Introduction

HB 306 (Ch. 61, SLA 14) requires that the Department of Revenue (DOR) and Division of Legislative Finance prepare biennial reports to the legislature on indirect expenditures. AS 43.05.095 defines an indirect expenditure as an express provision of state law that results in foregone revenue for the state by providing:

1. a tax credit or other credit;
2. an exemption, but does not include federal tax exemptions adopted by reference in AS 43.20.021;
3. a discount;
4. a deduction, but does not include costs incurred in the ordinary course of business that are deducted in the calculation of a tax under this title or in the calculation of a royalty or net profit share payment for a lease issued under AS 38; or
5. a differential allowance.

The first DOR report, covering FY09-13, was released in July of 2014, and the Legislative Finance Report was released in January of 2015. The second DOR report was released in July of 2016, covering FY11-15.

The Legislative Finance Division’s report builds on the DOR report and is due to the legislature on the first day of the 2017 legislative session. While DOR’s report covers all agencies each biennium, AS 24.20.235 limits the Legislative Finance report to a few agencies each biennium.

For the 2017 report, Legislative Finance covered the following departments:

1. Administration;
2. Alaska Court System (Judiciary);
3. Education and Early Development, including the Alaska Student Loan Corporation and Alaska Commission on Postsecondary Education;
4. Environmental Conservation;
5. Natural Resources; and
6. Transportation.

In addition, HB 306 instituted a sunset cycle for existing tax credits. In 2018, the Education Tax Credit is set to sunset. This report includes updated data and a detailed recommendation for changes to that credit.

For the 2015 report Legislative Finance covered the following departments, which will be revisited in the 2021 report:

1. Commerce, Community and Economic Development;
2. Fish and Game;
3. Health and Social Services;
4. Labor and Workforce Development; and
5. Revenue.

Legislative Finance’s 2019 report is set to cover all agencies not reviewed in 2015 or 2017. However, none of the remaining agencies have participated in the Indirect Expenditure reporting process up to this
point. Changes to HB 306 may be necessary to get these other agencies, such as the University of Alaska, to participate. Otherwise, Legislative Finance will not have any agencies to review in the 2019 report.

Per HB 306, this report includes:

1. an estimate of the revenue foregone by the state because of the indirect expenditure;
2. an estimate of the monetary benefit of the indirect expenditure to the recipients of the benefit of the indirect expenditure;
3. a determination of whether the legislative intent of the indirect expenditure is being met and, if necessary, a determination of why the legislative intent of the indirect expenditure is not being met;
4. a recommendation as to whether each indirect expenditure should be continued, modified, or terminated, and a basis for the recommendation;
5. the expected effect on the economy of the state if the recommendation is executed; and
6. an explanation of the methodology and assumptions used in preparing the report.

Methodology and Assumptions

The Division of Legislative Finance reviewed the Department of Revenue’s report and created a spreadsheet that allows the provisions to be presented in several ways, such as sorted by recommendation or fiscal impact. This report is generated from that spreadsheet and includes the information prepared by both DOR and Legislative Finance.

For the “estimate of revenue foregone by the state,” Legislative Finance assumed that the revenue foregone was equal to the estimated revenue impact reported by DOR for the most recent year in the report (FY15). It also assumed in most cases that the estimate of annual revenue to recipients equaled this amount divided by the number of recipients in that year (exceptions are noted). This is not necessarily an accurate depiction of the impact for each recipient, because the impact may be variable. However, it is the best estimate possible with the information available.

To determine whether legislative intent was being met, Legislative Finance based its answers on the legislative intent reported by DOR. Legislative Finance asked agencies for supplemental information when necessary to make a recommendation. In many cases, it is impossible to determine whether legislative intent is being met due to vague intent, inadequate information, or because the provision is too recent.

Legislative Finance did not make recommendations for any provisions authorized, modified, or considered since 2014 because it is too soon to judge the impact of the provisions. In cases where the provisions have not been revisited for many years, Legislative Finance recommended reconsideration of the provision even if it appeared to be meeting legislative intent because the original intent may no longer be valid. Other indirect expenditures were evaluated on a case-by-case basis.

For the expected impact on the economy of repealing or modifying credits, Legislative Finance assumed that it was the same as the amount of foregone revenue. For the most part, the recommendations would not result in a significant economic impact because there are few, if any, recommendations to repeal large tax credits.
# Administration

1. **$10 fee waiver for government agencies**

2. **Anatomical Gift Awareness Fund (Organ Donor Registration)**

3. **Motor vehicle license plates and registrations fees for amateur radio users**

4. **Motor vehicle license plates and registrations fees for disabled persons**

5. **Motor vehicle license plates and registrations fees for disabled veterans**

6. **Motor vehicle license plates and registrations fees for Gold Star Family**

7. **Motor vehicle license plates and registrations fees for municipal governments and charitable organizations**

8. **Motor vehicle license plates and registrations fees for Pearl Harbor survivors**

9. **Motor vehicle license plates and registrations fees for Prisoners of War**

10. **Motor vehicle license plates and registrations fees for Purple Heart recipients**

11. **Motor vehicle license plates and registrations fees for senior citizens**

12. **Motor vehicle license plates and registrations fees for state owned vehicles**

13. **Permanent registration for eight-year-old vehicles in unorganized boroughs or communities that elect to allow this service.**

14. **State identification cards for senior citizens**

---

# Education and Early Development, Alaska Student Loan Corp, Alaska Comission on Postsecondary Education

1. **Credit: education loan forgiveness- Alaska Student Loan (ASL) Program**

2. **Exemption from authorization**

3. **Interest deduction**

4. **Discount for closing time admission**

5. **Discounts for special events**

6. **Free admission for military**

7. **Free admission for students**

8. **Senior citizen discount**

9. **Tour company discount**

10. **Education loan forgiveness**

11. **Credit: Education loan forgiveness- Winn Brindle Memorial Education Program**

12. **Financial support**

13. **Loan forgiveness**

14. **Subsidized Interest Period**

---

# Environmental Conservation

1. **50% discount on annual permit fees for non-profit organizations**

2. **50% discount on annual permit fees for start-up businesses**

3. **Inspection fee exemption for body art facility operators**

4. **Inspection fee exemption for non-profit entities**

5. **Inspection fee exemption for schools and Head Start programs**

6. **Inspection fee exemption for school clubs**

7. **Inspection fee exemption for pool and spa operators**

8. **Inspection fee exemption for hair and nail salon operators**

9. **Plan review fee discount of 20% for multiple types of operation within a single establishment**

10. **Plan review fee discount of 20% for operators of both food and bar service**

11. **Plan review fee discount of 50% for hot beverage facilities**
## Table of Contents

### Environmental Conservation (cont.)

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.12</td>
<td>Sanitation fee exemption for schools</td>
<td>77</td>
</tr>
<tr>
<td>3.13</td>
<td>Inspection fee exemption for overnight accommodations facilities</td>
<td>78</td>
</tr>
<tr>
<td>3.14</td>
<td>Fee exemption for public toilets, showers and laundromats</td>
<td>80</td>
</tr>
<tr>
<td>3.15</td>
<td>Fee exemption for cheese testing</td>
<td>82</td>
</tr>
<tr>
<td>3.16</td>
<td>Fee exemption for dairy testing</td>
<td>83</td>
</tr>
<tr>
<td>3.17</td>
<td>Fee exemption for fishmeal testing</td>
<td>84</td>
</tr>
<tr>
<td>3.18</td>
<td>Fee exemption for Paralytic Shellfish Toxin testing</td>
<td>85</td>
</tr>
<tr>
<td>3.19</td>
<td>Fee exemption for shellfish growing waters testing</td>
<td>86</td>
</tr>
<tr>
<td>3.20</td>
<td>Fee exemption for slaughter facility testing</td>
<td>87</td>
</tr>
<tr>
<td>3.21</td>
<td>Discounted Interest Rates on State Revolving Fund (SRF) Loans to municipalities</td>
<td>88</td>
</tr>
<tr>
<td>3.22</td>
<td>Principal forgiveness on State Revolving Fund (SRF) Loans to municipalities</td>
<td>90</td>
</tr>
<tr>
<td>3.23</td>
<td>Fee exemption for composting facilities</td>
<td>92</td>
</tr>
<tr>
<td>3.24</td>
<td>Fee exemption for landspreading of biosolids</td>
<td>93</td>
</tr>
<tr>
<td>3.25</td>
<td>Discounted wastewater fees for small businesses</td>
<td>94</td>
</tr>
<tr>
<td>3.26</td>
<td>Stormwater and wastewater fee exemption for public schools</td>
<td>96</td>
</tr>
</tbody>
</table>

### Natural Resources

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>Exploration Incentive Credits (EIC) for Mining Activities</td>
<td>101</td>
</tr>
<tr>
<td>4.2</td>
<td>Sale of Sand and Gravel Material at Less than Fair Market Value</td>
<td>103</td>
</tr>
<tr>
<td>4.3</td>
<td>Sale of Peat Material at Less than Fair Market Value</td>
<td>105</td>
</tr>
<tr>
<td>4.4</td>
<td>Public and Charitable Use of Coal Deposits</td>
<td>107</td>
</tr>
<tr>
<td>4.5</td>
<td>Waived Rent and Royalty for Shale Oil</td>
<td>109</td>
</tr>
<tr>
<td>4.6</td>
<td>Exploration Incentive Credits for Oil &amp; Gas Activities</td>
<td>111</td>
</tr>
<tr>
<td>4.7</td>
<td>Exploration Incentive Credits for Oil &amp; Gas Activities</td>
<td>113</td>
</tr>
<tr>
<td>4.8</td>
<td>Royalty Relief for Cook Inlet Platforms</td>
<td>115</td>
</tr>
<tr>
<td>4.9</td>
<td>Royalty Relief for Cook Inlet Small Discoveries</td>
<td>116</td>
</tr>
<tr>
<td>4.10</td>
<td>Royalty Modification for Oogururk Unit</td>
<td>117</td>
</tr>
<tr>
<td>4.11</td>
<td>Royalty Modification for Nikaitchuq Unit</td>
<td>118</td>
</tr>
<tr>
<td>4.12</td>
<td>Disabled Veterans Camping Pass</td>
<td>119</td>
</tr>
</tbody>
</table>

### Revenue

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1</td>
<td>Education Credit</td>
<td>123</td>
</tr>
</tbody>
</table>

### Transportation and Public Facilities

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1</td>
<td>AMHS Tariff Discounts/ Passes</td>
<td>127</td>
</tr>
</tbody>
</table>

### Judiciary

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1</td>
<td>Correctable Violations</td>
<td>131</td>
</tr>
<tr>
<td>7.2</td>
<td>Community Work Service order in Lieu of Fine or Surcharge</td>
<td>132</td>
</tr>
<tr>
<td>7.3</td>
<td>Defensive Driving Course Completion Credit against Fines</td>
<td>134</td>
</tr>
<tr>
<td>7.4</td>
<td>Exemption from Payment of Fees due to Determination of Indigency</td>
<td>136</td>
</tr>
<tr>
<td>7.5</td>
<td>Ignition Interlock Device Credit against Fines</td>
<td>138</td>
</tr>
<tr>
<td>7.6</td>
<td>State of Alaska Agencies Exempt from Filing, Copy and Certifying Fees</td>
<td>139</td>
</tr>
<tr>
<td>7.7</td>
<td>Suspended Court Ordered Fines and Surcharges</td>
<td>140</td>
</tr>
</tbody>
</table>
### Administration

<table>
<thead>
<tr>
<th>Applicable Program</th>
<th>Indirect Expenditure Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Division of Motor Vehicles</td>
<td>$10 fee waiver for government agencies</td>
</tr>
</tbody>
</table>

#### Department of Revenue Submission per AS 43.05.095

1. **Description of Provision**
   - Fee waiver for government agencies (a municipal, state or federal agency or judicial agency) requesting driver and vehicle records from DMV.

2. **Type**
   - Exemption

3. **Authorizing Statute, Regulation or Other Authority**
   - 2 AAC 92.200(d)

4. **Year Enacted**
   - 07/04/06

5. **Sunset or Repeal Date**
   - None

6. **Legislative Intent**
   - Fee waiver for government agencies

7. **Public Purpose**
   - Courtesy savings to government agencies

8. **Estimated Revenue Impact**
   - FY 2011 - Not tracked.
   - FY 2012 - Not tracked.
   - FY 2013 - Not tracked.
   - FY 2014 - Not tracked.
   - FY 2015 - Not tracked.

9. **Cost to Administer**
   - $0

10. **Number of Beneficiaries / Who Benefits**
    - Any municipalities, state agencies or federal agencies who apply in the State of Alaska

---

### Legislative Finance Analysis per AS 24.20.235

1. **Estimate of Annual Revenue Foregone by the State**
   - Unknown/ not tracked by DOA

2. **Estimate of Annual Monetary Benefit to Recipients**
   - Unknown/ not tracked by DOA

3. **Legislative Intent Met?**
   - Yes

4. **Should it be Continued, Modified or Terminated?**
   - Continue as part of normal service provided by DMV to other government entities.
**Administrative**

<table>
<thead>
<tr>
<th>Applicable Program</th>
<th>Indirect Expenditure Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Division of Motor Vehicles</td>
<td>Anatomical Gift Awareness Fund (Organ Donor Registration)</td>
</tr>
</tbody>
</table>

**Department of Revenue Submission per AS 43.05.095**

(1) **Description of Provision**
DMV provided an in-kind benefit to a non-profit organization by hosting a database on a state-owned server. Effective FY2014, DMV no longer hosts the program information for Life Alaska Donor Services on their server.

(2) **Type**
N/A

(3) **Authorizing Statute, Regulation or Other Authority**
AS 13.50.160

(4) **Year Enacted**
2009

(5) **Sunset or Repeal Date**
None

(6) **Legislative Intent**
Fund established for the collection of donations pertaining to anatomical gift awareness

(7) **Public Purpose**
Public Service

(8) **Estimated Revenue Impact**
- FY 2011: $6,552
- FY 2012: $11,805
- FY 2013: $8,484
- FY 2014: $0
- FY 2015: $0

(9) **Cost to Administer**
$0

(10) **Number of Beneficiaries / Who Benefits**
1

---

**Legislative Finance Analysis per AS 24.20.235**

(1) **Estimate of Annual Revenue Foregone by the State**
$0

(2) **Estimate of Annual Monetary Benefit to Recipients**
$0

(3) **Legislative Intent Met?**
Yes
Administration

Applicable Program
Division of Motor Vehicles

Indirect Expenditure Name
Anatomical Gift Awareness Fund (Organ Donor Registration)

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?
Legislative Finance recommends that this item be deleted from future Indirect Expenditure Reports. Prior to FY14, DMV hosted the organ donor registry on its server; but this was never a tax credit, an exemption, a discount or a deduction in the normal course of business. (Life Alaska Donor Services, a non-profit organization associated with the American Association of Tissue Banks, coordinates registration through MyAlaska online.)
Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Waives $100 registration fee for certain amateur radio users with an amateur mobile radio license issued by the Federal Communications Commission (FCC).

