

**CS FOR HOUSE BILL NO. 412(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 3/29/96

Referred: Rules

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act making appropriations for the operating and loan program expenses  
2 of state government, for certain programs, and to capitalize funds; making  
3 appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska,  
4 from the constitutional budget reserve fund; and providing for an effective  
5 date."

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

7 \* **Section 1.** ALASKA CLEAN AIR PROTECTION FUND. Upon the effective date of  
8 the clean air protection fund established in AS 46.14.260, an amount equal to the fiscal year  
9 1997 receipts from air permit fees collected under AS 46.14.240 - 46.14.250, less the amount  
10 of those receipts that have been expended or obligated for expenditure, is appropriated to the  
11 clean air protection fund.

12 \* **Sec. 2.** ALASKA CLEAN WATER FUND. The sum of \$8,815,400 is appropriated to  
13 the Alaska clean water fund (AS 46.03.032) for the Alaska clean water loan program from the

1 following sources:

|   |                  |             |
|---|------------------|-------------|
| 2 | General fund     | \$1,469,200 |
| 3 | Federal receipts | 7,346,200   |

4 \* **Sec. 3.** ALASKA HOUSING FINANCE CORPORATION. (a) The sum of \$70,000,000  
5 from the available unrestricted cash in the general account of the Alaska housing finance  
6 revolving fund (AS 18.56.082) is anticipated to be transferred to the general fund during fiscal  
7 year 1997 by the direction of the Alaska Housing Finance Corporation board.

8 (b) All unrestricted mortgage loan interest payments, mortgage loan commitment fees,  
9 and all other unrestricted receipts, received by or accrued to the Alaska Housing Finance  
10 Corporation during fiscal year 1997, and all income earned on assets of the corporation during  
11 that period, are appropriated to the Alaska Housing Finance Corporation to hold as corporate  
12 receipts for the purposes described in AS 18.56. The corporation shall allocate its corporate  
13 receipts among the Alaska housing finance revolving fund (AS 18.56.082), housing assistance  
14 loan fund (AS 18.56.420), and senior housing revolving fund (AS 18.56.710) in accordance  
15 with procedures adopted by the board of directors.

16 (c) The following amounts are appropriated to the Alaska Housing Finance  
17 Corporation from the sources indicated and for the following purposes:

| 18 | PURPOSE                 | AMOUNT        | SOURCE                     |
|----|-------------------------|---------------|----------------------------|
| 19 | Housing loan programs   | \$350,000,000 | Corporate receipts         |
| 20 | that are not subsidized |               |                            |
| 21 | by Alaska Housing       |               |                            |
| 22 | Finance Corporation     |               |                            |
| 23 | Housing loan programs   | 50,000,000    | Corporate receipts derived |
| 24 | and projects that are   |               | from arbitrage earnings    |
| 25 | subsidized by Alaska    |               |                            |
| 26 | Housing Finance         |               |                            |
| 27 | Corporation             |               |                            |

28 \* **Sec. 4.** ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY. The  
29 sum of \$21,000,000 from the available unrestricted cash in the Alaska Industrial Development  
30 and Export Authority revolving fund (AS 44.88.060) is anticipated to be transferred by the  
31 direction of the Alaska Industrial Development and Export Authority Board to the general

1 fund. The funds shall be deposited to the general fund when received during fiscal year 1997.

2 \* **Sec. 5. ALASKA PERMANENT FUND CORPORATION.** (a) The amount authorized  
3 for transfer by the Alaska Permanent Fund Corporation under AS 37.13.145(b) is appropriated  
4 from the earnings reserve account (AS 37.13.145) to the dividend fund (AS 43.23.045(a)) for  
5 the payment of permanent fund dividends and administrative and associated costs.

6 (b) After money is transferred to the dividend fund under (a) of this section, the  
7 amount calculated under AS 37.13.145 to offset the effect of inflation on the principal of the  
8 Alaska permanent fund is appropriated from the earnings reserve account (AS 37.13.145) to  
9 the principal of the Alaska permanent fund.

