

# off the record

a weekly legislative  
update from  
**Senator Kim Elton**

Room 504, State Capitol, Juneau, AK 99801 ♦ 465-4947 ♦ 465-2108 FAX ♦ Feb. 12, 1999

## on the move

*bills seeing action this week*

### **HB 45, Initiative and referendum petitions**

(Williams, R-Ketchikan) makes it tougher to get an initiative or referendum on the ballot. The bill increases the signature requirement by requiring signatures from 15% of those who voted in the preceding election in each of at least thirty House districts. Current law has a 10% signature requirement with no restriction on where the signatures are collected. Heard once in House State Affairs; more to come.

### **SJR 3, Repeal of regulations**

(Taylor, R-Wrangell), a repeat of last year's bill on the subject, proposes a constitutional amendment to allow the legislature to repeal regulations by legislative resolution. Resolutions are not required to have public hearing and cannot be vetoed by the governor. Sen. Pete Kelly (R-Fairbanks) objected that the repeal of regulations could mean the loss of an entire construction season, and could destabilize the economic environment. Held in Senate Finance for further work.

### **HB 74, Salary caps**

(Ogan, R-Wasilla) lowers the salary of top government officials to a maximum of Range 21, step F (approximately \$66,000), a substantial reduction for each position. Held over in House State Affairs.

### **SB 33, Task Force on Privatization**

(Ward, R-Anch) is similar to the bill vetoed by Gov. Knowles last year. It allows legislative leaders to appoint 10 of the 13 members and keeps legislative appointees in control of the panel which will recommend government functions to be privatized. In Senate Finance.

## What it's all about

from Senator  
Kim Elton


DISCUSSION OF ALASKA ISSUES that takes place outside the legislature is every bit as important as debates in legislative committees or on the floor. For that reason, I'm trying something new—a kind of faxed 'tip sheet' to about 100 Juneauites who are leaders in the business, education, non-profit, and religious communities. As Juneau leaders, you interact and deal with many others in Juneau. I hope this regular fax memo to you helps expand the dialogue on public policy issues.

This tip sheet won't try to duplicate broadcast or print news accounts but will, hopefully, give those accounts some perspective. I will strive to avoid the twin evils of being disputatious and controversial. There's far too much of that inside the Capitol; we need not carry it outside the building.

I hope, too, this fax newsletter won't just be a monologue. If the fax sparks an idea, please get in touch. Many of the good ideas in the legislature come from Alaskans outside the legislative process. Any help you can give will be appreciated.

## Overheard...

The billion dollar budget gap has legislators searching for new reductions and efficiencies. In response to the suggestion the state should capture the miles earned by bureaucrats flying hither and yon, one legislative leader was overheard nixing the idea because legislators weren't ready to give up their own miles racked up on state-paid junkets.



**capitol  
move  
pulse:**

Two bills propose to move the legislature to Anchorage: HB 26 by Rep. Kohring, and HB39 by Rep. Joe Green. Both have been referred to the House State Affairs and Finance committees, but neither bill has been scheduled.

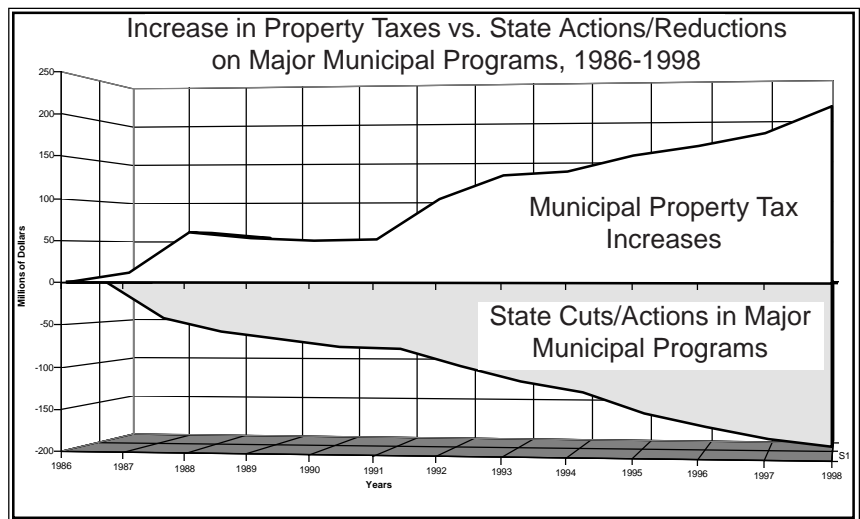
# Budget cuts spark tax education effort

Three Fairbanks assembly members are sticking pins in legislative budget rhetoric.

*The Fairbanks Daily News-Miner* reports the assembly members want to include language on annual borough property tax that says: "Cuts in state funding for local government over the past ten years have increased your tax bill by \$\_\_\_\_." One of the sponsors said state budget cuts account for 6.42 mills of the Fairbanks borough's property tax bite, or an increase of \$642 in property taxes on a \$100,000 home.

Legislators are understandably upset over the assembly members' proposal. Legislative budget rhetoric usually focuses on how much is cut from the budget—not on the trickle-down effect on property taxes. One legislator said "I just think it's counter-productive to point the finger."

The Fairbanks' initiative is just the latest salvo from municipal leaders. The Alaska Municipal League and its members openly fidget when legislators take credit for cutting budgets and not raising taxes.

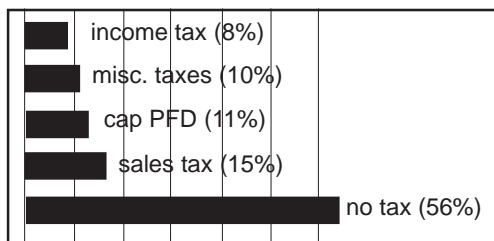


Statewide, local property taxes have increased by \$201.2 million since 1968. State actions/reductions on major municipal programs total \$195.3 million since 1986. (Source: "Alaska Taxable" 1986 to 1998, Dept. of Community & Regional Affairs; Dept. of Education funding reports 1986 to 1997.)

## A fiscal earful

This office has been hearing its share of budget advice from the Alaskan public. A tally of Public Opinion Messages (or POM's) received over the last month shows opinions on our fiscal problem range widely. While a little over half (56%) rule out any taxes and suggest further budget cuts, a significant number (44%) are willing to consider *some* kind of tax. See inset for the breakdown.

### Public Opinion Messages



*\*This is by no means a scientific poll. Respondents are individuals from around the state who chose to contact us.*

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## We're nervous... a budget fix is hard to find

The mood in the Capitol is nervous. Alaska's free lunch used to have all the fixins' and now we're down to bread and water. The options don't look good politically. Touch the permanent fund, and you're dead. Pass an income tax—you're dead. Try squeezing the oil industry for bigger nickels, and you're dead. What's left?

Except for a couple of ideologues who believe we can somehow cut a billion dollars from the budget and not kill the economy, most folks realize it's time to find new sources of revenue. Fortunately, with \$28 billion in reserve funds and the earnings that spin off those 'pots' of money, we have the luxury of options.

At the economic forum in Juneau last week, the president of GCI had it exactly right: we don't have a fiscal crisis. We have a political crisis. All we need to do is find the political will to make choices. But we're nervous about the political consequences of those choices, and so decisions are still in short supply.