(2) Type
Exemption

(3) Authorizing Statute, Regulation or Other Authority
AS 28.10.421, AS 28.10.181(i)

(4) Year Enacted
1978

(5) Sunset or Repeal Date
None

(6) Legislative Intent
Allows the registration of an amateur mobile radio station vehicle for each radio license issued by the FCC.

(7) Public Purpose
Public Service Determined in AS 28.10.421(d)(8)

(8) Estimated Revenue Impact
FY 2011 - $17,400
FY 2012 - $16,600
FY 2013 - $8,600
FY 2014 - $4,400
FY 2015 - $4,400

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
44

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$4,400

(2) Estimate of Annual Monetary Benefit to Recipients
$100

(3) Legislative Intent Met?
Yes
## Administration

<table>
<thead>
<tr>
<th>Applicable Program</th>
<th>Indirect Expenditure Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Division of Motor Vehicles</td>
<td>Motor vehicle license plates and registrations fees for amateur radio users</td>
</tr>
</tbody>
</table>

### Legislative Finance Analysis per AS 24.20.235

(4) **Should it be continued, modified or terminated?**

Continue exemption, which is based on the potential public service provided by a vehicle equipped with a radio.
Administration

Applicable Program
Division of Motor Vehicles

Indirect Expenditure Name
Motor vehicle license plates and registrations fees for disabled persons

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Waives $100 registration fee for disabled persons. Must be medically certified as disabled.

(2) Type
Exemption

(3) Authorizing Statute, Regulation or Other Authority
AS 28.10.421, AS 28.10.181

(4) Year Enacted
2002

(5) Sunset or Repeal Date
None

(6) Legislative Intent
Allow disabled persons to be issued a plate that does not have the international symbol of accessibility and which they are qualified for under AS 28.10.181.

(7) Public Purpose
Public Service

(8) Estimated Revenue Impact
FY 2011 - $409,850
FY 2012 - $417,150
FY 2013 - $366,950
FY 2014 - $301,650
FY 2015 - $301,650

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
3,016

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$301,650

(2) Estimate of Annual Monetary Benefit to Recipients
$100

(3) Legislative Intent Met?
Yes
Administration

Applicable Program
Division of Motor Vehicles

Indirect Expenditure Name
Motor vehicle license plates and registrations fees for disabled persons

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?
Continue exemption in order to avoid the proliferation of "limited accessibility" plates.
Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Waives $100 registration fee for disabled veterans. Military certification form required to qualify.

(2) Type
Exemption

(3) Authorizing Statute, Regulation or Other Authority
AS 28.10.421, AS 28.10.181

(4) Year Enacted
2002

(5) Sunset or Repeal Date
None

(6) Legislative Intent
Create a distinctive plate so disabled veterans can be recognized and stand out.

(7) Public Purpose
Public Service

(8) Estimated Revenue Impact
FY 2011 - $174,900
FY 2012 - $195,950
FY 2013 - $204,000
FY 2014 - $193,900
FY 2015 - $193,900

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
1,939

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$193,900

(2) Estimate of Annual Monetary Benefit to Recipients
$100

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Continue exemption - rewards service to the United States.
Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Waives $100 registration fee for survivors of those killed in the line of duty.

(2) Type
Exemption

(3) Authorizing Statute, Regulation or Other Authority
AS 28.10.421, AS 28.10.181(l)

(4) Year Enacted
2007

(5) Sunset or Repeal Date
None

(6) Legislative Intent
Allows relatives of members of the United States Armed Forces that were killed in the line of duty to receive a waived registration fee and gold star license plate.

(7) Public Purpose
Public Service

(8) Estimated Revenue Impact
FY 2011 - $2,350
FY 2012 - $2,750
FY 2013 - $200
FY 2014 - $3,600
FY 2015 - $3,600

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
2

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$200

(2) Estimate of Annual Monetary Benefit to Recipients
$100

(3) Legislative Intent Met?
Yes
AdminISTRATION

Applicable Program
Division of Motor Vehicles

Indirect Expenditure Name
Motor vehicle license plates and registrations fees for Gold Star Family

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?
Continue exemption - cost is insignificant and the waiver honors those families who have lost a family member in service to the United States.
Administration

Applicable Program
Division of Motor Vehicles

Indirect Expenditure Name
Motor vehicle license plates and registrations fees for municipal governments and charitable organizations

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Reduces vehicle registration fees from $100 to $10 for vehicles owned by municipal governments, charitable or non-profit organizations, church/religious organizations, and Alaska Tribal Village Councils.

(2) Type
Discount

(3) Authorizing Statute, Regulation or Other Authority
AS 28.10.421(d), AS 28.10.181(a), AS 28.10.181(e), 2 AAC 92.140

(4) Year Enacted
1978

(5) Sunset or Repeal Date
None

(6) Legislative Intent
Allows municipalities, charitable, non-profits, and church/religious organizations to get a discounted rate on vehicle registrations. Alaska Native Tribal Village Councils are also eligible.

(7) Public Purpose
Courtesy savings to government and non-profit organizations

(8) Estimated Revenue Impact
FY 2011 - $472,455
FY 2012 - $486,270
FY 2013 - $504,765
FY 2014 - $498,915
FY 2015 - $498,915

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
5,543

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$498,915

(2) Estimate of Annual Monetary Benefit to Recipients
$90
Administration

Applicable Program
Division of Motor Vehicles

Indirect Expenditure Name
Motor vehicle license plates and registrations
fees for municipal governments and charitable organizations

Legislative Finance Analysis per AS 24.20.235

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Modify discount -- Recommend review and modification of the discount rate (initially enacted in 1978). The legislature included Intent in the FY17 Motor Vehicles budget to increase revenue through improved efficiencies and to increase the amount of dollars deposited into the General Fund. A 90% reduction (from $100 to $10) may no longer be desirable with 5,543 beneficiaries.
Administration

**Applicable Program**
Division of Motor Vehicles

**Indirect Expenditure Name**
Motor vehicle license plates and registrations fees for Pearl Harbor survivors

**Department of Revenue Submission per AS 43.05.095**

(1) **Description of Provision**
Waives $100 registration fee for Pearl Harbor survivors.

(2) **Type**
Exemption

(3) **Authorizing Statute, Regulation or Other Authority**
AS 28.10.421, AS 28.10.181(l)

(4) **Year Enacted**
1988

(5) **Sunset or Repeal Date**
None

(6) **Legislative Intent**
Allows individuals who were on active duty in Pearl Harbor on December 7, 1941 to register one non-commercial vehicle. (based on submission of Military Form DD214)

(7) **Public Purpose**
Public Service

(8) **Estimated Revenue Impact**
FY 2011 - $350
FY 2012 - $200
FY 2013 - $100
FY 2014 - $0
FY 2015 - $100

(9) **Cost to Administer**
$0

(10) **Number of Beneficiaries / Who Benefits**
1

---

**Legislative Finance Analysis per AS 24.20.235**

(1) **Estimate of Annual Revenue Foregone by the State**
$100

(2) **Estimate of Annual Monetary Benefit to Recipients**
$100

(3) **Legislative Intent Met?**
Yes
<table>
<thead>
<tr>
<th><strong>Applicable Program</strong></th>
<th><strong>Indirect Expenditure Name</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Division of Motor Vehicles</td>
<td>Motor vehicle license plates and registrations fees for Pearl Harbor survivors</td>
</tr>
</tbody>
</table>

**Legislative Finance Analysis per AS 24.20.235**

(4) **Should it be continued, modified or terminated?**
Continue exemption; although any beneficiaries would also be encompassed by the senior citizen exemption (AS 28.10.411(f)).
Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Waives $100 registration fee for Prisoners of War.

(2) Type
Exemption

(3) Authorizing Statute, Regulation or Other Authority
AS 28.10.421, AS 28.10.181(l)

(4) Year Enacted
1984

(5) Sunset or Repeal Date
None

(6) Legislative Intent
Allows individuals who were Prisoners of War to register one non-commercial vehicle. (based on submission of Military Form DD214)

(7) Public Purpose
Public Service

(8) Estimated Revenue Impact
FY 2011 - $500
FY 2012 - $350
FY 2013 - $200
FY 2014 - $0
FY 2015 - $0

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
0

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$0

(2) Estimate of Annual Monetary Benefit to Recipients
$0

(3) Legislative Intent Met?
Yes
Administration

Applicable Program
Division of Motor Vehicles

Indirect Expenditure Name
Motor vehicle license plates and registrations fees for Prisoners of War

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?
Continue exemption - cost is zero.
Administration

Applicable Program
Division of Motor Vehicles

Indirect Expenditure Name
Motor vehicle license plates and registrations fees for Purple Heart recipients

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Waives $100 registration fee for Purple Heart recipients.

(2) Type
Exemption

(3) Authorizing Statute, Regulation or Other Authority
AS 28.10.421, AS 28.10.181(q)

(4) Year Enacted
1989

(5) Sunset or Repeal Date
None

(6) Legislative Intent
Allows Purple Heart recipients to register one non-commercial vehicle. (based on submission of Military Form DD214)

(7) Public Purpose
Public Service

(8) Estimated Revenue Impact
FY 2011 - $33,800
FY 2012 - $39,000
FY 2013 - $34,200
FY 2014 - $32,900
FY 2015 - $32,900

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
329

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$32,900

(2) Estimate of Annual Monetary Benefit to Recipients
$100

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Continue exemption - rewards service to the United States.
Administration

Applicable Program
Division of Motor Vehicles

Indirect Expenditure Name
Motor vehicle license plates and registrations fees for senior citizens

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Waives $100 registration fee for persons 65 years of age or older.

(2) Type
Exemption

(3) Authorizing Statute, Regulation or Other Authority
AS 28.10.411 (f)

(4) Year Enacted
1978

(5) Sunset or Repeal Date
None

(6) Legislative Intent
Allows individuals who are 65 years of age or older (on January 1st of the year the vehicle is registered) to one exemption

(7) Public Purpose
Public Service

(8) Estimated Revenue Impact
FY 2011 - $317,100
FY 2012 - $317,100
FY 2013 - $302,700
FY 2014 - $662,900
FY 2015 - $662,900

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
6,629

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$662,900

(2) Estimate of Annual Monetary Benefit to Recipients
$100

(3) Legislative Intent Met?
Yes
### Administration

<table>
<thead>
<tr>
<th>Applicable Program</th>
<th>Indirect Expenditure Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Division of Motor Vehicles</td>
<td>Motor vehicle license plates and registrations fees for senior citizens</td>
</tr>
</tbody>
</table>

#### Legislative Finance Analysis per AS 24.20.235

(4) **Should it be continued, modified or terminated?**

Continue exemption -- but recommend review of minimum age for consistency across DMV-related statutes.
Administration

Applicable Program
Division of Motor Vehicles

Indirect Expenditure Name
Motor vehicle license plates and registrations fees for state owned vehicles

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Waives $100 registration fee for state owned vehicles

(2) Type
Exemption

(3) Authorizing Statute, Regulation or Other Authority
AS 28.10.421(d)(4)

(4) Year Enacted
Prior to 1993

(5) Sunset or Repeal Date
None

(6) Legislative Intent
Eliminates Interagency Transfers between state agencies

(7) Public Purpose
Courtesy savings to state agencies

(8) Estimated Revenue Impact
FY 2011 - $57,900
FY 2012 - $55,450
FY 2013 - $38,050
FY 2014 - $27,500
FY 2015 - $27,500

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
275

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$27,500

(2) Estimate of Annual Monetary Benefit to Recipients
$100

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Continue exemption.
Applicable Program
Division of Motor Vehicles

Indirect Expenditure Name
Permanent registration for eight-year-old vehicles in unorganized boroughs or communities that elect to allow this service.

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Allows permanent registration for vehicles eight years or older in unorganized boroughs or in communities that have passed an ordinance to allow permanent registration.

(2) Type
Exemption

(3) Authorizing Statute, Regulation or Other Authority
AS 28.10.155

(4) Year Enacted
2015

(5) Sunset or Repeal Date
None

(6) Legislative Intent
Matches unorganized borough/community ordinances

(7) Public Purpose
Public Service

(8) Estimated Revenue Impact
FY 2011 - Not in effect
FY 2012 - Not in effect
FY 2013 - Not in effect
FY 2014 - Not in effect
FY 2015 - $0
Revenue loss will not be realized until the two-year registration period comes due on the vehicles that are permanently registered. The program began on January 1, 2015. Revenue loss will start being calculated on January 30, 2017.

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
0

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$0

(2) Estimate of Annual Monetary Benefit to Recipients
$0
<table>
<thead>
<tr>
<th>Applicable Program</th>
<th>Indirect Expenditure Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Division of Motor Vehicles</td>
<td>Permanent registration for eight-year-old vehicles in unorganized boroughs or communities that elect to allow this service.</td>
</tr>
</tbody>
</table>

**Legislative Finance Analysis per AS 24.20.235**

(3) Legislative Intent Met?  
Yes

(4) Should it be Continued, Modified or Terminated?  
Continue -- as noted by the Department, revenue loss will not be realized until the two-year registration period comes due on the vehicles that are permanently registered. The program began on 1/1/15 and calculations of revenue loss will be begin on 1/30/17.
### Department of Revenue Submission per AS 43.05.095

**(1) Description of Provision**
Waives $15 identification card fee for applicants who are 60 years or older. Identification cards are valid for five years.

**(2) Type**
Exemption

**(3) Authorizing Statute, Regulation or Other Authority**
AS 18.65.310(g)

**(4) Year Enacted**
1973

**(5) Sunset or Repeal Date**
None

**(6) Legislative Intent**
Allows residents over 60 years of age to receive a free state identification card.

**(7) Public Purpose**
Public Service

**(8) Estimated Revenue Impact**
- FY 2011 - $161,265
- FY 2012 - $132,930
- FY 2013 - $137,325
- FY 2014 - $168,525
- FY 2015 - $207,630

**(9) Cost to Administer**
$0

**(10) Number of Beneficiaries / Who Benefits**
13,842

---

### Legislative Finance Analysis per AS 24.20.235

**(1) Estimate of Annual Revenue Foregone by the State**
$207,630

**(2) Estimate of Annual Monetary Benefit to Recipients**
$15

**(3) Legislative Intent Met?**
Yes

**(4) Should it be Continued, Modified or Terminated?**
Continue exemption -- but recommend review of minimum age for consistency across DMV-related statutes.
Department of Education and Early Development, Alaska Student Loan Corp, Alaska Commission on Postsecondary Education
Education and Early Development, Alaska Student Loan Corp, Alaska Commission on Postsecondary Education

Applicable Program
Alaska Student Loan Program

Indirect Expenditure Name
Credit: education loan forgiveness- Alaska Student Loan (ASL) Program

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Under certain conditions up to 50% of a borrower's obligation to repay loan principal and interest is discharged.

