffic, souvenir shopping, restaurants, cabs, etc. Just our boat alone would have generated over \$250,000 in economic activity in Ketchikan, Sitka and Juneau. If we assume 20 boats avoid Alaska because of unnecessary pilotage requirements, \$5,000,000 of economic activity will be lost.

Please understand, we are fully in favor of proper safety and environmental standards, and we wish for Alaskan waterways to be kept clean and safe for all future generations. Providing reasonable exemptions, as is done throughout the rest of the United States and around the world, will not require these standards to be lessened.

I recognize that since this will require a legislative solution, you cannot resolve this situation for this summer. I hope that something can be done before next spring. Please call me if I can provide additional information, or if I can help you in dealing with this situation.

Sincerely,



David L. Sokol

CC: Peter Christensen, Pilot Coordinator
Board of Marine Pilots
P. O. Box 110806
Juneau, AK 99811-0806

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES



YACHTS IN JUNEAU - SUMMER 2002

Name of Boat	Length
M/Y Ice Bear	170'
M/Y Mi Gaea	160'
M/Y Hysteria	160'
M/Y Life Of Riley	150'
M/Y Marjorie Morningstar	142'
M/Y Maverick	141'
M/Y Silver Cloud	140'
M/Y Alliance	136'
M/Y Full Bloom	130'
*M/Y Centurion	125'
M/Y LunaSea	125'
M/Y Our Toy	120'
*M/Y Safari Quest	120'
M/Y Escape	120'
M/Y Freesia	120'
*M/Y Kayana	120'
M/Y Safari	120'
M/Y Anchor W	114'
M/Y Que Sera	112'
*M/Y Safari Spirit	105'
*M/Y Safari Escape	105'
*M/Y Katania	100'
M/Y Carpe Dieum	82'
M/Y Northwind	90-100'
*M/Y Magic Time	95'
*M/Y Montego	93'
M/Y Voyager	92'
*M/Y Alaskan Song	90'
*M/Y Caledonia	90'
M/Y Anita	80'
M/Y Tomcat	80'
M/Y pm	75-80'
M/Y Canadian Mist	78'
*M/Y Jamal	74'
M/Y Eva May	66'
S/Y Cyclos	150'
S/Y Georgia	160'
* = in Alaska each summer	

**Total: 41 private and charter pleasure vessels in Juneau waters this summer.
September 10, 2002**



THE CITY OF WHITTIER

Gateway to the Western Prince William Sound

P.O. Box 608 • Whittier, Alaska 99693 • (907) 472-2327 • Fax (907) 472-2404

April 14, 2003

Representative Nancy Dahlstrom
State Capitol
Juneau, AK 99801-1082

RE: HB 251-exemptions from marine pilotage for certain yachts

Dear Representative Dahlstrom:

The City of Whittier would like to add its support for HB 251, legislation that could help strengthen our economy by encouraging large yachts to come to Alaska. I am referring to the law that currently dissuades private pleasure craft from cruising in our waters by mandating that they employ a marine pilot while they are in Alaska.

Whittier has a large harbor and facilities to accommodate these desirable visitors. We are hoping to become a tourism destination in the future and would like to do all we can to persuade yachts of all sizes to visit our community. The state should also be doing all it can to attract this new money to our coastal ports, especially during these times of financial uncertainty. The city and small businesses can both benefit from the revenue brought to Whittier by these desirable independent tourists.

The City of Whittier is open for business and is always exploring new ways to draw people to our community. If passed, HB 251 will help greatly in that effort.

Sincerely,

A handwritten signature in black ink that reads "Rick A. Hohnbaum".

Rick A. Hohnbaum, Manager
City of Whittier

Cc Rep. Mike Hawker



HAINES BOROUGH, ALASKA.
P.O. BOX 1209
HAINES, AK 99827
(907) 766-2231 * FAX (907) 766-3179

COPY

February 7, 2003

Senator Gene Therriault
Senate President
State Capitol
Juneau, AK 99801-1082

Re: Private Foreign-Flagged Yachts

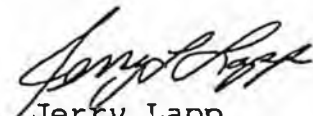
Dear Senator Therriault:

On behalf of the newly-formed Haines Borough, I would like to add my support to a proposal to change a state law that could help the economy of our small community. I am referring to the current attempt to put a waiver system in place to allow private foreign-flagged yachts to cruise in Alaskan waters without a marine pilot aboard.

Haines has felt the devastating effects of a general downturn in our economy for many years. With the loss of the timber industry and the low return for our fisheries resources, we have turned to tourism as one way to help rebuild our community. The impact of the spending by guests and crew on these large yachts in a small coastal community such as Haines cannot be overstated.

Haines is open for business and we welcome any changes in state law that will help bring new customers here. Thank you for your consideration of these changes. They could have a very positive impact on the economy of our community.

