

ALASKA LEGISLATURE COMMITTEE FILES, 2003-2004 8672

11342 SENATE STATE AFFAIRS

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 162
(S) Publish Date: 3/28/03

Revision Date/Time (Note if correction): _____ Dept. Affected: Law
Title "An Act relating to a tobacco product manu- BRU Civil
facturer's compliance with certain statutory requirements . . ." Component Commercial
Sponsor Rules Committee
Requester Governor Component No. 2211

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

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

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill, based on a model developed by the National Association of Attorneys General in cooperation with a working group of participating states, is designed to aid state enforcement of the tobacco product Master Settlement Agreement (MSA) and AS 45.53, and thus preserve, to the fullest extent possible, the revenue stream under the MSA. One of the provisions of the MSA required states to enact legislation that would "level the playing field" for non-participating tobacco manufacturers, by requiring them to deposit money into escrow for every cigarette they sell in the state. Since 1999, participating states have detected concerted efforts to evade the legislative escrow requirement. This bill is intended to end those efforts.

This bill will have no fiscal impact on the Department of Law.

Prepared by: Joan M. Kasson Phone (907) 465-5370
Division: Attorney General's Office Date/Time 1/28/03 11:30 AM
Approved by: Kathryn Daughhelee for Gregg D. Renkes, Attorney General Date 1/28/2003
Agency: Department of Law

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: SB 162
 (S) Publish Date: 3/28/03

Revision Date/Time (Note if correction): _____ Dept. Affected: _____
 Title Hearing Process: BRU Revenue Operations
Master Settlement Agreement Component Tax Division
 Sponsor Rules Committee
 Requester Governor Component No. 2476

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

FUND SOURCE (Thousands of Dollars)

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

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

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation would have no significant fiscal impact on the Department of Revenue. The intent is to aid the state in the enforcement of the nationwide tobacco products Master Settlement Agreement, therefore preserving, to the fullest extent possible, the revenue stream from that agreement.

The legislation would aid the state in its enforcement efforts against non-participating tobacco manufacturers that may try to circumvent the terms of the agreement.

Prepared by: Larry Persily, Deputy Commissioner Phone 465-5469
 Division Department of Revenue Date/Time 1/29/03 11:23 AM
 Approved by: Larry Persily, Deputy Commissioner Date 1/29/2003
 Agency Department of Revenue

SB

167



Alaska State Legislature

Please enter into the record my testimony to the Senate State Affairs

committee name

Committee on SB 167 & SCR 8 / Introduction of measures Date, January 20, 2004

bill # / subject

Testimony in SUPPORT of SB 167 and SCR 8.

I would like to begin my testimony by referring to Alaska State Statute Sec. 44.62.312, the state policy regarding meetings.

(a) It is the policy of the state that

(1) the governmental units mentioned in AS 44.62.310 (a) exist to aid in the conduct of the people's business;

(2) it is the intent of the law that actions of those units be taken openly and that their deliberations be conducted openly;

(3) the people of this state do not yield their sovereignty to the agencies that serve them;

(4) the people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know;

(5) the people's right to remain informed shall be protected so that they may retain control over the instruments they have created."

These words were true when written and still applicable today. How do these words apply to the legislature? It should mean that **ALL** actions taken by the legislature and governor be open, honest and transparent.

The procedure of introducing legislation "by committee" is **not** being open, honest or transparent. It has been used many times in the past as a method for introducing controversial legislation so people would not get their "dirty hands". While this may be a politically acceptable practice to some, it is considered an abomination to the people the legislature is sworn to serve, and clearly contrary to the state statute quoted above. There may be some legitimate reasons for introduction of legislation "by committee", but those reasons are far outweighed by the failure to comply with statutes governing meetings held by elected officials to conduct the people's business.

Please help restore faith in our political process by passing SB 167 and SCR 8 out of the Senate so the House will have time to do the same prior to session end.

Thank you.

Signed: Mike McBride

Testifier

Self

Representing (optional)

PO Box 6 Kenai, Alaska 99611-0006

Address

(907) 776 5444

Phone number

ALASKA STATE LEGISLATURE



SENATOR GRETCHEN GUESS

Sponsor Statement SB 167 and SCR 8

"An Act relating to introduction of measures in the legislature; and providing for an effective date."

"Proposing amendments to the Uniform Rules of the Alaska State Legislature relating to the introduction of measures; and providing for an effective date for the amendments."

The purpose of these two bills is to eliminate committee bills, and allow only sixty-one people to introduce legislation: sixty legislators and the Governor. No other entity could introduce legislation.

Currently, each member or members of the legislature can introduce bills. Additionally, any committee can introduce bills with the majority of the committee members agreement. Governor's bills are introduced by the Rules Committee.

These bills would streamline the process and make the process more transparent to voters. If an idea is good enough for introduction, it should have an individual and individual's name on the bill. To voters looking in from the outside, committee bills are confusing – people do not know who is placing the idea for consideration and often all members of committee are considered co-sponsors (whether they agree with the bill or not).

Although at one time committee bills may have had a purpose in our process, I believe it is time to reevaluate the process. We should do all we can to make the legislative process clear to all Alaskans. I believe these bills provide a good first step.

I would appreciate your consideration of these bills.

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: SB 167
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Legislature
Title "An Act relating to introduction of measures BRU Legislative Council
in the legislature, and providing for an effective date....." Component: Session Expenses
Sponsor Senator Guess Legal and Research Svcs
Requestor Senate State Affairs Component No. 782

Expenditures/Revenues (Thousands of Dollars)

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

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

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

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	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 (FY2004) cost: 0.0

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

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

This legislation has zero fiscal impact on the Legislative Affairs Agency.

Prepared by: Karla Schofield, Deputy Director Phone 465-6626
Division: Administrative Services Date/Time 1/19/04 8:13 AM
Approved by: Pamela Varni, Executive Director Date 1/19/2004
Agency: Legislative Affairs Agency

SB

1777

**SENATE COMMITTEE REPORT
First Committee of Referral**

DATE: 4/7/03

FURTHER: Finance

Date of 5-Day Notice: 4/17/03
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: 4/22/03

State Affairs Committee considered SENATE BILL NO. 177

SB 177 PERS/TRS COLA FOR ACTIVE DUTY MILITARY

"An Act relating to cost-of-living benefits for retired members in the public employees' retirement system and the teachers' retirement system who are called to active military duty; 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#
SOA	4/1/03		✓	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
<i>John J. Condeeff</i>	✓			
<i>Frank Dyer</i>	✓			
CHAIR: <i>[Signature]</i>				

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 177
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title Alaska COLA for retirees called to BRU Centralized Administrative Services
active military duty outside the state... Component Retirement and Benefits
 Sponsor Senator Stevens
 Requester Senate State Affairs Component No. 64

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

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*
 This legislation would allow a PERS or TRS retiree residing in the Alaska to continue receiving the 10% Alaska retiree cost of living allowance (COLA) if s/he is a member of a reserve or auxiliary component of the U.S. armed forces and is called to active duty outside the state. This will have no fiscal impact on the retirement systems as the number of retirees affected by this change would be very small and the system already expects to pay these benefits.

Prepared by: Guy Bell, Director Phone 465-4471
 Division: Retirement and Benefits Date/Time April 17, 2003
 Approved by: Mike Miller, Commissioner Date April 17, 2003
 Agency: Department of Administration

Alaska State Legislature
OFFICE OF THE MAJORITY LEADER

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716 WEST 4TH AVENUE
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FAX (907) 269-0204

Session:
STATE CAPITOL
JUNEAU, AK
99801-1182
(907) 465-4993
FAX (907) 465-3872

SENATOR BEN STEVENS

Sponsor Statement
Senate Bill 177

SB 177, "An act relating to cost-of-living benefits for retired members in the public employees' retirement system and the teachers' retirement system who are called to active military duty; and providing for an effective date."

An Alaska Cost-of-Living Allowance is payable to benefit recipients of the public employees' and teachers' retirement system who remain domiciled in Alaska after retirement. The allowance is 10% of their base pay. A person receiving a COLA is not entitled to the allowance if absent from the state for a time period in excess of 90 continuous days, except that a person may be absent from the state for not more than six months without a loss of COLA if the absence is the result of illness and required by order of a licensed physician.

Upon return to the state and upon notification to the Department of Administration the person is again entitled to receive the monthly cost-of-living allowance, commencing with the first monthly benefit payment.

Our retired public employees currently receiving COLA in the State and who are called to active duty in the military would not be eligible for the COLA payment while serving our country, under existing statute. SB 177 rectifies this situation and allows retired public employees eligible to continue to receive their COLA while on active military duty.

SB

183

SENATE COMMITTEE REPORT

DATE: 5/1/03

FURTHER:

DATE TURNED IN TO OFFICE: 5/9/03

State Affairs Committee considered **SENATE BILL NO. 183**

SB 183 MUNICIPAL ECONOMIC DEVELOPMENT

"An Act authorizing municipalities to provide for economic development and authorizing municipalities to expend revenue collected on an areawide or nonareawide basis to provide for economic development."

and recommends:

- be replaced with _____ CS SB 183 (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>4/24/03</u>		<input checked="" type="checkbox"/>	<u>1</u>

APPROPRIATION - no fiscal note

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

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CITY OF NORTH POLE

Where the Spirit of Christmas Lives Year Round

125 Snowman Lane • North Pole, Alaska 99709
E-mail: npole@alaska.net • Website: www.northpolealaska.com

City Hall
907-488-2281

Police
Department
907-488-6902

Fire
Department
907-488-2232

Utilities
907-488-6111

City Clerk
907-488-2281

City Engineer
907-488-2281

May 6, 2003

Honorable Senator Seekins,

Dear Senator Seekins,

The City of North Pole is very appreciative of your service to the people of the State of Alaska and the Interior.

As a Home Rule municipality, the City has the power to expend funds to promote economic development for Interior Alaska without regard to the corporate boundaries of the City. Over the last five decades, the City has supported the visitor industry and other organizations that promote economic development in the Interior. It is important for boroughs in Alaska to be able to spend revenues unrestricted for economic development.

We support SB 183 amending AS29.35.110 which would authorize boroughs to expend revenue collected on an areawide or non-areawide basis to provide for the economic development that benefits the borough. This amendment makes good business sense and will help grow the economy. The North Pole City Council passed Resolution 02-26 in support of amending state law that SB 183 addresses.

Sincerely,

JEFFREY JAMES JACOBSON, Mayor



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

May 6, 2003

Senator Gary Stevens
Chair, Senate Affairs Committee
State Capitol, Room 417
Juneau, AK 99801-1182
By Fax to: (907) 465-3517

RE: Support for CS for Senate Bill 183

Dear Senator Stevens:

The City of Fairbanks supports any amendment to state law that gives second class boroughs the ability to use borough revenue, regardless of the source, for economic development that benefits the borough.

