

ALASKA LEGISLATURE COMMITTEE FILES, 2003-2004 8672

11328 SENATE STATE AFFAIRS

FROM : ROUGHWOODS INN

FAX NO. : 9078325299

Mar. 11 2001 08:56AM P1

Ruth M. and Larry E. Coy
P.O. Box 515
Nenana, Alaska 99760

Dear Senator Lincoln,

We are writing to you in support of Senate Bill 87. We support this bill because of the fact that Larry chartered a flight in to town to vote on a subject that we considered important. This charter flight cost us \$525.00. Even though what we had voted on did not pass at least we voted on the subject. If there was a 60 day window for absentee ballots instead of the 30 days it would be of considerable help to the bush residents and they would be able to cast their ballots on important issues.

Sincerely,

Ruth M. and Larry E. Coy
Ruth M. and Larry E. Coy

STATE OF ALASKA

OFFICE OF THE LT. GOVERNOR

Division of Elections
P.O. Box 110017
Juneau, Alaska 99811-0017
PHONE (907) 465-4611

February 16, 2001

The Honorable Georgianna Lincoln
Senator, Alaska State Legislature
State Capitol, Room 11
Juneau, Alaska 99801

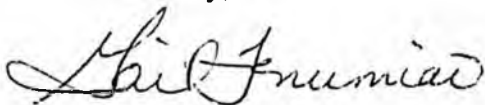
Dear Senator Lincoln:

Thank you for allowing the division to comment on Senate Bill 87. The division supports your efforts in assisting Alaska voters in remote areas of the state to exercise their right to vote.

Senate Bill 87 expands the allowable use of the 60-day special advance ballot to Alaskans in remote locations. This will allow additional time for these voters to receive their ballot.

Thank you for proposing this legislation. We believe it will have a positive impact for voters in Alaska's most remote areas.

Sincerely,



Gail Fenumiai
Election Programs Specialist

STATE OF ALASKA

OFFICE OF THE LT. GOVERNOR

Region III Elections Office
675 7th Avenue, H3
Fairbanks, AK 99701-4594
PHONE (907) 451-2835

May 4, 2001

The Honorable Georgianna Lincoln
Senator, Alaska State Legislature
State Capitol, Room 11
Juneau, Alaska 99801

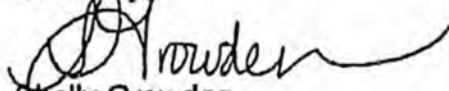
Dear Senator Lincoln:

As the Region III Elections Supervisor, I am responsible for voter registration and election management throughout Interior Alaska and Prince William Sound. Your office requested information regarding areas in my jurisdiction that would benefit by the passage of SB 87.

I have over 1,000 voters living in remote areas that have been classified as permanent absentee voting areas. Some of these voters live in areas such as the Kantishna River, Cosna River, Holtina River, Takahula Lake, Inlakuk Lake, Tolovana River, Chandalar Lake, Wien Lake, Flat, Chisana, Healy Lake, and other areas that do not have regular mail service. Without regular mail service, these voters have an extremely hard time exercising their right to vote due to the absentee ballot timeframes established in Alaska law.

Each election cycle I receive requests from voters residing in remote areas to obtain an absentee ballot early because of their limited ability to receive mail. Currently, the division mails ballots approximately three weeks before each election for regular absentee voters. Without regular mail service, many of the voters living in remote areas cannot receive their ballot in time to vote. SB 87 would allow voters living in these remote areas to obtain an advance absentee ballot just like the advance ballot privileges afforded to overseas voters.

Sincerely,

Shelly Growden
Elections Supervisor, Region III

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

OFFICE OF THE LT. GOVERNOR

DIVISION OF ELECTIONS
P.O. BOX 110017
JUNEAU, ALASKA 99811-0017
PHONE: (907) 465-4611

January 22, 2002

The Honorable Georgianna Lincoln
Senator, Alaska State Legislature
State Capitol, Room 11
Juneau, Alaska 99801

Dear Senator Lincoln:

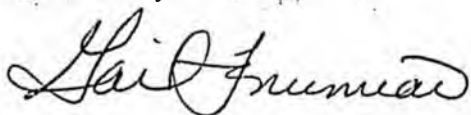
After the first hearing of Senate Bill 87 in the Senate State Affairs Committee, questions arose concerning the term "reasonable." I would like to provide to you with more information about permanent absentee voters.

The permanent absentee voters who would benefit from this bill are uniquely identified within our voter registration system. A voter may only be designated in permanent absentee status by a regional election supervisor. The conditions under which a voter may be designated as such are outlined in 6 AAC 25.650. This regulation has been in place since 1990. The division can assure you that there is no abuse of this system.

Although a voter is designated as a permanent absentee voter, they must complete an absentee by-mail ballot application prior to receiving any ballot. The designation of permanent absentee status alerts the regional election supervisors that these voters must be sent an absentee by-mail application per the schedule set out in 6 AAC 25.650.

Again, thank you for your efforts in promoting this legislation.

Sincerely,



Gail Fenumiai
Election Administrative Supervisor

STATE OF ALASKA

OFFICE OF THE LT. GOVERNOR

Division of Elections
P.O. Box 110017
Juneau, Alaska 99811-0017
PHONE (907) 465-4611

May 9, 2002

The Honorable Georgianna Lincoln
Alaska State Legislature
State Capitol, Room 11
Juneau AK 99801

Dear Senator Lincoln:

The division believes it would be an unnecessary expense to expand the use of the 60-day special advance ballot to all Alaskan voters.

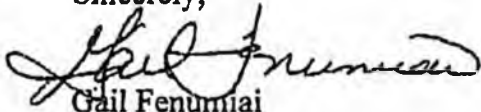
The 60-day special advance ballot currently serves a unique purpose for Alaskan voters who will be outside of the United States 60 days prior to an election. Senate Bill 87 would include voters, identified by the division as permanent absentee voters as recipients of this advance ballot.

Permanent absentee voters are voters who reside in remote areas in Alaska where distance, terrain, or other natural conditions deny them reasonable access to a polling place. These voters do not have any other option to vote except by mail. If their by mail ballot does not reach them, they are unable to participate in the election. Permanent absentee voters live in areas of the state where there is no absentee voting official, often unreliable mail and communication services.

Voters in urban Alaska have other voting options available. There are absentee voting stations in each of the four regional election offices, the Anchorage and Fairbanks university campuses, and airports. Each of these stations has ballots available for all 40 house districts. In addition to the absentee voting stations, there are over 70 absentee voting official locations throughout the state, located in municipalities throughout the state.

The only way for a permanent absentee voter to vote is by mail. They do not have access to any other options to exercise their right to vote. The division feels it is in the best interest of these voters that they be extended another alternative for voting, such as is the case with voters in urban Alaska.

Sincerely,



Gail Fenuniai

Election Administrative Supervisor

Last Session's
FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 87
(S) Publish Date: 2/20/02

Revision Date/Time (Note if correction): _____ Dept. Affected: OOG
Title An Act providing absentee ballots BRU Elections
for voters in remote areas Component Elections
Sponsor Senator Lincoln
Requester Senate State Affairs Committee Component No. 21

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual	0.0					
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	0.0					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Gail Fenumiai, Election Administrative Supervisor
Division: Division of Elections
Approved by: Lieutenant Governor Fran Ulmer
Agency: Office of the Lieutenant Governor

Phone 465-3935
Date/Time 2/15/02 2:28 PM
Date 02/15/2002

STATE OF ALASKA

OFFICE OF THE LT. GOVERNOR

Division of Elections
P.O. Box 110017
Juneau, Alaska 99811-0017
PHONE (907) 465-4611
FAX (907) 465-3203

Senate Bill 24

"An Act providing special absentee ballots for voters in remote areas"

Summary Statement by the Division of Elections
Senate State Affairs Committee
March 18, 2003

This bill amends AS 15.20.082(a) to require the Director of Elections to prepare special absentee ballots for voters who live in a remote area of the state where distance, terrain, or other natural conditions deny the voter reasonable access to a polling place.

The Division of Elections supports SB24.

Supporting Statements:

- ◆ The Division has already identified these voters because they are permanent absentee voters (PAVs) who apply for an absentee by-mail ballot.
- ◆ If this legislation passes, the ballot the Division would prepare for these voters is its standard Special Advance Absentee Ballot mailed to overseas Alaskan voters 60 days before a statewide election.
- ◆ The Division mails regular absentee ballots approximately 14 days before a statewide election. SB24 would allow these voters to obtain the same advance absentee ballot privilege afforded many other Alaskan voters.

The Division of Elections appreciates the opportunity to comment on this bill.

SB

26

**SENATE COMMITTEE REPORT
First Committee of Referral**

DATE: 1/21/03

FURTHER: Finance

Date of 5-Day Notice: 3/13/03
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 3/26/03

State Affairs Committee considered SENATE BILL NO. 26

SB 26 STATE EMPLOYEES CALLED TO MILITARY DUTY

"An Act relating to state employees who are called to active duty as reserve or auxiliary members of the armed forces of the United States; and providing for an effective date."

and recommends:

- be replaced with _____ CS SB 26 (STA)
- 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):

Department	Date	Fiscal	Zero	FN#
APM/ALL Depts	3/25/03	xxx ✓		1

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>John J. Caspary</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
CHAIR: <i>[Signature]</i>	✓			

*Adopted
w/o obj.*

23-LS0232D.1
Craver
3/20/03

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR ELTON

TO: SB 26

- 1 Page 1, line 9, following "including the":
- 2 Delete "Alaska National Guard and the Alaska Naval Militia"
- 3 Insert "organized militia of Alaska, consisting of the Alaska National Guard, the
- 4 Alaska Naval Militia, and the Alaska State Defense Force"

SB 26
Sponsor Statement

"An Act relating to state employees who are called to active duty as reserve or auxiliary members of the armed forces of the United States; and providing for an effective date."

This measure allows the Governor to ensure that state employees who are members of reserve and auxiliary military units, including the Alaska National Guard and Alaska Naval Militia, will not be financially penalized while on active duty. These courageous Alaskans could continue to receive their state salaries, or the equivalent, and some or all of their state benefits.

This is the right thing to do for our reserve and auxiliary service members who are called to active duty. The governors of many other states already possess this authority. Alaska should join their ranks.

This authority would be discretionary and triggered by an order of the governor. We do not anticipate a governor would invoke this provision for a short-term mobilization of the National Guard for, say, disaster assistance. We would expect that it generally would be invoked only for large-scale activations such as those we have seen recently across the country. The intent of the bill is that state employees called to active duty should not be financially harmed.

We urge your prompt and favorable action on this measure.

SB 26
Bullet Points

"An Act relating to state employees who are called to active duty as reserve or auxiliary members of the armed forces of the United States; and providing for an effective date."

- Governor may authorize by administrative order for state employees who are called to active duty to continue to receive state compensation and some or all of their state benefits.
- Department of Administration may adopt emergency regulations to implement order issued by governor.
- Not subject to AS 44.62 (Administrative Procedure Act) because they are meant to be immediate and of limited duration.
- Retroactive to September 11, 2001.
- We don't anticipate emergency regulations providing full salary, just benefits and any difference between active duty pay and state salary.
- Soldiers' families keeping health insurance.

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 26
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: All
 Title "An Act relating to state employees BRU _____
 who are called to active duty..." Component _____
 Sponsor Elton/Taylor _____
 Requester _____ 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	*	*	*	*	*	*

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: _____ *
 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)
 Current year funding requirements are unknown at this time.
 Out year funding is indeterminate. There is no way to predict the number of emergencies for which an Administrative Order under the proposed legislation might be considered.

Prepared by: David Stewart Phone 465-4431
 Division Division of Personnel Date/Time 3/25/03 1:10 PM
 Approved by: _____ Date 3/25/2003
 Agency _____



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State workers called to military duty will keep regular pay

By The Associated Press
February 23, 2003

NASHVILLE - State workers called to active military duty with the National Guard or Armed Forces Reserves will continue to get paid the same salary they make in their civilian jobs, under an executive order signed Saturday by Gov. Phil Bredesen.

"Signing this document is the least that we can do for hard-working state employees, Guardsmen, Reservists and their families," Bredesen told more than 500 people at the 74th Annual Conference of the National Guard Association of Tennessee.

Shortly after the speech, Bredesen took a plane to Washington, where he is attending the National Governors' Association meeting.

The executive order renews a pledge by former Gov. Don Sundquist that was set to expire March 11.

It requires government agencies and departments to extend military leave and provide offsetting pay to state employees whose active-duty wages are less than their normal salary.