(2) Type
Credit

(3) Authorizing Statute, Regulation or Other Authority
AS 14.43.120(j)

(4) Year Enacted
1971

(5) Sunset or Repeal Date
Repealed 1987

(6) Legislative Intent
Provide incentive for college students to return to or remain in Alaska.

(7) Public Purpose
Encourage Alaska residents to complete postsecondary education and reside in Alaska thereafter.

(8) Estimated Revenue Impact
FY 2011 - $2,335
FY 2012 - $11,613
FY 2013 - $275
FY 2014 - $0
FY 2015 - $340

(9) Cost to Administer
Automated; minimal manual intervention

(10) Number of Beneficiaries / Who Benefits
Varies. There are currently fewer than 200 ASL borrowers with outstanding loans containing forgiveness provisions.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$340

(2) Estimate of Annual Monetary Benefit to Recipients
$2

(3) Legislative Intent Met?
Yes
<table>
<thead>
<tr>
<th>Applicable Program</th>
<th>Indirect Expenditure Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alaska Student Loan Program</td>
<td>Credit: education loan forgiveness- Alaska Student Loan (ASL) Program</td>
</tr>
</tbody>
</table>

**Legislative Finance Analysis per AS 24.20.235**

(4) **Should it be continued, modified or terminated?**

N/A - program was terminated in 1987, so remaining cost is due to legacy impact.
Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Out-of-state postsecondary institutions offering distance education to Alaska students are exempt from authorization. Fee to institution for authorization is $2,500; fee for exemption is $100.

(2) Type
Exemption

(3) Authorizing Statute, Regulation or Other Authority
AS 14.48.030

(4) Year Enacted
1976

(5) Sunset or Repeal Date
None

(6) Legislative Intent
Ensure no disincentive for institutions to enroll Alaska students.

(7) Public Purpose
Maximize higher education options for Alaska students.

(8) Estimated Revenue Impact
FY 2011 - NA
FY 2012 - NA
FY 2013 - $285,000
FY 2014 - $250,000
FY 2015 - $300,000
Note: Estimate 100 institutions would seek authorization if required which assumes 25% of current 400 exempt distance ed providers would seek authorization if required.

(9) Cost to Administer
Estimated at $20,000 annually, based on percent of staff processing time.

(10) Number of Beneficiaries / Who Benefits
Four hundred out-of-state colleges and universities offering distance education to Alaskans. All Alaska students using distance education. No data on how many students are participating.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$300,000

(2) Estimate of Annual Monetary Benefit to Recipients
$2,400
2.2 Education and Early Development, Alaska Student Loan Corp, Alaska Commission on Postsecondary Education

Applicable Program
Institutional Authorization

Indirect Expenditure Name
Exemption from authorization

Legislative Finance Analysis per AS 24.20.235

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend continuation based on meeting legislative intent.
Applicable Program
Multiple Education Loan Programs

Indirect Expenditure Name
Interest deduction

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Alaska Student Loan Corporation (ASLC) annually approves a discount of some percent value to be provided to borrowers who meet specific criteria.

(2) Type
Deduction

(3) Authorizing Statute, Regulation or Other Authority
AS 14.42.200-.210

(4) Year Enacted
2001

(5) Sunset or Repeal Date
None

(6) Legislative Intent
Provide lowest possible costs of education loans to Alaska students.

(7) Public Purpose
Lower education loan costs to borrowers.

(8) Estimated Revenue Impact
FY 2011 - $1,068,046
FY 2012 - $1,072,285
FY 2013 - $1,102,193
FY 2014 - $1,013,492
FY 2015 - $968,722

(9) Cost to Administer
Automated; minimal manual intervention

(10) Number of Beneficiaries / Who Benefits
Eligible borrowers. At 6/30/2015 there were approximately 14,700 borrowers with outstanding loans who could be eligible for a benefit in any given year.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$968,722

(2) Estimate of Annual Monetary Benefit to Recipients
$66

(3) Legislative Intent Met?
Yes
### Legislative Finance Analysis per AS 24.20.235

(4) **Should it be continued, modified or terminated?**

Recommend continuation based on meeting legislative intent. Currently, ASLC provides a 0.5% discount for Alaska presence for certain loans, and a 0.25% discount for automatic payment.

<table>
<thead>
<tr>
<th>Applicable Program</th>
<th>Indirect Expenditure Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple Education Loan Programs</td>
<td>Interest deduction</td>
</tr>
</tbody>
</table>
Applicable Program: State Museum, Sheldon Jackson Museum
Indirect Expenditure Name: Discount for closing time admission

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Half-price discount on admission fee near closing time.

(2) Type
Discount

(3) Authorizing Statute, Regulation or Other Authority
4 AAC 58.010(c); AS 14.57.010(c)

(4) Year Enacted
2010

(5) Sunset or Repeal Date
None

(6) Legislative Intent
N/A

(7) Public Purpose
In the public interest

(8) Estimated Revenue Impact
FY 2011 - $563
FY 2012 - $1,110
FY 2013 - $672
FY 2014 - $0
FY 2015 - $0
Note: The Alaska State Museum closed in FY2014 for the construction of the new facility, and remained closed through FY2015 and most of FY2016.

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
Varies. There were 0 half-price discounts in FY15.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$0

(2) Estimate of Annual Monetary Benefit to Recipients
$0

(3) Legislative Intent Met?
N/A
Applicable Program
State Museum, Sheldon Jackson Museum

Indirect Expenditure Name
Discount for closing time admission

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?
Recommend continuation - this is a reasonable discount for the department to maintain.
Applicable Program
State Museum, Sheldon Jackson Museum

Indirect Expenditure Name
Discounts for special events

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Special events - adults, youth, families.

(2) Type
Discount

(3) Authorizing Statute, Regulation or Other Authority
4 AAC 58.010(c); AS 14.57.010(c)

(4) Year Enacted
1987

(5) Sunset or Repeal Date
None

(6) Legislative Intent
N/A

(7) Public Purpose
In the public interest

(8) Estimated Revenue Impact
FY 2011 - $30,148
FY 2012 - $41,725
FY 2013 - $39,362
FY 2014 - $4,667
FY 2015 - $4,040

Note: The Alaska State Museum closed in FY2014 for the construction of the new facility, and remained closed through FY2015 and most of FY2016.

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
Varies. There were 926 visitors for special events in FY15.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$4,040

(2) Estimate of Annual Monetary Benefit to Recipients
$4

(3) Legislative Intent Met?
N/A
Applicable Program  Indirect Expenditure Name
State Museum, Sheldon Jackson Museum  Discounts for special events

Legislative Finance Analysis per AS 24.20.235
(4) Should it be continued, modified or terminated?
Recommend continuation - this is a reasonable discount for the department to maintain.
Applicable Program
State Museum, Sheldon Jackson Museum

Indirect Expenditure Name
Free admission for military

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Blue Star Military discount//Free admission to active military and their immediate families.

(2) Type
Discount

(3) Authorizing Statute, Regulation or Other Authority
National Program; AS 14.57.010(c)

(4) Year Enacted
2010

(5) Sunset or Repeal Date
None

(6) Legislative Intent
N/A

(7) Public Purpose
Federal program to benefit those serving our country in the military.

(8) Estimated Revenue Impact
FY 2011 - $460
FY 2012 - $1,344
FY 2013 - $812
FY 2014 - $30
FY 2015 - $30
Note: The Alaska State Museum closed in FY2014 for the construction of the new facility, and remained closed through FY2015 and most of FY2016.

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
Varies. There were 6 military discounts in FY15.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$30

(2) Estimate of Annual Monetary Benefit to Recipients
$5

(3) Legislative Intent Met?
N/A
<table>
<thead>
<tr>
<th>Applicable Program</th>
<th>Indirect Expenditure Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Museum, Sheldon Jackson Museum</td>
<td>Free admission for military</td>
</tr>
</tbody>
</table>

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?
Recommend continuation - this is a reasonable discount for the department to maintain.
Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Entry Fee waived for those 18 years or younger.

(2) Type
Discount

(3) Authorizing Statute, Regulation or Other Authority
4 AAC 58.010(a); AS 14.57.010(c)

(4) Year Enacted
1987

(5) Sunset or Repeal Date
None

(6) Legislative Intent
N/A

(7) Public Purpose
Student Discount

(8) Estimated Revenue Impact
FY 2011 - $35,066
FY 2012 - $44,348
FY 2013 - $42,609
FY 2014 - $5,647
FY 2015 - $6,030

Note: The Alaska State Museum closed in FY2014 for the construction of the new facility, and remained closed through FY2015 and most of FY2016.

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
Varies. There were 1,468 student discounts in FY15.

______________________________

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$6,030

(2) Estimate of Annual Monetary Benefit to Recipients
$4

(3) Legislative Intent Met?
N/A
<table>
<thead>
<tr>
<th>Applicable Program</th>
<th>Indirect Expenditure Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Museum, Sheldon Jackson Museum</td>
<td>Free admission for students</td>
</tr>
</tbody>
</table>

**Legislative Finance Analysis per AS 24.20.235**

(4) **Should it be continued, modified or terminated?**  
Recommend continuation - this is a reasonable discount for the department to maintain.
Applicable Program
State Museum, Sheldon Jackson Museum

Indirect Expenditure Name
Senior citizen discount

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Entry Fee/Senior Discount - $1.00 off for those 65 years or older.

(2) Type
Discount

(3) Authorizing Statute, Regulation or Other Authority
4 AAC 58.010(a); AS 14.57.010(c)

(4) Year Enacted
2012

(5) Sunset or Repeal Date
None

(6) Legislative Intent
N/A

(7) Public Purpose
Senior Citizen Discount

(8) Estimated Revenue Impact
FY 2011 - Not in effect until FY 2012
FY 2012 - $3,762
FY 2013 - $9,601
FY 2014 - $1,929
FY 2015 - $2,079
Note: The Alaska State Museum closed in FY2014 for the construction of the new facility, and remained closed through FY2015 and most of FY2016.

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
Varies. There were 2,079 senior discounts in FY15.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$2,079

(2) Estimate of Annual Monetary Benefit to Recipients
$1

(3) Legislative Intent Met?
N/A
<table>
<thead>
<tr>
<th>Applicable Program</th>
<th>Indirect Expenditure Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Museum, Sheldon Jackson Museum</td>
<td>Senior citizen discount</td>
</tr>
</tbody>
</table>

**Legislative Finance Analysis per AS 24.20.235**

(4) Should it be continued, modified or terminated?

Recommend continuation - this is a reasonable discount for the department to maintain.
Education and Early Development, Alaska Student Loan Corp, Alaska Commission on Postsecondary Education

Applicable Program
State Museum, Sheldon Jackson Museum

Indirect Expenditure Name
Tour company discount

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Discount on entry fee for tour company visitors according to the schedule at the bottom of this sheet:

<table>
<thead>
<tr>
<th># of Visitors</th>
<th>ASM // SJM Discount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-500</td>
<td>2.00 // 1.00</td>
</tr>
<tr>
<td>501-2,500</td>
<td>2.25 // 1.25</td>
</tr>
<tr>
<td>2,501-5,000</td>
<td>2.75 // 1.75</td>
</tr>
<tr>
<td>7,501-10,000</td>
<td>3.00 // 2.00</td>
</tr>
<tr>
<td>Over 10,000</td>
<td>3.50 // N/A</td>
</tr>
</tbody>
</table>

(2) Type
Discount

(3) Authorizing Statute, Regulation or Other Authority
Letters of Agreement; AS 14.57.010(c)

(4) Year Enacted
Prior to 1999

(5) Sunset or Repeal Date
None

(6) Legislative Intent
N/A

(7) Public Purpose
Net benefit to the museum as it draws visitors that may not have visited the museum otherwise.

(8) Estimated Revenue Impact
FY 2011 - $14,004
FY 2012 - $21,222
FY 2013 - $38,952
FY 2014 - $31,937
FY 2015 - $7,419

Note: The Alaska State Museum closed in FY2014 for the construction of the new facility, and remained closed through FY2015 and most of FY2016.

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
Varies. 3 tour operators brought 4,763 visitors in FY15.

Legislative Finance Analysis per AS 24.20.235
Applicable Program: State Museum, Sheldon Jackson Museum
Indirect Expenditure Name: Tour company discount

Legislative Finance Analysis per AS 24.20.235

(10) Number of Beneficiaries / Who Benefits (cont.)
   (1) Estimate of Annual Revenue Foregone by the State
       $7,419

(2) Estimate of Annual Monetary Benefit to Recipients
    $2

(3) Legislative Intent Met?
    N/A

(4) Should it be Continued, Modified or Terminated?
    Recommend continuation. This discount likely brings in additional revenue.
Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Under certain conditions 100% of a borrower's obligation to repay loan principal and interest is discharged.

(2) Type
Credit

(3) Authorizing Statute, Regulation or Other Authority
AS 14.43.600-.700

(4) Year Enacted
1984

(5) Sunset or Repeal Date
None

(6) Legislative Intent
Develop rural residents as teachers for rural Alaska.

(7) Public Purpose
Encourage Alaska high school graduates to become elementary/secondary educators and teach in rural Alaska communities.

(8) Estimated Revenue Impact
FY 2011 - $265,914
FY 2012 - $132,150
FY 2013 - $97,018
FY 2014 - $159,676
FY 2015 - $67,094
Forgiveness eligible loans to new program participants are no longer being made effective with FY2015.

(9) Cost to Administer
Automated; minimal manual intervention

(10) Number of Beneficiaries / Who Benefits
Borrowers of Teacher Education Loans. At 6/30/2015 there were 410 borrowers with outstanding TEL loans.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$67,094

(2) Estimate of Annual Monetary Benefit to Recipients
$164

(3) Legislative Intent Met?
Yes
<table>
<thead>
<tr>
<th>Applicable Program</th>
<th>Indirect Expenditure Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teacher Education Loan (TEL)</td>
<td>Education loan forgiveness</td>
</tr>
</tbody>
</table>

**Legislative Finance Analysis per AS 24.20.235**

(4) Should it be continued, modified or terminated?
N/A - program was terminated in 2015, so remaining cost is due to legacy impact.
Applicable Program
Winn Brindle Memorial Education Program (WB)

Indirect Expenditure Name
Credit: Education loan forgiveness- Winn Brindle Memorial Education Program

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Under certain conditions 50% of a borrower’s obligation to repay loan principal is discharged.

(2) Type
Credit

(3) Authorizing Statute, Regulation or Other Authority
AS 14.43.250-.325

(4) Year Enacted
1986

(5) Sunset or Repeal Date
None

(6) Legislative Intent
Attract students to careers supporting Alaska fisheries.

(7) Public Purpose
Encourage Alaska high school graduates to be trained in some fisheries-related occupation and be employed in that occupation in Alaska.

(8) Estimated Revenue Impact
FY 2011 - $105,613
FY 2012 - $71,260
FY 2013 - $60,053
FY 2014 - Amount Reported in DOR section
FY 2015 - Amount Reported in DOR section
Revenue that the state forgoes is the tax credit provided by the Department of Revenue. Once a donation is made to the WB Memorial Education loan account, loans are made to qualifying borrowers. Any activity related to those loans (such as forgiveness or interest subsidizes) impact the WB Memorial Education loan account.