Today we received a fax of the Committee Substitute for Senate Bill 183, which simply adds a sub-section (c) to AS 29.35.110 to state:

"(c) Use of borough revenue for economic development that benefits the borough is not subject to (a) of this section."

This wording will accomplish a mutual goal of the City of Fairbanks and the Fairbanks North Star Borough. I am glad the population requirement has been removed from the Bill.

Thank you for your efforts and please feel free to call me if I can help in any way.

Sincerely,

A handwritten signature in black ink that reads "Steve M. Thompson". The signature is written in a cursive style.

Steve M. Thompson
City Mayor

Cc: Interior Delegation Members
Honorable Rhonda Boyles, Borough Mayor
City Council Members

ALASKA STATE SENATE

Session:
State Capitol
Juneau, Alaska 99801-1182
(907) 465-2327
(907) 465-5241 Fax



Interim:
119 N. Cushman, Suite 201
Fairbanks, Alaska 99701
(907) 456-8161
Senator_Ralph_Seekins@legis.state.ak.us

Senator Ralph Seekins
District D

SB 183 Sponsor Statement

An Act Authorizing Municipalities to Provide for Economic Development

Current state law places a limitation on second-class boroughs with respect to expending funds designated for economic development purposes.

Presently, second-class boroughs may only use these funds on a *non-areawide* basis. This means that the Fairbanks North Star Borough can only deploy these funds on projects located *outside* the city limits of Fairbanks and North Pole.

It is desirable for the Borough to have the ability to utilize economic development funds on an *areawide* basis. In this way, worthy projects can be funded irrespective of their location--within, or without, municipal boundaries--so long as the project remains within the greater Borough boundary. Such projects will benefit the *entire* Borough community while physical location, whether within city boundaries or not, is considered immaterial to this greater good.

This legislation is proposed at the request of the Fairbanks North Star Borough as well as the Cities of Fairbanks and North Pole. In summary, it will facilitate the development of economically attractive projects throughout the *entire* Fairbanks North Star Borough without regard to internal municipal boundaries. Senate Bill 183's companion is HB 126.

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

May 6, 2003

SUBJECT: Expenditure of borough revenues for economic development
(CSSB183(); version Q)

TO: Senator Tom Wagoner
Chair, Senate Community and Regional Affairs Committee
Attn: Mary Jackson

FROM: Tamara Brandt Cook
Director *TBC*

You have asked for a brief explanation of the draft CSSB 183();Q version. AS 29.35.110(a) requires boroughs to spend revenue from taxes collected on an areawide basis on general administrative costs and on areawide functions only, and to spend revenue collected on a nonareawide basis on general administrative costs and nonareawide functions. The draft bill provides an exception to the requirement in subsection (a). If a borough has entered into an agreement with a city located in the borough to cooperatively or jointly provide for economic development, the borough may use revenue to carry out the agreement without regard to whether it is from taxes collected on an areawide or a nonareawide basis. AS 29.35.010(13), not amended in this draft, permits one municipality to "enter into an agreement, including an agreement for cooperative or joint administration of any function or power with a municipality..." It is under the authority of this paragraph that a borough and a city could enter into an agreement to provide for economic development.

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 28, 2003

SUBJECT: Municipal economic development; sectional summary (HB 126)

TO: Representative James Holm
Attn: Jos Govaars

FROM: Tamara Brandt Cook
Director *TBC*

Sec. 1. Adds as a general power that all municipalities may exercise, subject to other provisions of law, the power to provide for economic development that benefits the municipality.

Sec. 2. Under AS 29.35.110(a) boroughs may use revenue received through taxes collected areawide (that is, in borough areas both outside and inside of cities) only for general administrative costs and areawide functions. Taxes collected on a nonareawide basis may not be used for services in cities. This bill section creates an exception that allows use of borough revenue for economic development without regard to the areawide/nonareawide distinction.

Sec. 3. This repeals the provision that permits a second class borough to exercise the power of economic development by ordinance, but only on a nonareawide basis.

TBC:med
03-217.med



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

May 6, 2003

Senator Gary Stevens
Chair, Senate Affairs Committee
State Capitol, Room 417
Juneau, AK 99801-1182
By Fax to: (907) 485-3517

RE: Support for CS for Senate Bill 183

Dear Senator Stevens:

The City of Fairbanks supports any amendment to state law that gives second class boroughs the ability to use borough revenue, regardless of the source, for economic development that benefits the borough.

Today we received a fax of the Committee Substitute for Senate Bill 183, which simply adds a sub-section (c) to AS 29.35.110 to state:

"(c) Use of borough revenue for economic development that benefits the borough is not subject to (a) of this section."

This wording will accomplish a mutual goal of the City of Fairbanks and the Fairbanks North Star Borough. I am glad the population requirement has been removed from the Bill.

Thank you for your efforts and please feel free to call me if I can help in any way.

Sincerely,

Steve M. Thompson
City Mayor

Cc: Interior Delegation Members
Honorable Rhonda Boyles, Borough Mayor
City Council Members

Daily News - Miner

"Independent in All Things ... Neutral in None"

Established in 1903

CHARLES L. GRAY
Publisher Emeritus

MARILYN ROMANO
Publisher

KELLY BOSTIAN
Managing Editor

DERMOT COLE
Columnist

ROD BOYCE
Assistant Managing Editor

A good fix, for now

The Senate Community and Regional Affairs Committee is scheduled to hear a bill today that seeks to remove a limitation on how the Fairbanks North Star Borough, and perhaps other local governments like it, can spend money raised to promote economic development.

The bill, Senate Bill 183, by Sen. Ralph Seekins of Fairbanks, is a good one, is supported by the Alaska Municipal League, and should be passed. A companion bill put forward in the House by Rep. Jim Holm of Fairbanks is reportedly being blocked by the chairman of that chamber's Community and Regional Affairs Committee for reasons of political strategy, so the Senate version will be the one to accomplish the task.

At issue is a description of how the Fairbanks borough can spend the portion of property-tax revenue it raises for economic development. The money is raised only from residents and businesses outside the cities of Fairbanks and North Pole, and state law limits the spending of money raised in such a manner to functions that serve only the area from which it was raised.

The Senate bill will bring the current Fairbanks situation into compliance with state law.

The problem with the economic development money is much like the problem with the money the borough spends on the garbage transfer sites. The dump sites are paid for with money raised outside the city of Fairbanks and aren't supposed to be used by city residents. But they are, and short of posting a guard and checking ID cards, nothing can be done about it.

It's the same with economic development.

The Borough Assembly has already authorized the granting of \$310,000 this fiscal year and \$100,000 in the next fiscal year for the Fairbanks Economic Development Corp. That is money raised outside the cities of Fairbanks and North Pole.

But it will be difficult to spend that money without running afoul of state law. And yet there is simply no way to prevent the successful promotion of economic development from also benefiting those who live in the two cities. People might live in those cities, for example, and work outside them in some new business brought to town through FEDCO's efforts.

Opponents will argue that it is wrong for those outside the cities to be the sole means of financial support for local economic development, especially when the borough's economy as a whole gains.

In particular, those in the city of Fairbanks, whose economic development revenue is raised through the hotel and motel bed tax, are not pulling their weight, it is said. That may be true, but until we have a single local government, that inequity is one that we can live with.

This Senate bill is a good fix so that economic development can proceed in a legally clean manner.



CHINA

Good, s

WASHINGTON—Here's good news: Vigorous vituperation is coming back.

A lust for civil discourse almost stamped it out. Back in the mid-'90s, I took a pop at Colin Powell for having failed to finish off Saddam Hussein; in a New Yorker interview, he popped back mildly with "Safire is getting arrogant in his old age" (which didn't rate as genuine vituperation because it was too close to the truth). Even so, at a subsequent New Year's Eve party, the general felt the need to apologize.

Classic invective demands a vivid figure of speech. The current State Department reaction to criticism by the hawkish commentator Newt Gingrich offers examples of weak and strong vituperation.

In a Washington speech, Gingrich had blazed away at "ineffective and incoherent" State for "six months of diplomatic failure" and its "propensity for appeasing dictators and propping up corrupt regimes." In contrast, he noted, the Defense Department "deliv-

FDNIM.
April 30, 2003



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

April 28, 2003

Senator Thomas Wagoner
State Capitol
Room 427
Juneau, AK 99801

Re: S.B. 183 – Municipal Economic Development

Dear Senator Wagoner,

The AML Policy Statement strongly supports local economic development activities. In fact, this year the AML created a special Economic Development Task Force to stimulate more local action in support of economic development. The AML Policy Statement also supports allowing municipalities optional powers and authority. Our understanding of SB 183 is that it simply creates an additional optional local power and is therefore consistent with AML Policy.

On a technical level, the ability to avoid areawide vs. nonareawide issues in economic development is basically simply broadening the current exemption in AS 29.35.100 for tourism marketing, which is also an economic development exemption.

Thank you for the opportunity to comment on this important legislation.

Sincerely,

Sarah A. Gilbertson
Policy and Program Coordinator

Cc: Senator Ralf Seekins



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

March 5, 2003

Representative James Holm
State Capitol, Room 110
Juneau, AK 99801

Re: HB 126

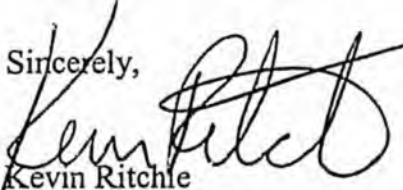
Dear Representative Holm,

The AML Policy Statement strongly supports local economic development activities. In fact, this year the AML created a special Economic Development Task Force to stimulate more local action in support of economic development. The AML Policy Statement also supports allowing municipalities optional powers and authority. Our understanding of HB 126 is that it simply creates an additional optional local power and is therefore consistent with AML Policy.

On a technical level, the ability to avoid areawide vs. nonareawide issues in economic development is basically simply broadening the current exemption in AS 29.35.100 for tourism marketing, which is also an economic development exemption.

An official specific AML position on HB 126 will be discussed by the AML Legislative Committee at their teleconference on March 24th.

Sincerely,


Kevin Ritchie
Executive Director

Subject: HB126

Date: Fri, 28 Feb 2003 14:23:38 -0900

From: Dean Owen <fedcowen@alaska.com>

To: jos_govaars@legis.state.ak.us

Jos, the Fairbanks Economic Development Corporation was very pleased to learn that Representative Holm has introduced HB 126 related to Municipal Economic Development. This legislation greatly assist the efforts of FEDC to develop economic opportunity in the Fairbanks area. We need to be able to apply our funding toward the best opportunities to develop a sustainable economy for our communities and the State.