For example, if an employee normally earning \$2,619 a month - the average government salary - is called to active duty making only \$2,100 a month, the state will pay \$519 a month. The benefit is capped at \$1,000 a month.

Bredesen also encouraged private employers to supplement pay of their workers who are deployed.

"Guardsmen and Reservists already have given so much," Bredesen said. "They should not have to sacrifice financially in order to defend our freedom and security."

An estimated 480 state employees were members of the Tennessee Army and Air National Guards in January 2002, the most current number available from the Department of Personnel. An unspecified number serve in the Armed Forces Reserves.

The Tennessee National Guard now has more than 2,200 members on active duty.

It was unclear how many state workers have been called to duty.

Bredesen said he will keep renewing the new order as long as the nation is at a high risk of war.

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SB

29

STATE OF ALASKA

OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET

FRANK H. MURKOWSKI, GOVERNOR

P.O. BOX 110020
JUNEAU, ALASKA 99811-0020
PHONE: (907) 465-4660
FAX: (907) 465-3008

April 1, 2003

The Honorable Fred Dyson
Alaska State Senate
Room 121 State Capitol
Juneau, Alaska 99801-1182

Dear Senator Dyson:

You have requested the Administration's support for Senate Bill 29 "An Act establishing a sunset date for each department of state government [and] review of the functions of state agencies". The Governor shares your goals and objectives. As you know, on his first day in office, Governor Murkowski signed Administrative Order No. 202 directing "all principal departments of the executive branch to perform internal performance audits." He further directed the Office of Management and Budget to coordinate those audits and work their findings and recommendations into the Fiscal Year 2004 Governor's Budget. The time and effort spent doing this was substantial and the budgetary results of that process are now before you.

The Administration supports your effort to refocus state government spending on those essential services the state must provide. The criteria you have proposed provide good guidelines for both Executive and Legislative Branch reviews of agency operations. And, if tailored to fit within the annual missions and measures legislation, they would provide additional, useful Legislative direction for the annual budget review process.

This Administration believes we must make state government more efficient and economical in operation and more responsive to the public. To do this requires determination by the Governor and the Legislature to make progress toward those objectives in the annual state budgets recommended and enacted each year. Without the effort of both branches, state government will not become more efficient, more effective, and the obsolete will live on.

Sincerely,



Cheryl Frasca
Director



SENATOR FRED DYSON

SB 29 SPONSOR STATEMENT

"An Act establishing a sunset date for each department of state government; relating to the review of the functions of state agencies, certain instrumentalities of the state, and other persons and offices."

Government services must be tailored as accurately as possible to public need. In addition, a waning Constitutional Budget Reserve motivates Alaskan lawmakers to focus on efficiency of government services. This bill creates a sunset review process that asks a fundamental question: how should state resources correspond to public need? This bill initiates the regular assessment of state agencies and entities on a periodic rotating basis, and sets a date on which an agency will be abolished unless legislation is passed to continue its functions.

Many state programs were aimed at meeting very specific needs. Over time, these needs grow, shift, or diminish. A thorough and detailed review of each government instrumentality will enable legislators to be better equipped to make crucial policy and budget decisions. Nearly 20 states utilize a similar sunset review process, notably Texas, and there is debate on implementing a federal sunset process. The goal of this sunset process is not getting rid of benefits or government jobs; the goal is efficient government.



SENATOR FRED DYSON

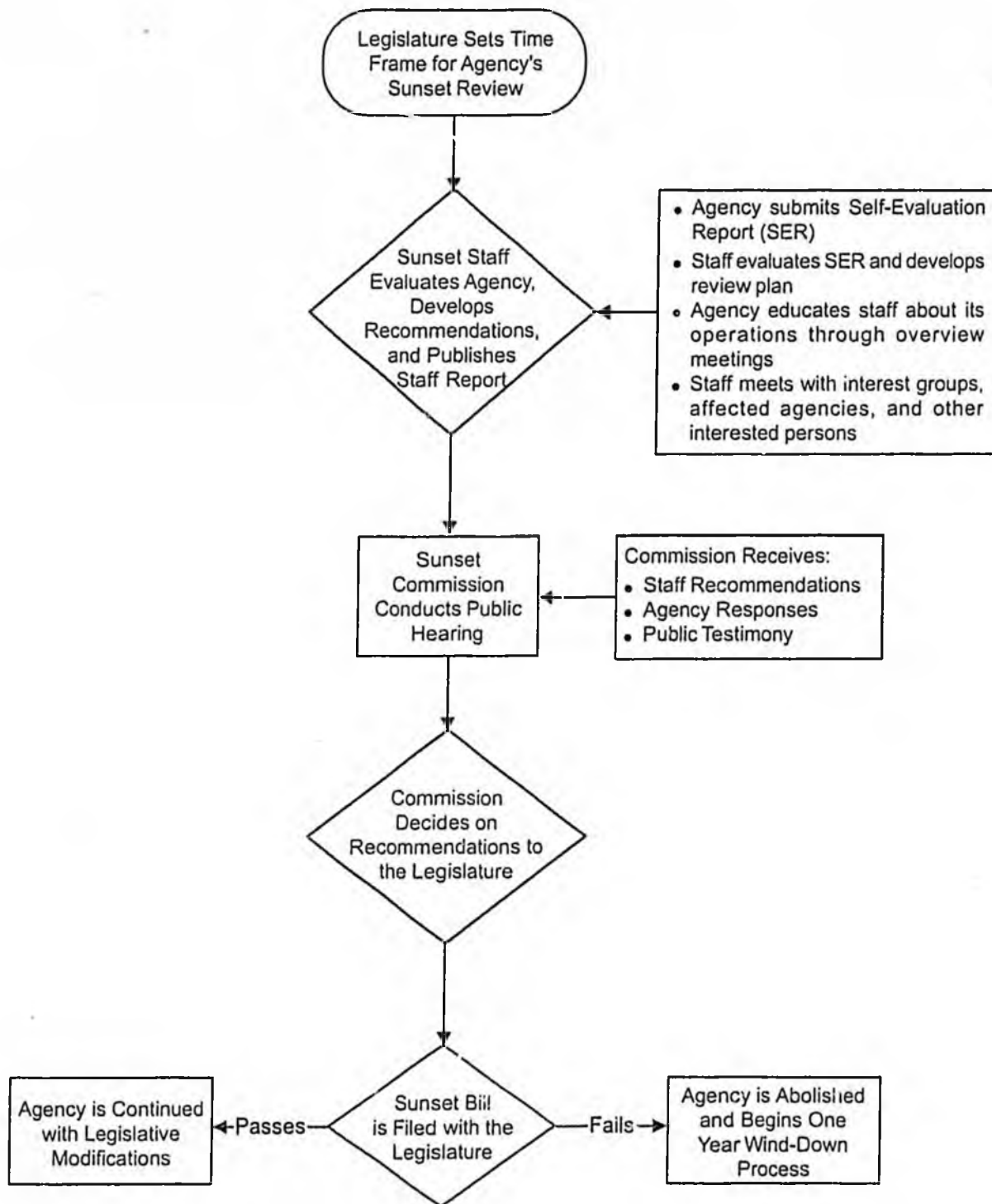
SB 29 SECTIONAL ANALYSIS

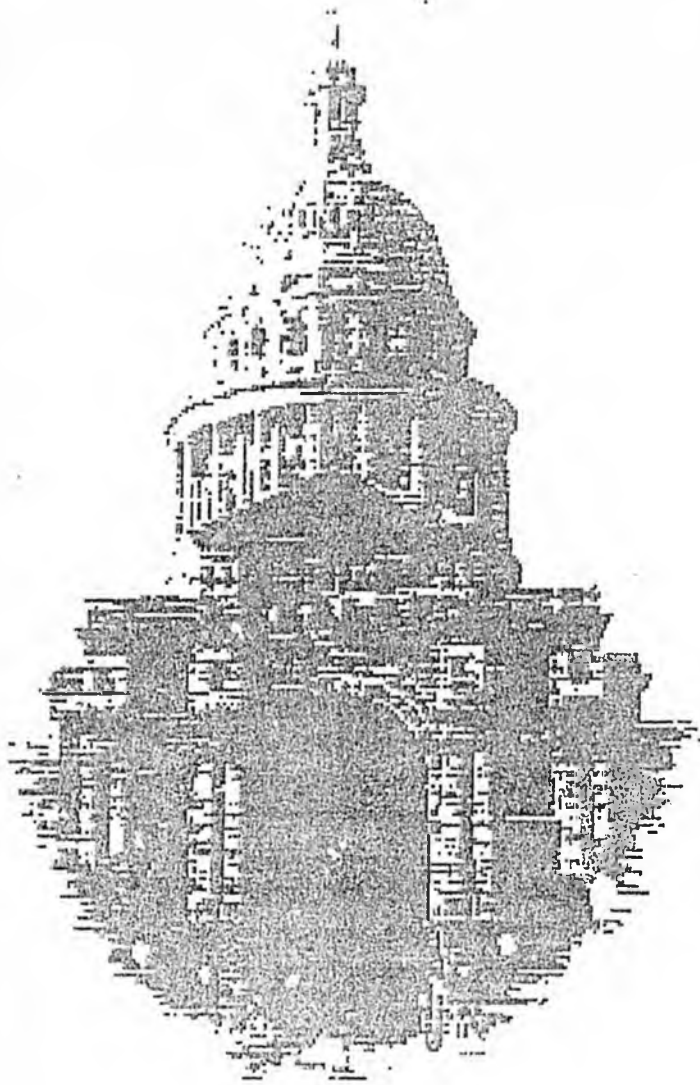
"An Act establishing a sunset date for each department of state government; relating to the review of the functions of state agencies, certain instrumentalities of the state, and other persons and offices."

Section 1:

- Specifies that a 10-year rotating cycle be used to review each of the state entities by the Legislative Budget and Audit Committee. This does not affect the "missions and measures" procedures. The reviews will be completed in the year preceding the dates listed in this section. Each department will be discontinued on the date specified, unless legislation is passed—directed by the review—that extends this date 10 years. The Legislature, Offices of the Governor and Lieutenant Governor, Court System, and University of Alaska will be reviewed, but are not eligible for discontinuation. If the expiration date is reached before legislation (that would clean up or eliminate the laws that would no longer apply should the agency be abolished) is adopted, then the agency will continue functioning for an additional year. If legislation (that would continue or abolish the agency) is not enacted, then the agency is abolished on July 1, one year after the agency's sunset date specified earlier in this section, and the obsolete laws will be resolved by the revisor's bill, following the direction of the Legislative Budget and Audit report, if necessary;
- The review will answer the question: does a public need exist that justifies the continuation of a government agency—or any of its functions? The section identifies criteria which will be considered in addressing that question;
- By December 1 of the year preceding the sunset date specified above, the Legislative Budget and Audit Committee will submit a report to the Rules Committees of each house that presents the committee's findings of the review and which is based on the criteria listed above. The report will also include a bill that specifies legislative recommendations based on the review that would implement continuation, discontinuation, amendment, or transfer of the program, entity, or agency.
- The report and bill named above will be referred to appropriate standing committees and public hearings will be held to discuss the agency. These committee hearings may include information not included in the report.

Sunset Review Process





SUNSET ADVISORY COMMISSION

Sunset Process
Report Card



December 2002
(Revised February 2003)

Sunset Process Report Card

Introduction

As the Sunset Commission neared completion of its work for the 2003 Session of the Legislature, it began to assess the impact of its deliberations. Reflecting the results of this interim, the Commission also wanted to assess the impact of the Sunset process overall. In December 2002, it discussed the basic question of how can the Legislature review and measure the impact of the Sunset process. The Commission asked the Sunset staff to prepare a "self-assessment" of the process. The following is a discussion of what Sunset is, what it does, what it has done, what it has become, and how it is periodically assessed. The report concludes with highlights from the current review cycle.

What is Sunset?

Sunset is part of the Legislature's oversight of state government. It asks the basic question of whether an agency continues to be needed. It also looks at ways to make government simpler and better meet the needs of Texans. Sunset works by setting a date for an agency to be reviewed, thus giving the Legislature a chance to look closely at an agency and keep it, usually with improvements, or get rid of it. In most cases, legislation must pass to continue the agency reviewed. This strengthens the accountability of state agencies to the Legislature and provides a forum to set the mission of those agencies.

Sunset asks the basic question: Does an agency continue to be needed?

One key to Sunset's effectiveness is public input. The process has several opportunities, which add value to the outcome. Sunset staff seeks public input as it does its work. More importantly, the Sunset Commission also seeks public input and uses the results in its deliberations. Public debate of issues is a cornerstone of the process, and, in effect, sets it apart from the efforts of other legislative oversight agencies.