Sincerely,


Jerry Lapp
Deputy Mayor
HAINES BOROUGH



CITY/BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

OFFICE OF THE MAYOR

Telephone: (907) 586-3300, Facsimile: (907) 586-3345
Sally_Smith@ci.juneau.ak.us

February 10, 2003

The Honorable Gene Theriault
President of the Alaska State Senate
State Capitol
Juneau, AK 99801-1182

Dear Mr. President:

Over the past few years Juneau has invested heavily to upgrade our docks and harbors. Part of that effort has included the development of a more hospitable welcome to private yachts. As a longtime tourist destination, we understand the economic opportunity derived from these vessels. Benefits accrue both to the city, through docking fees, and to many small businesses that offer goods and services to the owners, passengers, and crewmembers.

It is my understanding that there is currently a proposal to change state law to allow large, foreign flagged private yachts to travel in Alaska without marine pilots. Juneau endorses that change, believing it will encourage more yacht traffic.

Given the current situation, we are losing a portion of potential business from this affluent group, all because of a basically unenforceable state law. We just cannot afford to lose such lucrative business to other coastal states.

Your consideration of this issue will be greatly appreciated. The commerce is important to all coastal communities.

Sincerely,

Sally Smith
Sally Smith
Mayor



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

February 12, 2003

The Honorable
Senator Gene Therriault
Senate President
State Capitol, Room 111
Juneau, Alaska 99801-1182

Re: Changes in marine pilotage laws re: foreign flagged yachts

Dear Senator Therriault:

The City and Borough of Sitka would like to join other SE communities in supporting a statutory change that would allow certain pleasure yachts to travel in Alaska without marine pilots. Facilitating a boost to our economy while maintaining safety and environmental standards is what I feel most residents of Sitka could support.

As you know, Sitka is still in the process of redefining itself after many decades with a primarily resource-based economy. Fortunately for us, as the timber industry was receding in our area, the tourism industry in Alaska was developing. Although we are taking a very deliberate look at how this industry should progress in our community and how any changes may affect our citizens and their way of life, it is generally agreed that many opportunities for local businesses and residents may be tied to the tourism industry.

As a port community, we realize the positive financial impact visitors aboard these large yachts can have in Sitka. Some yachts currently use our port as their home base during their summers in Alaska. It makes sense to allow these vessels; and their foreign flagged counterparts, to travel freely in Alaska without another marine pilot aboard, as long as competent and experienced masters are in charge. As this pilotage law has never been enforced, it only makes common sense to change the law to reflect the actual reality of today's yacht cruising public.

I would appreciate your support for legislation that removes this barrier to commerce in Sitka and other coastal communities of Southeast. Thank you for your consideration of this issue.

Sincerely,

Fred Reeder
Mayor



334 Front Street
Ketchikan, Alaska 99901
Phone 907-225-3111
Fax 907-225-5075

February 7, 2003

Senator Gene Therriault
Senate President
State Capitol, Room 111
Juneau, Alaska 99801-1182

Re: Statutory change regarding requirement for marine pilots on large yachts

Dear Senator Therriault:

I am writing regarding the above-referenced subject. I am generally in support of a statutory change, which would allow large noncommercial private yachts to travel in Alaska without marine pilots to the extent that safety and other issues are not compromised. I would, however, want to see specific legislative language prior to endorsing a particular concept.

As you know, Ketchikan's economy has been hard hit by the decline in the timber industry, as well as by the challenges currently facing the fishing industry. Fortunately, on the other hand, our tourism industry is continuing to provide economic opportunities for local businesses and residents.

Ketchikan is in the process of completing a comprehensive development plan for our port and harbor facilities. I believe that this will result in a number of improvements in our infrastructure to better accommodate various classes of vessels, particularly including large yachts, and thereby enhance our economy. I also believe that, in addition to the goods and services that yacht passengers and crew might typically spend while visiting a community, we will be in a unique position to perform routine vessel maintenance/repair as the capacity of our shipyard increases.

In closing, I would appreciate your support for legislation that removes barriers to vessel traffic through an appropriate mechanism which can be supported by concerned parties, including marine pilots and yacht owners.

Thank you for your consideration of this issue.

Sincerely,

A handwritten signature in cursive script that reads "Bob Weinstein".

Bob Weinstein
Mayor

Southeast Conference

P.O. Box 21989 Juneau Alaska 99802-1989 Tel. (907) 463-1445 Fax (907) 463-5670

February 7, 2003

Senator Gene Therriault
Senate President
State Capitol, Room 107
Juneau, AK 99801-1082

Re: exemptions from marine pilotage statutes for large yachts

Dear Senator Therriault:

On behalf of the Southeast Conference we would like to voice our support for changes to state pilotage laws to allow private foreign flagged yachts up to 200 feet in length, to cruise in Alaskan waters without a marine pilot aboard. Current law requires foreign vessels over 300 tons to employ a state licensed marine pilot from one of the pilot associations. These associations are quite busy in the typical summer season, servicing the large contingent of cruise ships that deploy in Alaska. It is appropriate for these ships to have state licensed pilots aboard, as they are quite large, operate largely at night, and have much greater potential for significant damage to other shipping, and the environment. We believe that the language in the current law reached too far down in size to a ship type for which the perceived protection to state waters is out of scale related to its costs and inconvenience to the vessels. Adding the pilotage requirement on a 300 ton motor yacht in the same fashion as on a 100,000 ton cruise ship, adds about \$1800 per day in fees, plus the costs to carry an extra, unfamiliar person on what is usually a pleasure charter. On these yachts, a pilot is typically underutilized, as these vessels operate with a much more relaxed itinerary, daytime cruising, and with longer stays on anchor and in port calls. Because of the added costs, and especially the burden of eliminating a berth in very limited capacity vessels, charterers are motivated to cruise elsewhere around the world, to the detriment of our port communities and businesses who could benefit from this traffic. The State of Washington currently allows waivers to State pilotage requirements for this type of vessel, so they are getting some of the business that would otherwise come to our state.