(9) Cost to Administer
Automated; minimal manual intervention.

(10) Number of Beneficiaries / Who Benefits
Varies. There are currently 164 borrowers with outstanding WB loans.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
N/A
Applicable Program | Indirect Expenditure Name
---|---
Winn Brindle Memorial Education Program (WB) | Credit: Education loan forgiveness- Winn Brindle Memorial Education Program

Legislative Finance Analysis per AS 24.20.235

(2) Estimate of Annual Benefit to Recipients (cont.)
N/A

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend that this be removed from the Department of Education section - it appears to double-count foregone revenue already reported in the Department of Revenue section.
### Applicable Program
WWAMI Graduate Medical Education Program

### Indirect Expenditure Name
Financial support

#### Department of Revenue Submission per AS 43.05.095

1. **Description of Provision**
   The financial support to be repaid is equal to 50% of amount paid for program and its participants.

2. **Type**
   Discount

3. **Authorizing Statute, Regulation or Other Authority**
   AS 14.43.510

4. **Year Enacted**
   2007

5. **Sunset or Repeal Date**
   None

6. **Legislative Intent**
   Support Alaskans' medical training and reward practice in Alaska.

7. **Public Purpose**

8. **Estimated Revenue Impact**
   - FY 2011: $1,622,013
   - FY 2012: $1,638,596
   - FY 2013: $1,589,307
   - FY 2014: $1,578,552
   - FY 2015: $1,581,258

9. **Cost to Administer**
   Automated; minimal manual intervention.

10. **Number of Beneficiaries / Who Benefits**
    Participants of the program. At 6/30/2015 there were 183 participants with outstanding WWAMI loans.

---

#### Legislative Finance Analysis per AS 24.20.235

1. **Estimate of Annual Revenue Foregone by the State**
   $1,581,258

2. **Estimate of Annual Monetary Benefit to Recipients**
   $8,641

3. **Legislative Intent Met?**
   Yes

4. **Should it be Continued, Modified or Terminated?**
   Recommend the rate be re-evaluated. The next item discharges the remainder of the loan based on participants returning to Alaska. There may be merit in providing a stronger incentive to return to the state by increasing the
Applicable Program
WWAMI Graduate Medical Education Program

Indirect Expenditure Name
Financial support

Legislative Finance Analysis per AS 24.20.235

(4) Should it be Continued, Modified or Terminated? (cont.)

amount of the loan that must be repaid by participants who do not return.
Applicable Program
WWAMI Graduate Medical Education Program

Indirect Expenditure Name
Loan forgiveness

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Under certain conditions 100% of a WWAMI participant's obligation to repay 50% of financial support provided by the state is discharged.

(2) Type
Credit

(3) Authorizing Statute, Regulation or Other Authority
AS 14.43.510

(4) Year Enacted
2007

(5) Sunset or Repeal Date
None

(6) Legislative Intent
Support Alaskans' medical training and reward practice in Alaska.

(7) Public Purpose
Encourage Alaskan WWAMI participants to return to or remain in Alaska to practice in their medical field.

(8) Estimated Revenue Impact
FY 2011 - $145,515
FY 2012 - $292,725
FY 2013 - $336,403
FY 2014 - $530,089
FY 2015 - $529,876

(9) Cost to Administer
Automated; minimal manual intervention.

(10) Number of Beneficiaries / Who Benefits
Participants of the program who return to Alaska to practice. At 6/30/2015 there were 183 participants with outstanding WWAMI loans.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$529,876

(2) Estimate of Annual Monetary Benefit to Recipients
$2,896

(3) Legislative Intent Met?
Yes
Applicable Program | Indirect Expenditure Name
--- | ---
WWAMI Graduate Medical Education Program | Loan forgiveness

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?
Recommend continuation based on meeting legislative intent.
Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Interest is not charged to the participant while pursuing their education in the medical education program

(2) Type
Exemption

(3) Authorizing Statute, Regulation or Other Authority
AS 14.43.510

(4) Year Enacted
2007

(5) Sunset or Repeal Date
None

(6) Legislative Intent
Support Alaskans' medical training and reward practice in Alaska.

(7) Public Purpose

(8) Estimated Revenue Impact
FY 2011 - $177,962
FY 2012 - $569,331
FY 2013 - $383,575
FY 2014 - $310,659
FY 2015 - $296,782

(9) Cost to Administer
Automated; minimal manual intervention.

(10) Number of Beneficiaries / Who Benefits
40 Program participants

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$296,782

(2) Estimate of Annual Monetary Benefit to Recipients
$7,420

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend continuation based on meeting legislative intent.
Environmental Conservation

**Applicable Program**
Food Safety & Sanitation

**Indirect Expenditure Name**
50% discount on annual permit fees for non-profit organizations

**Department of Revenue Submission per AS 43.05.095**

(1) **Description of Provision**
Entities receiving this benefit are non-profit organizations.

(2) **Type**
Discount

(3) **Authorizing Statute, Regulation or Other Authority**
18 AAC 31.050(r)

(4) **Year Enacted**
Prior to FY08

(5) **Sunset or Repeal Date**
Not provided.

(6) **Legislative Intent**
In order to comply with existing state statutes or regulations.

(7) **Public Purpose**
Not provided.

(8) **Estimated Revenue Impact**
FY 2011 - $7,200
FY 2012 - $7,200
FY 2013 - $7,200
FY 2014 - $7,200
FY 2015 - $7,200

(9) **Cost to Administer**
$0

(10) **Number of Beneficiaries / Who Benefits**
501(c)(4), (c)(10), or (c)(19) tax exempt organizations: 58 facilities

---

**Legislative Finance Analysis per AS 24.20.235**

(1) **Estimate of Annual Revenue Foregone by the State**
$7,200

(2) **Estimate of Annual Monetary Benefit to Recipients**
$124

(3) **Legislative Intent Met?**
Yes

(4) **Should it be Continued, Modified or Terminated?**
Recommend continuation based on meeting legislative intent.
### Environmental Conservation

<table>
<thead>
<tr>
<th><strong>Applicable Program</strong></th>
<th><strong>Indirect Expenditure Name</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Safety &amp; Sanitation</td>
<td>50% discount on annual permit fees for start-up businesses</td>
</tr>
</tbody>
</table>

#### Department of Revenue Submission per AS 43.05.095

1. **Description of Provision**
   This allows a small pro-ration of fees for facilities that commence business in the last two months of the billing year.

2. **Type**
   Discount

3. **Authorizing Statute, Regulation or Other Authority**
   18 AAC 31.050(u)

4. **Year Enacted**
   Prior to FY08

5. **Sunset or Repeal Date**
   Not provided.

6. **Legislative Intent**
   To prevent unfair penalties for businesses based on start-up period.

7. **Public Purpose**
   Not provided.

8. **Estimated Revenue Impact**
<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2011</td>
<td>$8,800</td>
</tr>
<tr>
<td>FY 2012</td>
<td>$8,800</td>
</tr>
<tr>
<td>FY 2013</td>
<td>$8,800</td>
</tr>
<tr>
<td>FY 2014</td>
<td>$8,800</td>
</tr>
<tr>
<td>FY 2015</td>
<td>$8,800</td>
</tr>
</tbody>
</table>

9. **Cost to Administer**
   $0

10. **Number of Beneficiaries / Who Benefits**
    New establishments: 48 facilities

### Legislative Finance Analysis per AS 24.20.235

1. **Estimate of Annual Revenue Foregone by the State**
   $8,800

2. **Estimate of Annual Monetary Benefit to Recipients**
   $183

3. **Legislative Intent Met?**
   Yes

4. **Should it be Continued, Modified or Terminated?**
   Recommend continuation based on meeting legislative intent.
Applicable Program
Food Safety & Sanitation

Indirect Expenditure Name
Inspection fee exemption for body art facility operators

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
DEC does not have authority to charge fees even though the Department performs the inspections. Cost for inspections is reimbursed through an RSA with DCCED.

(2) Type
Exemption

(3) Authorizing Statute, Regulation or Other Authority
18 AAC 23

(4) Year Enacted
Prior to FY08

(5) Sunset or Repeal Date
Not provided.

(6) Legislative Intent
In order to comply with existing state statutes or regulations.

(7) Public Purpose
Not provided.

(8) Estimated Revenue Impact
FY 2011 - *
FY 2012 - *
FY 2013 - *
FY 2014 - *
FY 2015 - *

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
Body art facility operators: 71 facilities

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
Unknown

(2) Estimate of Annual Monetary Benefit to Recipients
Unknown

(3) Legislative Intent Met?
Unknown
Environmental Conservation

Applicable Program
Food Safety & Sanitation

Indirect Expenditure Name
Inspection fee exemption for body art facility operators

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?
Recommend removal from this report. The cost of inspections is reimbursed by DCCED through the cost of licensing, so no revenue is foregone.
Environmental Conservation

Applicable Program
Food Safety & Sanitation

Indirect Expenditure Name
Inspection fee exemption for non-profit entities

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
It is a benefit to tax-exempt entities to not have a fee for fundraisers for their organizations, as a fee would reduce the funds raised.

(2) Type
Exemption

(3) Authorizing Statute, Regulation or Other Authority
18 AAC 31.050(p)(1)

(4) Year Enacted
Prior to FY08

(5) Sunset or Repeal Date
Not provided.

(6) Legislative Intent
In order to streamline the efficiency and increase compliance within the permitting process

(7) Public Purpose
Not provided.

(8) Estimated Revenue Impact
FY 2011 - $90,300
FY 2012 - $90,300
FY 2013 - $90,300
FY 2014 - $90,300
FY 2015 - $90,300

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
501(c)(3) tax exempt organizations: 283 facilities

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$90,300

(2) Estimate of Annual Monetary Benefit to Recipients
$319

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend continuation based on meeting legislative intent.
### Environmental Conservation

<table>
<thead>
<tr>
<th>Applicable Program</th>
<th>Indirect Expenditure Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Safety &amp; Sanitation</td>
<td>Inspection fee exemption for schools and Head Start programs</td>
</tr>
</tbody>
</table>

#### Department of Revenue Submission per AS 43.05.095

1. **Description of Provision**
   By statute, the program cannot charge these facilities a fee.

2. **Type**
   Exemption

3. **Authorizing Statute, Regulation or Other Authority**
   18 AAC 31.050(p)(2)/ AS 44.46.025(d)

4. **Year Enacted**
   Prior to FY08

5. **Sunset or Repeal Date**
   Not provided.

6. **Legislative Intent**
   In order to comply with existing state statutes or regulations.

7. **Public Purpose**
   Not provided.

8. **Estimated Revenue Impact**
<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2011</td>
<td>$159,600</td>
</tr>
<tr>
<td>FY 2012</td>
<td>$159,600</td>
</tr>
<tr>
<td>FY 2013</td>
<td>$159,600</td>
</tr>
<tr>
<td>FY 2014</td>
<td>$159,600</td>
</tr>
<tr>
<td>FY 2015</td>
<td>$159,600</td>
</tr>
</tbody>
</table>

9. **Cost to Administer**
   $0

10. **Number of Beneficiaries / Who Benefits**
    Schools and Head Start Programs: 408 facilities

---

#### Legislative Finance Analysis per AS 24.20.235

1. **Estimate of Annual Revenue Foregone by the State**
   $159,600

2. **Estimate of Annual Monetary Benefit to Recipients**
   $391

3. **Legislative Intent Met?**
   Unknown

4. **Should it be Continued, Modified or Terminated?**
   Recommend continuation; while legislative intent provided by the agency is unclear, it is reasonable to exempt
<table>
<thead>
<tr>
<th>Applicable Program</th>
<th>Indirect Expenditure Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Safety &amp; Sanitation</td>
<td>Inspection fee exemption for schools and Head Start programs</td>
</tr>
</tbody>
</table>

**Legislative Finance Analysis per AS 24.20.235**

(4) Should it be Continued, Modified or Terminated? (cont.)
schools from fees.
Environmental Conservation

Applicable Program
Food Safety & Sanitation

Indirect Expenditure Name
Inspection fee exemption for school clubs

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
By statute, the program cannot charge these facilities a fee.

(2) Type
Exemption

(3) Authorizing Statute, Regulation or Other Authority
18 AAC 31.050(t)/ AS 44.46.025(d)

(4) Year Enacted
Prior to FY08

(5) Sunset or Repeal Date
Not provided.

(6) Legislative Intent
In order to comply with existing state statutes or regulations.

(7) Public Purpose
Not provided.

(8) Estimated Revenue Impact
FY 2011 - $4,600
FY 2012 - $4,600
FY 2013 - $4,600
FY 2014 - $4,600
FY 2015 - $4,600

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
School, class, or school club: 33 facilities

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$4,600

(2) Estimate of Annual Monetary Benefit to Recipients
$139

(3) Legislative Intent Met?
Unknown

(4) Should it be Continued, Modified or Terminated?
Recommend continuation; while legislative intent provided by the agency is unclear, it is reasonable to exempt schools from fees.
Environmental Conservation

Applicable Program
Food Safety & Sanitation

Indirect Expenditure Name
Inspection fee exemption for pool and spa operators

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Facilities are inspected on an annual basis. No permit is issued, so no fee is charged.

(2) Type
Exemption

(3) Authorizing Statute, Regulation or Other Authority
18 AAC 30 / AS 44.46.020

(4) Year Enacted
Prior to FY08

(5) Sunset or Repeal Date
Not provided.

(6) Legislative Intent
Not provided.

(7) Public Purpose
Not provided.

(8) Estimated Revenue Impact
FY 2011 - *
FY 2012 - *
FY 2013 - *
FY 2014 - *
FY 2015 - *

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
Pools and spas operators: 125 facilities

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
Unknown

(2) Estimate of Annual Monetary Benefit to Recipients
Unknown

(3) Legislative Intent Met?
Unknown, none provided

(4) Should it be Continued, Modified or Terminated?
Recommend termination. These are high-risk facilities that require annual safety inspections. The legislature should
### Environmental Conservation

<table>
<thead>
<tr>
<th>Applicable Program</th>
<th>Indirect Expenditure Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Safety &amp; Sanitation</td>
<td>Inspection fee exemption for pool and spa operators</td>
</tr>
</tbody>
</table>

**Legislative Finance Analysis per AS 24.20.235**

(4) Should it be Continued, Modified or Terminated? (cont.)

require that operators pay for a permit to offset the cost of these inspections.
Environmental Conservation

Applicable Program
Food Safety & Sanitation

Indirect Expenditure Name
Inspection fee exemption for hair and nail salon operators

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Facilities are inspected on a complaint basis. No permit is issued, so no fee is charged. Inspections were discontinued in FY16 due to budget reductions.

(2) Type
Exemption

(3) Authorizing Statute, Regulation or Other Authority
18 AAC 23 / AS 44.46.020

(4) Year Enacted
Prior to FY08

(5) Sunset or Repeal Date
Not provided.