Public debate is a cornerstone of the Sunset process.

What Sunset Does

The Sunset process is guided by a 10-member body appointed by the Lieutenant Governor and the Speaker of the House. Assisting the Commission is a staff whose reports assess an agency's need, and suggest improvements to the way it operates. Through public deliberation, the Commission develops a record of the perspectives of the agency involved, the interested stakeholders, and the general public, as to the potential future of the agency and what changes should be made if the agency is to be continued. The Commission reports its

recommendations to the Legislature, which passes legislation to implement its decisions on an agency. As with all legislation, Sunset bills must also be approved by the Governor.

What Has Sunset Done?

Sunset has led to 44 agencies abolished and 11 consolidated.

Since its inception in 1977, the Legislature has recognized the Sunset process as an important tool for overseeing state agencies and bringing needed change to state government. Originally established to look at the need for agencies and evaluate their efficiency and effectiveness, Sunset's mission has matured over time to also serve the Legislature's need to analyze state policies and, as needed, address special concerns regarding certain state agencies. Ultimately, Sunset has institutionalized a way for the Legislature to make state government smaller and smarter.

Direct Impact

Sunset is a structured way to make government smaller and smarter.

The Sunset process has worked to streamline and change state government. Although its impact is broad, the key indicators of Sunset's success have always centered on the number of agencies abolished and the savings generated from its work. Since Sunset's inception, the Legislature has used the process to abolish 44 agencies and consolidate the functions of 11 others. The chart, *History of Sunset Commission Action*, details the results of Sunset reviews from 1979 through 2003. In terms of savings, the Sunset process has generated \$720 million, at a cost of \$17 million. That is a return of \$42.50 for every dollar spent.

History of Sunset Commission Action - 1979 to 2003															
Legislative Session	1979 66th	1981 67th	1983 68th	1985 69th	1987 70th	1989 71st	1991 72nd	1993 73rd	1995 74th	1997 75th	1999 76th	2001 77th	2003 ² 78th	Total	Percent
Agencies Continued	12	22	29	24	18	25	23	27	16	19	22	21	24	282	81%
Agencies Abolished Outright	8	2	3	6	1	3	3	1	0	0	1	1	2 ³	31	9%
Agencies Abolished & Functions Transferred	1	3	0	0	1	2	3	1	2	2	0	0	1	16	5%
Agencies Combined	4	1	0	0	0	0	1	2	0	0	2	1	0	11	3%
Agencies Separated	1	0	0	1	0	0	0	0	0	0	0	0	0	2	1%
Agencies Reviewed	26	28	32	31	20	30	30	31	18	21	25	25 ¹	29 ¹	346	

¹ Some agencies reviewed were not subject to continuation or abolishment.

² Based on Sunset Commission recommendations.

³ Two statutes.

Other Impact

Aside from the more obvious indicators of success, the Sunset process has had many other positive impacts on state government. These impacts are grounded in the goals on which the process was originally created – efficient, effective agency operations; open government; public participation; protections against conflicts of interest; and responsiveness to and protection of the citizens of Texas.

The Legislature has used the Sunset process to create the standard of how state agencies should be structured and operate through a template of good government principles. These “across-the-board recommendations” are applied, as appropriate, to all agencies as they go through Sunset review. They have also become the standard used by the Legislature when it proposes to create a new agency or program.

The Sunset process has also established an operating model for occupational licensing agencies. This template covers all aspects of the structure and operation of a licensing agency, including the agency’s policy body, administration, examinations, licensing, enforcement, and penalty authority. The model has been well received and should become the standard for state licensing.

The Sunset process also acts as a catalyst for agencies to get their “ship in order.” As agencies near their scheduled Sunset review, an amazing amount of improvement is often observed. Backlogs of complaints disappear, languishing projects often get finished, and much attention is given to meeting performance measures. At times, the Legislature even uses the threat of a Sunset review to get an agency to improve its performance.

Overall, the Legislature has used the Sunset process to change the face of state government. Direct changes through Sunset legislation number in the thousands, and the unmeasurable indirect changes all point to the success of the process.

What Sunset Has Become

The Sunset process has become a forum for discussion of policy issues that surround an agency. This has been the age-old debate concerning Sunset, as to whether the review and resulting legislation should be confined to the agency and its operation, or should bigger policy issues also be considered. While the debate continues, it is, for now, a reality. An agency’s Sunset review is often the only time that some issues see the light of day. This may be because an issue is “under the radar screen,” except during a Sunset review. In other cases, the proponents of the status quo can sometimes keep a bill on the subject from passage. A Sunset bill must pass so the playing field is leveled. Sunset staff do not take a position on this matter, but simply report that changes in state policy are not uncommon in Sunset bills.

*Each dollar spent on
Sunset has returned
\$42.50.*

*Direct changes number
in the thousands, with
untold indirect benefits.*

*Though controversial,
Sunset is a forum for
policy debate.*

The Sunset process has also become a method used by the Legislature to deal with problem agencies. Almost every Session, some agency's Sunset date is changed to move up its review date. This brings an agency under increased scrutiny to hopefully allow for persistent problems to be addressed. In addition, some agencies are given short Sunset dates so the Legislature can revisit issues sooner than the standard 12 years. In extreme cases, an agency is given a two-year "probationary" period, to allow continued oversight until problems are resolved. All these tactics point to the Legislature's use of the Sunset process as a problem solver.

Finally, the Legislature uses the Sunset Commission as a resource for special projects. Sunset staff have assisted in a number of projects over the years, assisting interim committees and task forces, working on the first Texas Performance Review, evaluating Requests for Proposals, and participation in joint projects with other oversight agencies. Most recently, the Leadership asked the Sunset Commission to develop the approach needed to make sure all agency boards and commissions comply with a 1999 constitutional amendment regarding membership structure.

How Is Sunset Assessed?

The Legislature itself "sunsets" the Sunset process.

The question often asked is, "Who sunsets Sunset?" The answer is the Legislature itself. As a legislative agency, the Sunset Commission is directly accountable to the Legislature. The results of the Sunset process are directly reported to and acted on by the Legislature. Historically, 90 percent of the Sunset Commission's recommendations have been approved, in some form, by the Legislature. This record points to the acceptance of the process and its results.

The Legislature has openly debated the continuing value of Sunset. During the 1993 Session, it debated a bill that would have abolished the process. This difficult but necessary dialogue resulted in the Sunset process being continued but with some beneficial changes. This new approach centered around communication, between the staff and the Commission members, and with the legislative Leadership. This has strengthened the process and its impact. The Legislature should continue its critical evaluation of Sunset, assessing its value and demanding results.

Sunset staff also take a critical look at how Sunset does its business. Staff completed an internal assessment and produced a business plan to deal with needed improvements. While much of the effort involved internal operations, Staff also went outside the agency to seek input from its customers. Talking with legislators, legislative staff, staff of agencies reviewed, and other stakeholders, Staff have made several adjustments in the way it does business. Staff constantly strives to

provide a quality product that meets the needs of the Legislature and its secondary audiences.

Sunset This Cycle

During the current interim, the Sunset Commission has carried on a tradition of excellence. The Commission met six times, conducted public hearings on the 29 reviews scheduled for this Sunset cycle, and made decisions on recommendations that resulted from its Staff's work and testimony raised during its hearings. The Commission adopted almost 700 recommendations, continuing 24 of the agencies reviewed, abolishing the Texas Department of Economic Development and transferring its functions, abolishing the Riding Stables Chapter and the Licensing Agency Pilot Project, and making numerous improvements to the agencies continued. The fiscal impact of these decisions is estimated at \$6.8 million the next two years, and \$7.6 million annually thereafter.

Key recommendations from this cycle include:

- creating a streamlined, focused economic development and tourism function within the Governor's Office;
- simplifying the formula for distributions from charitable bingo;
- providing for a clear separation of the duties of the full-time Workforce Commission and its agency staff;
- reining in the transfers of unemployment compensation experience that cost employers millions of dollars each year;
- providing the Ethics Commission with the ability to adequately conduct investigations;
- improving the accountability of the State Bar, and simplifying the attorney grievance procedure;
- positioning the Higher Education Coordinating Board to better implement the strategic plan for higher education; and
- strengthening the enforcement capability of a number of licensing agencies, most notably for the Board of Accountancy.

Conclusion

The Sunset process recently celebrated its silver anniversary. It has many supporters, and some opponents. Its impact is widespread. The results are well-documented. Its reputation is strong, both in Texas and around the nation. Sunset's future is, as it should be, up to the Legislature.

Sunset's current work will save the State more than \$7 million annually.

Sunset's future is up to the Legislature, as it should be.

Ending immortality in government

By CHRIS EDWARDS

After its embarrassing support of the \$190 billion farm subsidy bill, the Bush administration needs to find ways to regain its fiscal conservative credentials. The president can reach into his Texas budget experience for one idea that could provide lasting benefits for federal spending control. Texas Republican Kevin Brady has introduced a bill (H.R. 2373) to "sunset" or automatically terminate most federal programs every 12 years.

About 20 state governments have sunset procedures, and Brady has drawn on the successful Texas law for his federal legislation.

Brady's legislation would establish a commission to review government programs on a rotating basis and make recommendations prior to each program's sunset date. Poorly run, wasteful, and unneeded programs would be slated for overhaul, privatization or elimination. The administration supports the idea. But the president needs to move such proposals to the front burner to show that he is serious about reforming government.

In the late 1970s, there was strong bipartisan support for a federal sunset law introduced by Sen. Ed Muskie, D-Maine. Supporters of that legislation ranged from Jesse Helms, R-N.C., to Ted Kennedy, D-Mass. While gaining broad support in the Senate, the legislative effort failed in the House. Twenty-five years later, the need to reform and abolish federal agencies and programs is much greater.

Congress has been eager to add new programs to the \$2.1 trillion federal empire in recent decades. But Congress rarely cleans its house of programs that do not work. By contrast, private sector firms are routinely put out of business, or "sunset," by new firms that better serve the public. For example, Montgomery Ward was recently sunset by consumers when more efficient retailers, such as Target, arrived on the scene. In fact, about 10 percent of U.S. firms go out of business each year, and roughly 10 percent of all private sector jobs disappear each year due to business contractions and failures.

Unlike the private sector, there is no structured method to sunset government



agencies when they fail or when better alternatives become available. Consider Amtrak. The Bush administration's budget notes that Amtrak has "utterly failed" to wean itself off subsidies and is a "futile system." Policy makers need a process to sunset Amtrak and the many other failed and futile programs.

The Bush administration has proposed virtually no program terminations or privatizations yet, although it is trying to bring private sector management practices into government. That was also one of the goals of Al Gore's "reinventing government" initiative. Unfortunately, such initiatives will not work without an enforcement mechanism. A federal sunset process could help ensure that programs actually lose funding unless they are truly reformed.

A successful federal sunset process may require changing numerous procedural rules of Congress. For example, creating enough time for members to consider sunset commission recommendations has been an issue raised with regard to sunsetting in the past. One possible solution would be to move to a two-year budget cycle with alternate years devoted to sunset commission proposals. Congressional rules could also be changed to build on the administration's new program-effectiveness ratings. For example, programs that the administration grades as "ineffective" five years in a

row could be made to trigger an automatic review by the sunset commission.

Such reviews could study how agencies and programs may be transferred to the private sector. A sunset commission could draw on the experience of dozens of countries which have implemented successful privatization programs in recent years.

For example, the Bush budget rated the U.S. air traffic control system "ineffective." Meanwhile, Canada's privatization of air traffic control has won rave reviews. The new Canadian private system has invested in technology superior to that used in the United States, and flight delays have been substantially reduced.

Aside from increases in service quality, privatization is valuable simply because it moves economic activities off the federal budget. This is crucial because with the coming budget pressures of entitlement programs set to explode when baby boomers retire, the next generation will be crushed with taxes unless Congress starts to terminate and privatize as many government programs as possible. The Bush administration should step up to the plate and support a federal sunset procedure to help Congress make those needed reforms.

Chris Edwards is director of fiscal policy at the Cato Institute.

Here is today's ACTION ITEM:

ISSUE: In a recent report, CNSNews.com asked, "What can be done about a federal bureaucracy run amok? Set an expiration date for federal agencies and let Congress intervene if it wants them saved from extinction. That's the solution put forward by Republican Congressman Kevin Brady and Democratic Congressman Jim Turner." It's called "sunsetting."

Sunsetting establishes the process to evaluate the performance of federal agencies. The law proposed by Brady and Turner, the "Abolishment of Obsolete Agencies and Federal Sunset Act of 2001" (H.R. 2373), would also promote accountability and customer service within agencies that have not demonstrated either in the past.