10 (c) The amount required to be deposited under AS 37.13.010(a)(1) and (2) during  
11 fiscal year 1997 is appropriated to the principal of the Alaska permanent fund in satisfaction  
12 of that requirement.

13 (d) The interest earned during fiscal year 1997 on revenue from the sources set out  
14 in AS 37.13.010 while the revenue is held in trust, escrow, or otherwise before receipt by the  
15 state is appropriated to the principal of the Alaska permanent fund.

16 \* **Sec. 6. ALASKA PUBLIC UTILITIES COMMISSION.** The balance on June 30, 1996,  
17 of the Alaska Public Utilities Commission program receipts account for regulatory cost  
18 charges under AS 42.05.254 and AS 42.06.286 for fiscal year 1996 is appropriated to the  
19 Alaska Public Utilities Commission for fiscal year 1997 expenditures.

20 \* **Sec. 7. ALASKA SEAFOOD MARKETING INSTITUTE.** An amount equal to the fiscal  
21 year 1996 general fund receipts from the salmon marketing tax (AS 43.76.110), from the  
22 seafood marketing assessment (AS 16.51.120), and from the fisheries resource landing tax  
23 (AS 43.77.050), less the amount of those receipts expended or obligated during fiscal year  
24 1996, is appropriated from the general fund to the Alaska Seafood Marketing Institute for  
25 marketing Alaska seafood products during fiscal year 1997.

26 \* **Sec. 8. CONSTITUTIONAL AND STATUTORY BUDGET RESERVE FUNDS.** (a)  
27 Amounts equal to the deposits in the budget reserve fund (art. IX, sec. 17, Constitution of the  
28 State of Alaska) for fiscal year 1996, that were made by operation of art. IX, sec. 17(d) to  
29 repay appropriations from the budget reserve fund are appropriated from the budget reserve  
30 fund to the funds and accounts from which they were transferred.

31 (b) If, after the appropriation under (d) of this section is made, the unrestricted state

1 revenue available for appropriation in fiscal year 1997 is insufficient to cover the general fund  
2 appropriations made for fiscal year 1997, the amount necessary to balance revenue and general  
3 fund appropriations is appropriated to the general fund from the budget reserve fund (art. IX,  
4 sec. 17, Constitution of the State of Alaska).

5 (c) The appropriations made by (a) and (b) of this section are made under art. IX,  
6 sec. 17(c), Constitution of the State of Alaska.

7 (d) If the unrestricted state revenue available for appropriation in fiscal year 1997 is  
8 insufficient to cover the general fund appropriations made for that fiscal year 1997, the  
9 amount necessary to balance revenue and general fund appropriations is appropriated to the  
10 general fund from the budget reserve fund (AS 37.05.540).

11 \* **Sec. 9. DISAPPROVAL OF MONETARY TERMS OF COLLECTIVE BARGAINING**  
12 **AGREEMENTS.** (a) The monetary terms of each of the collective bargaining agreements  
13 listed in (b) of this section are rejected under AS 23.40.215 unless the legislature adopts a  
14 separate appropriation item whose purpose is stated to be to fund the monetary terms of that  
15 agreement. Money appropriated in this Act may not be used to implement the monetary terms  
16 of any of the collective bargaining agreements listed in (b) of this section unless the  
17 appropriation item states specifically that its purpose is to fund the monetary terms of the  
18 collective bargaining agreement.

19 (b) This section applies to the collective bargaining agreements negotiated between  
20 the state and the following bargaining organizations:

- 21 (1) Alaska State Employees Association, for the General Government Unit;
- 22 (2) Alaska Public Employees Association, for the Supervisory Unit;
- 23 (3) Public Employees Local 71, for the Labor, Trades and Crafts Unit;
- 24 (4) Inland Boatmen's Union of the Pacific, representing the unlicensed marine  
25 unit for a contract for the period October 10, 1994, through May 31, 1996;
- 26 (5) Inland Boatmen's Union of the Pacific, representing the unlicensed marine  
27 unit for a contract for the period June 1, 1996, through May 31, 1999;
- 28 (6) International Organization of Masters, Mates, and Pilots, Pacific Maritime  
29 Region, for the Masters, Mates, and Pilots Unit;
- 30 (7) Public Safety Employees Association, representing state troopers and other  
31 commissioned law enforcement personnel;