(6) Legislative Intent
Not provided.

(7) Public Purpose
Not provided.

(8) Estimated Revenue Impact
FY 2011 - *
FY 2012 - *
FY 2013 - *
FY 2014 - *
FY 2015 - *

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
Hair and nail salon operators: 637 facilities as of FY15. Facility count is no longer maintained.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
Unknown

(2) Estimate of Annual Monetary Benefit to Recipients
Unknown

(3) Legislative Intent Met?
Unknown, none provided
Environmental Conservation

Applicable Program
Food Safety & Sanitation

Indirect Expenditure Name
Inspection fee exemption for hair and nail salon operators

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?
Recommend reconsideration. While no fee is charged, inspections were paid for by an RSA from the appropriate licensing board. DEC discontinued the inspections due to budget limitations that reduced the capacity of the division. The RSA may need to be restructured to fully offset the costs of inspecting these facilities.
Environmental Conservation

Applicable Program
Food Safety & Sanitation

Indirect Expenditure Name
Plan review fee discount of 20% for multiple types of operation within a single establishment

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Reduced time required to review multiple applications from a single operator within the same establishment allows for a reduction in the fees.

(2) Type
Discount

(3) Authorizing Statute, Regulation or Other Authority
18 AAC 31.050(d)

(4) Year Enacted
Prior to FY08

(5) Sunset or Repeal Date
Not provided.

(6) Legislative Intent
In order to streamline the efficiency and increase compliance within the permitting process

(7) Public Purpose
Not provided.

(8) Estimated Revenue Impact
FY 2011 - $1,100
FY 2012 - $1,100
FY 2013 - $1,100
FY 2014 - $1,100
FY 2015 - $1,100

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
Operators with three (3) or more types of operations within a single food establishment: 51 facilities

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$1,100

(2) Estimate of Annual Monetary Benefit to Recipients
$22

(3) Legislative Intent Met?
Yes
Environmental Conservation

Applicable Program
Food Safety & Sanitation

Indirect Expenditure Name
Plan review fee discount of 20% for multiple types of operation within a single establishment

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?
Recommend continuation based on meeting legislative intent.
Environmental Conservation

Applicable Program
Food Safety & Sanitation

Indirect Expenditure Name
Plan review fee discount of 20% for operators of both food and bar service

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Reduced time required to review multiple applications from a single operator within the same establishment allows for a reduction in the fees.

(2) Type
Discount

(3) Authorizing Statute, Regulation or Other Authority
18 AAC 31.050(e)

(4) Year Enacted
Prior to FY08

(5) Sunset or Repeal Date
Not provided.

(6) Legislative Intent
In order to streamline the efficiency and increase compliance within the permitting process

(7) Public Purpose
Not provided.

(8) Estimated Revenue Impact
FY 2011 - $44,400
FY 2012 - $44,400
FY 2013 - $44,400
FY 2014 - $44,400
FY 2015 - $44,400

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
Operators with both food service and bar/tavern service: 654 facilities

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$44,400

(2) Estimate of Annual Monetary Benefit to Recipients
$68

(3) Legislative Intent Met?
Yes
Environmental Conservation

Applicable Program
Food Safety & Sanitation

Indirect Expenditure Name
Plan review fee discount of 20% for operators of both food and bar service

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?
Recommend continuation based on meeting legislative intent.
Environmental Conservation

Applicable Program: Food Safety & Sanitation
Indirect Expenditure Name: Plan review fee discount of 50% for hot beverage facilities

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
There is a very limited risk for establishments that serve only hot beverages and/or non-potentially hazardous food received commercially packaged.

(2) Type
Discount

(3) Authorizing Statute, Regulation or Other Authority
18 AAC 31.050(f)

(4) Year Enacted
Prior to FY08

(5) Sunset or Repeal Date
Not provided.

(6) Legislative Intent
In order to streamline the efficiency and increase compliance within the permitting process

(7) Public Purpose
Not provided.

(8) Estimated Revenue Impact
FY 2011 - $6,800
FY 2012 - $6,800
FY 2013 - $6,800
FY 2014 - $6,800
FY 2015 - $6,800

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
Hot beverage facilities: 85 facilities

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$6,800

(2) Estimate of Annual Monetary Benefit to Recipients
$80

(3) Legislative Intent Met?
Yes
Environmental Conservation

Applicable Program
Food Safety & Sanitation

Indirect Expenditure Name
Plan review fee discount of 50% for hot beverage facilities

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?
Recommend continuation based on meeting legislative intent.
Environmental Conservation

Applicable Program
Food Safety & Sanitation

Indirect Expenditure Name
Sanitation fee exemption for schools

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Facilities are inspected on a complaint basis. No permit is issued, so no fee is charged. Inspections were discontinued in FY16 due to budget reductions.

(2) Type
Exemption

(3) Authorizing Statute, Regulation or Other Authority
18 AAC 30 / AS 44.46.025 (d)

(4) Year Enacted
Prior to FY08

(5) Sunset or Repeal Date
Not provided.

(6) Legislative Intent
Not provided.

(7) Public Purpose
Not provided.

(8) Estimated Revenue Impact
FY 2011 - *
FY 2012 - *
FY 2013 - *
FY 2014 - *
FY 2015 - *

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
Schools - Sanitation only: 518 facilities as of FY15. Facility count is no longer maintained.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
Unknown

(2) Estimate of Annual Monetary Benefit to Recipients
Unknown

(3) Legislative Intent Met?
Unknown

(4) Should it be Continued, Modified or Terminated?
Recommend continuation. Eliminating the exemption would shift costs from the state to local school districts.
Environmental Conservation

Applicable Program
Food Safety & Sanitation

Indirect Expenditure Name
Inspection fee exemption for overnight accommodations facilities

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Facilities are inspected on a complaint basis. No permit is issued, so no fee is charged. Inspections were discontinued in FY16 due to budget reductions.

(2) Type
Exemption

(3) Authorizing Statute, Regulation or Other Authority
18 AAC 30 / AS 44.46.025

(4) Year Enacted
Prior to FY08

(5) Sunset or Repeal Date
Not provided.

(6) Legislative Intent
Not provided.

(7) Public Purpose
Not provided.

(8) Estimated Revenue Impact
FY 2011 - *
FY 2012 - *
FY 2013 - *
FY 2014 - *
FY 2015 - *

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
Overnight accommodations facilities: 2486 facilities as of FY15. Facility count is no longer maintained.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
Unknown

(2) Estimate of Annual Monetary Benefit to Recipients
Unknown

(3) Legislative Intent Met?
Unknown
### Environmental Conservation

<table>
<thead>
<tr>
<th>Applicable Program</th>
<th>Indirect Expenditure Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Safety &amp; Sanitation</td>
<td>Inspection fee exemption for overnight accommodations facilities</td>
</tr>
</tbody>
</table>

#### Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Recommend reconsideration. With declining UGF funding to support these inspections, a permit and fee would be necessary to ensure facilities are inspected. The legislature should consider whether the public health risk posed by these facilities outweighs the cost of requiring a permit.
Environmental Conservation

Applicable Program
Food Safety & Sanitation

Indirect Expenditure Name
Fee exemption for public toilets, showers and laundromats

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Facilities are inspected on a complaint basis. No permit is issued, so no fee is charged. Inspections were discontinued in FY16 due to budget reductions.

(2) Type
Exemption

(3) Authorizing Statute, Regulation or Other Authority
18 AAC 30 / AS 44.46.025

(4) Year Enacted
Prior to FY08

(5) Sunset or Repeal Date
Not provided.

(6) Legislative Intent
Not provided.

(7) Public Purpose
Not provided.

(8) Estimated Revenue Impact
FY 2011 - *
FY 2012 - *
FY 2013 - *
FY 2014 - *
FY 2015 - *

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
Public toilets, showers, and laundromat operators: 223 facilities as of FY15. Facility count is no longer maintained.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
Unknown

(2) Estimate of Annual Monetary Benefit to Recipients
Unknown

(3) Legislative Intent Met?
Unknown
Environmental Conservation

Applicable Program
Food Safety & Sanitation

Indirect Expenditure Name
Fee exemption for public toilets, showers and laundromats

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?
Recommend reconsideration. With declining UGF funding to support these inspections, a permit and fee would be necessary to ensure facilities are inspected. The legislature should consider whether the public health risk posed by these facilities outweighs the cost of requiring a permit.
Environmental Conservation

Applicable Program
Laboratory Services

Indirect Expenditure Name
Fee exemption for cheese testing

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Public Industry Health

(2) Type
Exemption

(3) Authorizing Statute, Regulation or Other Authority
No fees in regulation

(4) Year Enacted
Prior to FY08

(5) Sunset or Repeal Date
Not provided.

(6) Legislative Intent
In order to comply with existing state statutes or regulations.

(7) Public Purpose
Not provided.

(8) Estimated Revenue Impact
FY 2011 - $1,400
FY 2012 - $800
FY 2013 - $400
FY 2014 - $0
FY 2015 - $0

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
All businesses required to perform cheese testing: 0 operators as of FY14

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$0

(2) Estimate of Annual Monetary Benefit to Recipients
$0

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend reconsideration. The cost of exempting industries may outweigh the economic benefit of the subsidy.
Applicable Program
Laboratory Services

Indirect Expenditure Name
Fee exemption for dairy testing

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Public Industry Health

(2) Type
Exemption

(3) Authorizing Statute, Regulation or Other Authority
No fees in regulation

(4) Year Enacted
Prior to FY08

(5) Sunset or Repeal Date
Not provided.

(6) Legislative Intent
In order to comply with existing state statutes or regulations.

(7) Public Purpose
Not provided.

(8) Estimated Revenue Impact
FY 2011 - $35,400
FY 2012 - $39,400
FY 2013 - $40,900
FY 2014 - $34,400
FY 2015 - $33,500

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
All businesses required to perform dairy testing: 2 operators

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$33,500

(2) Estimate of Annual Monetary Benefit to Recipients
$16,750

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend reconsideration. The cost of exempting industries may outweigh the economic benefit of the subsidy.
Environmental Conservation

Applicable Program
Laboratory Services

Indirect Expenditure Name
Fee exemption for fishmeal testing

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Public Industry Health

(2) Type
Exemption

(3) Authorizing Statute, Regulation or Other Authority
Grandfathered-No fee in regulation

(4) Year Enacted
Prior to FY08

(5) Sunset or Repeal Date
Not provided.

(6) Legislative Intent
In order to comply with existing state statutes or regulations. These fee reductions are grandfathered into the industry by regulation.

(7) Public Purpose
Not provided.

(8) Estimated Revenue Impact
FY 2011 - $1,000
FY 2012 - $1,000
FY 2013 - $800
FY 2014 - $1,000
FY 2015 - $900

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
All businesses submitting fishmeal for testing: 1 facility

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$900

(2) Estimate of Annual Monetary Benefit to Recipients
$900

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend reconsideration. The cost of exempting industries may outweigh the economic benefit of the subsidy.

Page 84
Environmental Conservation

Applicable Program
Laboratory Services

Indirect Expenditure Name
Fee exemption for Paralytic Shellfish Toxin testing

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Public Industry Health

(2) Type
Exemption

(3) Authorizing Statute, Regulation or Other Authority
Legislature funded an increment so the industry wouldn't be charged.

(4) Year Enacted
Not provided.

(5) Sunset or Repeal Date
Not provided.

(6) Legislative Intent
Legislature funded an increment so the industry wouldn't be charged.

(7) Public Purpose
Not provided.

(8) Estimated Revenue Impact
FY 2011 - $71,300
FY 2012 - $65,600
FY 2013 - $60,100
FY 2014 - $66,500
FY 2015 - $65,300

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
Commercial Shellfish Harvesters: 268 operators

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$65,300

(2) Estimate of Annual Monetary Benefit to Recipients
$244

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend reconsideration. The cost of exempting industries may outweigh the economic benefit of the subsidy.
Environmental Conservation

Applicable Program
Laboratory Services

Indirect Expenditure Name
Fee exemption for shellfish growing waters testing

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Public Industry Health

(2) Type
Exemption

(3) Authorizing Statute, Regulation or Other Authority
Legislature funded an increment so the industry wouldn't be charged.

(4) Year Enacted
Not provided.

(5) Sunset or Repeal Date
Not provided.

(6) Legislative Intent
Legislature funded an increment so the industry wouldn't be charged.

(7) Public Purpose
Not provided.

(8) Estimated Revenue Impact
FY 2011 - $13,900
FY 2012 - $8,500
FY 2013 - $6,900
FY 2014 - $8,400
FY 2015 - $7,700

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
Commercial Shellfish Harvesters: 268 operators

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$7,700

(2) Estimate of Annual Monetary Benefit to Recipients
$29

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend reconsideration. The cost of exempting industries may outweigh the economic benefit of the subsidy.
### Environmental Conservation

<table>
<thead>
<tr>
<th>Applicable Program</th>
<th>Indirect Expenditure Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laboratory Services</td>
<td>Fee exemption for slaughter facility testing</td>
</tr>
</tbody>
</table>

#### Department of Revenue Submission per AS 43.05.095

1. **Description of Provision**
   - Public Industry Health

2. **Type**
   - Exemption

3. **Authorizing Statute, Regulation or Other Authority**
   - Grandfathered-No fee in regulation, historically charged $17, similar test in food reg is $25 for a $8 discount

4. **Year Enacted**
   - Prior to FY08

5. **Sunset or Repeal Date**
   - Not provided.

6. **Legislative Intent**
   - In order to comply with existing state statutes or regulations. These fee reductions are grandfathered into the industry by regulation.

7. **Public Purpose**
   - Not provided.

8. **Estimated Revenue Impact**
   - FY 2011 - $1,300
   - FY 2012 - $1,100
   - FY 2013 - $1,200
   - FY 2014 - $1,300
   - FY 2015 - $1,200

9. **Cost to Administer**
   - $0

10. **Number of Beneficiaries / Who Benefits**
    - All businesses required to perform HACCP for slaughter and meat processing facility: 6 facilities

### Legislative Finance Analysis per AS 24.20.235

1. **Estimate of Annual Revenue Foregone by the State**
   - $1,200

2. **Estimate of Annual Monetary Benefit to Recipients**
   - $200

3. **Legislative Intent Met?**
   - Yes

4. **Should it be Continued, Modified or Terminated?**
   - Recommend reconsideration. The cost of exempting industries may outweigh the economic benefit of the subsidy.
Environmental Conservation

Applicable Program
Municipal Grants and Loans

Indirect Expenditure Name
Discounted Interest Rates on State Revolving Fund (SRF) Loans to municipalities

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Discounted Interest Rates on SRF Loans to municipalities

(2) Type
Discount

(3) Authorizing Statute, Regulation or Other Authority
AS 37.05.035

(4) Year Enacted
Not provided.

(5) Sunset or Repeal Date
Not provided.

(6) Legislative Intent
In order to encourage municipalities to use the program.

(7) Public Purpose
Not provided.