H.R. 2373 would place an expiration date on every federal agency, department and program. This would require them to justify their existence to taxpayers and Congress, or face elimination. A similar law is used in 20 states including Texas, which has eliminated 23 agencies, saving Texas taxpayers \$630 million.

Every agency, regardless of whether they were created 100 years ago or 20 years ago, must prove they deserve our precious tax dollars today. Under sunsetting, not only do you abolish federal agencies and streamline others, you force agencies to become more responsive to the taxpayers and the customers they serve.

This bill was introduced in 1998 and attracted an impressive 67 original co-sponsors, including then-House Budget Committee Chairman John Kasich and Dan Burton, who chairs the House Government Reform and Oversight Committee where the bill will be considered. The measure was also endorsed by the Citizens Against Government Waste.

The act creates a 12-member bi-partisan commission composed of eight members of Congress and four private citizens. The commission -- to be paid for by cutting a portion of the current federal budget -- will evaluate each agency and recommend to Congress if it should be abolished, streamlined, consolidated or reauthorized with recommendations for improvements.

The bill was re-introduced last June, and sent to the House Subcommittee on the Civil Service and Agency Organization -- where it's now stuck. This bill, should it become law, would do wonders to make the conservative dream to reduce the size of government a reality -- but it needs our action to get it out of committee and onto the House floor for a vote!

ACTION ITEM: This legislation would ensure that our federal agencies perform functions that best serve the public need and justify every tax-dollar in their budget. Contact your Congressman TODAY and ask him or her to co-sponsor the "Abolishment of Obsolete Agencies and Federal Sunset Act of 2001" (H.R. 2373), and to request that it be sent out of committee for a vote immediately -- Click Below:

<http://www.conservativehq.com/042902.htm>

NOTE: You can also call Rep. Dave Weldon (R-FL) at 202-225-3671 (he's the Chairman of the subcommittee where H.R. 2373 is now

SB

63

ALASKA STATE LEGISLATURE



SENATE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

Senator Tom Wagoner, Chair

Official Business

Senator Robin Taylor, Vice-Chair
Senator Kim Elton
Senator Georgianna Lincoln
Senator Gary Stevens

State Capitol, Room 427
Juneau, AK 99801-1182
Phone: (907) 465-4989
Fax: (907) 465-4779

DATE: April 29, 2003

FROM: Mary Jackson, Staff
Senate Community and Regional Affairs Committee

RE: Amendment to CS for SB 63 – Version \H

Page 1, Line 1:

Provides for transition for mergers, etc., as requested by the LBC.

Page 1, Line 6:

Amends current statute on reclassification to provide for transition.

Page 2, Line 1:

Amends current statute on incorporation to provide for transition.

Page 2, Line 12:

Corrects numbering by deleting "1" and inserting "3".

Page 2, Line 16;

Inserts a new section to current statutes (Local Boundary Commission) on transitions requirements by the LBC.

Page 2, Line 23

Corrects numbering.

Page 2, Line 25:

Inserts language service provisions by the municipality to annexed areas.

Page 2, Line 30:

Inserts new subsection to AS 29.06.160 (Transition) clarify role of LBC.

Page 3, Line 5:

Amends existing language in AS 29.06.500(a) (Dissolution Decision) by specifying that the LBC can impose transition provisions.

AMENDMENT

#1
Adopted

OFFERED IN THE SENATE

TO: CSSB 63(), Draft Version "H"

1 Page 1, line 1, after "relating to":

2 Insert "transition provisions related to municipal mergers, consolidations,
3 dissolutions, reclassifications, annexations, detachments, and incorporations; and
4 relating to"

5

6 Page 1, following line 3:

7 Insert new bill sections to read:

8 **"* Section. 1.** AS 29.04.040(a) is amended to read:

9 (a) A second class city may be reclassified as a first class city. A first class or
10 home rule city may be reclassified as a second class city. Reclassification is proposed
11 by filing a petition with the department. The department shall investigate the proposal
12 and report its findings to the Local Boundary Commission with its recommendations.
13 The commission shall hold at least one public hearing in the city on the proposal. The
14 commission may amend the petition, [AND] may impose conditions on the
15 reclassification, and may impose any transition requirements that the commission
16 determines to be useful or necessary to accomplish the reclassification. If the
17 commission determines that the reclassification, as amended or conditioned if
18 appropriate, meets applicable standards under the state constitution and commission
19 regulations, meets the standards for incorporation under AS 29.05.011 for the class of
20 city proposed in the reclassification petition, and is in the best interests of the state, it
21 may accept the petition. Otherwise, it shall reject the petition. The commission shall
22 notify the city of its decision. The decision may be appealed under AS 44.62
23 (Administrative Procedure Act).

1 * Sec. 2. AS 29.05.100(a) is amended to read:

2 (a) The Local Boundary Commission may amend the petition, [AND] may
 3 impose conditions on the incorporation, and, in addition to those under
 4 AS 29.05.140, may impose any transition requirements that the commission
 5 determines to be useful or necessary to accomplish the incorporation. If the
 6 commission determines that the incorporation, as amended or conditioned if
 7 appropriate, meets applicable standards under the state constitution and commission
 8 regulations, meets the standards for incorporation under AS 29.05.011 or 29.05.031,
 9 and is in the best interests of the state, it may accept the petition. Otherwise it shall
 10 reject the petition."
 11

12 Page 1, line 4:

13 Delete "Section 1"

14 Insert "Sec. 3"

15

16 Page 1, following line 7:

17 Insert a new bill section to read:

18 "* Sec. 4. AS 29.06.040 is amended by adding a new subsection to read:

19 (e) Subject to AS 29.06.055, the Local Boundary Commission may impose
 20 any transition requirements that the commission determines to be useful or necessary
 21 to accomplish a boundary change."
 22

23 Renumber the following bill section accordingly.

24

25 Page 1, line 12, following "effect.":

26 Insert "However, notwithstanding other provisions of law, the municipality may
 27 provide services in the annexed area that are funded wholly or partially with property taxes
 28 during the period before the municipality may levy property taxes in the annexed area."
 29

30 Page 2, following line 2:

31 Insert new bill sections to read:

1 ** Sec. 6. AS 29.06.160 is amended by adding a new subsection to read:

2 (b) Subject to (a) of this section, the Local Boundary Commission may impose
3 any transition requirements that the commission determines to be useful or necessary
4 to accomplish the merger or consolidation.

5 * Sec. 7. AS 29.06.500(a) is amended to read:

6 (a) The Local Boundary Commission may amend the petition, [AND] may
7 impose conditions for the dissolution, and may impose any transition provisions
8 that the commission determines to be useful or necessary to accomplish the
9 dissolution. If the commission determines that the dissolution, as amended or
10 conditioned if appropriate, meets applicable standards under the state constitution and
11 commission regulations, meets the standards for dissolution under AS 29.06.470, and
12 is in the best interest of the state, it may accept the petition. Otherwise it shall reject
13 the petition."

ALASKA STATE LEGISLATURE



SENATE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

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Official Business

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Senator Kim Elton
Senator Georgianna Lincoln
Senator Gary Stevens

State Capitol, Room 427
Juneau, AK 99801-1182
Phone: (907) 465-4989
Fax: (907) 465-4779

RE: Explain of STA CS for SB 63

1. Title Change to include (per LBC request)
 - a. New language for transition provisions for
 - i. Mergers, consolidations, dissolutions, reclassifications, annexations, detachments, and incorporations
 - b. New language for property tax time frames extended to
 - i. Detached and newly incorporated areas.
2. Added new subsection to extend time restrictions to newly incorporated and detached areas (per LBC request).
3. Added language regarding "transition" authority of LBC for mergers, consolidations, dissolutions, reclassifications, annexations, detachments, and incorporations (per LBC request).
4. Deleted the immediate effective date section – request of sponsor.

SENATE COMMITTEE REPORT

DATE: 2/28/03

FURTHER:

DATE TURNED IN TO OFFICE: 4/30/03

State Affairs Committee considered SENATE BILL NO. 63

SB 63 MUNICIPAL ANNEXATIONS AND DETACHMENTS

"An Act relating to municipal property taxation in annexed and detached areas; and providing for an effective date."

and recommends:

- be replaced with _____ CS SB63 (STA)
- 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):

Department	Date	Fiscal	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
<u>DCED</u>	<u>2/28/03</u>		<input checked="" type="checkbox"/>	<u>1</u>

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<u>John A. Casper</u>	<input checked="" type="checkbox"/>			
<u>Richard J. Pines</u>			<input checked="" type="checkbox"/>	
CHAIR: <u>[Signature]</u>	<input checked="" type="checkbox"/>			

ALASKA STATE LEGISLATURE

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DATE: April 23, 2003

FROM: Mary Jackson, Staff 
Senate Community and Regional Affairs Committee

RE: CS for SB 63 – Version \H

Section 1: This is a new subsection – added at the request of the Local Boundary commission. It extends the same time restrictions for annexed areas in the current bill to newly incorporated areas.

Section 2: This is the same language as in the original bill.

Other: This CS deletes the immediate effective date section in the original bill.

Please note, the Local Boundary Commission also asked for "intent" language. Legal is currently working on that, as a permanent statute, and will present it in the form of an amendment to the CS.

23-LS0489\H
Cook
4/23/03

CS FOR SENATE BILL NO. 63()

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to municipal property taxation in annexed, detached, and newly
2 incorporated areas."

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

4 * Section 1. AS 29.05.140 is amended by adding a new subsection to read:

5 (f) Unless the incorporation takes effect on January 1, the newly incorporated
6 municipality may not levy property taxes before January 1 of the year immediately
7 following the year in which the incorporation takes effect.

8 * Sec. 2. AS 29.06 is amended by adding a new section to read:

9 Sec. 29.06.055. Property taxes in annexed or detached areas. (a) Unless
10 the annexation takes effect on January 1, the annexing municipality may not levy
11 property taxes in an annexed area before January 1 of the year immediately following
12 the year in which the annexation takes effect.

13 (b) If an area is detached from a municipality, all property taxes that are levied
14 by that municipality on property in the detached area based on an assessment that

1 occurred before the effective date of the detachment remain valid. AS 29.45.290 -
2 29.45.500 apply to the enforcement of those taxes.

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 63
(S) Publish Date: 2/28/03

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
Title Municipal Annexations and Detachments BRU Community Assist & Econ. Dev. (405)
Component Community & Business Development
Sponsor Senate Community & Regional Affairs
Requester Senate Community & Regional Affairs Component No. 2486

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 has no fiscal impacts to this division.

Prepared by: Gene Kane, Acting Director
Division Community & Business Development
Approved by: Edgar Blatchford, Commissioner
Agency Department of Community & Economic Development

Phone 907-269-4578
Date/Time 2/25/03 4:57 PM
Date 2/25/2003

ALASKA STATE LEGISLATURE

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White Paper on SB 63

April 5, 2003

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ALASKA STATE LEGISLATURE



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Sponsor Statement

SB 63 - MUNICIPAL ANNEXATIONS AND DETACHMENTS

This bill proposes new statutory language to clarify when a municipality may tax an area that was annexed. It also clarifies the question of property taxes in a detached area.

Currently, there is uncertainty with regard to the authority of municipal governments to levy property taxes in newly annexed territory. The Local Boundary Commission has recommended clarification of this for several years.

The issue was raised as an item of concern during the legislative hearings on the City of Homer's Annexation, discussed in 2002 during the 22nd Legislative Session. The annexation was effective in March, but the question of when a tax levy would be applied was uncertain.

If adopted, the bill provides that a tax may not be assessed or levied before January 1 of the year immediately following the annexation. An exception would be if the annexation were effective on January 1.

For detached areas, the bill clarifies that taxes levied on property prior to the date of the detachment remain valid.

ALASKA STATE LEGISLATURE



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Sectional Analysis

SB 63 - MUNICIPAL ANNEXATIONS AND DETACHMENTS

Section 1: This is a new section to Title 29, specifying that annexed property may not be assessed or property taxes collected before January 1 of the year immediately following the year in which the annexation takes effect.

The exception is in the event that the annexation takes effect on January 1.

Section 2: Provides for an immediate effective date for the legislation.

BACKGROUND INFORMATION TO SB 63

As a background to discussion of SB 63, the minutes of the Joint meeting of Senate & House Community and Regional Affairs Committee of Feb 7, 2002 should be reviewed. The Local Boundary Commission (LBC) presented their 2002 Annual Report to the Legislature at that meeting.

The presentation included the following – verbatim from the minutes of that meeting.

(Continuation of Chair Kevin Waring's presentation.)

