


FROM: Representative Norman Rokeberg 
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RE: May 2004 Westside Pulse Article

**Working Toward a Fiscal Plan
By Representative Norman Rokeberg
House District 27**

When you read this in early May, the Legislature will be adjourned or close to adjournment. As I write this in early April, we still have approximately a month to go. I thought I would take the time to write about the struggle to adopt a long range fiscal plan.

In 1999, the Legislature placed before the voters, in a special election, an advisory vote on a long-range fiscal plan. In December 2001, the Fiscal Policy Caucus presented its "Fact and Findings for a Long-Range Fiscal Plan". In 2002, the House adopted four pieces of legislation as its long-range fiscal plan. These bills included an income tax (which I voted against), conversion of the Permanent Fund payouts to an endowment model, increase the alcohol tax (which was adopted and became law), and a community municipal dividend bill. With the exception of the alcohol tax, all proposals failed in the Senate.

Fast forward to 2004 and we are still working on a long-range fiscal plan. So how do we development a long range plan? In order to do that, we need the cooperation of the House, the Senate, the Administration, and the people of Alaska. The House has been working on various pieces of legislation that would fit into a long-range plan. What's the struggle? Here's some examples:

- A. Legislature: There are 40 members of the House and 20 members of the Senate, each one with a different idea and constituents with different ideas. There are also philosophical splits about taxes, Permanent Fund, and how to approach a long-range plan. Do we need the whole plan before it moves or can we piece meal a plan? What should the plan contain?

Individual legislators have proposed revenue enhancement measures: Rep. Moses' income tax with a credit for payment of Alaska property tax; Rep. Wilson's employment tax; the House Ways & Means Committee's proposal on a state sales and use tax; Rep. Gara's legislation on revising the Economic Limit Factor concerning the oil severance tax, etc.

Last year, we adopted a rental tax on passenger and recreational vehicles.

- B. Administration: The Governor has presented legislation calling for a series of "revenue enhancements" (taxes). Last year, fees for tires, charitable gaming and revenue taxes, and increased business license fees were adopted. The Governor also proposed increasing the motor fuel tax and that is still available legislation.

This year the Governor has proposed increased taxes on cigarettes, establishing a tourism sales and use tax, etc.

- C. Alaska's Citizens: Alaskans have not been shy about letting the Legislature know what they want: cut the budget, increase the budget, institute an income tax, adopt the POMV approach, do nothing, do something, vote on any new taxes, don't vote on new taxes, etc. There are groups advocating for and against the POMV plan. There are citizens groups wanting no taxes and those willing to consider taxing the other guy but not them, etc. Legislators listen to these conflicting voices and then attempt to make a balanced decision – what is needed for the State and best for its citizens is the question the uppermost on many legislators' minds.

As with any large and diverse group we struggle along, negotiate, and try to come up with a plan. As a legislator, I believe there is a need for some kind of plan NOW. We have been "blessed" with higher than anticipated oil revenue but that is a shaky table on which to stand. I think it is time for the ostriches in Alaska to get their heads out of the sand, look around and recognize that something needs to be done NOW about Alaska's fiscal situation.

I look forward to returning home and talking with you personally.

If you wish to contact me during the 2004 legislative session, please: write me at: State Capitol, Juneau, AK 99801-1182; telephone: 1-800-773-4968 or 907-465-4968; fax: (907) 465-2040; e-mail: Representative_Norman_Rokeberg@legis.state.ak.us; or call 269-0111 and send a public opinion message. After the close of the legislative session, please call me at (907) 269-0117 or fax (907) 269-0119. My e-mail address remains the same.