(8) Estimated Revenue Impact
FY 2011 - $2,960,400
FY 2012 - $859,600
FY 2013 - $5,505,000
FY 2014 - $10,150,000
FY 2015 - $3,150,000

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
Municipalities that receive loans for Clean Water or Drinking Water Projects: In any given year we have appx. 150-160 active loans.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$3,150,000

(2) Estimate of Annual Monetary Benefit to Recipients
$21,000

(3) Legislative Intent Met?
Yes
Environmental Conservation

<table>
<thead>
<tr>
<th>Applicable Program</th>
<th>Indirect Expenditure Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal Grants and Loans</td>
<td>Discounted Interest Rates on State Revolving Fund (SRF) Loans to municipalities</td>
</tr>
</tbody>
</table>

**Legislative Finance Analysis per AS 24.20.235**

(4) **Should it be continued, modified or terminated?**
Recommend continuation. The reduced rate encourages municipalities to participate in the loan program.
Environmental Conservation

Applicable Program
Municipal Grants and Loans

Indirect Expenditure Name
Principal forgiveness on State Revolving Fund (SRF) Loans to municipalities

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Principal Forgiveness based on certain criteria for disadvantaged communities

(2) Type
Exemption

(3) Authorizing Statute, Regulation or Other Authority
EPA Requirement to receive Capitalization Grants

(4) Year Enacted
SFY 2010

(5) Sunset or Repeal Date
Not provided.

(6) Legislative Intent
This is an EPA Requirement to receive Capitalization Grants.

(7) Public Purpose
Not provided.

(8) Estimated Revenue Impact
FY 2011 - $5,898,200
FY 2012 - $3,598,400
FY 2013 - $1,235,000
FY 2014 - $3,589,000
FY 2015 - $2,596,000

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
Municipalities that qualify for partial principal forgiveness on loans for Clean Water and Drinking Water Projects: In any given year we have appx. 150-160 active loans - not all loans qualify for partial principal forgiveness.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$2,596,000

(2) Estimate of Annual Monetary Benefit to Recipients
$17,307

(3) Legislative Intent Met?
Yes
Environmental Conservation

Applicable Program
Municipal Grants and Loans

Indirect Expenditure Name
Principal forgiveness on State Revolving Fund (SRF) Loans to municipalities

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?
Recommend continuation. This is a federal requirement.
Environmental Conservation

Applicable Program
Solid Waste

Indirect Expenditure Name
Fee exemption for composting facilities

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
To encourage and promote non-disposal activities. Facility is exempt from fee per regulation.

(2) Type
Exemption

(3) Authorizing Statute, Regulation or Other Authority
18 AAC 60.700(i)(1)

(4) Year Enacted
1998

(5) Sunset or Repeal Date
Not provided.

(6) Legislative Intent
Not provided.

(7) Public Purpose
Not provided.

(8) Estimated Revenue Impact
FY 2011 - $900
FY 2012 - $0
FY 2013 - $0
FY 2014 - $0
FY 2015 - $0

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
Composting facilities: 2 facilities

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$0

(2) Estimate of Annual Monetary Benefit to Recipients
$0

(3) Legislative Intent Met?
Unknown, none provided

(4) Should it be Continued, Modified or Terminated?
Recommend continuation; while legislative intent is not provided, the exemption is reasonable.
Environmental Conservation

Applicable Program: Solid Waste
Indirect Expenditure Name: Fee exemption for landspreading of biosolids

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
To encourage and promote non-disposal activities. Facility is exempt from fee per regulation.

(2) Type
Exemption

(3) Authorizing Statute, Regulation or Other Authority
18 AAC 60.700(i)(2)

(4) Year Enacted
1998

(5) Sunset or Repeal Date
Not provided.

(6) Legislative Intent
Not provided.

(7) Public Purpose
Not provided.

(8) Estimated Revenue Impact
FY 2011 - $4,800
FY 2012 - $4,800
FY 2013 - $4,800
FY 2014 - $4,800
FY 2015 - $4,800

(9) Cost to Administer
$0

(10) Number of Beneficiaries / Who Benefits
Landspreading of biosolids: 4 facilities

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$4,800

(2) Estimate of Annual Monetary Benefit to Recipients
$1,200

(3) Legislative Intent Met?
Unknown, none provided

(4) Should it be Continued, Modified or Terminated?
Recommend continuation; while legislative intent is not provided, the exemption is reasonable.
## Environmental Conservation

### Applicable Program
Wastewater Discharge Permitting

### Indirect Expenditure Name
Discounted wastewater fees for small businesses

### Department of Revenue Submission per AS 43.05.095

1. **Description of Provision**
   Decreased State regulation fees for small businesses.

2. **Type**
   Discount

3. **Authorizing Statute, Regulation or Other Authority**
   18 AAC 72.956-7

4. **Year Enacted**

5. **Sunset or Repeal Date**
   Not provided.

6. **Legislative Intent**
   In order to prevent excessive hurdles for small businesses that could inhibit their start-up or sustainability

7. **Public Purpose**
   Not provided.

8. **Estimated Revenue Impact**
   FY 2011 - *
   FY 2012 - *
   FY 2013 - *
   FY 2014 - *
   FY 2015 - *

9. **Cost to Administer**
   $0

10. **Number of Beneficiaries / Who Benefits**
    Businesses with fewer than 20 employees: Unknown universe of wastewater discharge businesses across AK with less than 20 employees.

---

### Legislative Finance Analysis per AS 24.20.235

1. **Estimate of Annual Revenue Foregone by the State**
   Unknown

2. **Estimate of Annual Monetary Benefit to Recipients**
   Unknown

3. **Legislative Intent Met?**
   Unknown

4. **Should it be Continued, Modified or Terminated?**
   Not enough information to make a recommendation. Without knowing the scope of foregone fees, it is unknown
### Environmental Conservation

<table>
<thead>
<tr>
<th>Applicable Program</th>
<th>Indirect Expenditure Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wastewater Discharge Permitting</td>
<td>Discounted wastewater fees for small businesses</td>
</tr>
</tbody>
</table>

#### Legislative Finance Analysis per AS 24.20.235

(4) Should it be Continued, Modified or Terminated? (cont.)

whether the benefits outweigh the cost.
### Environmental Conservation

**Applicable Program**
Wastewater Discharge Permitting

**Indirect Expenditure Name**
Stormwater and wastewater fee exemption for public schools

#### Department of Revenue Submission per AS 43.05.095

1. **Description of Provision**
   Reduces State costs to State funded public schools

2. **Type**
   Exemption

3. **Authorizing Statute, Regulation or Other Authority**
   AS 44.46.020(5)(C) & AS 44.45.025

4. **Year Enacted**
   1993

5. **Sunset or Repeal Date**
   12-31-12

6. **Legislative Intent**
   Not provided.

7. **Public Purpose**
   Not provided.

8. **Estimated Revenue Impact**
   - FY 2011 - $1,400
   - FY 2012 - $1,400
   - FY 2013 - *
   - FY 2014 - *
   - FY 2015 - *

9. **Cost to Administer**
   $0

10. **Number of Beneficiaries / Who Benefits**
    Public schools discharging wastewater. Regulation covers all charitable organization exempt from federal taxation: 3 waivers between 2004-2011 and 2 waivers between 2012-2013 for Wastewater permit fees waived. BillQuick shows zero waivers between FY13-15 on activity code 08:05

---

### Legislative Finance Analysis per AS 24.20.235

1. **Estimate of Annual Revenue Foregone by the State**
   Unknown

2. **Estimate of Annual Monetary Benefit to Recipients**
   Unknown

3. **Legislative Intent Met?**
   Unknown, none provided
Environmental Conservation

Applicable Program
Wastewater Discharge Permitting

Indirect Expenditure Name
Stormwater and wastewater fee exemption for public schools

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?
No recommendation as the exemption expired in 2012.
Natural Resources

Applicable Program
Mining, Land and Water

Indirect Expenditure Name
Exploration Incentive Credits (EIC) for Mining Activities

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Provides exploration incentive credit for exploration activities.

(2) Type
Tax Credit

(3) Authorizing Statute, Regulation or Other Authority
AS 27.30.010

(4) Year Enacted
1995

(5) Sunset or Repeal Date
None

(6) Legislative Intent
For purpose of determining existence, location, extent, or quality of a locatable or leasable mineral or coal deposit.

(7) Public Purpose
For purpose of determining existence, location, extent, or quality of a locatable or leasable mineral or coal deposit.

(8) Estimated Revenue Impact
FY 2011 - $2,517,412
FY 2012 - $0
FY 2013 - $0
FY 2014 - $0
FY 2015 - $0

(9) Cost to Administer
$2,500 (approximate)

(10) Number of Beneficiaries / Who Benefits
One per year

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$0

(2) Estimate of Annual Monetary Benefit to Recipients
$0

(3) Legislative Intent Met?
No

(4) Should it be Continued, Modified or Terminated?
Recommend reconsideration. The credit has not been used since FY11. The legislature may wish to revisit the credit
Natural Resources

Applicable Program
Mining, Land and Water

Indirect Expenditure Name
Exploration Incentive Credits (EIC) for Mining Activities

Legislative Finance Analysis per AS 24.20.235

(4) Should it be Continued, Modified or Terminated? (cont.)
to ensure that it is effective in spurring mineral exploration.
Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Convey materials at less than fair market value for mitigation of a flooding area where excess material deposition contributes to flooding.

(2) Type
Discount

(3) Authorizing Statute, Regulation or Other Authority
AS 38.05.872(b)

(4) Year Enacted
2012

(5) Sunset or Repeal Date
None

(6) Legislative Intent
The Act was to provide for the disposal of certain bedload materials in conjunction with a flood mitigation plan.

(7) Public Purpose
To make it easier to remove gravel/sand where excess deposits may cause the flooding.

(8) Estimated Revenue Impact
FY 2011 - $0
FY 2012 - $0
FY 2013 - $0
FY 2014 - $0
FY 2015 - $0

(9) Cost to Administer
None

(10) Number of Beneficiaries / Who Benefits
None to date; however, City of Seward has expressed interest

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$0

(2) Estimate of Annual Monetary Benefit to Recipients
$0

(3) Legislative Intent Met?
No, as the program has not been used.
Natural Resources

Applicable Program
Mining, Land and Water

Indirect Expenditure Name
Sale of Sand and Gravel Material at Less than Fair Market Value

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?
Recommend continuation. While the provision has not been used, it costs nothing to administer and still could be used in the future.
Applicable Program: Mining, Land and Water
Indirect Expenditure Name: Sale of Peat Material at Less than Fair Market Value

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Provides 200 cubic yards for personal use by individual for free, <30,000 c.y. for commercial use at no cost for 10 year period; >30,000 c.y. at price of 20% of representative regional price or 20% of FMV for a period of 10 years.

(2) Type
Discount

(3) Authorizing Statute, Regulation or Other Authority
AS 38.05.555(f)

(4) Year Enacted
2012

(5) Sunset or Repeal Date
None

(6) Legislative Intent
Create incentive for development of peat as a source of heat or power.

(7) Public Purpose
Create incentive for development of peat as a source of heat or power.

(8) Estimated Revenue Impact
FY 2011 - $0
FY 2012 - $0
FY 2013 - $0
FY 2014 - $0
FY 2015 - $0

(9) Cost to Administer
None

(10) Number of Beneficiaries / Who Benefits
None to date

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$0

(2) Estimate of Annual Monetary Benefit to Recipients
$0

(3) Legislative Intent Met?
No, as the program has not been used.
Natural Resources

Applicable Program
Mining, Land and Water

Indirect Expenditure Name
Sale of Peat Material at Less than Fair Market Value

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?
Recommend continuation. While the provision has not been used, it costs nothing to administer and still could be used in the future.
**Natural Resources**

**Applicable Program**
Mining, Land and Water

**Indirect Expenditure Name**
Public and Charitable Use of Coal Deposits

**Department of Revenue Submission per AS 43.05.095**

(1) **Description of Provision**
Provides lease, sale, or other disposal of state land or resources to certain entities for less than fair market value.

(2) **Type**
Discount

(3) **Authorizing Statute, Regulation or Other Authority**
AS 38.05.810(a)

(4) **Year Enacted**
1959

(5) **Sunset or Repeal Date**
None

(6) **Legislative Intent**
To allow the state the ability to balance the public benefit against revenues when it is in the public’s best interest to authorize certain types of projects.

(7) **Public Purpose**
Provide state land or coal deposits suitable for mining for less than appraised value that serve a public purpose and are in the public interest.

(8) **Estimated Revenue Impact**
FY 2011 - Unknown
FY 2012 - Unknown
FY 2013 - Unknown
FY 2014 - Unknown
FY 2015 - Unknown

(9) **Cost to Administer**
$3,000

(10) **Number of Beneficiaries / Who Benefits**
7 issued in 2012; 154 are in issued status and 18 in early entry authorization.

---

**Legislative Finance Analysis per AS 24.20.235**

(1) **Estimate of Annual Revenue Foregone by the State**
Unknown

(2) **Estimate of Annual Monetary Benefit to Recipients**
Unknown

(3) **Legislative Intent Met?**
Yes
Applicable Program
Mining, Land and Water

Indirect Expenditure Name
Public and Charitable Use of Coal Deposits

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?
Recommend continuation based on meeting legislative intent.
Applicable Program: Oil and Gas
Indirect Expenditure Name: Waived Rent and Royalty for Shale Oil

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
The Commissioner may waive payment of royalty and rental during the first five years of the lease.

(2) Type
Discount

(3) Authorizing Statute, Regulation or Other Authority
AS 38.05.160

(4) Year Enacted
1959

(5) Sunset or Repeal Date
None

(6) Legislative Intent
Provide Commissioner with discretion in rental fees for future shale development.

(7) Public Purpose
Encourage the production of petroleum products from shale.

(8) Estimated Revenue Impact
FY 2011 - $0
FY 2012 - $0
FY 2013 - $0
FY 2014 - $0
FY 2015 - $0
Note: no activity has required authorization of this rental and royalty relief clause.

(9) Cost to Administer
None

(10) Number of Beneficiaries / Who Benefits
None known

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$0

(2) Estimate of Annual Monetary Benefit to Recipients
$0

(3) Legislative Intent Met?
No, as the program has not been used.

(4) Should it be Continued, Modified or Terminated?
Recommend continuation. While the provision has not been used, it costs nothing to administer and still could be
### Natural Resources

<table>
<thead>
<tr>
<th>Applicable Program</th>
<th>Indirect Expenditure Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil and Gas</td>
<td>Waived Rent and Royalty for Shale Oil</td>
</tr>
</tbody>
</table>

Legislative Finance Analysis per AS 24.20.235

(4) Should it be Continued, Modified or Terminated? (cont.)

used in the future.
Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
EIC may not exceed 50% of eligible costs relating to activities performed on state-owned lands and 25% of eligible costs related to activities performed on land in but not owned by the state.