Ambiguities in State law

At present, state statutes are unclear about municipal authority to levy property taxes during the period immediately following incorporation, boundary changes, dissolutions or reclassification. Specifically, the pertinent sections of the statutes do not clearly authorize or prohibit municipal governments that incorporate or change boundaries after January 1, but come into being during that calendar year, to assess, levy and collect taxes. The commission believes it would be beneficial to local governments to make the ground rules clear. Those issues are fully addressed on pages 28 and 29 of the annual report and they offer some draft legislation that was developed with the state assessor and some municipal assessors that would resolve this uncertainty

REPRESENTATIVE SCALZI asked what prompted the concern regarding levying property taxes after January 1.

DAN BOCKHURST said Homer provides an example. If approved, the annexation for the City of Homer, it will occur on March 9. There are some who assert that if property assessment value is fixed as of January 1 of each calendar year then that date also establishes a date by which a municipal entity has power to levy property taxes. If the area isn't in the corporate boundaries of the City of Homer on January 1 2002, then the question arises as to whether the City of Homer has the authority to levy property taxes for the period of time between March 9 and the end of the calendar or fiscal year. There is an Attorney General opinion that municipal governments have a duty to levy taxes on property that is annexed after January 1 but in time for the municipal government to place that property on the tax role. In many cases there is dispute and confusion among city and borough governments on this question and some insist that the territory must be within the jurisdiction on January 1 in order for it to be taxable for that period of time. The commission's proposal would provide a mechanism to resolve that ambiguity.

AMBIGUITIES IN STATE LAW (-continued)

MR. WARING added it is easy to see what a fair outcome would be; that whichever government is providing services at the time should be entitled to a comparable share of the revenues. That outcome can be achieved with clarification in the statutes. The alternative is inevitably some litigation of the issue. Statutory clarification is a better resolution.

CO-CHAIRMAN TORGERSON commented he thought the commission already has broad based authority to accomplish this in their order for annexation or detachment. There may be a 45 day legislative review process but that is when the order becomes effective, not the effective date of stipulations that the commission may add to annexation. He said he's not sure they need legislation. Rather, "you just need to step out and do it."

MR. WARING said the legislation statutorily states that the commission has that discretionary authority to place conditions on boundary changes. He agreed they do have broad authority, but they are generally conservative about venturing beyond what they see in statute and regulation. They would feel more comfortable with a statutory statement that the Legislature agrees this is something they should do.

ALLEN TESCHE, LBC representative from the Third Judicial District, said his view of state statutes governing taxation is that they are specific and clear as to the process that should be followed. He too agrees that they would prefer having clear guidance from the Legislature on that issue rather than simply taking a position and waiting to see what the courts decide. Personally, he would rather see the issue addressed as a policy matter at the legislative level.

CO-CHAIRMAN TORGERSON said he disagreed but the question is whether they have the authority to put in the order when taxes would start being collected and when they wouldn't. The LBC isn't arguing whether they have the authority, they just choose not to exercise the authority.

MR. TESCHE said they question whether they have the authority in the first place and that is where the problem starts. He's not comfortable with the proposition that they have the authority.

The Commission again addressed the issue in the 2003 Annual Report. On page 84 of that report, under the section entitled "Ambiguities in State Law Concerning Municipal Property Taxation in Newly Annexed or Detached Areas" conditionally supported draft legislation presented by then Rep. Drew Scalzi. (SB 63 is based on that draft and comments related to LBC stipulations on the draft presented elsewhere.)

Clearly then, the Commission is uncertain with regard to it's authority in this matter.

Public Policy Issues

For the purposes of the Senate Community and Regional Affairs Committee, the issue must be reviewed not only from the premise of what is or is not appropriate functions or duties of the LBC, but also in terms of public policy issues.

The public policy questions regarding this include the following.

1. Annexations/Detachments that involve other taxing jurisdictions.

Using the Homer annexation as an example, an existing road service area was affected.

A service area develops an annual budget based on properties within their tax base. That budget necessarily includes operations affecting the entire service area, not just the properties that are eventually detached. The budget does not specify items like labor costs or equipment costs on a neighborhood or region basis; rather it is for the entire area.

Detaching property from a service area affects the budget because it changes the annual revenues that are anticipated by the service area. Predictability in revenue sources is a critical issue in determining annual budgets for service areas.

2. Annexations that do not involve other taxing jurisdictions.

Annexation of properties that are not involved with a taxing jurisdiction do not have the impacts that are associated with properties that do have a taxing jurisdiction.

For example, City X is authorized to annex areas immediately adjoining it, but City X is located in the unorganized area. The adjoining property involved is not currently being assessed for governmental services by another taxing jurisdiction and thus, there is no conflict with the budgets or services as a result.

3. Taxpayer expectations.

Taxpayers expect property assessments and tax bills in an orderly manner. Like governments, most people budget annually and an immediate increase in their property taxes would be unexpected and potentially pose a hardship.

Identifying a specific date for changes in mill rates establishes a taxing certainty for the affected taxpayer when their property taxes are changed as a result of an annexation or detachment.

This expectation is essentially universal – it would be of import to a property owner that is currently paying a mill rate in a service area as well as a property owner that would begin to pay a mill rate as a result of annexation.

LBC Stipulations on SB 63

As was noted earlier, the 2003 Report to the Legislature included stipulations on the work draft that was provided them for review. (Note that SB 63 is based on the work draft and does not include the stipulations suggested by the LBC.)

The first stipulation was that the draft be modified to address municipal incorporations in a like manner. The second stipulation was that "it be understood that the legislation does not reduce the ability of petitions and/or the Commission to determine appropriate transition measures as outlined in AS 29.05.130-140 and 3 AAC 110.900."

This is puzzling, because they appear to be contradictory stipulations.

AS 29.05.130-140 pertains to integration of special districts and services area (.130) and Transition (.140).

Current language is specific to integration in new municipalities – that is, to new municipal incorporations.

The statutes specify a time specific, as is shown below:

Sec. 29.05.130. Integration of special districts and service areas.

- (a) A service area in a newly incorporated municipality shall be integrated into the municipality within two years after the date of incorporation.

The language in SB 63 provides for a specific time frame – January 1 following the date of the annexation or detachment. Including municipal incorporation in this bill, with these time restrictions, would appear to be contrary to the provisions in 29.05.130.

It is not contrary in the respect that it is done within the two-year timeframe – certainly 9 months is within the 24 month time frame. It is contradictory in that it limits the transition ability of the LBC. It establishes a time specific for the transition time frame of "within two years".

In terms of the public's comfort level, it would probably be welcomed because they would have some definitive assurances of when their tax bills were due.



State of Alaska Local Boundary Commission

550 West Seventh Avenue, Suite 1770 • Anchorage, AK 99501
Telephone: 907-269-4560 • Fax: 907-269-4539

April 23, 2003

The Honorable Gary Stevens
Chairman, Senate State Affairs Committee
State Capitol, Room 417
Juneau, Alaska 99801-1182

Re: Senate Bill 63

Dear Senator Stevens:

The Local Boundary Commission endorses, in general, legislative efforts to eliminate ambiguities in current law regarding the date upon which property becomes subject to municipal property taxation following a boundary change. With regard to Senate Bill 63, the Commission supports the bill with the following modifications:

1. Provisions should be added to address the date upon which property included in a newly incorporated city or borough government becomes subject to property taxation by that newly incorporated municipal government. The provisions should be similar to those that would apply to newly annexed areas. The ambiguity that now exists in law concerning the authority of a municipality to levy property taxes in a newly annexed area also exists with regard to newly incorporated territory. If incorporation is not dealt with in this legislation, then the ambiguity that Senate Bill 63 was designed to eliminate will still exist in part.
2. Provisions should be included in the bill stating that it is the intent of the legislature that the Act does not affect the ability of petitioners to propose, or the ability of the Commission to determine, appropriate transition measures. For example, if an annexation takes effect in March, the annexing municipality would be unable to levy property taxes in the newly annexed area until January 1 of the following year. Notwithstanding, the annexing municipality should not be barred from extending to the newly annexed area those services that are funded wholly or partially with property taxes.
3. Certain technical amendments to lines 6 and 7 would seem to provide greater clarity and minimize the prospect for misinterpretation. Specifically, the Commission urges the State Affairs Committee to consider adding that the word "annexing" before the word "municipality" on line 6. Additionally, the Commission urges the Committee to consider deleting the words "assess" and "or collect" on lines 6 and 7.

The Honorable Gary Stevens
April 23, 2003
Page Two

By adding the word "annexing" on line 6 as described, it becomes clear that the limitation applies only to the annexing municipality. The Commission is concerned that the limitation might otherwise be interpreted to apply to both borough and city property taxes in the case of an annexation of territory to a city within a borough. In other words, some might assert that a borough would be precluded from levying property taxes within territory that was newly annexed to a city located within that borough even through the property was subject to borough property taxes prior to the city annexation.

Additionally, it seems that the terms "assess" and "collect" should be deleted. Senate Bill 63 is intended to address only the levy of property taxes following boundary changes. Assessing involves the formal setting of the taxable value of property. Some assessment functions will be required in newly annexed areas prior to January 1. As currently written, the legislation might be interpreted as barring a municipal government from exercising assessment functions in newly annexed territory before January 1 of the year following annexation. The term "collect" is unnecessary. If the annexing municipality cannot levy a tax, it cannot collect the tax.

Specific language suggested by the Commission to address the three proposed amendments is attached for consideration by the State Affairs Committee.

Very truly yours,



Darroll Hargraves
Chair

**SPECIFIC AMENDMENTS TO SENATE BILL NO 63
PROPOSED BY THE LOCAL BOUNDARY COMMISSION
TO THE SENATE STATE AFFAIRS COMMITTEE
(April 23, 2003)**

1. To address newly incorporated city and borough governments, the Commission suggests adding the following new section to Senate Bill 63:

1 * Section ____. AS 29.05 is amended by adding a new section to read:
2 **Sec. 29.05.145. Property taxes in newly incorporated**
3 **municipalities.** Unless the incorporation takes effect on January 1, the newly
4 incorporated municipality may not levy property taxes in the incorporated
5 area before January 1 of the year immediately following the year in which the
6 incorporation takes effect.

2. To formally state the intent of the legislature that the Act does not affect the ability of petitioners to propose, or the ability of the Commission to determine, appropriate transition measures, the Commission suggests that the following new section be added to Senate Bill 63.

1 * Section ____. **Declaration of Intent.** It is the intention of the legislature
2 that this Act does not affect the ability of petitioners to propose, or the ability
3 of the Commission to determine, appropriate transition measures relating to
4 municipal incorporation, annexation, or detachment. For example, if an
5 annexation takes effect in March, the annexing municipality would be unable
6 to levy property taxes in the newly annexed area until January 1 of the
7 following year. Notwithstanding, the annexing municipality is not barred by
8 this Act from immediately extending to the newly annexed area those services
9 that are funded wholly or partially with property taxes.

SPECIFIC AMENDMENTS TO SB 63 PROPOSED BY THE LBC
APRIL 23, 2003
PAGE TWO

3. To address technical concerns about the language on lines 6 and 7 of Senate Bill 63, the Commission suggests the following amendments to that the portion of Section 1 of the bill relating to proposed AS 29.06.055(a):

- 1 * **Section 1.** AS 29.06 is amended by adding a new section to read:
- 2 **Sec. 29.06.055. Property taxes in annexed or detached areas. (a)**
- 3 Unless the annexation takes effect on January 1, the annexing municipality
- 4 may not [ASSESS,] levy[, OR COLLECT] property taxes in an annexed area
- 5 before January 1 of the year immediately following the year in which the
- 6 annexation takes effect.

Subject: Griswold SB 63 LBC testimony 4/7/03

Date: Mon, 07 Apr 2003 12:45:20 -0900

From: Mary Griswold <mgrt@xyz.net>

**To: Douglas Letch <Doug_Letch@legis.state.ak.us>, Katrina_Matheny@legis.state.ak.us,
Cameron_Yourkowski@legis.state.ak.us, Mary Jackson <Mary_Jackson@legis.state.ak.us>**

FYI

Local Boundary Commission SB 63 Mary Griswold testimony 4/7/03

Please support SB 63, relating to municipalities' authority to levy real and personal property taxes in the initial period following annexation or detachment. Please support amending SB 63 to include incorporation as recommended by the previous commission at its meeting on December 9, 2002 and referenced on page 84 of its report to the 23rd legislature.

State statutes are unclear with respect to municipal authority to levy property taxes during an initial period following incorporation, annexation, or detachment. The question is whether taxes accrue in full on January 1 when the valuation is set, or by June 15, on the date the levy is determined. To complicate the situation, the Local Boundary Commission is given broad powers to place conditions on boundary changes, but there is no clear authority for it to decide property tax jurisdiction. This is a policy issue and is better resolved through legislation than by the LBC on a case by case basis, or by dragging it through the courts.