Dean M. Owen
President and CEO
Fairbanks Economic Development Corporation

GREATER * FAIRBANKS
CHAMBER
OF COMMERCE

250 Cushman St., Suite 2D, Fairbanks, AK 99701-4665
phone: (907) 452-1105, fax: (907) 456-6968

e-mail: staff@fairbankschamber.org
website: www.fairbankschamber.org

March 4, 2003

Representative Jim Holm
State Capitol Building
Juneau, AK 99801

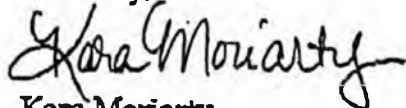
Dear Representative Holm:

On behalf of the Greater Fairbanks Chamber of Commerce Board of Directors, I would like to thank you for introducing House Bill 126, an act authorizing municipalities to provide for economic development and authorizing boroughs to expend revenue collected on an area-wide or non area-wide basis to provide for economic development.

This issue has been identified as one of the Chamber's top three legislative priorities for the year. The Board of Directors passed its first resolution of support for this change in state law in August 2002. Today, the Board made some simple revisions to the resolution and it attached.

We appreciate your leadership on this issue and we support House Bill 126 in its current form. We look forward to working with you on this issue. If you have any questions, please do not hesitate to give me a call.

Sincerely,



Kara Moriarty
President/CEO



250 Cushman St., Suite 2D, Fairbanks, AK 99701-4665
phone: (907) 452-1105, fax: (907) 456-6968

e-mail: staff@fairbankschamber.org
website: www.fairbankschamber.org

Introduced By: Board of Directors
Date Introduced: March 4, 2003
Date Passed: March 4, 2003
Date Transmitted: March 4, 2003

RESOLUTION 03-0304

**A RESOLUTION BY THE GREATER FAIRBANKS CHAMBER OF
COMMERCE SUPPORTING A CHANGE IN ALASKA STATE LAW
REGARDING MUNICIPAL POWERS AND ECONOMIC
DEVELOPMENT**

WHEREAS the City of Fairbanks is a Home Rule municipality; and

WHEREAS as a Home Rule municipality, the City of Fairbanks has the power to expend funds to promote economic development without regard to the city boundaries; and

WHEREAS this allows the City of Fairbanks to use public funds to promote economic development throughout Interior Alaska; and

WHEREAS the Fairbanks North Star Borough is a second class borough; and

WHEREAS as a second class borough, the Fairbanks North Star Borough may only expend funds for non-area wide economic development, which means the Fairbanks North Star Borough can only promote economic development in areas of the borough outside city limits; and

WHEREAS non-area wide economic development powers do not allow the Fairbanks North Star Borough to effectively expend funds for economic development due to the impractical stipulation that the funds cannot be spent within the city limits; and

WHEREAS a change in Alaska state law allowing municipalities to expend funds for economic development in their region of the state would allow the Fairbanks North Star Borough the authority to promote economic development for the Interior, including inside the city limits:



250 Cushman St., Suite 2D, Fairbanks, AK 99701-4665
 phone: (907) 452-1105, fax: (907) 456-6968

e-mail: staff@fairbankschamber.org
 website: www.fairbankschamber.org

NOW THEREFORE BE IT RESOLVED that the Greater Fairbanks Chamber of Commerce fully supports a change in Alaska state law to authorize all local governments to fund economic development in their region of the state, regardless of the source of funding.

BE IT FURTHER RESOLVED that this resolution be distributed to:

- Representative Jim Holm
- Governor Frank Murkowski
- Interior Delegation
- Mayor Rhonda Boyles, Fairbanks North Star Borough
- Fairbanks North Star Borough Assembly
- Mayor Steve Thompson, City of Fairbanks
- Fairbanks City Council
- Mayor Jeff Jacobsen, City of North Pole
- North Pole City Council

PASSED in Fairbanks, Alaska this 4th day of March, 2003 by the Greater Fairbanks Chamber of Commerce Board of Directors.

Terry Aldridge
 Board Chair

Kara Moriarty
 President/CEO

Introduced by: Mayor Thompson
Date: August 12, 2002

**RESOLUTION NO. 4015
A RESOLUTION IN SUPPORT OF THE AMENDING STATE LAW
REGARDING MUNICIPAL ECONOMIC DEVELOPMENT POWERS.**

WHEREAS, As a Home Rule municipality, the City has the power to expend funds to promote economic development for Interior Alaska without regard to the corporate boundaries of the City; and

WHEREAS, under current state law, second class boroughs like the Fairbanks North Star Borough only have non-area wide economic development powers, meaning that they face the impractical and illogical situation where they can technically only promote economic development in the areas of the borough outside cities; and

WHEREAS, amendment of state law so all municipalities may expend funds for economic development in their region of the state would grant the Fairbanks North Borough the authority to promote economic development for the Interior.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Fairbanks,

Section 1. The City of Fairbanks respectfully requests the Governor and the Alaska Legislature to amend state law to authorize all municipalities to expend funds to promote economic development of the region of the state in which they are located. Attached is suggested wording.

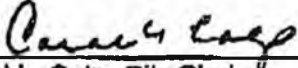
Section 2. That a copy of this Resolution be sent to the Governor, the Interior Delegation, and to the Alaska Municipal League.

Passed and Approved this 12 day of Aug, 2002.

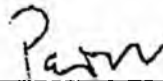

STEVE M. THOMPSON, MAYOR

AYES: 6
NAYS: 0
ABSTAIN:
ABSENT:
ADOPTED: August 12, 2002
ATTEST:

APPROVED AS TO FORM



Carol L. Colp, City Clerk



for Herbert P. Kuss, City Attorney

Introduced by: Mayor Jacobson
Adopted: August 5, 2002

CITY OF NORTH POLE

RESOLUTION 02-26

**A RESOLUTION IN SUPPORT OF THE AMENDMENT OF STATE LAW
REGARDING MUNICIPAL POWERS REGARDING ECONOMIC
DEVELOPMENT**

WHEREAS, the City of North Pole, as a Home Rule municipality, has the power to expend funds to promote economic development for Interior Alaska without regard to the corporate boundaries of the city; and

WHEREAS, over the past decades, the City has supported the visitor industry and other organizations that promote the economic development of the City of North Pole and the Interior; and

WHEREAS, under current state law, the Fairbanks North Star Borough only has non-area wide economic development powers, meaning that it faces the impractical situation where it can technically only promote economic development in the areas of the borough outside the City of Fairbanks and the City of North Pole; and

WHEREAS, amendment of state law to provide that all municipalities may expend funds for economic development will clarify that the Borough may promote economic development for Interior Alaska in the same manner as the City does.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of North Pole, that the City of North Pole respectfully requests the Governor and the Alaska Legislature to amend state law to authorize all municipalities to expend funds to promote economic development of the State and that a copy of this Resolution be sent to the Governor, the Interior Delegation, and to the Alaska Municipal League.

Passed and Approved this 5th day of August, 2002



Jeffrey James Jacobson
JEFFREY JAMES JACOBSON, Mayor

Kathryn Weber
KATHRYN WEBER, City Clerk

By: Rhonda Boyles, Mayor
Introduced: 09/12/02
Adopted: 09/12/02

RESOLUTION NO. 2002 -70

A RESOLUTION IN SUPPORT OF AN AMENDMENT TO STATE LAW REGARDING MUNICIPAL POWERS AND ECONOMIC DEVELOPMENT

WHEREAS, the Fairbanks North Star Borough is a second class borough and has the power to provide economic development only on a non-areawide basis, outside the city limits; and

WHEREAS, the Fairbanks North Star Borough cannot expend revenue collected on an areawide basis for economic development; and

WHEREAS, the current separation of how funds may be expended for economic development reduces the overall effectiveness of city and borough funds; and


WHEREAS, an amendment of state law to provide that all municipalities may expend funds for economic development in their region of the state would grant the Fairbanks North Star Borough the authority to promote economic development for the Interior, including within the boundaries of the City of Fairbanks.

NOW, THEREFORE BE IT RESOLVED that Rhonda Boyles, Borough Mayor, and the Fairbanks North Star Borough Assembly supports an amendment to Alaska state law to authorize all local governments to provide economic development in their region of the state using areawide funds.

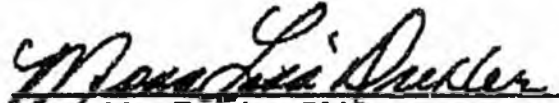
BE IT FURTHER RESOLVED that this resolution be distributed to:

- Governor Tony Knowles
- Interior Delegation
- Mayor Rhonda Boyles, Fairbanks North Star Borough
- Fairbanks North Star Borough Assembly
- Mayor Steve Thompson, City of Fairbanks
- Fairbanks City Council
- Mayor Jeff Jacobson, City of North Pole
- North Pole City Council

PASSED AND APPROVED THIS 12th DAY OF SEPTEMBER 2002.


Hank Bartos
Presiding Officer

ATTEST:


Mona Lisa Drexler, CMC
Municipal Borough Clerk

Ayes: Holm, Hutchison, Henry, Williams, Beck, Webb, Fouts, Sattley, Bartos
Nays: None

RESOLUTION NO. 2002-70
Page 2 of 2

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 183
 () Publish Date: _____

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

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: _____
 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 proposes to add language to Title 29, Municipal Government, to explicitly provide for the municipal power to expend municipal revenues for the purpose of economic development. This would have no fiscal effect on the department.

Prepared by: Gene Kane, Director Phone 907-269-4580
 Division Community and Business Development Date/Time 4/24/03 9:45 AM
 Approved by: Edgar Blatchford, Commissioner Date 4/24/2003
 Agency Department of Community and Economic Development

SB

1900

SENATE COMMITTEE REPORT First Committee of Referral

DATE: 4/16/03

FURTHER: Resources

Date of 5-Day Notice: 1/15/04
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 1/21/04

State Affairs Committee considered SENATE BILL NO. 190

SB 190 KENAI RIVER SPECIAL MANAGEMENT AREA

"An Act adding certain state-owned land and water to the Kenai River Special Management Area; relating to the mineral estate of the state-owned land and water in the Kenai River Special Management Area; amending the qualifications for members of the Kenai River Special Management Area advisory board; and providing for an effective date."

and recommends:

- be replaced with _____ CS SB 190 (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#
<u>DNR</u>	<u>1/20/04</u>		<input checked="" type="checkbox"/>	<u>1</u>
<u>F&G</u>	<u>1/16/04</u>		<input checked="" type="checkbox"/>	<u>2</u>

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<u>[Signature]</u>	<input checked="" type="checkbox"/>			
<u>[Signature]</u>	<input checked="" type="checkbox"/>			
<u>[Signature]</u>			<input checked="" type="checkbox"/>	
CHAIR: <u>[Signature]</u>	<input checked="" type="checkbox"/>			

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB190-DNR-PARKS-01-20-
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Natural Resources
 Title Kenai River Special Management Area RDU Parks & Recreation Mgt.
 Component Parks Management
 Sponsor Sen. Wagoner
 Requester (S) STA Component No. 452

Expenditures/Revenues (Thousands of Dollars)

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

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

CAPITAL EXPENDITURES						
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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 (FY2004) cost: 0.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill adds a number of parcels of land in the lower Kenai River area to the Kenai River Special Management Area (KRSMA). These lands are currently being managed by the Division of Parks and Outdoor Recreation. The proposed additions include a portion of those envisioned in both the 1997 Revised Kenai River Comprehensive Management Plan, adopted by DNR in 1997, and the Kenai Area Plan adopted by DNR in 2000. The bill also excludes state or federal employees from serving as public members of the Advisory Board.

