

State of Alaska FY2002 Governor's Operating Budget

Department of Law
Commercial Section
Component

Component: Commercial Section

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Component Mission

Mission statement appears at the department summary and BRU levels.

Component Services Provided

Provide representation, defense, advice, and counsel to the following divisions and corporations within the Departments of Revenue, Community and Economic Development, Labor and Workforce Development, Natural Resources and Law.

DEPARTMENT OF REVENUE:

Income and Excise Audit Division:

- Assist in negotiation of income and excise tax settlements.
- Defend appeals of tax assessments.
- Defend tax legislation against constitutional challenges.
- Appeal adverse decisions of the office of tax appeals to the superior court.
- Defend appeals or original actions on unclaimed property and provide legal advice concerning contracts with third parties for collection of unclaimed property.
- Defend appeals or original actions in enforcement of charitable gaming.

Permanent Fund Dividend Division:

- Defend appeals of dividend denials.
- Assist in drafting regulations.

Alaska Housing Finance Corporation:

- Act as corporate counsel providing general advice on personnel, procurement, and contractual matters.
- Provide legal advice relating to AHFC's mortgage lending, public housing, and residential energy activities.
- Represent the corporation in litigation.

Alcoholic Beverage Control Board:

- Provide legal advice regarding the issuance and renewal of alcoholic beverage licenses and on disciplinary matters relating to license holders.
- Assist the board with the drafting and adoption of regulations.

DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT:

Occupational Licensing Division:

- Assist in negotiation of settlements or resolutions of license denials and license discipline.
- Defend appeals of license denial and license discipline.
- Advise professional boards on legislative and constitutional limitations on their authority.
- Assist in drafting and repealing of regulations.

Investments:

- Obtain judgments on defaulted loans.

Banking, Securities and Corporations:

- Defend appeals of cease and desist orders against securities brokers and salespeople.
- Defend appeals of orders regarding proxy challenges.

DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT:

Employment Security Division:

- Provide employment security tax collection activities.

DEPARTMENT OF NATURAL RESOURCES:

Agricultural Revolving Loan Fund:

- Act as legal counsel to the Division of Agriculture on matters relating to agricultural loans and foreclosed properties.

Component Goals and Strategies

Provide legal services on revenue and commercial matters.

Protect the integrity of the public fisc through fair interpretation, implementation, enforcement, defense, or adoption of Alaska's revenue, permanent fund dividend, employment security, and lending statutes and regulations.

Protect public health and safety through fair interpretation, implementation, enforcement, defense, or adoption of Alaska's occupational licensing, alcoholic beverage control, banking, securities and corporation, statutes and regulations.

Provide representation and legal advice (attorney general opinions) to client agencies and boards.

Defend appeals of income and excise tax assessments.

Defend appeals of permanent fund dividend denials (Juneau).

Defend appeals of occupational license denials or discipline.

Defend appeals of cease and desist orders entered by the Division of Banking, Securities, and Corporations.

Collect money owed the state on defaulted investments, and Alaska Housing Finance Corporation and agricultural loans.

Prepare and review all legislation and regulations on behalf of client agencies and boards.

Key Component Issues for FY2001 – 2002

The authority of the Department of Law to bring actions to prevent abuse of the charitable gaming laws and regulations, independent of the Department of Revenue.

Major Component Accomplishments for FY2000

Briefed and argued cases in the Alaska Supreme Court on tax issues, liquor licensing, landlord-tenant law and occupational licensing cases.

Represented the Department of Revenue's gaming unit in suit for damages against a manager of a charitable gaming operation and an owner of a bingo supply company. After the superior court issued an order that would have prevented Revenue from litigating many of its claims, the section successfully petitioned the Alaska Supreme Court to review the order. The court rarely grants such petitions.

Defended cease and desist order concerning misleading proxy in administrative hearing.

Brought 25 cases against employers who failed to pay employment security taxes.

Represented state agencies in at least 15 bankruptcy proceedings.

Filed 2 housing fraud cases for AHFC including obtaining a \$52,592 judgment.

Obtained dismissal of \$25 million personal injury claim against AHFC.

Completed 2 quiet title actions for AHFC.

Closed four Agricultural Revolving Loan Fund collection cases.

Advised and assisted the Alcoholic Beverage Control Board staff in filing 4 accusations against liquor license holders.

Assisted and advised state agencies on numerous legislation and regulations projects.

Revised state hearing officer's manual.

Represented state occupational licensing boards in 40 administrative proceedings in license denial cases.

Represented the Department of Revenue before the Alaska Supreme Court in two cases where the court affirmed the Department's denial of the appellant's applications for Alaska Permanent Fund Dividends.

Statutory and Regulatory Authority

AS 44.23.020

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Component Financial Summary

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,086.6	1,148.2	1,164.9
72000 Travel	23.1	18.2	18.2
73000 Contractual	344.9	673.8	642.6
74000 Supplies	16.9	25.0	25.0
75000 Equipment	14.5	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,486.0	1,865.2	1,850.7
Funding Sources:			
1004 General Fund Receipts	244.4	274.8	275.2
1007 Inter-Agency Receipts	1,241.6	1,588.5	1,575.5
1053 Investment Loss Trust Fund	0.0	1.4	0.0
1108 Statutory Designated Program Receipts	0.0	0.5	0.0
Funding Totals	1,486.0	1,865.2	1,850.7

Estimated Revenue Collections

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
Unrestricted Revenues						
Unrestricted Fund	68515	0.2	0.0	0.0	0.0	0.0
Unrestricted Total		0.2	0.0	0.0	0.0	0.0
Restricted Revenues						
Interagency Receipts	51015	1,241.6	1,588.5	1,580.1	1,575.5	1,652.9
Statutory Designated Program Receipts	51063	0.0	0.5	0.0	0.0	0.0
Investment Loss Trust Fund	51393	0.0	1.4	0.0	0.0	0.0
Restricted Total		1,241.6	1,590.4	1,580.1	1,575.5	1,652.9
Total Estimated Revenues		1,241.8	1,590.4	1,580.1	1,575.5	1,652.9

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Proposed Changes in Levels of Service for FY2002

No service changes.

Summary of Component Budget Changes From FY2001 Authorized to FY2002 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	276.2	0.0	1,589.0	1,865.2
Adjustments which will continue current level of service:				
-Convert Special FY2001 Labor Cost Fund Sources to GF	0.5	0.0	-0.5	0.0
-Year 2 Labor Costs - Net Change from FY 2001	-1.5	0.0	-13.0	-14.5
FY2002 Governor	275.2	0.0	1,575.5	1,850.7

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Personal Services Information

Authorized Positions			Personal Services Costs	
	FY2001 Authorized	FY2002 Governor		
Full-time	13	14	Annual Salaries	929,711
Part-time	1	2	COLA	20,014
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	263,719
			<i>Less 4.00% Vacancy Factor</i>	<i>(48,538)</i>
			Lump Sum Premium Pay	0
Totals	14	16	Total Personal Services	1,164,906

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Assoc Attorney I	0	0	1	0	1
Attorney II	0	0	1	0	1
Attorney III	2	0	1	0	3
Attorney IV	4	0	0	0	4
Attorney V	1	0	2	0	3
Legal Secretary I	2	0	1	0	3
Legal Secretary II	1	0	0	0	1
Totals	10	0	6	0	16