Clarifying by statute, in cases of incorporation, annexation and detachment, that property taxes accrue in full each year on January 1 is consistent with existing policies and procedures across the state for assessing property and adding new property to tax rolls. It is a practical approach that will simplify the transition planning process and be less disruptive to the affected governmental units and individual taxpayers.

The best way to promote an orderly, efficient, and economical transfer of responsibilities is to set simple, straightforward ground rules. If everyone involved in a proposed annexation understands that revenue streams will shift on January 1 following an effective date, everyone can plan accordingly. The Administrative Code allows a transition period of up to two years. Municipal budgets can be revised in an orderly manner within normal budget preparation cycles to accommodate shifts in service delivery. New services can be added as tax revenue becomes available. Everyone will work with consistent, predictable expectations.

It is important to note that with many annexations, there is a corresponding simultaneous detachment from another government. Using January 1 as the cutoff date to establish value and jurisdiction provides less disruption to that municipality's budget process and service delivery plans. During a transition period, whichever government is providing services can be appropriately compensated through contract agreements worked out in the transition plan without requiring an untimely change in the taxing jurisdiction. This is a better approach than pro-rating taxes between governments for the remainder of the tax year because many services are provided on an area-wide basis, the cost of which will not decrease proportionately to the territory affected by the simultaneous annexation and detachment.

Taxpayers expect property assessments and tax bills on an orderly schedule. They learn their tax jurisdiction and valuation well in advance of the levy and can plan their personal budgets accordingly. Annual tax adjustments within one government unit are usually small,

whereas annexation usually results in a dramatic increase in property tax liability. It is better to make these adjustments within the existing assessment procedures taxpayers are familiar with, than to surprise them with a big change in the middle of the assessment calendar.

Some people have argued that this approach is unduly conservative and punitive, especially for areas undertaking incorporation because they will be required to immediately provide services for which they have no funding. I am sympathetic, but after analyzing the consequences of trying to accommodate special situations, I realized that the conflicts created by more flexible approaches defeat their purpose. Practical considerations of implementing a taxing authority require a January 1 date certain, under which flexibility may be exercised to balance service delivery with revenue allocations. Municipalities have latitude to establish their levy date, tax payment schedule, and fiscal cycles within the limits of the statutes. They must also prioritize the exercise of their powers and authorities to provide services consistent with their financial and human resources. Municipalities must make policy decisions about the appropriation of funds. Such planning decisions are considered discretionary and are immune from suit. Alaska Statute 09.65.070(d)(2) provides that neither a municipality nor its agents, officers, or employees are liable for failing to exercise a discretionary function, as upheld in the 1998 Alaska Supreme Court case *Adams v City of Tenakee Springs*. In other words, the sense of urgency is often exaggerated. Municipalities are not expected to immediately provide the host of services typically associated with government. This should be made clear to everyone early in the consideration to incorporate or annex territory.

The assessment date is the effective date for property tax liability. Alaska statutes allow up to six months to mail the bills as a practical necessity for sufficient time to create an assessment roll, notify property owners, consider adjustments, conduct board of adjustment hearings, develop annual budgets, certify the roll, set an appropriate levy, and prepare the tax bills. The 1998 Supreme Court case *Kenai Peninsula Borough v Arndt* essentially established that property taxes accrue in full on the assessment date. A property's tax status (including situs) becomes fixed for the full tax year on the date of its assessment. "Tax situs can be based on whether the property in question is taxed by another taxing government." The court recognized the general agreement that post-assessment changes in value, situs, and ownership of taxed property require no changes in tax for the corresponding year. The 1989 opinion of the state attorney general regarding municipal taxation of oil and gas production property in annexed territory concluded that an assessor can assess property and add it to the tax roll any time before its certification. This opinion has not stood the test of the court system and oversteps the legally prescribed January 1 assessment deadline.

If the LBC were allowed to direct municipalities to levy taxes on properties within their jurisdiction as of any date other than January 1, serious conflicts could arise. Municipalities have discretion to choose their own dates to determine the levy and mail the tax bills as long as they meet the legal deadlines. Exactly how close the effective date of an action could crowd the taxing schedule is too open a question to leave unresolved until well into the petition analysis. Realistic revenue projections are necessary early in the process for responsible transition planning. This question could also result in a lengthy delay of an annexation due to court challenges of the LBC's tax jurisdiction decision.

It is commonly understood and accepted that property in annexations and incorporations effective after June 15 will not be taxed until the following year. These municipalities must plan to exercise their powers and responsibilities in a manner to conform to this financial

restriction. If it is clearly established that all actions after January 1 will wait until the following year to levy taxes, everyone will plan accordingly. It is important to note that municipalities have revenue sources other than property taxes. An area deemed appropriate for incorporation or annexation has demonstrated sufficient economic and human resources to support government. Sales taxes could serve as an initial source of funding for government services while a municipality builds a solid financial foundation. The state has at least discussed offering financial incentives to areas of the unorganized borough willing to incorporate. Such payments would help bridge this revenue gap.

If SB 63 is adopted without including incorporation, a risk of multiple taxation arises when an area within a service area of an organized borough incorporates as a city before July 1. If the city levies taxes in the initial year following incorporation while the taxes on the detached area of the borough remain in effect under SB 63, the property owners in the new city will be taxed twice.

Clear guidelines for municipal property taxation will encourage municipalities to be cautious about extending services beyond their boundaries, will promote orderly municipal growth as the need for services increases, and will reduce the stress and contention associated with boundary changes. Please support SB 63 with the proposed amendment so everyone understands the revenue rules before becoming involved in an annexation, detachment, or incorporation procedure.

Thank you.

Mary Griswold
P.O. Box 1417
Homer 99603

Subject: proposed amendment to CSSSB 63

Date: Mon, 28 Apr 2003 08:51:21 -0800

From: Dan Bockhorst <dan_bockhorst@dced.state.ak.us>

To: Mary Jackson <Mary_Jackson@legis.state.ak.us>

CC: Darroll Hargraves <countryridge@gci.net>

Mary: With one minor exception, the proposed amendment to CSSB 63 ("23-LS0489\H2 Cook 4/24/03") looks great to me.

I believe that "annexations, detachments," should be added after "reclassifications," on page 1, line 3 of the proposed amendment. As currently written, the amended title makes no reference to transition provisions related to annexation and detachment, while it makes reference to "transition provisions related to municipal mergers, consolidations, dissolutions, reclassifications, and incorporations ..."

Thanks.

TO: TAM COOK
FROM: MARY JACKSON

IF YOU AGREE, PLEASE
PREPARE AN AMENDMENT
TO THE CS. IT WILL BE
UP IN SEN. STA TOMORROW

SB

65

**SENATE COMMITTEE REPORT
First Committee of Referral**

DATE: 2/10/03

FURTHER: Finance

Date of 5-Day Notice: 3/6/03
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 3/14/03

State Affairs Committee considered SENATE BILL NO. 65

SB 65 CORRECTIONAL FACILITY EXPANSION

"An Act authorizing the Department of Corrections to enter into agreements with municipalities for new or expanded public correctional facilities in the Fairbanks North Star Borough, the Matanuska-Susitna Borough, Bethel, and the Municipality of Anchorage."

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):

Department	Date	Fiscal	Zero	FN#
DOC	2/19/03	✓		1

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
	✓			
	✓			
				✓
			✓	
CHAIR:			✓	

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB65_DOC_2_19
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Corrections
 Title Correctional Facility Expansion BRU Administration & Operations
 Component _____
 Sponsor Senator Green
 Requester _____ 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	200.8	207.3	1,838.8	10,653.9	18,159.2	18,202.2
Travel	7.0	8.0	151.3	232.3	313.4	313.4
Contractual	5.0	5.0	685.2	1,738.2	2,791.2	2,791.2
Supplies	6.0	7.0	778.4	2,335.5	3,892.6	3,892.6
Equipment	7.0	0.0	9.0	9.0	9.0	9.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	80.0	199.0	793.9	793.9
Miscellaneous	0.0	0.0	3,172.0	5,002.9	15,273.9	15,273.9
TOTAL OPERATING	225.8	227.3	6,714.7	20,170.8	41,233.2	41,276.2

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	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	225.8	227.3	6,714.7	20,170.8	41,233.2	41,276.2
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	225.8	227.3	6,714.7	20,170.8	41,233.2	41,276.2

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	3	3	29	46	317	314
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

This bill authorizes the Department of Corrections to enter into twenty-five year lease agreements with the Fairbanks North Star Borough, Matanuska-Susitna Borough, Bethel and Anchorage for up to a total of 1,600 beds at state correctional facilities and a new state correctional facility.

Assume that the local government agencies will fund the costs of the new or expanded correctional facilities construction through local/AIDEA bond sales backed by the state leases. Costs of construction for Fairbanks, Anchorage and Mat-Su facilities not to exceed \$135,000 per bed, and cost of annual lease payments not to exceed \$14,600 per bed. For the Bethel facility, costs of construction not to exceed \$155,000 per bed, and cost of annual lease payments not to exceed \$16,700. (continued on page 2 of 2).

Prepared by: Jerry D. Burnett, Director Phone 465-3339
 Division: Administrative Services Date/Time 2/19/03 1:33 PM
 Approved by: Portia C.K. Parker, Assistant Commissioner Date 2/19/2003
 Agency: Department of Corrections

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

BILL NO. SB65_DOC_2_19

ANALYSIS CONTINUATION

DOC will require three project management positions during the planning and construction phase.

Annual Lease Costs, by Facility (shown in miscellaneous line):

Fairbanks Correctional Center: 80 new beds = \$1,168,000

Matanuska-Susitna Borough: 1,200 new beds = \$12,101,900

Yukon-Kuskokwim Correction Center: 120 beds = \$2,004,000

Anchorage Jail: no lease payment (if appropriated, federal funds used for construction)

Additionally, security and life/safety staff and institutional staffing necessary to support the 1,600 new prisoner beds in Alaska is based on about 5 prisoners per 1 staff. Thus, 314 new staff will be needed to support these additional prisoner beds statewide.

The \$41,276,200 annual costs of incarceration and lease payments can be offset by moving any remaining prisoners housed at the out of state contract facility (Florence Correctional Center) back to Alaska and housing them in the new beds created by this bill. Assuming that in FY08, 1,000 prisoners, at \$70.00 per day x 365 days = \$25,550,000 of savings that can be applied to the cost of new beds.

The bill provides for federal receipt authority for up to \$30,000,000. The authorization to expand the Anchorage Jail facility by 200 beds may only occur if federal funds are received and the Alaska State Legislature appropriates the funds.

End.

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES



CITY OF FAIRBANKS

Steve M. Thompson, Mayor

800 CUSHMAN STREET
FAIRBANKS, ALASKA 99701-4615

OFFICE: 907-459-6793

FAX: 907-459-6787

smthompson@ci.fairbanks.ak.us

March 10, 2003

VIA FACSIMILE: (907) 465-3805

Senator Lyda Green
State Capitol, Room 516
Juneau, Alaska 99801-1182

Re: Senate Bill 65

Dear Senator Green:

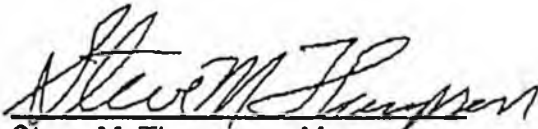
I salute your persistence in pursuing a solution for the state's future correctional facility needs. It has not been an easy route. Clearly, there is substantial debate, strident at times, throughout the state regarding the solution to the problem.

The regional approach taken in Senate Bill 65 makes a great deal of sense. There are many advantages of building new facilities in Sutton, Fairbanks, Bethel and Anchorage that outweigh the other "monolithic" approach of a single large facility.

Thank you again for your work.

Sincerely,

CITY OF FAIRBANKS


Steve M. Thompson, Mayor



ALASKA STATE LEGISLATURE



Interim:
600 East Railroad Avenue
Wasilla, Alaska 99654
(907) 376-3370
(907) 376-3157 Fax

Session:
State Capitol
Juneau, Alaska 99801-1182
(907) 465-6600
(907) 465-3805 Fax

SENATOR LYDA GREEN SENATE DISTRICT G

Sponsor Statement SB 65

The need for additional prison beds in Alaska has been recognized by the Legislature for a number of years. Currently, there are about 650 Alaskan prisoners being held in facilities outside of Alaska.