(2) Type
Tax Credit

(3) Authorizing Statute, Regulation or Other Authority
AS 41.09.010

(4) Year Enacted
1994

(5) Sunset or Repeal Date
None

(6) Legislative Intent
Incentivize exploration with data available to state.

(7) Public Purpose
Encourage oil and gas exploratory work on state land.

(8) Estimated Revenue Impact
FY 2011 - $0
FY 2012 - $0
FY 2013 - $0
FY 2014 - $0
FY 2015 - $0
Note: This is not an active incentive credit.

(9) Cost to Administer
None

(10) Number of Beneficiaries / Who Benefits
As of 2007, none (6/30/07 was last date for qualifying work)

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$0

(2) Estimate of Annual Monetary Benefit to Recipients
$0

(3) Legislative Intent Met?
No, as the program has not been used.
Natural Resources

Applicable Program
Oil and Gas

Indirect Expenditure Name
Exploration Incentive Credits for Oil & Gas Activities

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?
No recommendation - the credit was closed in 2007 and can be removed from future reports.
Natural Resources

Applicable Program
Oil and Gas

Indirect Expenditure Name
Exploration Incentive Credits for Oil & Gas Activities

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
A non-transferrable credit for the cost of drilling or seismic work performed under a limited time period established by the Commissioner of the Department of Natural Resources. Credit may be granted for up to 50% of the cost of drilling or seismic work, not to exceed 50% of the tax liability to which it is being applied.

(2) Type
Tax Credit

(3) Authorizing Statute, Regulation or Other Authority
AS 38.05.180(i)

(4) Year Enacted
1983

(5) Sunset or Repeal Date
None

(6) Legislative Intent
Incentivize exploration of state lands and make data publicly available post lease sale.

(7) Public Purpose
Encourage O&G exploratory work on state land.

(8) Estimated Revenue Impact
FY 2011 - $0
FY 2012 - $0
FY 2013 - $0
FY 2014 - $0
FY 2015 - $0

(9) Cost to Administer
None

(10) Number of Beneficiaries / Who Benefits
22 exploratory wells qualified; last claim was in 1994.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$0

(2) Estimate of Annual Monetary Benefit to Recipients
$0

(3) Legislative Intent Met?
No
<table>
<thead>
<tr>
<th>Applicable Program</th>
<th>Indirect Expenditure Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil and Gas</td>
<td>Exploration Incentive Credits for Oil &amp; Gas Activities</td>
</tr>
</tbody>
</table>

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?
Recommend termination. The credit has not been claimed since 1994, and there are several other oil and gas exploration incentives in statute that appear to be more effective.
Natural Resources

Applicable Program
Oil and Gas

Indirect Expenditure Name
Royalty Relief for Cook Inlet Platforms

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Royalty relief for Cook Inlet platforms.

(2) Type
Discount

(3) Authorizing Statute, Regulation or Other Authority
AS 38.05.180(f)(6)

(4) Year Enacted
2003

(5) Sunset or Repeal Date
None

(6) Legislative Intent
Provide monetary incentive as royalty relief from oil and gas producing platforms.

(7) Public Purpose
Incentives to lessees to continue to produce from Cook Inlet platforms which were not economically viable at a 12.5% royalty rate.

(8) Estimated Revenue Impact
FY 2011 - $12,482,905
FY 2012 - $14,855,924
FY 2013 - $18,114,351
FY 2014 - $14,373,165
FY 2015 - $6,371,535

(9) Cost to Administer

(10) Number of Beneficiaries / Who Benefits
6 companies

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$6,371,535

(2) Estimate of Annual Monetary Benefit to Recipients
$1,061,923

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend reconsideration. It is unclear how the State benefits from oil production for which it receives no royalties or taxes.
### Natural Resources

**Applicable Program**

Oil and Gas

**Indirect Expenditure Name**

Royalty Relief for Cook Inlet Small Discoveries

---

#### Department of Revenue Submission per AS 43.05.095

<table>
<thead>
<tr>
<th>(1) Description of Provision</th>
<th>Royalty Relief for small Cook Inlet discoveries.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(2) Type</td>
<td>Discount</td>
</tr>
<tr>
<td>(3) Authorizing Statute, Regulation or Other Authority</td>
<td>AS 38.05.180(f)(5)</td>
</tr>
<tr>
<td>(4) Year Enacted</td>
<td>1998</td>
</tr>
<tr>
<td>(5) Sunset or Repeal Date</td>
<td>10 yrs. after restart of production</td>
</tr>
<tr>
<td>(6) Legislative Intent</td>
<td>Increase Cook Inlet oil and gas production from shut in wells and platforms.</td>
</tr>
<tr>
<td>(7) Public Purpose</td>
<td>Incentives to lessees to restart production from Cook Inlet leases that had been shut down prior to 1988.</td>
</tr>
</tbody>
</table>
| (8) Estimated Revenue Impact| FY 2011 - $844,851  
                                  FY 2012 - $1,207,137  
                                  FY 2013 - Not available  
                                  FY 2014 - $0  
                                  FY 2015 - $0 |
| (9) Cost to Administer      |                                                  |
| (10) Number of Beneficiaries / Who Benefits | 12 companies |

---

#### Legislative Finance Analysis per AS 24.20.235

| (1) Estimate of Annual Revenue Foregone by the State | $0 |
| (2) Estimate of Annual Monetary Benefit to Recipients | $0 |
| (3) Legislative Intent Met? | Yes |
| (4) Should it be Continued, Modified or Terminated? |

Recommend reconsideration. It is unclear how the State benefits from oil production for which it receives no royalties or taxes.
Natural Resources

Applicable Program
Oil and Gas

Indirect Expenditure Name
Royalty Modification for Ooguruk Unit

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Royalty modification for Ooguruk Unit

(2) Type
Discount

(3) Authorizing Statute, Regulation or Other Authority
AS 38.05.180(f)(1)(A), (2), (3), (4)(A), (5)

(4) Year Enacted
2006

(5) Sunset or Repeal Date
None

(6) Legislative Intent
To provide reduced royalty to enable Ooguruk Unit to begin production.

(7) Public Purpose
Stimulate increased production on ANS.

(8) Estimated Revenue Impact
FY 2011 - $22,031,229
FY 2012 - $20,722,222
FY 2013 - $18,379,884
FY 2014 - $22,499,833
FY 2015 - $26,192,088

(9) Cost to Administer

(10) Number of Beneficiaries / Who Benefits
2 companies

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$26,192,088

(2) Estimate of Annual Monetary Benefit to Recipients
$13,096,044

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend reconsideration. This provision has a significant cost and the benefits are not clear from information provided by the department.
Natural Resources

Applicable Program
Oil and Gas

Indirect Expenditure Name
Royalty Modification for Nikaitchuq Unit

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Royalty Modification for Nikaitchuq Unit

(2) Type
Discount

(3) Authorizing Statute, Regulation or Other Authority
AS 38.05.180(f)(1)(A), (2), (3), (4)(A), (5)

(4) Year Enacted
2008

(5) Sunset or Repeal Date
None

(6) Legislative Intent
To allow the Commissioner royalty modification on individual leases.

(7) Public Purpose
Stimulate increased production on ANS.

(8) Estimated Revenue Impact
FY 2011 - $0
FY 2012 - $0
FY 2013 - $0
FY 2014 - $0
FY 2015 - $0

(9) Cost to Administer

(10) Number of Beneficiaries / Who Benefits
None

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$0

(2) Estimate of Annual Monetary Benefit to Recipients
$0

(3) Legislative Intent Met?
No, as the program has not been used.

(4) Should it be Continued, Modified or Terminated?
Recommend continuation. While royalty relief has not yet been used, exploration in the unit is ongoing.
### Natural Resources

<table>
<thead>
<tr>
<th>Applicable Program</th>
<th>Indirect Expenditure Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parks and Outdoor Recreation</td>
<td>Disabled Veterans Camping Pass</td>
</tr>
</tbody>
</table>

#### Department of Revenue Submission per AS 43.05.095

1. **Description of Provision**  
   Free camping pass to disabled veterans of this country for use in the state park campgrounds.

2. **Type**  
   Discount

3. **Authorizing Statute, Regulation or Other Authority**  
   AS 41.21.026(d)

4. **Year Enacted**  
   1987

5. **Sunset or Repeal Date**  
   None

6. **Legislative Intent**  
   Honor disabled veterans by providing them free overnight camping in state parks units.

7. **Public Purpose**  
   Provide a benefit to disabled veterans.

8. **Estimated Revenue Impact**  
   - FY 2011: $260,800  
   - FY 2012: $80,800  
   - FY 2013: $261,400  
   - FY 2014: $94,800  
   - FY 2015: $449,100

9. **Cost to Administer**  
   Negligible/cost of printing decals

10. **Number of Beneficiaries / WhoBenefits**  
    1,210 (annual average 2008-2012) 3.4 million potential beneficiaries (US Census Bureau, 11/11)

#### Legislative Finance Analysis per AS 24.20.235

1. **Estimate of Annual Revenue Foregone by the State**  
   $449,100

2. **Estimate of Annual Monetary Benefit to Recipients**  
   $371

3. **Legislative Intent Met?**  
   Yes

4. **Should it be Continued, Modified or Terminated?**  
   Recommend continuation based on meeting legislative intent.
Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
A non-transferable credit applicable to the Corporate Income Tax, Fisheries Business Tax, Fishery Resource Landing Tax, Insurance Premium Tax, Title Insurance Premium Tax, Mining License Tax, Oil and Gas Production Tax, and the Oil and Gas Property Tax. The credit is available for up to 50% of annual contributions up to $100,000, 100% of the next $200,000, and 50% of annual contributions beyond $300,000. The credit for any one taxpayer cannot exceed $5,000,000 annually across all eligible tax types. The credit is for contributions to qualified education purposes given in AS 43.20.014(a).

(2) Type
Credit

(3) Authorizing Statute, Regulation or Other Authority
AS 21.20.014, AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, AS 43.75.018, AS 43.77.045

(4) Year Enacted
1987, last amended 2014

(5) Sunset or Repeal Date
01-01-21

(6) Legislative Intent
The Legislature intended to encourage private businesses to make charitable contributions to support Alaskan schools.

(7) Public Purpose
To encourage private businesses that pay tax to contribute to Alaska educational institutions and facilities.

(8) Estimated Revenue Impact
FY 2011 - $2,909,066
FY 2012 - $3,375,825
FY 2013 - $7,188,502
FY 2014 - $7,498,403
FY 2015 - $7,430,524 (preliminary number based on incomplete data)

(9) Cost to Administer
No additional cost; is administered with current resources.

(10) Number of Beneficiaries / Who Benefits
Approximately 25-35 companies.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$7,498,403

(2) Estimate of Annual Monetary Benefit to Recipients
$249,947
Legislative Finance Analysis per AS 24.20.235

(3) Legislative Intent Met?
Yes

(4) Should it be Continued, Modified or Terminated?
Recommend modification. In calendar year 2015, taxpayers claimed credits for $11.2 million of contributions and received $7.4 million in credits. This amounts to the state bearing the cost of 66% of these contributions.

In addition, some taxpayers may be able to deduct some donations from their federal taxes as charitable contributions. AS 43.20.014(d)(2) prohibits corporate income taxpayers from taking both credits, but other tax types do not have this provision.

The structure of the credit allows for an extremely generous benefit to taxpayers. A taxpayer making a $300,000 charitable contribution would receive a credit for $250,000 from the state - 83% of the value of the contribution. Coupled with a federal deduction, the entire cost of the donation may be borne by the state and federal government, rather than the taxpayer. That is not an incentive to donate, it is a transfer from government to these organizations.

The 100% bracket in the credit should be eliminated, making the credit a flat 50% for any level of donation. In addition, the credit for tax types other than the corporate income tax should be modified to prohibit taxpayers from taking both the state and federal credits for the same activity.
This Page Intentionally Left Blank
## Alaska Marine Highway System - Tariff Discounts/Passes

The following fourteen discounts or passes are incorporated in the tariff structure of the Alaska Marine Highway System (AMHS). Arguably, they are not indirect expenditures of the state as they are part of the overall revenue structure established by AMHS. The only guiding statute (AS 19.65.050(c)(2)) provides intent that AMHS “increase revenue from the operation of the system consistent with the public interest.” This is very broad intent and provides great flexibility in how tariffs are set and what discounts to those tariffs are applied. Many passes and discounts have been added/deleted over the years, some with no readily available source for an exact implementation date. The purpose/intent of these discounts (authorized through regulation or collective bargaining) is to reduce costs to select individuals or groups in a way that AMHS believes is consistent with the public interest. The cost to administer the discounts is absorbed into the AMHS budget.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Alcohol Board Passes</td>
<td>Issued to qualified employees of the board (in exchange for waiving fees related to alcohol permits) Expired</td>
<td></td>
<td>$ 2,342</td>
<td>$ 332</td>
<td>$ -</td>
</tr>
<tr>
<td>Children's Discounted Tariffs</td>
<td>Children aged 6-11 receive a 50% discount on the route based adult passenger tariff On average 8,200 individuals use this per year</td>
<td></td>
<td>$ 654,394</td>
<td>$ 646,974</td>
<td>$ 638,574</td>
</tr>
<tr>
<td>Disability Pass</td>
<td>Qualified disabled individuals receive a 50% discount on the route specific adult passenger tariff - in State passage only On average 100 individuals use this pass each year</td>
<td></td>
<td>$ 13,307</td>
<td>$ 45,891</td>
<td>$ 33,792</td>
</tr>
<tr>
<td>Employee Annual Passes</td>
<td>Qualified AMHS employees and their immediate families receive free passenger/vehicle travel space on an available basis. $100 annual fee implemented. On average 650 employees use this per year</td>
<td></td>
<td>$ 1,026,931</td>
<td>$ 1,320,775</td>
<td>$ 1,254,827</td>
</tr>
<tr>
<td>Employee Trip Passes</td>
<td>Qualified AMHS employees are allowed free passage when traveling to and from work. In addition workers who have not obtained annual pass privileges can use trip passes on a space available basis. On average 80 employees use this per year</td>
<td></td>
<td>$ 293,892</td>
<td>$ 192,771</td>
<td>$ 139,515</td>
</tr>
<tr>
<td>Interpretive Passes</td>
<td>Contractual agreements with Federal Government Agencies (USFS, USFG) for interpretive services Expired</td>
<td></td>
<td>$ 14,592</td>
<td>$ 282</td>
<td>$ -</td>
</tr>
</tbody>
</table>
### AMHS Tariff Discounts/Passes - Continued