1 (8) Alyeska Centralized School Employees Association, representing teachers  
2 at the Alyeska Correspondence School;

3 (9) International Brotherhood of Electrical Workers representing nonjudicial,  
4 nonsupervisory, classified employees of the Alaska Court System;

5 (10) the Classified Employees Association, representing University of Alaska  
6 employees; and

7 (11) the Alaska Community Colleges' Federation of Teachers, representing  
8 faculty members of the University of Alaska.

9 \* **Sec. 10.** DISASTER RELIEF FUND. The sum of \$9,000,000 is appropriated from  
10 federal receipts to the disaster relief fund (AS 26.23.300).

11 \* **Sec. 11.** FEDERAL AND OTHER PROGRAM RECEIPTS. (a) Federal or other  
12 program receipts as defined in AS 37.05.146 that exceed the amounts appropriated by this Act  
13 are appropriated conditioned upon compliance with the program review provisions of  
14 AS 37.07.080(h).

15 (b) If federal or other program receipts as defined in AS 37.05.146 exceed the  
16 estimates appropriated by this Act, the appropriations from state funds for the affected  
17 program may be reduced by the excess if the reductions are consistent with applicable federal  
18 statutes.

19 (c) Except as provided in (d) of this section, if federal or other program receipts as  
20 defined in AS 37.05.146 fall short of the estimates appropriated by this Act, the affected  
21 appropriation is reduced by the shortfall in receipts.

22 (d) If the federal receipts under 42 U.S.C. 1397 - 1397f (Title XX of the Social  
23 Security Act) fall short of the estimate, the amount of the shortfall, not to exceed \$6,310,800,  
24 is appropriated from the general fund.

25 \* **Sec. 12.** FOUR DAM POOL TRANSFER FUND. The amount available in the four dam  
26 pool transfer fund (AS 42.45.050) during fiscal year 1997 is appropriated to the following  
27 funds in the following percentages for the purposes set out in AS 42.45.050:

|   |            |
|---|------------|
| 28 Power cost equalization and rural electric | 40 percent |
| 29 capitalization fund (AS 42.45.100)         |            |
| 30 Southeast energy fund (AS 42.45.040)       | 40 percent |
| 31 Power project fund (AS 42.45.010)          | 20 percent |

1     **\* Sec. 13.** INFORMATION SERVICES FUND. The sum of \$21,736,500 is appropriated  
2 to the information services fund (AS 44.21.045) for the Department of Administration,  
3 division of information services programs, from the following sources:

|   |  |    |            |
|---|--|----|------------|
| 4 | General fund program receipts                  | \$ | 55,000     |
| 5 | Inter-agency receipts                          |    | 21,531,000 |
| 6 | Inter-agency receipts/oil and hazardous        |    | 150,500    |
| 7 | substance release prevention and response fund |    |            |

8     **\* Sec. 14.** INSURANCE AND BOND CLAIMS. (a) Amounts necessary to fund the uses  
9 of the state insurance catastrophe reserve account described in AS 37.05.289(a) are  
10 appropriated from that account to the Department of Administration.

11         (b) Amounts equivalent to the amounts to be received in settlement of insurance  
12 claims for losses and the amounts to be received as recovery for losses are appropriated from  
13 the general fund to the state insurance catastrophe reserve account established by  
14 AS 37.05.289.

15         (c) Amounts equivalent to the amounts to be received in settlement of claims against  
16 bonds guaranteeing the reclamation of state land are appropriated from the general fund to the  
17 agency secured by the bond. This appropriation is made for the purpose of reclaiming state  
18 land affected by a use covered by the bond.

19         (d) The appropriations made by (b) and (c) of this section are contingent upon  
20 compliance with the program review provisions of AS 37.07.080(h).