Senate Bill 65 provides legislative authorization for the expansion of state prisons by local governments. Under the provisions of SB 65, local governments would finance the construction of new prison facilities and additional beds at facilities currently owned by the state. The State of Alaska would then enter into long-term leases and operate the facilities as part of the state correctional system. This financing mechanism allows the state to acquire facilities with no up-front capital costs. It benefits both the state and local economies with construction jobs and long-term jobs in the facilities.

The need for additional prison beds in Alaska is virtually uncontested. However, the location of facilities, the method of financing the construction and who will operate the new facilities all raise issues. In 1998, the Legislature authorized the construction of a privately constructed and operated prison with a minimum of 800 beds in Delta Junction. The prison was not built. In 2001, the Legislature passed HB 149, which provided for construction of a minimum of 800 private prison beds on the Kenai Peninsula. Again, the prison was not built. I believe it is time to go in a new direction in order to finally address this chronic and increasing prison bed space problem.

SB65 provides a long-term solution to Alaska's prison bed space problem. The proposed expansions to existing facilities in Bethel, Fairbanks and Anchorage (federal prisoner unit expansion) will provide relief to the most chronically overcrowded regional hubs. The new 1,200-bed facility will provide the most cost-effective in-state solution to bringing Alaska's prisoners home from Arizona, relieving prison bed overcrowding issues in other regions of the state, as well as providing additional bed space for the state's projected prisoner population increases.

I ask for your support and swift passage of SB65.

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

February 20, 2003

SUBJECT: Sectional Summary - SB 65

TO: Senator Lyda Green

FROM: Gerald P. Luckhaupt *GPL*
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 is not an authoritative interpretation of a bill - the bill itself is the best statement of its contents.

Section 1. Authorizes the Department of Corrections to enter into agreements with various municipalities for new or expanded correctional facilities and provides conditions on the authorization.

GPL:lmb
03-038.lmb

ESTABLISH MUNICIPAL OWNED, STATE OPERATED PRISONS

By **Resolution No. 1264**, copy attached, the City of Palmer supported the concept of establishing multiple, municipal owned, state operated prisons. The City supports the expansion of existing prisons to meet the demands of the Department of Corrections.

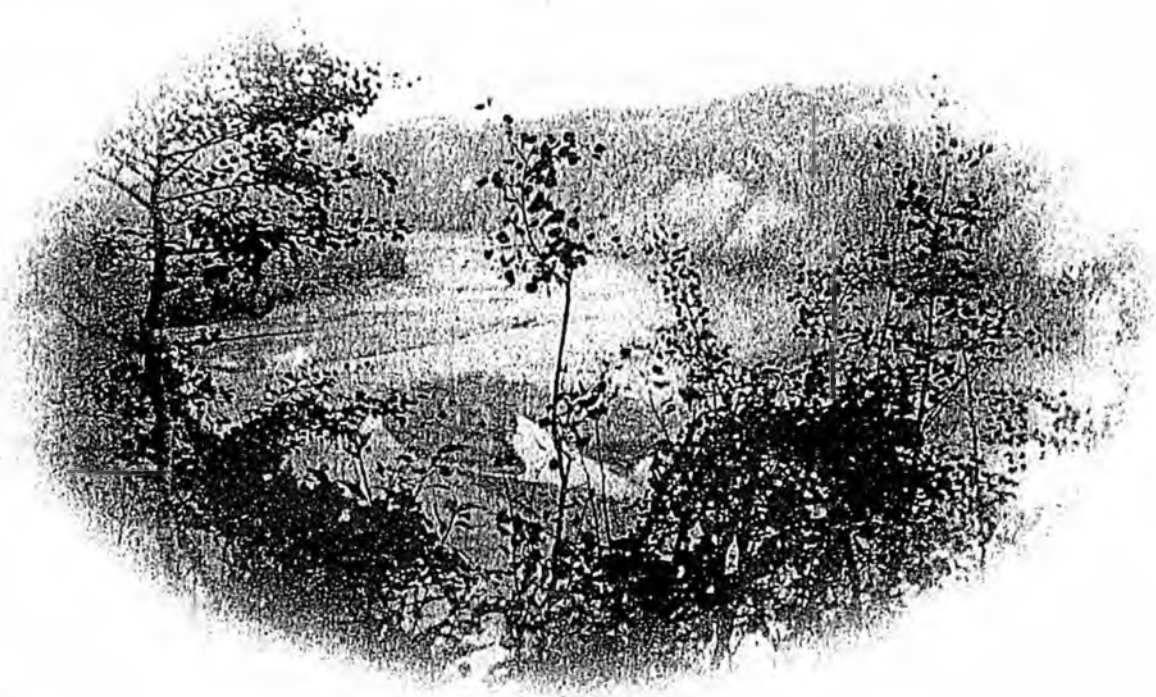
At a meeting on February 11, 2003, the City Council reaffirmed its support of Resolution No. 1264.

This approach to prison expansion will save the State prisoner transport costs related to housing prisoners out of state. Funds spent in the state will benefit the state and local economies, and will provide temporary and permanent jobs in the state.

If you have any questions concerning these issues, please contact:

Tom Healy, City Manager
City of Palmer
745-3271
745-0930 (FAX)
city_mgr@palmerak.org

5. **Expansion of Correctional Facilities.** The State currently transfers approximately \$20 million per year to the State of Arizona in order to house Alaska prisoners. This transfer of funds seriously compromises efforts to improve and diversify our economy. The State's Correctional Facilities located in the Borough have the lowest cost per bed within the state system and the facilities were originally built with expansions in mind. Hence, expansion costs will be lower than at other facilities. Expanding the correctional facilities within the Borough will create jobs and contracting opportunities and eliminate the out-of-state transfer of funds.



Matanuska-Susitna Borough

STATE LEGISLATIVE PRIORITIES

FEBRUARY 2003

**MATANUSKA-SUSITNA BOROUGH****Borough Mayor**350 East Dahlia Avenue, Palmer, Alaska 99645-6488
Phone (907) 745-9682 FAX (907) 745-9669

February 18, 2003

Jim Clark, Chief of Staff
Office of the Governor
P.O. Box 110001
Juneau, Alaska 99811-0001

Dear Mr. Clark:

Please accept my apology for missing the 2:30 meeting Thursday. We had it on our schedule for 3:30.

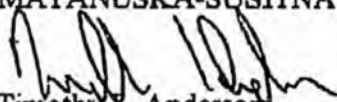
I would nevertheless like to share in writing with you the message from Mat-Su Manager John Duffy and myself. We want to convey to you the following:

1. The Mat-Su Borough wholeheartedly supports the Governor's position in support for public prisons.
2. Private prisons have been decisively rejected in south Anchorage, Delta, Wrangell, and the Kenai Peninsula.
3. The Borough supports SB 65, sponsored by Senator Green and others.
4. SB 65 will allow the state to bring home prisoners from Arizona and create jobs and economic benefits for Alaskans.
5. The Mat-Su Borough welcomes public correctional facilities and employees in the Valley.
6. Mat-Su voters and correctional officers overwhelmingly supported Governor Murkowski and his correctional policy during the last election.
7. The Mat-Su Borough is prepared to assist the administration in any way possible to construct public prisons in the Valley as it represents the most cost-effective locale for correctional facilities in the state.

Again, please accept our apology for missing our meeting. We look forward to working with you and the legislature on this important issue.

Sincerely,

MATANUSKA-SUSITNA BOROUGH


Timothy L. Anderson
Borough Mayor

Adopted: 02/18/03

MATANUSKA-SUSITNA BOROUGH
RESOLUTION SERIAL NO. 03-012

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY SUPPORTING THE CONCEPT OF ESTABLISHING MULTIPLE, MUNICIPAL-OWNED, STATE-OPERATED PRISONS.

WHEREAS, the state of Alaska recognizes the pressing need to reduce overcrowding in its prisons and bring home the 900 plus prisoners that are presently housed in out-of-state correctional facilities; and

WHEREAS, the state of Alaska expends approximately \$20 million annually to transport and house prisoners in out-of-state facilities; funds that if expended in the state of Alaska could significantly benefit state and local economies; and

WHEREAS, the development of new or expanded prisons in Alaska's municipalities would benefit Alaskans by providing much needed construction and permanent, year-round prison jobs; and

WHEREAS, maintaining prisoners within the state allows for them to be closer to their families and culture which enhances the potential for prisoner rehabilitation; and

WHEREAS, expansions of many of Alaska's existing prisons can be accomplished more cost effectively than by constructing new prisons; and


WHEREAS, the state of Alaska, Department of Corrections has a long-standing history of providing consistent correctional practices that protect the public's safety, allow for community participation through government-to-government transactions, and

address statewide and regional correction needs.

NOW, THEREFORE, BE IT RESOLVED, that the Matanuska-Susitna Borough Assembly supports the concept of a comprehensive approach to prison development, where the financial and clinical benefits of expanding existing prisons are equally considered with the development of new prisons; and

BE IT FURTHER RESOLVED, that new or expanded prisons be owned by the municipalities and operated by the state of Alaska, Department of Corrections under a long-term lease with the relevant municipalities including the Matanuska-Susitna Borough.

ADOPTED by the Matanuska-Susitna Borough Assembly this 18 day of February, 2003.



TIMOTHY L. ANDERSON, Borough Mayor

ATTEST:



SANDRA A. DILLON, Borough Clerk

(SEAL)

JB63

Requested by: Mayor
Prepared by: Administration
Meeting date: February 24, 2003
Adopted: February 24, 2003
Vote: Unanimous; Lowe absent

**CITY OF WASILLA
RESOLUTION SERIAL NO. 03-07**

A RESOLUTION OF THE WASILLA CITY COUNCIL TO SUPPORT SENATE BILL NO. 65 FOR LEGISLATION TO AUTHORIZE THE DEPARTMENT OF CORRECTIONS TO ENTER INTO AGREEMENTS WITH MUNICIPALITIES FOR NEW OR EXPANDED PUBLIC CORRECTIONAL FACILITIES IN THE FAIRBANKS NORTH STAR BOROUGH, THE MATANUSKA-SUSITNA BOROUGH, BETHEL, AND THE MUNICIPALITY OF ANCHORAGE.

WHEREAS, to relieve overcrowding of existing correctional facilities in the state and the extensive use of out-of-state correctional facilities, the Department of Corrections, not later than July 1, 2006, may enter into agreements with the following municipalities for new or expanded correctional facilities:

- (1) Fairbanks North Star Borough – expansion of existing facility by up to 80 beds;
- (2) Matanuska-Borough Borough – construction of new facility with up to 1,200 beds;
- (3) Bethel – an expansion of exiting facility by up to 120 beds;
- (4) Municipality of Anchorage – expansion of Anchorage Jail by up to 200 beds, and

WHEREAS, the average capital cost for all beds may not exceed \$135,000 a bed for (1), (2), and (4) of above, and \$155,000 a bed for (3) above, adjusted for inflation each year at a rate equal to the percentage increase in the Consumer Price Index for urban wage earners and clerical workers for Anchorage, Alaska, during the previous calendar year as determined by the Bureau of Labor Statistics, United States Department of Labor, and

WHEREAS, if construction of a new facility is authorized, the municipality shall own the facility, and the state may enter into a long-term lease not to exceed 25 years

with the municipality to operate the facility; the annual lease payment for a new facility may not exceed \$14,600 a bed; and

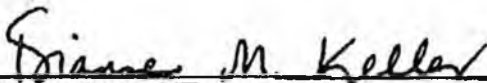
WHEREAS, if expansion of an existing facility is authorized, the state shall enter into a joint ownership agreement with the municipality of the expanded facility, enter into a long-term lease not to exceed 25 years of the municipality's interest in the facility, and operate the facility; payments under the lease may not exceed \$16,700 a bed for the Bethel facility and \$14,600 a bed for the Fairbanks and Anchorage facilities;

WHEREAS, the agreement to lease must contain terms providing that the commission of corrections may terminate for cause any contract for operating the facility, and

WHEREAS, the agreement to lease must contain terms providing that the commissioner of corrections may terminate for cause any contract for operating the facility.

NOW THEREFORE BE IT RESOLVED by the Wasilla City Council that the authorization given by this legislation is subject to the following condition: expansion of the facility may only occur if the expansion is funded by up to \$30,000,000 in federal receipts.

ADOPTED by the Wasilla City Council on February 24, 2003.