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Marine Transportation Advisory Board (MTAB) Member Passes</td>
<td>Issued to current board members for official MTAB business travel - (Offsets to AMHS Budget)</td>
<td>Expired</td>
<td>$120</td>
<td>$467</td>
<td>-</td>
</tr>
<tr>
<td>National/Guard Militia Passes</td>
<td>Issued to qualified members traveling to and from training exercises on a space available basis</td>
<td>Expired</td>
<td>$1,927</td>
<td>$971</td>
<td>$166</td>
</tr>
<tr>
<td>Senior Citizen's Discounted Tariffs</td>
<td>Senior's aged 65 and older receive a 25% discount on the route based adult passenger tariff</td>
<td>Recent Average usage of 18,500 individuals use this per year.</td>
<td>$773,791</td>
<td>$626,203</td>
<td>$611,598</td>
</tr>
<tr>
<td>Trooper/USFS Enforcement Passes</td>
<td>Contractual agreements with State and Federal Government Agencies (State Troopers, USFS) for enforcement presence</td>
<td>This program expired in 2013, but was reinstated for FY16</td>
<td>$10,751</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Underage Discounted Tariffs</td>
<td>Children aged 5 &amp; under travel free (passage only)</td>
<td>On average 6,500 individuals use this per year</td>
<td>$1,379,649</td>
<td>$1,380,898</td>
<td>$1,371,757</td>
</tr>
<tr>
<td>USCG Sea Marshall Passes</td>
<td>Issued to qualified members traveling to and from official Sea Marshall business - Pass #90040</td>
<td>Expired</td>
<td>-</td>
<td>$460</td>
<td>-</td>
</tr>
<tr>
<td>Veteran Disability Pass</td>
<td>Qualified disabled veterans receive a 50% discount on the route specific adult passenger tariff - In state passage only</td>
<td>On average 50 individuals use this per year</td>
<td>$30,080</td>
<td>$12,956</td>
<td>$10,919</td>
</tr>
<tr>
<td>Youth Group Discounted Tariffs</td>
<td>Organized Youth Groups receive a 50% discount on the route based adult passenger tariff - In State passage only</td>
<td>On average 6,500 individuals use this per year</td>
<td>$736,645</td>
<td>$704,016</td>
<td>$699,006</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>$4,936,079</strong></td>
<td><strong>$4,932,665</strong></td>
<td><strong>$4,760,153</strong></td>
</tr>
</tbody>
</table>

**Recommendation:** "Foregone" revenue attributed to these discounts is over $4.7 million (in FY15). Although the legislature currently has no role in setting AMHS tariffs, the legislature may wish to address the issue of discounted fares in statute or via intent language in the operating budget.
Judiciary
The following twenty-six provisions comprise what is commonly referred to as “fix-it” tickets; correctable violations related to equipment (such as a broken tail light) or motor vehicle insurance that are dismissed if proof of correction is submitted to the Court. The purpose/intent of these rules (authorized through the Alaska Administrative Code, Alaska Statutes or Administrative Rules of the Court) is to encourage corrective action. The cost to administer them is absorbed in the Courts’ budget.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Lighting Requirements</td>
<td>$80</td>
<td>$280</td>
<td>$120</td>
<td>$80</td>
<td>$0</td>
</tr>
<tr>
<td>Additional Lights Required For Emergency Vehicle</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Anti-Spray Devices Required</td>
<td>$4,240</td>
<td>$4,730</td>
<td>$2,160</td>
<td>$3,540</td>
<td>$8,460</td>
</tr>
<tr>
<td>Brake Requirements</td>
<td>$270</td>
<td>$180</td>
<td>$180</td>
<td>$180</td>
<td>$270</td>
</tr>
<tr>
<td>Emission Control System Requirements</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Energy Absorption System Requirements</td>
<td>$1,200</td>
<td>$1,875</td>
<td>$825</td>
<td>$1,500</td>
<td>$1,200</td>
</tr>
<tr>
<td>Fail To Provide Child Safety Device 1st Offense</td>
<td>$0</td>
<td>$800</td>
<td>$0</td>
<td>$310</td>
<td>$440</td>
</tr>
<tr>
<td>Headlight Requirements</td>
<td>$41,570</td>
<td>$60,830</td>
<td>$53,550</td>
<td>$61,240</td>
<td>$51,920</td>
</tr>
<tr>
<td>Horn/Warning Device Requirements</td>
<td>$0</td>
<td>$120</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>License Carried/Exhibited On Demand</td>
<td>$5,250</td>
<td>$9,500</td>
<td>$6,400</td>
<td>$10,150</td>
<td>$8,450</td>
</tr>
<tr>
<td>Mirror Requirements</td>
<td>$2,340</td>
<td>$2,340</td>
<td>$2,100</td>
<td>$1,620</td>
<td>$1,860</td>
</tr>
<tr>
<td>Muffler Requirements</td>
<td>$2,550</td>
<td>$2,370</td>
<td>$2,160</td>
<td>$4,500</td>
<td>$2,700</td>
</tr>
<tr>
<td>Operating Vehicle w/Studded/Chained Tires When Prohibited</td>
<td>$19,650</td>
<td>$18,055</td>
<td>$16,750</td>
<td>$25,950</td>
<td>$25,200</td>
</tr>
<tr>
<td>Other Equipment Required: Horn/Mirrors/Tires/Etc. (Bicycle)</td>
<td>$0</td>
<td>$40</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Parking Light Requirements</td>
<td>$80</td>
<td>$120</td>
<td>$40</td>
<td>$80</td>
<td>$0</td>
</tr>
<tr>
<td>Proof of Insurance To Be Carried And Exhibited on Demand</td>
<td>$2,758,250</td>
<td>$2,964,500</td>
<td>$2,188,000</td>
<td>$2,593,500</td>
<td>$2,894,410</td>
</tr>
<tr>
<td>Reflector Requirements</td>
<td>$280</td>
<td>$440</td>
<td>$240</td>
<td>$240</td>
<td>$320</td>
</tr>
<tr>
<td>Restrictions On Lighting Equipment</td>
<td>$700</td>
<td>$590</td>
<td>$160</td>
<td>$420</td>
<td>$200</td>
</tr>
<tr>
<td>Safety Belt Requirements</td>
<td>$375</td>
<td>$225</td>
<td>$225</td>
<td>$450</td>
<td>$300</td>
</tr>
<tr>
<td>Steering Assembly / Wheel Align/Body Condition</td>
<td>$0</td>
<td>$400</td>
<td>$0</td>
<td>$200</td>
<td>$0</td>
</tr>
<tr>
<td>Stop Light Requirements</td>
<td>$8,760</td>
<td>$10,200</td>
<td>$7,520</td>
<td>$10,320</td>
<td>$10,040</td>
</tr>
<tr>
<td>Taillight Requirements</td>
<td>$18,600</td>
<td>$24,760</td>
<td>$20,160</td>
<td>$24,560</td>
<td>$15,160</td>
</tr>
<tr>
<td>Tinted Windows</td>
<td>$92,472</td>
<td>$72,900</td>
<td>$62,650</td>
<td>$56,900</td>
<td>$57,000</td>
</tr>
<tr>
<td>Tire Restrictions And Requirements</td>
<td>$250</td>
<td>$200</td>
<td>$550</td>
<td>$300</td>
<td>$100</td>
</tr>
<tr>
<td>Turn Light Requirements</td>
<td>$880</td>
<td>$800</td>
<td>$280</td>
<td>$1,040</td>
<td>$760</td>
</tr>
<tr>
<td>Windshield and wiper requirements</td>
<td>$1,460</td>
<td>$2,150</td>
<td>$800</td>
<td>$2,050</td>
<td>$1,350</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$2,959,257</strong></td>
<td><strong>$3,178,405</strong></td>
<td><strong>$2,364,870</strong></td>
<td><strong>$2,799,130</strong></td>
<td><strong>$3,080,140</strong></td>
</tr>
</tbody>
</table>

**Recommendation:** Continue - these programs are intended to improve public safety, not to generate revenue.
Applicable Program  
Trial Courts  

Indirect Expenditure Name  
Community Work Service order in Lieu of Fine or Surcharge  

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
The court may order a defendant to perform Community Work Service instead of imposing fines and surcharges in instances of probation, suspended sentence and suspended imposition of sentence.

(2) Type
Fee/Fine/Cost Dismissal or Credit

(3) Authorizing Statute, Regulation or Other Authority
As 12.55.055

(4) Year Enacted
2005

(5) Sunset or Repeal Date
None

(6) Legislative Intent
Encourage corrective behavior

(7) Public Purpose
Encourage corrective behavior

(8) Estimated Revenue Impact
FY 2011 - $47,922
FY 2012 - $44,538
FY 2013 - $46,951
FY 2014 - $48,121
FY 2015 - $38,880

(9) Cost to Administer
Not provided.

(10) Number of Beneficiaries / Who Benefits
Not tracked.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$38,880

(2) Estimate of Annual Monetary Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Yes
Judiciary

Applicable Program
Trial Courts

Indirect Expenditure Name
Community Work Service order in Lieu of Fine or Surcharge

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?
Recommend continue - the program provides an appropriate alternative to individuals unable to pay court fines or surcharges.
Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
The prosecution may defer prosecution in instances where an agreement has been reached for the defendant to instead complete a defensive driving course.

(2) Type
Fee/Fine/Cost Dismissal or Credit

(3) Authorizing Statute, Regulation or Other Authority
Administrative Rules of Court, Minor Offense Rule 11

(4) Year Enacted
n/a

(5) Sunset or Repeal Date
None

(6) Legislative Intent
Legislative intent not applicable as provision is Court ordered

(7) Public Purpose
Encourage corrective behavior

(8) Estimated Revenue Impact
FY 2011 - $192,389  
FY 2012 - $181,509  
FY 2013 - $95,967  
FY 2014 - $3,832  
FY 2015 - $435

(9) Cost to Administer
Not provided.

(10) Number of Beneficiaries / Who Benefits
Not tracked.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$435

(2) Estimate of Annual Monetary Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Yes
Judiciary

Applicable Program
Trial Courts

Indirect Expenditure Name
Defensive Driving Course Completion Credit against Fines

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?
Recommend continue - the program is intended to improve public safety, not to generate revenue. The significant drop in revenue impact is due to a change in how these cases are processed.
Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
Allows a judicial officer to use specific guidelines to find a party indigent. In such cases the party is exempt from payment of fees.

(2) Type
Fee/Fine/Cost Dismissal or Credit

(3) Authorizing Statute, Regulation or Other Authority
Administrative Rules of Court, Sections 9 & 10

(4) Year Enacted
1980

(5) Sunset or Repeal Date
None

(6) Legislative Intent
Legislative intent not applicable as provision is Court ordered

(7) Public Purpose
Allows access to court system for disadvantaged individuals

(8) Estimated Revenue Impact
FY 2011 - $152,613
FY 2012 - $157,971
FY 2013 - $200,547
FY 2014 - $166,712
FY 2015 - $148,016

(9) Cost to Administer
Not provided.

(10) Number of Beneficiaries / Who Benefits
Not tracked.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$148,016

(2) Estimate of Annual Monetary Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
n/a
### Judiciary

<table>
<thead>
<tr>
<th>Applicable Program</th>
<th>Indirect Expenditure Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trial Courts</td>
<td>Exemption from Payment of Fees due to Determination of Indigency</td>
</tr>
</tbody>
</table>

#### Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?

Recommend continue - equal protection and access to justice for indigent litigants should continue.
## Department of Revenue Submission per AS 43.05.095

### (1) Description of Provision
Drivers ordered to have an Ignition Interlock Device installed in their vehicle as a consequence of an alcohol-related offense may deduct the cost of said device from their fines.

### (2) Type
Fee/Fine/Cost Dismissal or Credit

### (3) Authorizing Statute, Regulation or Other Authority
AS 12.55.102

### (4) Year Enacted
1989

### (5) Sunset or Repeal Date
None

### (6) Legislative Intent
Encourage corrective behavior

### (7) Public Purpose
Encourage corrective behavior

### (8) Estimated Revenue Impact
- FY 2011: $162,646
- FY 2012: $439,340
- FY 2013: $540,853
- FY 2014: $518,488
- FY 2015: $501,385

### (9) Cost to Administer
Not provided.

### (10) Number of Beneficiaries / Who Benefits
Not tracked.

---

## Legislative Finance Analysis per AS 24.20.235

### (1) Estimate of Annual Revenue Foregone by the State
$501,385

### (2) Estimate of Annual Monetary Benefit to Recipients
Indeterminate

### (3) Legislative Intent Met?
Yes

### (4) Should it be Continued, Modified or Terminated?
Recommend continue - the program is intended to improve public safety, not to generate revenue.
### Judiciary

<table>
<thead>
<tr>
<th>Applicable Program</th>
<th>Indirect Expenditure Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trial Courts</td>
<td>State of Alaska Agencies Exempt from Filing, Copy and Certifying Fees</td>
</tr>
</tbody>
</table>

#### Department of Revenue Submission per AS 43.05.095

1. **Description of Provision**
   Exempts Alaska state agencies from paying court fees.

2. **Type**
   Fee/Fine/Cost Dismissal or Credit

3. **Authorizing Statute, Regulation or Other Authority**
   Administrative Rules of Court, Section 9(f)(1)

4. **Year Enacted**
   1980

5. **Sunset or Repeal Date**
   None

6. **Legislative Intent**
   Legislative intent not applicable as provision is Court ordered

7. **Public Purpose**
   n/a

8. **Estimated Revenue Impact**
   - FY 2011 - $76,571
   - FY 2012 - $72,396
   - FY 2013 - $78,720
   - FY 2014 - $87,520
   - FY 2015 - $74,735

9. **Cost to Administer**
   Not provided.

10. **Number of Beneficiaries / Who Benefits**
    Not tracked.

---

#### Legislative Finance Analysis per AS 24.20.235

1. **Estimate of Annual Revenue Foregone by the State**
   $74,735

2. **Estimate of Annual Monetary Benefit to Recipients**
   Indeterminate

3. **Legislative Intent Met?**
   Yes

4. **Should it be Continued, Modified or Terminated?**
   Recommend continue
Judiciary

Applicable Program
Trial Courts

Indirect Expenditure Name
Suspended Court Ordered Fines and Surcharges

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision
The court may suspend imposition of sentence and place a defendant on probation when convinced the best interests of the public and the defendant are achieved by doing so.

(2) Type
Fee/Fine/Cost Dismissal or Credit

(3) Authorizing Statute, Regulation or Other Authority
AS 12.55.080

(4) Year Enacted
1962

(5) Sunset or Repeal Date
None

(6) Legislative Intent
Encourage corrective behavior

(7) Public Purpose
Encourage corrective behavior

(8) Estimated Revenue Impact
FY 2011 - $6,574,688
FY 2012 - $5,859,923
FY 2013 - $5,140,190
FY 2014 - $4,133,960
FY 2015 - $3,480,910

(9) Cost to Administer
Not provided.

(10) Number of Beneficiaries / Who Benefits
Not tracked.

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State
$3,480,910

(2) Estimate of Annual Monetary Benefit to Recipients
Indeterminate

(3) Legislative Intent Met?
Yes
Judiciary

Applicable Program
Trial Courts

Indirect Expenditure Name
Suspended Court Ordered Fines and Surcharges

Legislative Finance Analysis per AS 24.20.235

(4) Should it be continued, modified or terminated?
Recommend continue - the intent is to reform defendants, not to generate revenue.