21     **\* Sec. 15.** MARINE HIGHWAY SYSTEM FUND. The sum of \$28,281,900 is  
22 appropriated from the general fund to the Alaska marine highway system fund (AS 19.65.060).

23     **\* Sec. 16.** MOTOR FUEL TAX. The following amounts from the unreserved special  
24 accounts in the general fund are included within the general fund amounts appropriated by this  
25 Act:

|    |   |              |
|----|---|--------------|
| 26 | Highway fuel tax account (AS 43.40.010(g))  | \$22,500,000 |
| 27 | Aviation fuel tax account (AS 43.40.010(e)) | 7,500,000    |

28     **\* Sec. 17.** OCCUPATIONAL LICENSING. The unexpended and unobligated balance on  
29 June 30, 1996, of the Department of Commerce and Economic Development, division of  
30 occupational licensing, general fund program receipts from occupational licensing fees under  
31 AS 08.01.065 is appropriated to the division of occupational licensing for operating costs for

1 the fiscal year ending June 30, 1997.

2 \* **Sec. 18.** OIL AND HAZARDOUS SUBSTANCE RELEASE PREVENTION  
3 ACCOUNT. (a) The following amounts are appropriated to the oil and hazardous substance  
4 release prevention account (AS 46.08.010(a)(1)) in the oil and hazardous substance release  
5 prevention and response fund (AS 46.08.010) from the sources indicated:

6 (1) the balance of the oil and hazardous substance release prevention mitigation  
7 account (AS 46.08.020(b)) in the general fund on July 1, 1996, not otherwise appropriated by  
8 this Act;

9 (2) the amount of \$14,000,000, derived from the surcharge collected under  
10 AS 43.55.300 during fiscal year 1996.

11 (b) The appropriation made by (a)(2) of this section is based on revenue estimates.  
12 If the amount in the general fund that is derived from the surcharge collected under  
13 AS 43.55.300 during fiscal year 1996 is greater than the appropriation made by (a)(2) of this  
14 section, that appropriation is increased to that greater amount.

15 \* **Sec. 19.** OIL AND HAZARDOUS SUBSTANCE RELEASE RESPONSE ACCOUNT.  
16 The following amounts are appropriated to the oil and hazardous substance release response  
17 account (AS 46.08.010(a)(2)) in the oil and hazardous substance release prevention and  
18 response fund (AS 46.08.010) from the following sources:

19 (1) the balance of the oil and hazardous substance release response mitigation  
20 account (AS 46.08.025(b)) in the general fund on July 1, 1996, not otherwise appropriated by  
21 this Act;

22 (2) the amount derived from the surcharge collected under AS 43.55.201  
23 during fiscal year 1996.

24 \* **Sec. 20.** RETAINED FEES. An amount not to exceed the amount retained as fees by  
25 a collector of fees, licenses, taxes, or other money belonging to the state is appropriated from  
26 the fees, licenses, taxes, or other money belonging to the state that are collected during fiscal  
27 year 1997 to the agency authorized by law to generate the revenue for the purpose of  
28 compensating the collector for services rendered for the fiscal year ending June 30, 1997.

29 \* **Sec. 21.** SAFETY ADVISORY COUNCIL. The amount appropriated for the 1996  
30 annual governor's safety conference (sec. 28, ch. 94, SLA 1995), plus the fiscal year 1996  
31 program receipts of the Safety Advisory Council (AS 18.60.830), less the amount expended

1 or obligated for the 1996 annual governor's safety conference, is appropriated from the general  
2 fund to the Safety Advisory Council for costs of the 1997 annual governor's safety conference.

3 \* **Sec. 22.** SALMON ENHANCEMENT TAX. The salmon enhancement tax collected  
4 under AS 43.76.010 - 43.76.030 in calendar year 1995 and deposited in the general fund under  
5 AS 43.76.025(c) is appropriated from the general fund to the Department of Commerce and  
6 Economic Development for payment in fiscal year 1997 to qualified regional associations  
7 operating within a region designated under AS 16.10.375.