DIANNE M. KELLER, Mayor

ATTEST:

KRISTIE L. SMITHERS, CMC
City Clerk

[SEAL]



RECEIVED
FEB 24 2003

RESOLUTION 03-04

**A RESOLUTION OF THE COUNCIL FOR THE CITY OF HOUSTON, ALASKA
IN SUPPORT OF THE CONCEPT OF ESTABLISHING MULTIPLE,
MUNICIPAL OWNED, STATE OPERATED PRISIONS.**

WHEREAS, the State of Alaska recognizes the pressing need to reduce overcrowding in its prisons and bring home the 900 plus prisoners that are presently housed in out-of-state correctional facilities; and

WHEREAS, the State of Alaska expends approximately \$20 million annually to transport and house prisoners in out-of state facilities; funds that if expended in the State of Alaska could significantly benefit state and local economics; and

WHEREAS, the development of new or expanded prisons in Alaska's municipalities would benefit Alaskans by providing much needed construction and permanent, year-round prison jobs;; and

WHEREAS, maintaining prisoners within the State allows for them to be closer to their families and culture which enhances the potential for prisoner rehabilitation; and

WHEREAS, expansions of many of Alaska's existing prisons can be accomplished more cost effectively than by constructing new prisons; and

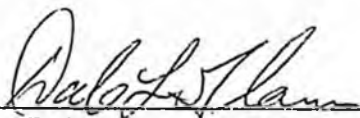
WHEREAS, the State of Alaska Department of Corrections has a long-standing history of providing consistent correctional practices that protect the public's safety, allow for community participation through government-to government transactions and address statewide and regional correction needs.

NOW, THEREFORE BE IT RESOLVED that the Council of the City of Houston, Alaska, supports the concept of a comprehensive approach to prison development, where the financial and clinical benefits of expanding existing prisons are equally considered with the development of new prisons; and

BE IT FURTHER RESOLVED that new or expanded prisons be owned by the

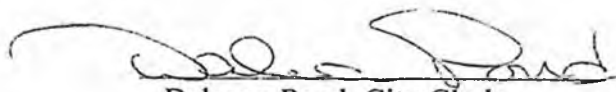
municipalities and operated by the State of Alaska Department of Corrections under a long-term lease with the relevant municipalities including the City of Houston, Alaska.

ADOPTED by a duly constituted quorum of the City Council for the City of Houston, Alaska on this 13th day of February, 2003.



Dale Adams, Mayor

ATTEST:



Daleann Pond, City Clerk



CITY OF PALMER, ALASKA

RESOLUTION NO. 1264

A RESOLUTION OF THE CITY OF PALMER IN SUPPORT OF THE CONCEPT OF ESTABLISHING MULTIPLE, MUNICIPAL OWNED, STATE OPERATED PRISONS.

WHEREAS, the State of Alaska recognizes the pressing need to reduce overcrowding in its prisons and bring home the 800 plus prisoners that are presently housed in out-of-state correctional facilities; and

WHEREAS, the State of Alaska expends approximately \$20 million annually to transport and house prisoners in out-of-state facilities; funds if expended in the State of Alaska could significantly benefit state and local economies; and

WHEREAS, the development of new or expanded prisons in Alaska's municipalities would benefit Alaskans by providing much needed construction and permanent, year-round prison jobs; and

WHEREAS, maintaining prisoners within the state allows for them to be closer to their families and culture which enhances the potential for prisoner rehabilitation; and

WHEREAS, expansions of many of Alaska's existing prisons can be accomplished more cost effectively than by constructing new prisons; and

WHEREAS, Alaska State Department of Corrections has a long-standing history of providing consistent correctional practices that protect the public's safety, allow for community participation through government-to-government transactions and address statewide and regional correction needs.

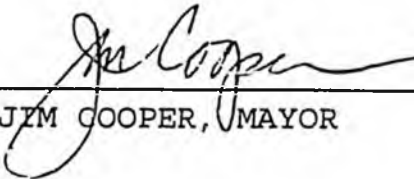
NOW, THEREFORE, BE IT RESOLVED, the City of Palmer supports the general concept of a comprehensive statewide approach to prison development, where the financial and clinical benefits of expanding existing prisons are equally considered with the development of new prisons; and

BE IT FURTHER RESOLVED, that new or expanded prisons be owned by the municipalities and operated by the Alaska State Department

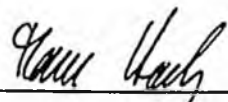
Resolution No. 1264 - Continued

of Corrections under a long-term lease with the relevant municipalities including the Matanuska-Susitna Borough.

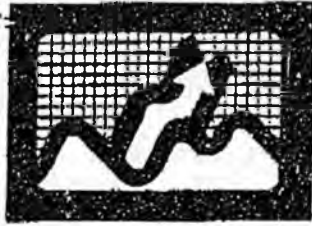
Adopted by the City of Palmer this 26th day of February, 2002.



JIM COOPER, MAYOR



THOMAS HEALY, CITY CLERK



Fairbanks Economic Development Corporation

RESOLUTION

A RESOLUTION BY THE FAIRBANKS ECONOMIC DEVELOPMENT CORPORATION IN SUPPORT OF ESTABLISHING A NEW CORRECTIONAL FACILITY WITHIN THE FAIRBANKS NORTH STAR BOROUGH

WHEREAS the Alaska correctional system is severely over-crowded; and

WHEREAS the State of Alaska recognizes the need to bring home the approximately 600 inmates incarcerated in Arizona prisons; and

WHEREAS the Fairbanks Correctional Facility (FCC) is the collection center for prisoners from Western, Northern, and Interior Alaska; and

WHEREAS the current FCC was constructed in 1965, and would require extensive renovation to provide necessary services if additional beds were added; and

WHEREAS a larger correctional facility in Fairbanks would provide an opportunity for cultural, social, and family support for a large percentage of the inmates; and

WHEREAS a larger correctional facility in the Fairbanks North Star Borough would provide considerable economic growth; and

WHEREAS the Fairbanks Economic Development Corporation encourages the Fairbanks North Star Borough to issue bonds to finance the construction of the facility; and

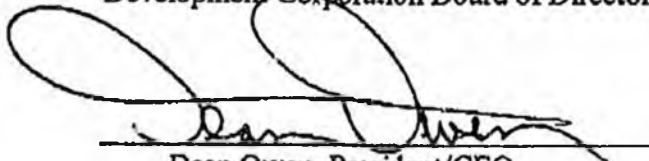
THEREFORE BE IT RESOLVED that the Fairbanks Economic Development Corporation requests that the Greater Fairbanks Chamber of Commerce, Fairbanks North Star Borough, City of Fairbanks, and the City of North Pole support the significant expansion of the number of inmate beds in Interior Alaska where the financial and clinical benefits of expanding the existing facility are equally considered with the development of a new facility; and

BE IT FURTHER RESOLVED that a new or expanded prison facility be owned by the municipalities and operated by the State of Alaska Department of Corrections under a long-term lease with the relevant municipalities including the Fairbanks North Star Borough.


BE IT FURTHER RESOLVED that this resolution be distributed to:
Governor Frank Murkowski
Commissioner Department of Corrections
Interior Delegation

Mayor Rhonda Boyles
Mayor Steve Thompson
Mayor Jeff Jacobson
Fairbanks North Star Borough Assembly
Fairbanks City Council
North Pole City Council

PASSED in Fairbanks, Alaska this nineteenth day of February, 2003 by the Fairbanks Economic Development Corporation Board of Directors.



Dean Owen, President/CEO



James Dodson, Chairman

Subject: Prisons

Date: Thu, 20 Feb 2003 20:28:02 -0900

From: William Hathaway <billandann@gci.net>

To: Fairbanks_LIO@legis.state.ak.us, Brad Wilson <brad@psca.net>

SB 65

Please support ~~house bill 91~~. I have been a Correctional Officer for the state for 13 1/2 years. I first worked 17 months a Spring Creek Correctional Center in Seward. Then I transferred to the Fairbanks Correctional Center. After working here for 12 years I cannot stress enough how much we need the extra bed space. It is not uncommon to have numerous prisoners sleeping on the floor in the gym because all of the beds are full. This increases tension within our facility because it prevents all prisoners from recreating properly to relieve tension. It is particularly stressful on the prisoners housed there because not only are they on the floor but other prisoners are recreating in their assigned living area. The increased tension spills over into fights, assaults, and contraband problems. As tension increases the prisoners become more desperate to smuggle contraband (primarily drugs) to aid in stress relief. It is easy to see how this becomes a vicious cycle. Consequently security and safety for the public, staff and prisoners is compromised.

Having done extensive personal research on the problems of prison overcrowding I can assure you that, without action on your part, we are sitting on a time bomb.

>From this research I have learned that private prisons are NOT the solution.

Pennsylvania has started the jailing staff of their private prisons because of their inability to control contraband. Ohio has jailed the wardens from their private prisons because they were unable to adequately provide for the safety of the prisoners housed there. Missouri is trying to close its private prisons because the liability lawsuits are over 600 times higher in private prisons than in state run facilities. Additionally the number of escapes from private prisons there is described as being "almost unbelievable." Georgia had to use the State Troopers to quell a riot at some of their private prisons and the resulting lawsuits are described as "astronomical." On several occasions Texas has had to use the Texas Rangers to quell disturbances in their private prisons because the staff there were untrained and unwilling to do so. Oklahoma has had similar problems and describe the rate of assaults, sexual assaults, and escapes as "something unheard of in professional state run facilities."

To a person Alaska's own prisoners returning from the private facility in Florence, Arizona all express a happiness to be back where "you guards are trained and paid enough to act like professionals". Most, but not all, express a feeling of safety upon returning and almost all will tell you that contraband is rampant there but almost totally controlled in our state facilities. This is something I have heard over and over while booking returnees.

*William S. Hathaway
2299 FREEDOM way
NORTH Pole, AK 99705*

SB

69

**SENATE COMMITTEE REPORT
First Committee of Referral**

DATE: 2/14/03

FURTHER: Resources

Date of 5-Day Notice: 3/13/03
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 3/26/03

State Affairs Committee considered SENATE BILL NO. 69

SB 69 BOARD OF FISHERIES CONFLICTS OF INTEREST

"An Act relating to participation in matters before the Board of Fisheries by members of the board; 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):

Department	Date	Fiscal	Zero	FN#
DF&G	3/15/03		✓	1

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
	✓			
	✓			
	✓			
	✓			
CHAIR:	✓			

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 69
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Fish and Game
 Title Relating to participation in matters before the BRU Boards Support
Board of Fisheries by members of the board Component Boards Support
 Sponsor Senator Wagoner
 Requester Senate State Affairs 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 ()						
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FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (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)

Prepared by: Gordy Williams, Legislative Liaison Phone 465-6143
 Division: Commissioners Office Date/Time 3/25/03 1:30 p.m.
 Approved by: Kevin C. Duffy, Commissioner Date 3/25/2003
 Agency: Department of Fish and Game



ALASKA STATE LEGISLATURE

SENATOR THOMAS H. WAGONER

CHAIR, SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

VICE-CHAIR, SENATE RESOURCES COMMITTEE

SPONSOR STATEMENT

Senate Bill 69

"An Act relating to participation in matters before the Board of Fisheries by members of the board; and providing for an effective date."

Alaska is unique in its vastness and abundant resources, yet its number of inhabitants is few. To effectively assure that our lay boards and commissions are comprised of qualified individuals, appointments are made through the governor and confirmed by the legislature. Because of the small number of inhabitants in our state, it often becomes difficult for a board to operate in a manner that utilizes the full extent of its make-up.

The current conflict of interest policy, as applied to the Alaska Board of Fisheries, works against its productivity. It is not in the best interest of the state to have board members disqualify themselves from participation in matters in which they may have a direct interest, because it follows that these areas would be the ones in which members have the most expertise.

If the same policy were applied to state legislators, seldom would there be a piece of legislation that would not find some members disqualified from participation. This bill mandates full personal disclosure on matters related to the subject for eligible participation, but requires a board member to actively participate in the discussion and vote.



ALASKA STATE LEGISLATURE

SENATOR THOMAS H. WAGONER

CHAIR, SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

VICE-CHAIR, SENATE RESOURCES COMMITTEE

Senate Bill 69

Sectional Analysis

"An Act relating to participation in matters before the Board of Fisheries by members of the board; and providing for an effective date."

INTENT

To have Board of Fisheries' members disclose any personal or financial interests on the record, participate in discussion of all proposals before the board, and vote on these proposals.

SECTIONAL ANALYSIS

Section 1.

- Amends the uncodified law to state the purpose of the Act. That purpose is to preserve and enhance the ability of the Board of Fisheries to act as a lay board.

Section 2.

- Amends AS 39.52.120(c) by removing the Board of Fisheries.

Section 3.

- Amends AS 39.52.120 to require Board of Fisheries' members to disclose a personal or financial interest on the record before participating in matters before the board. Disclosure of personal or financial interests does not disqualify a member from participating in matters before the board.

Section 4.

- Establishes an immediate effective date.