There is no fiscal impact anticipated with implementation of this legislation.

Prepared by: Pete Panarese Phone 269-8700
 Division: Parks Date/Time 1/20/04
 Approved by: Thomas Irwin, Commissioner Date 1/20/04
 Agency: Natural Resources

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 190
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Fish and Game
 Title Kenai River Special Management Area RDU Sport Fisheries
 Component Sport Fisheries Habitat
 Sponsor Senator Waggoner
 Requester Senate State Affairs Component No. 2698

Expenditures/Revenues (Thousands of Dollars)

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

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

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

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

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

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 Passage of this legislation would have no fiscal impact.

Prepared by: Kelly Hepler, Director Phone 465-4180
 Division Sport Fish Date/Time 1/16/04 4:18 PM
 Approved by: Commissioner Kevin Duffy Date 1/16/2004
 Agency Alaska Department of Fish & Game

ALASKA STATE LEGISLATURE



Official Business

SENATOR THOMAS H. WAGONER

- Co-Chair, Senate Resources Committee
- Co-Chair, Senate Transportation Committee
- Vice-Chair, Senate Community and Regional Affairs Committee
- Member, Legislative Council

Session: January – May

State Capitol, #427

Juneau, AK 99801

Phone: 907-465-2828 Fax: 907-465-4779

Interim: May – December

145 Main Street Loop; Suite 226

Kenai, AK 99611

Phone: 907-283-7996 Fax 907--283-3075

Sponsor Statement

SB 190

“An Act adding certain state-owned land and water to the Kenai River Special Management Area; relating to the mineral estate of the state-owned land and water in the Kenai River Special Management Area advisory board; and providing for an effective date.”

To provide the protection and management of the Kenai River system called for in the comprehensive management plan, certain state-owned land must be Legislatively added to the boundary of the Kenai River Special Management Area (KRSMA). KRSMA is managed as a unit of the Alaska State Parks system in the Department of Natural Resource under AS 41.21.500.

The lands that Senate Bill 190 will add to the Kenai River Special Management Area are primarily the 536 acres acquired as habitat and recreation lands under funds from the Exxon Valdez Oil Spill settlement. There are also a few isolated tracts of state land that had been overlooked during the initial 1984 KRSMA legislation.

This bill also changes the structure of the KRSMA advisory board. Originally representatives from state and federal agencies could be appointed to the board. SB 190 changes AS 41.21.510(b) so members of user groups, resident property owners and municipalities make up the advisory board, not members of state or federal agencies.

Existing park staff assigned to the Kenai River Special Management Area is adequate to cover additional management responsibilities and there are no new facilities proposed for these additional lands.

ALASKA STATE LEGISLATURE



Official Business

SENATOR THOMAS H. WAGONER

- Co-Chair, Senate Resources Committee
- Co-Chair, Senate Transportation Committee
- Vice-Chair, Senate Community and Regional Affairs Committee
- Member, Legislative Council

Session: January – May

State Capitol, #427

Juneau, AK 99801

Phone: 907-465-2828 Fax: 907-465-4779

Interim: May – December

145 Main Street Loop; Suite 226

Kenai, AK 99611

Phone: 907-283-7996 Fax 907--283-3075

Sectional Analysis SB 190

“An Act adding certain state-owned land and water to the Kenai River Special Management Area; relating to the mineral estate of the state-owned land and water in the Kenai River Special Management Area; amending the qualifications for members of the Kenai River Special Management Area advisory board; and providing for an effective date.”

Section 1 States that the purpose of SB 190 is to add certain state-owned land and water to the Kenai River Special Management Area

Section 2 Amends AS 41.21.502(a)(4)(L) by adding in the parcels of land that will be in the Kenai River Special Management Area. These are primarily EVOS lands, with a couple parcels that were left out of the original bill.

Section 3 Amends AS 41.21.502(c) which states that oil and gas leasing is open on these lands as long as the oil and gas leasing statute AS 38.05.180 is followed, and that other mineral entry under AS 38.05.180 – 38.05.275 is closed.

Section 4 Amends AS 41.21.510(b), which is the set up of the KRSMA advisory board. A person working for the federal or state government will not be able to have a position on the advisory board any longer.

Section 5 Immediate effective date.

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

Proposed Additions to Kenai River Special Management Area (KRSMA)

Unit #	Region	Name of Unit	OSL/ EVOS/ DJ	General State land	National Forest Community Grant	Currently managed by DOPOR (under ILMA)	Acreage of Each Unit
141B	05	Kenai R. floodplain N. of Heather Ave., adjoining Eagle Rock Unit		X			19
142	05	Eagle Rock, north shore Kenai River		X			19
378	02	Lakeview-- Mouth of Victor Creek on Kenai Lake			X		15
380A	02	South and Lower Trail Lake; existing boat launch & trailhead to Vagt			X		1
380D	02	South of ARR Bridge on East Shore Upper Trail Lake			X		98
380E	02	Upper Trail Lake, south arm, east shore			X		111
380G	02	Lower Trail Lake, narrow channel			X		1,172
380J	02	Trail River corridor & Kenai L. shore north of USFS Center			X		116
380K	02	Kenai Lake Shore--S. of USFS Work Center			X		8
382A	02	Five parcels; 2 promontories, ball diamond, boat launch shore access			X		31
382D	02	Lake front, Moose Pass townsite			X		3
383A	02	Mouth of Schilter Creek and north shore of Kenai Lake			X		628
384	02	Moose Creek & Upper Trail Lake Wayside			X		129
387	02	Small lakefront parcel on narrow reach of Upper Trail Lake			X		1
388	04	Cooper Lake, southeast end			X		1,426
390	04	West shore Kenai Lake			X		2,027
391A	04	One of numerous parcels on Kenai River & north shore of Kenai Lake			X	X	8
391B	04	One of numerous parcels on Kenai River & north shore of Kenai Lake			X	X	57
391C	04	One of numerous parcels on Kenai River & north shore of Kenai Lake			X	X	7
391D	04	One of numerous parcels on Kenai River & north shore of Kenai Lake			X	X	44
391E	04	One of numerous parcels on Kenai River & north shore of Kenai Lake			X	X	8
391G	04	One of numerous parcels on Kenai River & north shore of Kenai Lake			X	X	7
391H	04	One of numerous parcels on Kenai River & north shore of Kenai Lake			X	X	2
391I	04	One of numerous parcels on Kenai River & north shore of Kenai Lake			X	X	4
391J	04	One of numerous parcels on Kenai River & north shore of Kenai Lake			X	X	1
391K	04	One of numerous parcels on Kenai River & north shore of Kenai Lake			X	X	1
391L	04	North shore of lake: steep shoreline below Sterling Highway			X	X	72
391M	04	Lake frontage at Quartz Creek, summer cabins			X	X	9
391N	04	West shore, along Snug Harbor Road E. of subdivision			X	X	94
391Q	04	North shore of lake: frontage at airstrip and east of USFS campground			X	X	6
392A	04	Riparian corridor Cooper Creek			X		46

392B	04	Riparian corridor; Bean Creek				X		100
392C	04	Riparian corridor; Shackelford Creek				X		46
392D	04	Riparian corridor; Quartz Creek				X		173
392E	04	Riparian corridor; Daves Creek				X		28
392F	04	Riparian corridor; Crescent Creek				X		44
392G	04	Riparian corridor; Dry Creek				X		65
393	04	Mouth of Juneau Creek and Bean Creek				X		230
394A	04	North shore of Kenai R. 2.5 mile stretch downstream from Cooper Cr.				X		237
394C	04	River & highway frontage between Cooper Cr. camp & Gwyn's Lodge				X		82
394D	04	Wetlands west of Gwyn's Lodge on Sterling Highway				X		40
397	04	East Quartz Creek, Tract A; 1 mile SE of Quartz Creek near Kenai				X	X	3
405	02	Johnson Pass Trail & North Shore of Upper Trail Lake				X		871
407	02	Slivers of land between ARR & ordinary high water of Upper Trail				X		6
408B	04	Quartz and Daves Creek lowlands, 38.5-40 miles along Sterling Hwy.				X		496
411	05	Parcel along Upper Kenai River				X		9
412	05	Parcel along Upper Kenai River				X		7
413	05	College Hole; southeast bank along Upper Kenai River	X					8
420	05	Kenai River Mi. 7, north bank, 3 miles SE of Kenai on Beaver Loop	X					100
423	05	On Big Eddy of Kenai River, 1.2 miles N. of Soldotna	X					21
425	05	Girves property on Kenai River, 1 mi. W. of Sterling Hwy. & 1 mi.	X					110
426	05	Sterling Highway Bridge, south bank of Kenai River, west of	X					6
427	05	Kenai River Mi 24 at Mi 3 of Funny River Road	X					36
428	05	Kenai River Ranch, S. of Kenai River at Funny R. Road, MP 13	X					146
433	05	Big Eddy at Kenai River at Mi. 14.5; approx. 1.8 miles from Soldotna	X					2
439	05	ADFG OSL parcel	X					1
488	05	EVOS Small Parcel Larry's Fishing Hole	X					27
491	05	EVOS Small Parcel, Mullen Homestead River Addition Phase 1	X					8
495	05	Brindley View and Glen View Subdivision lots	X					72
		Total						9,144 ¹

¹ This figure includes uplands only. It does not include proposed addition shorelands (Unit 608, Trail Lakes and River) that encompass 1,447 acres that were acquired under the Statehood Act and Submerged Lands Act.