8 \* **Sec. 23.** SHARED TAXES AND FEES. The amounts necessary to refund to local  
9 governments their share of taxes and fees collected in the listed fiscal years under the  
10 following programs are appropriated to the Department of Revenue from the general fund for  
11 payment in fiscal year 1997:

| 12 | REVENUE SOURCE                          | FISCAL YEAR COLLECTED |
|----|---|-----------------------|
| 13 | fisheries tax (AS 43.75)                | 1996                  |
| 14 | fishery resource landing tax (AS 43.77) | 1996                  |
| 15 | amusement and gaming tax (AS 43.35)     | 1997                  |
| 16 | aviation fuel tax (AS 43.40.010)        | 1997                  |
| 17 | electric and telephone                  |                       |
| 18 | cooperative tax (AS 10.25.570)          | 1997                  |
| 19 | liquor license fee (AS 04.11)           | 1997                  |

20 \* **Sec. 24.** STATE OBLIGATIONS. (a) The amount required to pay interest on revenue  
21 anticipation notes issued by the commissioner of revenue under AS 43.08 is appropriated from  
22 the general fund to the Department of Revenue for payment of the interest on those notes.

23 (b) The amount required to be paid by the state for principal and interest on all issued  
24 and outstanding state-guaranteed bonds is appropriated from the general fund to the state bond  
25 committee for payment of principal and interest on those bonds.

26 (c) The sum of \$94,741,184 is appropriated from the general fund to the Alaska debt  
27 retirement fund (AS 37.15.011).

28 (d) The sum of \$9,595,925 is appropriated from the Alaska debt retirement fund  
29 (AS 37.15.011) to the state bond committee for lease payments to the City of Seward, City  
30 of Kenai, Department of Natural Resources, and the Alaska Court System.

31 (e) The sum of \$16,528,682 is appropriated from the Alaska debt retirement fund

1 (AS 37.15.011) to the state bond committee for payment of debt service and trustee fees on  
2 state general obligation bonds.

3 (f) The sum of \$5,805,963 is appropriated from the international airports revenue fund  
4 (AS 37.15.430) to the state bond committee for payment of debt service and trustee fees on  
5 outstanding international airports revenue bonds.

6 (g) The sum of \$68,616,577 is appropriated from the Alaska debt retirement fund  
7 (AS 37.15.011) to the Department of Education for state aid for costs of school construction  
8 under AS 14.11.100.

9 \* **Sec. 25.** STATE TRAINING AND EMPLOYMENT PROGRAM. The lapsing balance  
10 of the employment assistance and training program fund (sec. 3, ch. 95, SLA 1989, as  
11 amended by sec. 33, ch. 2, FSSLA 1992) on June 30, 1996, is appropriated to the  
12 unemployment compensation fund (AS 23.20.130).

13 \* **Sec. 26.** STORAGE TANK REGISTRATION FEES. (a) The fiscal year 1997 general  
14 fund receipts of the tank registration fee program under AS 46.03.385 are appropriated to the  
15 storage tank assistance fund (AS 46.03.410).

16 (b) The sum of \$2,853,800 is appropriated from the oil and hazardous substance  
17 release prevention account (AS 46.08.010(a)(1)) to the storage tank assistance fund  
18 (AS 46.03.410) for the fiscal year ending June 30, 1997.

19 \* **Sec. 27.** STUDENT LOAN PROGRAM. The amount assessed for loan guarantee fees  
20 from student loan borrowers of the Alaska Commission on Postsecondary Education is  
21 appropriated to the guarantee fee account (AS 14.43.120(u)) within the student loan fund of  
22 the Alaska Student Loan Corporation for the purposes specified in AS 14.43.120(u).

23 \* **Sec. 28.** NONLAPSE OF APPROPRIATIONS. The appropriations made by secs. 1, 2,  
24 3, 10, 12, 13, 14(b), 15, 18, 19, 25, 26(a), and 27 of this Act are for the capitalization of funds  
25 and do not lapse under AS 37.25.010.

26 (SECTION 29 OF THIS ACT BEGINS ON PAGE 12)