Southeast Conference members include representatives from most Southeast community governments and Chambers of Commerce, visitor's bureaus, non-profits, utilities, businesses, and concerned citizens. (We currently have over 100 members, including 28 communities, 9 Chambers of Commerce, 9 Native Organizations, 18 non-profits and community organizations, and 9 transportation organizations.) Our goals include developing strong economies, improving the region as a good place to live and work, and encouraging and assisting in responsible development in the tourism sector.

Senator Therriault

February 6, 2002

Page 1 of 2

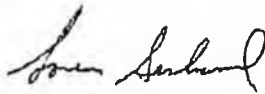


Southeast Conference

P.O. Box 21989 Juneau, Alaska 99802-1989 Tel (907) 463-3445 Fax (907) 463-5670

We would appreciate it if you could review the language in the Alaska Marine Pilotage Act, passed in 1995, with a mind to possible changes that could resolve what we think was an unintended consequence. We believe it is in the best interests of our member communities, and for commerce in our state, with minimal impact on the level of protection to our waters. We are hopeful you can initiate legislation to either change this law, or allow the relevant agencies to grant waivers. We stand ready to support these changes in whatever manner you consider appropriate.

Sincerely,



Loren Gerhard
Projects & Policy Director
cc: Amy Wachman, Kate Tesar



Juneau Economic

Development Council

February 12, 2003

Senator Gene Therriault
Senate President
State Capitol
Juneau, AK 99801-1082

Re: exemptions from marine pilotage statutes for large yachts

Dear Senator:

I am writing on behalf of the Juneau Economic Development Council (JEDC) to voice our support for changes to state pilotage laws to allow large, private foreign flagged private yachts to cruise in Alaska waters without a marine pilot aboard.

The JEDC works to enhance quality of life by actively promoting economic diversity and sustainable development in all of Southeast Alaska. We assist businesses in creating family-wage jobs with our business counseling and loan programs, as well as serving as the Overall Economic Development Planning agency for the City and Borough of Juneau.

It is a goal of JEDC to work with residents of Juneau and Southeast Alaska to help utilize our natural, cultural and intellectual resources wisely in order for our economy to be competitive in a national and international market place. The challenge is to help create family-wage jobs in a sustainable economy while at the same time maintaining our unique quality of life.

Tourism has now become one of the main economic engines in SE Alaska for communities that had previously relied only on resource development. It is my understanding that many coastal communities are missing out on the economic opportunity brought about by the visitation of independent visitors aboard these yachts. If a change in state law can help stimulate these areas towards an improved economy, we are committed to supporting this effort.

Thank you for addressing this important economic issue.

Sincerely,

Lance Miller
Executive Director

Diversifying our Economy • Assisting Business Development • Enriching our Quality of Life

612 Willoughby Avenue, Suite A • Juneau, Alaska 99801-1732
Tel 907-463-3662 • Fax 907-463-3929 • Toll Free 888-393-3662 • www.jedc.org



Greater Ketchikan Chamber of Commerce

P.O. Box 5957, Ketchikan, Alaska 99901
(907) 225-3184 • FAX: (907) 225-3187

February 20, 2003

Senator Gene Therriault
Senate President
State Capitol
Juneau, Alaska 99801-1082

Dear Senator Therriault,

I would like to add the support of the Greater Ketchikan Chamber of Commerce for the current efforts to change Alaska law to allow private yachts registered outside of the US, to travel into Alaskan waters without a marine pilot onboard.

In Ketchikan, the tourism and maritime support industries are important economic sectors. Although cruise ship passengers provide the main economic engine for our visitor industry, our member businesses understand the value of attracting the independent tourists arriving in our city by yacht. Ketchikan's maritime industries are prepared to support the sophisticated vessels that comprise this unique fleet of privately owned ships. The impact of spending in our community by this growing sector of the yacht industry cannot be overstated.

The Chamber supports the efforts by yacht owners, communities and other small businesses to change this state law, whose only effect has been to stifle commerce. It is our hope that the groups working on this issue, including our local marine pilots, will be able to reach a compromise allowing all yachts to safely travel in Alaska.

Please consider this change that will help stimulate the economy for many small businesses in Ketchikan, as well as throughout Southeast Alaska.

Thank you for your timely consideration of this matter.

Sincerely,

A handwritten signature in dark ink that reads "Doug Ward".

Doug Ward
President

Greater Ketchikan Chamber of Commerce