SB

195

SENATE COMMITTEE REPORT First Committee of Referral

DATE: 4/24/03

FURTHER: Finance

Date of 5-Day Notice: 4/24/03
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: 5/2/03

State Affairs Committee considered SENATE BILL NO. 195

SB 195 CERTIFICATES OF PARTICIPATION FOR JAILS

"An Act giving notice of and approving, and authorizing the entry into and issuance of certificates of participation for, the upgrade, expansion, and replacement of certain jails; and providing for an effective date."

and recommends:

- be replaced with _____ CS SB 195 (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#
DOR	4/20/03	✓		1
DOC	4/20/03	✓		2

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>[Signature]</i>			✓	
<i>[Signature]</i>			✓	
<i>[Signature]</i>			✓	
CHAIR: <i>[Signature]</i>	✓			

23-LS1016/D
Luckhaupt
4/28/03

CS FOR SENATE BILL NO. 195()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY

**Offered:
Referred:**

Sponsor(s): SENATORS GARY STEVENS, Olson

A BILL

FOR AN ACT ENTITLED

1 **"An Act giving notice of and approving, and authorizing the entry into and issuance of**
2 **certificates of participation for, the upgrade, expansion, and replacement of certain**
3 **jails; and providing for an effective date."**

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

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

7 **NOTICE OF THE ISSUANCE OF CERTIFICATES OF PARTICIPATION AND**
8 **OTHER FINANCING.** (a) The state bond committee is authorized to provide for the
9 issuance of certificates of participation in one or more series in the aggregate principal
10 amount of \$16,000,000, plus costs of required reserves and costs of issuance, to pay for the
11 costs for expansion of municipal jails described in sec. 2 of this Act. The estimated total cost
12 of construction, acquisition, and equipping the projects is \$16,000,000, which shall be paid
13 from the proceeds of the certificates of participation issued under this section. The estimated
14 aggregate annual amount of rental obligations under the lease-financing agreements is

1 \$1,600,000. The total payments for the full term of the certificates of participation are
2 estimated to be \$24,000,000. In this subsection, "cost of construction" includes credit
3 enhancement and underwriting expenses, rating agency fees, bond counsel fees, financial
4 advisor fees, printing fees, trustee fees, advertising fees, capitalized interest, interest earnings
5 used for lease payments, and other costs of issuance, and costs of required reserves.

6 (b) The state bond committee may contract for credit enhancement, underwriting,
7 credit ratings, bond counsel, financial advisor, printing, advertising fees, and trustee services
8 that the committee considers necessary in financing the projects described in sec. 2 of this
9 Act.

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

12 MUNICIPAL JAIL FACILITIES. (a) Each of the following projects is approved to
13 receive \$4,000,000 of the proceeds of the certificates of participation authorized under sec. 1
14 of this Act, on condition that the municipality in which the project is located contributes a
15 matching share of at least \$4,000,000, to be used for the upgrade, expansion, or replacement
16 of the jail facilities:

17 (1) Dillingham Community Jail in the Municipality of Dillingham to replace
18 the existing 8-bed facility with a new 25-bed facility;

19 (2) Kodiak Community Jail in the Municipality of Kodiak to replace the
20 existing 16-bed facility with a new 20-bed facility;

21 (3) Kotzebue Community Jail in the Municipality of Kotzebue to add 26 new
22 beds to its existing 14-bed facility for a total of 40 beds;

23 (4) North Slope Borough Community Jail in the North Slope Borough to
24 replace the existing 9-bed facility with a new 20-bed facility.

25 (b) Subject to appropriation, the Department of Corrections is authorized to pay the
26 annual operating costs associated with the addition of new beds at the municipal jail facilities
27 to the municipalities listed in (a) of this section. The anticipated annual operating costs for
28 the new beds authorized in (a) of this section are:

29 (1) Dillingham Community Jail - \$850,000 (17 new beds);

30 (2) Kodiak Community Jail - \$350,000 (4 new beds);

31 (3) Kotzebue Community Jail - \$1,100,000 (26 new beds);

- 1 (4) North Slope Borough Community Jail - \$1,000,000 (11 new beds).
- 2 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to
- 3 read:
- 4 **APPROVAL.** This Act constitutes the notice and approval of the projects described in
- 5 sec. 1 of this Act required by AS 36.30.085.
- 6 * **Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB195
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title Certificates of Participation for Jails BRU Revenue Operations
 Component Treasury Division
 Sponsor Senator Gary Stevens
 Requester Senate State Affairs Component No. 121

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	10.0					
Contractual	6.0	5.0	5.0	5.0	5.0	5.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Debt Service		1,570.4	1,571.2	1,570.8	1,568.6	1,571.1
TOTAL OPERATING	16.0	1,575.4	1,576.2	1,575.8	1,573.6	1,576.1

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	16.0	1,575.4	1,576.2	1,575.8	1,573.6	1,576.1
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	16.0	1,575.4	1,576.2	1,575.8	1,573.6	1,576.1

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

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation authorizes the issuance of \$16,000,000 in Certificates of Participation (COPs) for the upgrade, expansion or replacement of community jails in Dillingham, Kodiak, Kotzebue and the North Slope Borough. The bill also authorizes the issuance of COPs in an amount required to pay costs of issuance. As the legislation allows up to four series of COPs, the cost of issuance could be \$160,000 for one series of COPs or about \$600,000 total for four series of COPs

Assuming an interest cost of 4.9% (about 50 basis points above current rates), and a 15-year term, the annual debt service would be approximately \$1.6 million beginning in Fiscal Year 2005 with a total repayment of approximately \$24 million.

Prepared by: Deven Mitchell, State Debt Manager Phone 465-3750
 Division Treasury Division Date/Time 4/30/03 2:21 PM
 Approved by: Larry Persily, Deputy Commissioner Date 4/30/2003
 Agency Department of Revenue

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

BILL NO. SB195

ANALYSIS CONTINUATION

The COPs' structure will require the communities to provide a title interest in the facilities being improved to a trustee as security for the COPs.

The proceeds of the COPs sale will be held by the trustee bank to ensure they are spent on the described projects. Proceeds will be reinvested and produce earnings that will be available for appropriation in the future for the projects or debt service on the COPs.

The COPs issue(s) authorized by this bill is small enough that if coupled with a projected FY04 draw on the Constitutional Budget Reserve of less than \$400 million for the FY04 budget, and additional fiscal management trending toward matching ongoing revenues with ongoing expenditures, the COPs' issuance itself would not be expected to precipitate a downgrade in the Alaska credit rating by any of the three credit rating agencies that rate Alaska public debt.

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 195
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Department of Corrections
 Title Certificates of Participation for Jails BRU Administration & Operations
 Component _____
 Sponsor Senator Stevens & Senator Olson
 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	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	3,300.0	3,300.0	3,300.0	3,300.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	3,300.0	3,300.0	3,300.0	3,300.0

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
-------------------------------	------------	------------	------------	------------	------------	------------

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	0.0	0.0	3,300.0	3,300.0	3,300.0	3,300.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0
Other (Specify Type--Do not abbreviate)	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	3,300.0	3,300.0	3,300.0	3,300.0

Estimate of any current year (FY2003) cost: 0.0

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

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

The fiscal impact to the Department of Corrections is specified in section 2 of Senate Bill 195. Senate Bill 195 provides the authorization for 58 new community jail beds. The FY 02 cost of care for Community Jails was \$182.32 per prisoner, per day. Based on that amount, 58 additional jail beds would cost \$3,859,714, including all departmental overhead allocated to community jails. The department would not, however, increase overall overhead as a result of this 58 expansion, so assuming completion of the 58 additional beds by FY 06, the \$3,300,000 is the full cost to the state. The additional beds may have the effect of reducing transportation costs and relieving overcrowding at state correctional facilities in Nome and Bethel.

Prepared by: Jerry D. Burnett, Director
 Division: Administrative Services
 Approved by: Portia C.K. Parker, Deputy Commissioner
 Agency: Department of Corrections

Phone: 465-3339
 Date/Time: 4/30/03 2:52 PM
 Date: 4/30/2003

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

Senator Gary Stevens
Alaska State Legislature

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

SPONSOR STATEMENT – SB 195

SB 195, "An act giving notice of and approving, and authorizing the entry into and issuance of certificates of participation for, the upgrade, expansion, and replacement of certain jails; and providing for an effective date, will provide a funding mechanism to take care of four community jails that are in dire need of expansion or replacement.

We have 15 community jails located in rural communities that do not have state Department of Corrections correctional facilities. These community jails provide short-term detention and confinement for persons held under state law awaiting court services, serving short sentences, waiting for transport to state facilities, or held under non-criminal substance abuse and mental health protective custody.

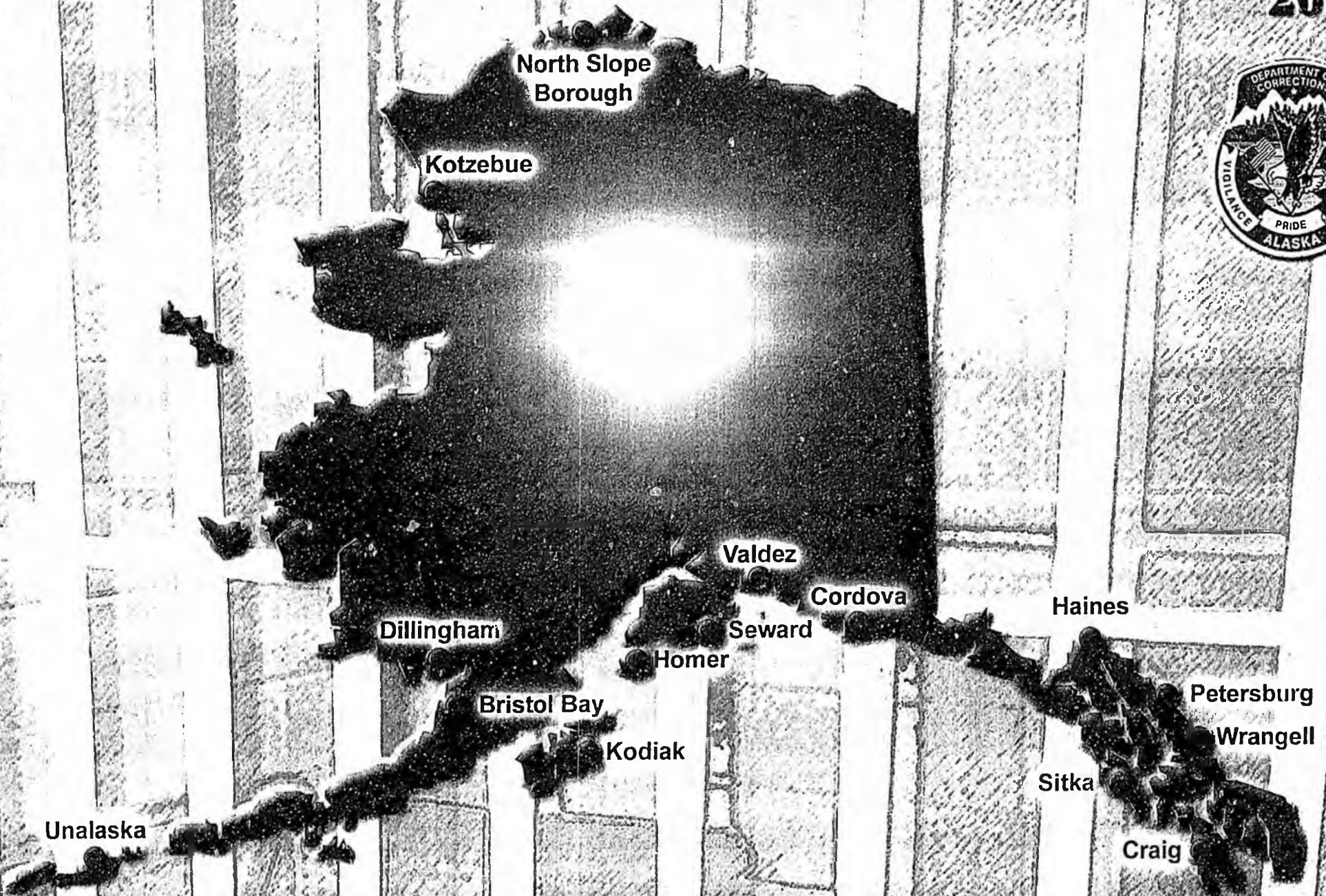
Of the 15 community jails located throughout the state, four are in critical need of expansion or replacement. The Dillingham and Kotzebue Community Jails are priorities due to the intensity of demand for their services. The North Slope Borough Community Jail needs more beds and has no room to expand at its current 2nd floor location, and the Kodiak Community Jail needs to be replaced due to its age and current condition.

This bill would provide for the issuance of Certificates of Participation (COP). Each of the four municipalities would receive \$4,000,000 from the proceeds of the COP's upon the condition that they provide a matching share of at least \$4,000,000.

Passage of this bill will address the most critical Community Jail facilities. I urge your support.

Alaska Department of Corrections COMMUNITY JAILS INFORMATION

2003



Community Jails Assessment

- DOC contract costs have increased 2.7% over the last 7 years, while Community Jails costs of services rose by 14.1% (CPI), and the inmate population grew by 22%.
- Community Jails Chiefs and local communities need funding for operations, training and capital investment.
- Community Jails facilities are overcrowded and under-maintained, especially at Kodiak, North Slope Borough, Kotzebue and Dillingham. These facilities need to be replaced or expanded.
- Systemwide overflow from Community Jails pressure points impacts state DOC institutions: Kodiak Community Jail on Anchorage; Kotzebue Community Jail on Nome; North Slope Borough Community Jail on Fairbanks; Dillingham Community Jail on Anchorage.
- Level of service in rural Alaska does not always meet state corrections standards.
- Community Jails Chiefs and staff are isolated and not well integrated with the DOC system and resources.
- Local and state liability is increasing with deterioration of facilities and level of service.
- Parallel studies support the need for change: CJAC Report (May 2000); Commonwealth North Report on Justice Services and Urban-Rural Unity (September 2000); UAA Justice Center Report (April 2000); DOC Long-term Plan (June 1999); DOC Strategic Plan for Trust Beneficiaries (1999); Governor's Task Force on Community Jails (1994). See Resources List.



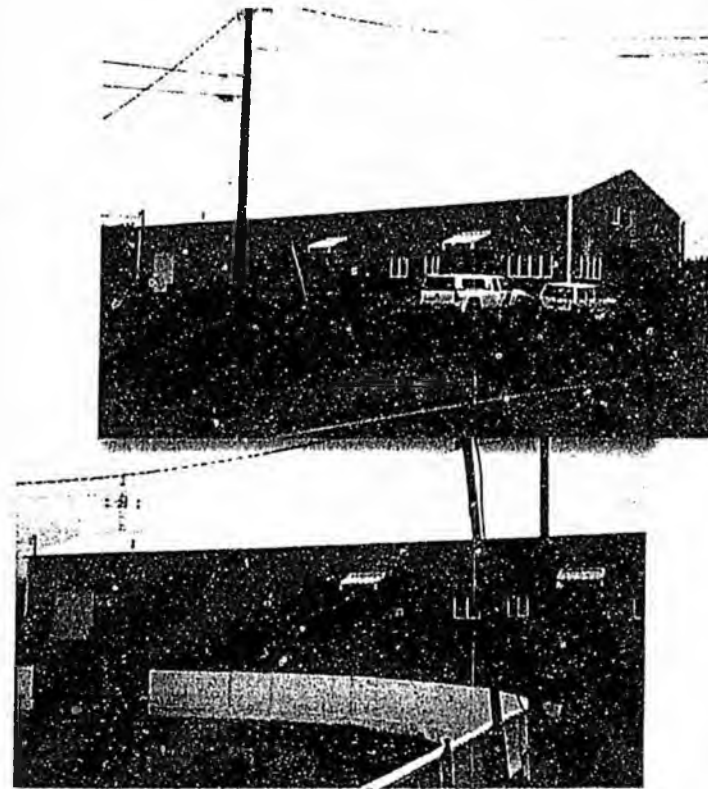
Dillingham Jail

Built in 1989, 2,323 square feet, 6 cells

During the recent June 2000 audit of the Dillingham Community Jail, several issues were found to be in need of attention. Overall, the facility works well, considering the high number of prisoners and arrests. With the addition of the Superior Court in Dillingham, the jail is used extensively for pre-trial holding.

With a FY00 average of 136% capacity, or 3,942 prisoner man-days, the facility is not large enough for the number of pretrial prisoners, and short-term sentenced prisoners. Public Safety must transport the unsentenced, and any sentenced prisoners because of a maximum capacity in the jail of 8 prisoners. The prisoners are transported to Anchorage, and then must be returned to Dillingham for court, or upon release, must be returned to their place of arrest. Some unsentenced prisoners may be transported back and forth several times. Weather and limited resources, (manpower and equipment) often delay transports, contributing to facility overcrowding.

The CJ facility HVAC system is in need of repair. Currently temperature controls are sporadic, and work intermittently. Some intake and exhaust ducts in the tanks were missing the finish grill covers. Prisoners have access to the ducts.



Community Jails Information

Plumbing repairs are needed on all the cell fixtures. The boiler is in need of overhaul, and the back-up generator requires maintenance.

Prisoners currently can only take recreation in the tier/dayroom. An outdoor recreation yard could be attached to the facility at a reasonable cost to accommodate recreational needs.

In the years 1995 - 2000, prisoner man-days doubled to 3,942, or 135% of maximum capacity. No increase in funding occurred to offset the increase in costs. An increase in the contract amount is needed to keep pace with inflation and the increase in man-days.

For the amount of arrests being made in the region, and the number of prisoners being held for superior court cases, an addition, or replacement of the existing 8-bed facility would better serve the needs of the region, and reduce the number of prisoner transports. Any addition would require a recreation area, and food service area. An increase of beds would support system efficiency, greatly reduce the overcrowding, and prisoner transports to and from Anchorage.



Kodiak Jail

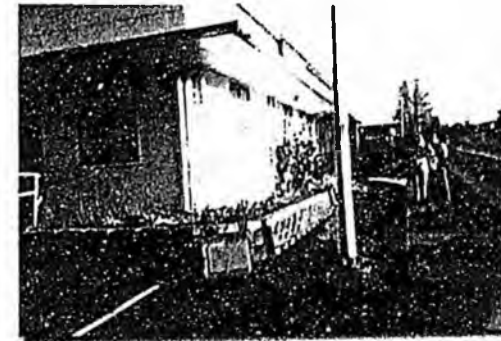
The Kodiak Jail has the distinction of being the only community jail that has been consistently recommended for closure and replacement by DPS, the Governors 1994 task force, and DOC.

The Kodiak Jail is located within the confines of the Kodiak Police Department. The building was constructed in the early 40's. While the building has been occupied over the years by a variety of different government entities, it is believed that it has been used in its current capacity since 1964. Kodiak Jail is potentially one of the oldest jails in Alaska.

The catchment areas for the Kodiak Jail consist of the City and Borough of Kodiak and the surrounding regions of Afognak, Trinity, and Sitkalidak Islands, and the communities of Ouzinkie, Port Lions, Larsen Bay, Karluk, Akhiok, and Old Harbor.

The Kodiak Jail can accommodate up to 16 adult prisoners in the following manner: three single cells to house males, one 2-bed cell for females, one single cell for females, and one 10-bed dorm for same sex general population. Kodiak Jail accepts federal inmates, but does not accept juveniles, unless they have been adjudicated as an adult.

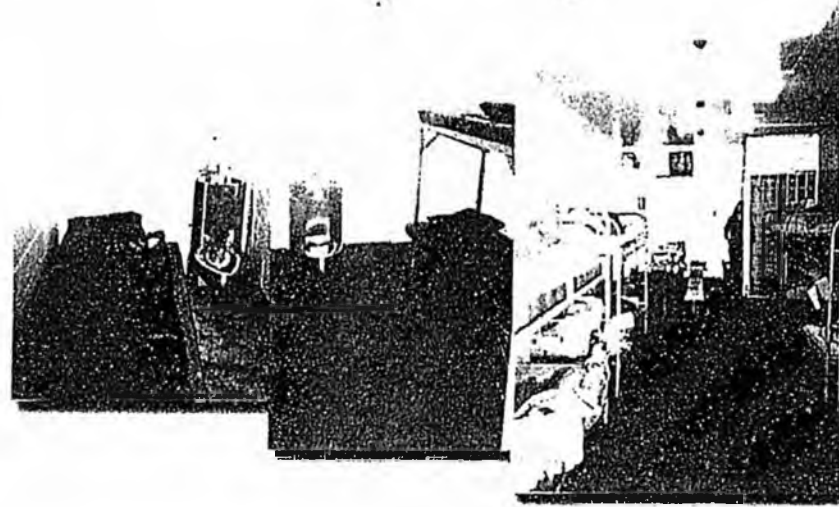
An audit conducted by DOC in October 2000 noted several deficiencies at Kodiak Jail. Capital funds were received the following year to correct some of the minor deficiencies noted in the audit. The major deficiencies such as poor lighting, severely pitted floors and the overall poor condition of the jail remain unchanged.



Community Jails Information

The poor condition of the jail continues to prevent the jail from obtaining a State Health permit to prepare meals. Meal service is provided through several contractual agreements with local restaurants. Meals must be picked up by jail officers, leaving the prisoners unsupervised, or, in some cases by the on-duty police officers, for delivery to the jail. Laundry service is minimal

The Kodiak Jail must be replaced with a facility, which meets the needs of the community, and must be appropriately funded to meet the service provided.





Kotzebue Jail

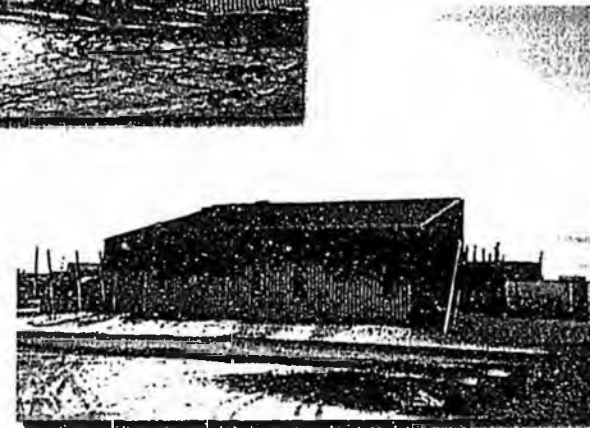
DOC audited this facility in December 1999. The Kotzebue jail has 12 available beds. Any female or juvenile hold limits the use of available beds for male prisoners. The area served by the jail is approximately 35,000 square miles. There is a Superior Court in Kotzebue. The jail is in need of maintenance and upkeep. Because of the high prisoner counts, even painting and routine maintenance cannot be accomplished.

Prisoners are transported between Kotzebue and Nome by air. DPS transports prisoners twice a week to relieve overcrowding and to return people to Kotzebue for court proceedings. FY00 man-days totaled 5,626, or 110% maximum capacity. A cap on the jail went into effect in 2002. There were 103 air charter transports between Nome and Kotzebue for 2002. DPS moved 631 prisoners to Nome, and moved 256 back to Kotzebue for court. Any sentenced prisoners in Nome were provided transportation to the place of arrest upon release. An increase in the size of the Kotzebue jail would greatly reduce the number of return prisoner transports required for court proceedings. Any addition to the facility would require an adequate recreation area, as well as an adequate kitchen area for meal service. Currently, a contractor provides all meal service. An expansion would require additional staffing. Correctional officers also are responsible for dispatch duties. An increase in the contract amount is required to support the existing level of operations.



The Kotzebue Jail is in need of 20-30 additional long term beds.

However, this addition would require the doubling of staff, and a fully functional kitchen.



Community Jails Information

North Slope Borough Jail

Built in 1980, 2,300 square feet, 9 cells

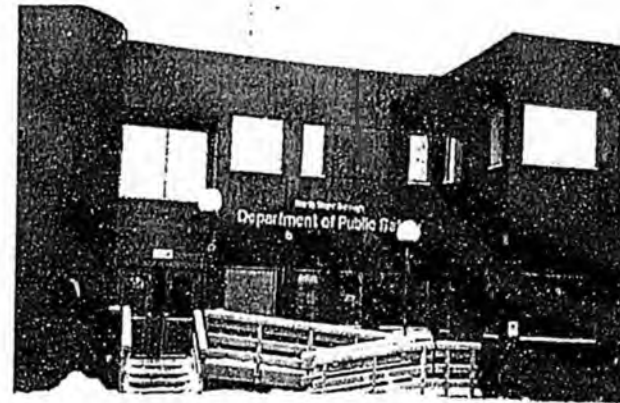
Barrow Jail

The Barrow jail has shown a 100% increase in prisoner man-days since FY95. There are only 9 beds available in the jail, requiring frequent prisoner overflow transport to Fairbanks, more than 160 for the year, and subsequent return to Barrow for court proceedings. The Fairbanks Correctional Center averages approximately 35 prisoners waiting for court in Barrow.

Prisoner man-days were 1,498 in FY97, and at a peak of 3,456 in FY99. FY00 man-days were 2,794 and 3289 for FY02. The DPS does a good job of transporting prisoners to control overcrowding in this facility.

The jail is located on the second floor of the NSB Public Safety building, and recently installed automatic doors for fire evacuation, in compliance with the Fire Marshal's office. The addition of more beds to the existing facility is not possible. Plumbing fixtures are in need of replacement.

Construction of a new regional facility is recommended.



SB

1988

**SENATE COMMITTEE REPORT
First Committee of Referral**

DATE: 4/25/03

FURTHER: Judiciary

Date of 5-Day Notice: 5/2/03
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 5/9/03

State Affairs Committee considered SENATE BILL NO. 198

SB 198 DAMAGES RECOVERED BY POLICE/FIREFIGHTER

"An Act relating to recovery of civil damages by a peace officer or firefighter; and providing for an effective date."

and recommends:

- be replaced with _____ CS SB 198 (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#
DOL	5/5/03		✓	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
<i>[Signature]</i>			✓	
<i>[Signature]</i>			✓	
<i>[Signature]</i>			✓	
<i>[Signature]</i>	✓			
CHAIR: <i>[Signature]</i>	✓			

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 198
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Law
 Title "An Act relating to recovery of civil damages by BRU Civil Division
a peace officer or firefighter; . . ." Component Special Litigation
 Sponsor Senator Seekins
 Requester Senate State Affairs Committee Component No. 2213

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

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

POSITIONS

Full-time						
Part-time						
Temporary						

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

This bill would amend common law that precludes a peace officer or firefighter or their representative from recovering civil damages for a negligent act or omission resulting in injury or death in the line of duty to specifically exclude negligent acts or omissions that are unrelated to the activity that created the need for the presence of the peace officer or firefighter.

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

Prepared by: Joan M. Kasson Phone (907) 465-5370
 Division: Attorney General's Office Date/Time 5/5/03 2:07 PM
 Approved by: Kathryn Daughhetea for Gregg D. Renkes, Attorney General Date 5/5/2003
 Agency: Department of Law

ALASKA STATE SENATE

Session:
State Capitol
Juneau, Alaska 99801-1182
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119 N. Cushman, Suite 201
Fairbanks, Alaska 99701
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Senator_Ralph_Seekins@legis.state.ak.us

Senator Ralph Seekins
District D

SB 198 Sponsor Statement

An Act Relating to Recovery of Civil Damages by a Peace Officer or Firefighter

Senate Bill 198 revises the common law known as the "Firefighter's Rule". This rule precludes firefighters and peace officers from recovering civil damages for injuries caused by any negligent act inflicted while on duty. The "Firefighters Rule" does not distinguish between negligent acts requiring the firefighter's or peace officer's response from negligent acts that are *unrelated* to the reason the firefighter or peace officer was required to respond.

For example, as currently employed, the "Firefighters Rule" precludes a police officer from suing for damages for injuries suffered as a result of being struck by a drunk driver during the course of transporting a prisoner to the courthouse. This despite the fact that the negligent act, in this case the drunk driving, is unrelated to the duty the officer was performing at the time. Senate bill 198 corrects this incongruity. Yet, on the other hand, this bill does nothing to change the case where the police officer is injured during the course of a pursuit of the drunk driver. This is considered a foreseeable risk associated with the profession and, accordingly, well within that which the "Firefighter's Rule" should cover.

Therefore, Senate bill 198 makes a distinction between negligence that is related to the reason the firefighter or peace officer is responding and negligence that is unrelated to the reason the firefighter or peace officer is responding. In the first instance, it *does not* allow a civil action. Instead the firefighter or peace officer must rely on the state's workers compensation system. However, in the case where injury was caused by a negligent act *not related* to the reason for the firefighter or peace officer's response, then—under this legislation—a civil action can be brought against the at-fault party.

SB

201

SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 4/28/03

FURTHER: Health, Education and Social Services

Date of 5-Day Notice: 5/10/03
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: 5/17/03

State Affairs Committee considered SENATE BILL NO. 201

SB 201 HOME & RESPITE CARE: CRIMINAL RECORDS

"An Act relating to home care and respite care; 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#
DPS	5/13/03		✓	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
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
CHAIR: <i>[Signature]</i>	X			

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: SB 201
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: DPS
Title Home & Respite Care: Criminal Records BRU Statewide Support
Component Criminal Records & ID
Sponsor Senate Judiciary
Requester Senate State Affairs Component No. 1190

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 (FY 2003) 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)

The bill requires certain home health care and respite care providers to undergo national criminal record checks as authorized by federal law. Current law requires these criminal record checks, but points to a repealed state statute. By replacing the repealed state statute reference with the federal law reference, the bill has the effect of mandating the national record check only, and making the state record check optional. It is assumed that the care providers will continue to obtain the state and national checks, both of which are authorized by law. Therefore, no change in fee receipts or service level is anticipated for the Records and Identification Bureau.

Prepared by: Diane Schenker Phone 907-269-5092
Division Administrative Services Date/Time 5/13/03 8:52 AM
Approved by: Commissioner William Tandeske Date 5/13/2003
Agency Department of Public Safety

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SB 201 Sponsor Statement

An Act Relating to Home Care and Respite Care

This Bill corrects errors identified by the Revisor of Statutes in Chapters 45 and 118, SLA 1994. Specifically, Chapter 45 enacted various provisions containing a reference to a section that at the same time was repealed by Section 4 of Chapter 118. The section in question was former AS 12.62.035, relating to access to certain crime information. As a consequence of the enactment of these two bills, various sections contain a reference to something that no longer exists. Senate Bill 201 corrects this error in a substantive manner intended to provide clarity to the Statutes in question.

LEGAL SERVICES

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LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

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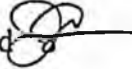
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MEMORANDUM

December 18, 2002

SUBJECT: 2003 Additional Revisor's Bill (Work Order No. 23-LS0118\A)

TO: Senator Robin Taylor
Chair, Legislative Council

FROM: James P. Crawford 
Assistant Revisor

The following is a sectional analysis of a draft of an additional revisor's bill submitted separately from the general 2003 Revisor's Bill drafted by Pamela Finley.

Like the general revisor's bill, this bill is prepared under AS 01.05.036. However, this bill deals with a discreet set of related errors arising from the contemporaneous enactment of ch. 45, SLA 1994 and ch. 118, SLA 1994.

Specifically, ch. 45 enacted various provisions containing a reference to a section that at the same time was repealed by sec. 4 of ch. 118. The section in question was former AS 12.62.035, relating to access to certain crime information. As a consequence of the enactment of these two bills, various sections contain a reference to something that no longer exists. The sections in question are AS 47.05.017(a), AS 47.65.050(b), and 47.65.100(e), (enacted by ch. 45 and addressed presently in sections 1, 3, and 4, respectively) and AS 47.14.100(h) (based on AS 47.10.230, also enacted in ch. 45, and addressed presently in section 2). The solution proposed in this bill simply reflects the fact that AS 12.62.035 has been repealed and makes no substantive change.

That said, there may be a greater than usual possibility that the legislature will want to reject this proposed solution and move this set of corrections to another bill in which the problem may be addressed substantively.

This possibility is suggested by the fact that starting with ch. 118, the legislature in recent years has tended to frame its crime information request statutes in more up-to-date terms of "criminal justice information," a phrase currently defined in AS 12.62.900. If this phrase were implemented in place of "former AS 12.62.035(a)" as a solution to the problem, a substantive change would occur because "criminal justice information" yields more information than that yielded under former AS 12.62.035.

For example, one sub-category of criminal justice information is "past conviction information." This one sub-category of information alone would provide information

Senator Robin Taylor
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concerning all misdemeanor offenses (as opposed to just some under former AS 12.62.035), as well as "the terms of any sentence, probation, suspended imposition of sentence, or discretionary or mandatory parole" and "information that a criminal conviction or sentence has been reversed, vacated, set aside, or been the subject of executive clemency" – information that former AS 12.62.035 did not cover.

Thus, resort to the "criminal justice information" example above as a solution to the problem, while perhaps a preferable alternative to the solution presented here, would represent a legislative policy choice more appropriately advanced through a substantive bill. However, because the possibility exists that the legislature may prefer this alternative, these related corrections have been gathered together and set out as a group in a separate revisor's bill as a means of providing a potentially convenient starting point for a substantive bill should the legislature elect to go that route.

TBC:lmb
02-167.lmb

Enclosure

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

Federal Statutes Authorizing Criminal Background Checks for Nursing Facility Job Applicants and Employees

There are approximately 15 federal laws that permit criminal background checks for civil (i.e., employment and licensing) purposes. Fingerprinting, either through electronic "live scans" or paper and ink "hard cards," is required for all federal criminal background checks conducted for employment and licensing purposes.

Three of these laws permit nursing facilities to seek criminal background checks on employees and job applicants. Two of the three laws, as amended, authorize nursing facilities to seek FBI criminal background information regardless of whether the state where the facility is located has enacted its own law to permit access to state criminal background records. The third law authorizes nursing facilities to seek federal criminal background checks if the state where the facility is located has enacted a law to authorize access to state criminal background information.

Current procedures under all three federal laws require nursing facilities to channel requests for FBI criminal background information through a designated state agency. (A list of State Agency Contacts is attached.) Summaries of each law's major provisions, advantages and limitations follow.

I. Public Law 105-277

Section 124 of Pub. L. 105-277, enacted in 1998, enables nursing facilities ("NFs") and home health care agencies ("HHAs") to request fingerprint-based national criminal history checks by the FBI for employees or job applicants for positions involving direct patient care. The NF or HHA seeking the background check must contact the designated state agency to obtain fingerprint cards and then must send the completed cards along with additional information from the applicant back to the state agency for processing. The state agency then will check its own criminal history record information (CHRI) and will forward the fingerprint cards to the FBI for a check of the FBI records. If any CHRI is found by the state, FBI, or both, the designated state agency will forward it to the NF or HHA for its use in making an employment determination for the applicant.

Pub. L. 105-277 does not require states to enact implementing legislation before NFs and HHAs can request federal criminal background checks of employees or job applicants. This is intended to give all NFs and HHAs nationwide the ability to seek access to the CHRI retained by the FBI. The statute does not specify that a law enforcement agency must take the individual's fingerprints, therefore it may be permissible for a private company to perform the actual fingerprinting.

II. National Child Protection Act of 1993

The National Child Protection Act of 1993, 42 U.S.C. § 5119a, was amended by the Violent Crime Control and Law Enforcement Act of 1994, Pub. L. 103-322 § 320928, to allow for federal criminal background checks of individuals who work for, own, or operate a business that provides care to the elderly or individuals with disabilities, as well as those who are responsible for the safety and well-being of children. This statute was amended again in 1998 by the Volunteers for Children Act, Pub. L. 105-251 § 222, to allow for federal criminal background checks even when the state does not have an authorizing statute or regulations.

Under this law, "qualified entities" (as designated by the state) may request federal criminal background checks of a "provider" pursuant to specified guidelines. If a state has a statute or regulations that require qualified entities to request such federal background checks, the state procedures must be followed in addition to the federal guidelines. A "qualified entity" is defined as a business or organization, whether public, private, for-profit, not-for-profit, or voluntary that provides (or licenses or certifies others to provide) care or care placement services to children, the elderly, or individuals with disabilities. A "provider" is defined as any person who: is an employee, an applicant for employment, or a volunteer for a qualified entity; is an owner or operator of a qualified entity; or has or may have unsupervised access to a child to whom the qualified entity provides child care. Thus, under this statute, federal criminal background checks may be obtained for owners, operators, employees, volunteers, and job applicants of entities that provide health care services to children, the elderly or disabled. It should be noted that as long as the entity is "qualified," all of its employees and volunteers are amenable to backgrounding.

Therefore, the scope of employees and/or job applicants for whom criminal background checks can be sought is broader than under Pub. L. 105-277. Under both statutes, the health care employer submits the applicant's fingerprints and identification information to the designated state agency for processing. However, the NCPA, as amended, requires that the state agency make the determination of the applicant's fitness for the job, not the employer. Both statutes allow for federal criminal background checks in the absence of state implementing legislation.

III. Public Law 92-544

Passed by Congress in 1972, Pub. L. 92-544 is an appropriations statute that provides funding to the FBI for acquiring, collecting, classifying, preserving, and exchanging identification records with duly authorized officials of the federal government, the states,

cities, and other institutions. Under this federal law, health care employers have the ability to obtain federal criminal background checks of employees and job applicants, under certain conditions. First, there must be a state law authorizing health care employers to request such background checks from state and local government officials. Second, the authorizing state statute must be approved by the Attorney General of the United States.

Regulations implementing this law give the Director of the FBI the power and authority of the Attorney General to approve and conduct exchanges of identification records with officials of state and local governments for employment and licensing purposes if authorized by a state statute that has met the approval of the Attorney General. See 28 C.F.R. § 0.85(j). Pub. L. 92-544 and its implementing regulation do not provide guidelines for obtaining federal criminal background checks. Presumably, such guidelines or procedures would be established under the enabling (or other) state statute.

The FBI, consistent with several legal opinions from the U.S. Department of Justice, has established the mandatory elements of a state statute enacted under the auspices of Pub. L. 92-544. The state statute must:

- (1) Exist as a result of a legislative enactment;
- (2) Require that the criminal background check be fingerprint-based;
- (3) Authorize the submission of fingerprints to the State Identification Bureau for forwarding to the FBI for a national criminal history check;
- (4) Identify the categories of licensees amenable to backgrounding; and
- (5) Provide that an authorized government agency be the recipient of the results of the record check.

Pub. L. 92-544 does not allow federal criminal records to be shared directly with health care employers. Like the NCPA, as amended, Pub. L. 92-544 requires that the state agency make the determination of the applicant's fitness for the job, not the employer. A table listing those states which have enacted laws authorizing criminal background checks pursuant to Pub. L. 92-544 follows as Attachment C.

Attachment A

Public Law 105-277

The steps for conducting a background check include:

- (1) The NF or HHA contacts the state Control Terminal Officer ("CTO") and/or State Identification Bureau ("SIB") to request fingerprint cards (which bear a state-of-origin number for tracking purposes);
- (2) The NF or HHA gives the fingerprint cards to the applicant;
- (3) The applicant goes to the local police department or sheriff's office to get fingerprinted, which involves:
 - (a) Providing his/her name, address, and date of birth as they appear on a government document (e.g., a driver's license);
 - (b) Certifying that he/she has not been convicted of a crime and is not under indictment for a crime, or describing the crime and facts involved; and
 - (c) Having his/her fingerprints "rolled" onto the fingerprint cards;
- (4) The applicant returns the fingerprint cards and supporting information to the NF or HHA;
- (5) The NF or HHA sends the fingerprint cards, supporting information, and FBI fee (currently \$24) to the state agency (e.g., CTO, SIB) or other agency designated by the Attorney General no more than 7 business days after the fingerprints were taken;
- (6) The FBI conducts a check of its criminal history records (which include records of serious state offenses) and provides the results of the search to the submitting state agency;
- (7) The state agency receives the federal results from the FBI and forwards them with the state results to the NF or HHA; and
- (8) The NF or HHA makes the determination whether the applicant has a criminal record which would adversely affect the employment decision. In other words, the facility does not get a yes/no answer on whether to hire the individual. The statute provides immunity to the NF or HHA for making this determination based on incomplete or inaccurate information.

* Note: the local law enforcement agency and state agency may charge separate fees. Although the statute is silent as to additional fees, the FBI has concluded that such fingerprinting and processing fees are not limited by federal law.

Attachment B

National Child Protection Act of 1993

The steps for conducting a background check include:

- (1) The NF or HHA must seek and obtain from the appropriate state agency "qualified entity" status under 42 U.S.C. § 5119(a)(1).
- (2) The qualified entity obtains from the provider (i.e., employee or applicant):
 - (1) Fingerprints (presumably taken at a local law enforcement agency or by a private company);
 - (a) A signed statement to the qualified entity that:
 - (1) Contains the name, address, and date of birth of the provider as it appears on a valid I.D.;
 - (i) The provider has not been convicted and is not under pending indictment for a crime, or a description of the crime and conviction must be given;
 - (ii) Notifies the provider that the qualified entity may request a background check;
 - (iii) Notifies the provider of the provider's rights to: obtain a copy of any background check report, challenge the accuracy and completeness of any information contained in any report, and obtain a prompt decision on that challenge before a final determination is made by the state agency; and
 - (iv) Notifies the provider that before the background check is complete, the qualified entity may restrict the provider's access to a person to whom the qualified entity provides care;
- (3) The qualified entity submits the background check request, provider's fingerprints and supporting documentation to the state agency designated to report, receive, or disseminate background check information (an "authorized agency");
- (4) The authorized agency will review state records and also transmit the fingerprints to the FBI for a national check (which will be returned to the state). The state will make a reasonable effort to provide a consolidated response to the request within 15 days;
- (5) The authorized agency makes a determination whether the provider has been convicted of, or is under indictment for, a crime that bears upon the provider's fitness to be responsible for the safety and well-being of children, the elderly, or individuals with disabilities, and conveys that determination to the qualified entity. The qualified entity then notifies the provider of the determination.